

# MAINE STATE LEGISLATURE

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(Filing No. S-**483**)

**MAJORITY**

**LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT**

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**STATE OF MAINE**

**SENATE**

**125TH LEGISLATURE**

**SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "**A**" to S.P. 589, L.D. 1725, Bill, "An Act To Strengthen the Unemployment Insurance Laws and Reduce Unemployment Fraud"

Amend the bill in section 1 in subsection 1 by striking out the blocked paragraph (page 1, lines 13 to 17 in L.D.) and inserting the following:

'Each false statement or representation or failure to disclose a material fact ~~shall constitute~~ constitutes a separate offense. Unemployment fraud is a ~~Class D crime~~ theft by deception under Title 17-A, section 354.'

Amend the bill in section 2 in subsection 2 in the blocked paragraph in the 5th and 6th lines (page 1, lines 33 and 34 in L.D.) by striking out the following: "until the documentation is provided." and inserting the following: 'in accordance with section 1194, subsection 2 for the week or weeks for which no documentation was provided'

Amend the bill in section 4 in subsection 13 in the 3rd line (page 2, line 11 in L.D.) by striking out the following: "commission, the individual participates in those services, unless the commission" and inserting the following: 'Department of Labor, the individual participates in those services, unless the department'

Amend the bill in section 5 in §1192 in the first paragraph in the first line (page 2, line 17 in L.D.) by inserting after the following: "2," the following: '3,'

Amend the bill in section 5 in §1192 in the first paragraph in the 2nd to last line (page 2, line 25 in L.D.) by inserting after the following: "nature" the following: ', including child care emergencies and transportation emergencies'

Amend the bill in section 6 in subsection 2 in the first paragraph in the 2nd to last line (page 2, line 31 in L.D.) by striking out the following: "10" and inserting the following: '8'

Amend the bill in section 6 in subsection 2 in paragraph A in the 2nd to last line (page 2, line 35 in L.D.) by striking out the following: "10" and inserting the following: '8'

**COMMITTEE AMENDMENT**

1 Amend the bill in section 7 in subsection 3 in paragraph A in the 2nd line (page 3,  
2 line 13 in L.D.) by striking out the following: "6" and inserting the following: '10'

3 Amend the bill in section 7 in subsection 3 in paragraph A in the blocked paragraph  
4 in the first line (page 3, line 19 in L.D.) by striking out the following: "6" and inserting  
5 the following: '10'

6 Amend the bill in section 9 in subsection 6 in the last line (page 4, line 30 in L.D.) by  
7 striking out the following: "an indefinite period" and inserting the following: 'a period of  
8 time to be determined by the commissioner'

9 Amend the bill by inserting after section 9 the following:

10 **'Sec. 10. Interdepartmental cooperation.** The Department of Labor shall work  
11 with the United States Department of Labor to explore allowing alternatives for  
12 individuals for whom in-person participation in the first reemployment eligibility  
13 assessment session is unduly burdensome based on travel distance and shall adopt  
14 standards to implement any allowable and feasible alternatives. If permitted by the  
15 Federal Government, the department shall develop standards and procedures to provide  
16 alternatives to in-person participation for all subsequent reemployment eligibility  
17 assessment sessions for individuals for whom travel to such sessions would be unduly  
18 burdensome. Waiver of in-person participation in services must be made on a case-by-  
19 case basis in accordance with standards adopted by the department. If alternatives to in-  
20 person participation are allowed and are available, the department shall notify all  
21 individuals affected by this section of any standards or procedures providing an  
22 alternative to in-person participation in reemployment eligibility assessment services.'

23 **SUMMARY**

24 This amendment, which is the majority report of the committee, amends the bill to  
25 clarify that criminal prosecutions may be brought against both individuals and employers  
26 who commit unemployment fraud. It adds child care emergencies and transportation  
27 emergencies to the list of good cause exceptions for registering for work, being able and  
28 available for work and participating in reemployment services. It changes the amount of  
29 earnings an individual must make before qualifying for benefits after being discharged for  
30 misconduct from 10 times the weekly benefit amount to 8 times the weekly benefit  
31 amount. It changes the number of weeks after which an individual must broaden the  
32 individual's work search requirements from 6 weeks to 10 weeks. The amendment also  
33 clarifies that the Commissioner of Labor may determine the amount of time a claimant is  
34 disqualified from receiving benefits after a 3rd occurrence of statement falsification or  
35 misrepresentation. It requires the Department of Labor to explore alternatives to in-  
36 person participation in reemployment eligibility assessment sessions if travel is unduly  
37 burdensome.

38 **FISCAL NOTE REQUIRED**

39 (See attached)



# 125th MAINE LEGISLATURE

LD 1725

LR 2554(02)

## An Act To Strengthen the Unemployment Insurance Laws and Reduce Unemployment Fraud

**Fiscal Note for Bill as Amended by Committee Amendment "A" S 483**  
**Committee: Labor, Commerce, Research and Economic Development**  
**Fiscal Note Required: Yes**

### Fiscal Note

Potential current biennium savings - Unemployment Compensation Trust Fund  
Potential future biennium revenue decrease - Unemployment Compensation Trust Fund

#### Fiscal Detail and Notes

Including vacation pay as a deductible income when calculating a claimant's unemployment compensation benefit amount will decrease costs to the Unemployment Compensation Trust Fund beginning in fiscal year 2012-13 due to a decrease in benefit payments. An analysis performed by the Department of Labor's Center for Workforce Research and Information estimates the reduction in benefit costs to be between 0.7% and 0.8% of total regular benefits. According to the Department of Labor, the estimated amount of decreased benefits depends on the condition of the economy. If this provision had been in place in a non-recessional period such as 2007, the estimated decrease in benefit costs would have been between \$800,000 and \$850,000 based on total regular benefit costs of \$113.96 million. However, if this provision had been in place during 2011, the estimated decrease would have been between \$1.4 million and \$1.5 million, based on total regular benefit costs of \$191.0 million.

This reduction of benefits may potentially affect the contribution rate schedule in future biennia. The impact to all employers and the timing of the impact can not be determined at this time and will depend on the level of benefits paid, contributions received and the balance of the trust fund when the contribution schedule is calculated.

This bill will reduce unemployment costs for executive branch departments and agencies that are in direct reimbursement status. However, because appropriations/allocations to fund the costs of the provision were not provided to executive branch departments and agencies when the legislation that eliminated the vacation pay benefit offset was enacted during the 1st Regular Session of the 124th Legislature, no offsetting deappropriations/deallocations are being recommended for this bill. The estimated savings to the General Fund and Highway Fund are provided below.

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	\$0	(\$35,486)	(\$35,486)	(\$35,486)
Highway Fund	\$0	(\$19,347)	(\$19,347)	(\$19,347)