

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1802

S.P. 719

In Senate, March 4, 2014

**An Act To Allocate a Portion of the Reed Act Distribution of 2002
To Use for the Administration of the Unemployment Insurance and
Employment Services Programs**

(EMERGENCY)

Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator PATRICK of Oxford. (GOVERNOR'S BILL)
Cosponsored by Representative HERBIG of Belfast and
Senator: CUSHING of Penobscot, Representative: VOLK of Scarborough.

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** the Unemployment Reform Blue Ribbon Commission, established by
4 Executive Order 2013-003, recognized significant staffing shortages within the
5 Department of Labor, Bureau of Unemployment Compensation and recommended the
6 addition of full-time staff; and

7 **Whereas,** as a result of being understaffed, the Bureau of Unemployment
8 Compensation has been unable to serve the unemployed citizens of Maine adequately in
9 relation to the timeliness of claims processing, call center wait times, adjudications and
10 hearings, and this inability has resulted in a below-standard level of service for Maine
11 citizens; and

12 **Whereas,** Maine remains out of compliance with the United States Department of
13 Labor's minimum performance measures for timeliness; and

14 **Whereas,** the Bureau of Unemployment Compensation and the Maine
15 Unemployment Insurance Commission need to add full-time, permanent staff to reverse
16 this trend, yet there are no federal or state funds readily available for this purpose; and

17 **Whereas,** the Department of Labor, Bureau of Employment Services needs to fully
18 fund a modernization of the bureau's Maine Job Bank computer system, expand the
19 functionality of the system and access to the system and create a stable technological
20 platform from which to deliver the services offered by the Maine Job Bank; and

21 **Whereas,** the Department of Labor, Center for Workforce Research and Information
22 needs to develop economic data critical to the reemployment of unemployed workers; and

23 **Whereas,** in order to rectify quickly the staffing shortages and deliver services to
24 the unemployed citizens of Maine, it is necessary that this legislation take effect as soon
25 as possible; and

26 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
27 the meaning of the Constitution of Maine and require the following legislation as
28 immediately necessary for the preservation of the public peace, health and safety; now,
29 therefore,

30 **Be it enacted by the People of the State of Maine as follows:**

31 **Sec. 1. Money credited to State of Maine account in Unemployment Trust**
32 **Fund under Section 903(d) and Section 903(f) of federal Social Security Act.**
33 Money credited to the account of the State of Maine in the federal Unemployment Trust
34 Fund by the United States Secretary of the Treasury on March 13, 2002 pursuant to
35 Section 903(d) of the federal Social Security Act and on July 29, 2009 pursuant to
36 Section 903(f) of the federal Social Security Act may not be requisitioned from the State's
37 account or used except for the payment of benefits and for the payment of expenses
38 incurred for the administration of the State's unemployment compensation law and public

1 employment offices. Money used for the payment of benefits is requisitioned as defined
2 in the Maine Revised Statutes, Title 26, section 1162. Money requisitioned and used for
3 the payment of expenses incurred for the administration of the State's unemployment
4 compensation law and public employment offices requires a specific appropriation by the
5 Legislature as provided in section 2. That use is only permissible if the expenses are
6 incurred and the money is requisitioned after the effective date of a law making an
7 appropriation and specifying the purposes for which the money is appropriated and the
8 amounts appropriated for those purposes. Any amount that may be obligated under such
9 an appropriation is limited to an amount that does not exceed the amount by which the
10 aggregate of the amounts transferred to the account of the State of Maine pursuant to
11 Section 903(d) and Section 903(f) of the federal Social Security Act exceeds the
12 aggregate of the amounts used by the State pursuant to this Act and charged against the
13 amounts transferred to the account of the State of Maine.

14 For purposes of this section, the amounts obligated under an appropriation for
15 administrative purposes must be charged against transferred amounts at the exact time the
16 obligation is entered into. The appropriation, obligation and expenditure or other
17 disposition of money appropriated under this section must be accounted for in accordance
18 with standards established by the United States Secretary of Labor. Money appropriated
19 as provided in this Act for the payment of administration must be requisitioned as needed
20 for the payment of obligations incurred under the appropriation and, upon requisition,
21 must be deposited in the Employment Security Administration Fund from which
22 payments are made. Money so deposited must, until expended, remain a part of the
23 unemployment fund and, if it will not be immediately expended, must be returned
24 promptly to the account of the State of Maine in the Federal Unemployment Trust Fund.

25 **Sec. 2. Allocation maintaining state unemployment compensation and**
26 **public employment system.** There is allocated out of funds made available to the
27 State under Section 903(d) and Section 903(f) of the federal Social Security Act, as
28 amended, the sum of \$17,500,000 in accordance with section 1, to be used under the
29 direction of the Department of Labor, for the purpose of maintaining and operating the
30 State's unemployment compensation and public employment system. The uses include
31 both personnel and nonpersonnel administrative costs required to administer the
32 unemployment insurance program, deliver employment assistance services through the
33 Department of Labor's career center system and provide labor market information
34 program services for workers and employers in the State. Prior to using the funds made
35 available to the State under Section 903(f) of the federal Social Security Act, the funds
36 made available to the State under Section 903(d) of the federal Social Security Act must
37 be exhausted.

38 The amount obligated pursuant to this Act may not exceed at any time the amount by
39 which the aggregate of the amounts transferred to the account of the State of Maine
40 pursuant to Section 903(d) and Section 903(f) of the federal Social Security Act exceeds
41 the aggregate of the amounts obligated for administration and paid out for benefits and
42 required by law to be charged against the amounts transferred to the State of Maine
43 account.

