

MAINE STATE LEGISLATURE

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Date: 4/11/18

L.D. 700
(Filing No. H-749)

LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 491, L.D. 700, Bill, "An Act To Give Flexibility to Employees and Employers for Temporary Layoffs"

Amend the bill by inserting after the title and before the enacting clause the following:

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

Whereas, the number of individuals about to enter temporary unemployment in the State is due to increase dramatically, based on cyclical data from the Department of Labor; and

Whereas, the provisions in this legislation provide additional relief for individuals entering temporary unemployment with a definite recall date from their employer; and

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

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 26 MRSA §1192, sub-§3, as amended by PL 2007, c. 352, Pt. C, §1, is further amended to read:

3. Is able and available for work. The individual is able to work and is available for full-time work at the individual's usual or customary trade, occupation, profession or business or in such other trade, occupation, profession or business for which the individual's prior training or experience shows the individual to be fitted or qualified, as long as the geographic region in which the work will take place is not greater than 35 miles from the individual's primary residence; and in addition to having complied with subsection 2 is actively seeking work in accordance with the regulations of the commission; provided that no ineligibility may be found solely because the claimant is

COMMITTEE AMENDMENT

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1 unable to accept employment on a shift, the greater part of which falls between the hours
2 of midnight to 5 a.m., and is unavailable for that employment because of parental
3 obligation, the need to care for an immediate family member, or the unavailability of a
4 personal care attendant required to assist the unemployed individual who is a
5 handicapped person; and provided that an unemployed individual who is neither able nor
6 available for work due to good cause as determined by the deputy is eligible to receive
7 prorated benefits for that portion of the week during which the individual was able and
8 available.

9 A. Notwithstanding this subsection, beginning January 1, 2004, an individual who is
10 not available for full-time work as required in this subsection is not disqualified from
11 receiving benefits if:

12 (1) The individual worked less than full time for a majority of the weeks during
13 that individual's base period and the individual is able and available for and
14 actively seeking part-time work for at least the number of hours in a week
15 comparable to those customarily worked in part-time employment during that
16 individual's base period; or

17 (2) The individual worked full time for a majority of the weeks during that
18 individual's base period, but is able and available for and actively seeking only
19 part-time work because of the illness or disability of an immediate family
20 member or because of limitations necessary for the safety or protection of the
21 individual or individual's immediate family member.

22 **Sec. 2. 26 MRSA §1192, sub-§12**, as amended by PL 2011, c. 645, §3, is further
23 amended to read:

24 **12. Participation in reemployment services.** The individual who has been referred
25 to reemployment services, pursuant to a profiling system established by the
26 commissioner, participates in those services or similar services unless it is determined
27 that the individual has completed those services or there is good cause for the individual's
28 failure to participate; ~~and~~

29 **Sec. 3. 26 MRSA §1192, sub-§13**, as amended by PL 2017, c. 117, §5, is further
30 amended to read:

31 **13. Reemployment services and eligibility assessment; participation.** In the case
32 that the individual has been referred to reemployment services and eligibility assessment
33 by the Department of Labor, the individual participates in those services, unless the
34 department determines there is good cause for the individual's failure to participate.
35 Failure to participate in reemployment services and eligibility assessment without good
36 cause results in a denial of benefits until the individual participates; and

37 **Sec. 4. 26 MRSA §1192, sub-§14** is enacted to read:

38 **14. Temporary unemployment; work search.** Notwithstanding any other
39 provisions of this chapter to the contrary, any otherwise eligible individual who is
40 temporarily laid off by an employer that has given that individual a definite recall date
41 may not be denied benefits for any week based on the individual's failure to meet the
42 requirements of subsection 2 or 3 for a period of 6 weeks during that temporary layoff, so

1 long as the individual remains in contact with and able and available to work for that
2 employer.

3 An individual may not receive more than 6 weeks of benefits in a benefit year pursuant to
4 this subsection unless approved by the Department of Labor.

5 **Sec. 5. 26 MRSA §1192, last ¶,** as enacted by PL 2011, c. 645, §5, is amended to
6 read:

7 For purposes of subsections 2, 3, 12 and 13, "good cause" means the unemployed
8 individual is ill; the presence of the unemployed individual is required due to an illness of
9 the unemployed individual's spouse, children, parents, stepparents, brothers or sisters, or
10 relatives who have been acting in the capacity of a parent of either the unemployed
11 individual or the unemployed individual's spouse; the unemployed individual is in
12 attendance at the funeral of such a relative; the unemployed individual is observing a
13 religious holiday as required by religious conviction; the unemployed individual is
14 performing either a military or civil duty as required by law; or other cause of a
15 necessitous and compelling nature, including child care emergencies and transportation
16 emergencies. If an unemployed individual has completed reemployment services and
17 eligibility assessment with the Department of Labor within the prior 5 years, that
18 individual is considered to have good cause for not participating in reemployment
19 services and eligibility assessment under subsections 12 and 13. "Good cause" does not
20 include incarceration as a result of a conviction for a felony or misdemeanor.

21 **Sec. 6. Appropriations and allocations.** The following appropriations and
22 allocations are made.

23 **LABOR, DEPARTMENT OF**

24 **Employment Security Services 0245**

25 Initiative: Allocates one-time funds for the cost of making computer programming
26 updates to implement changes to the eligibility requirements for unemployment benefits.

27	FEDERAL EXPENDITURES FUND	2017-18	2018-19
28	All Other	\$71,200	\$0
29			
30	FEDERAL EXPENDITURES FUND TOTAL	<u>\$71,200</u>	<u>\$0</u>

31 **Emergency clause.** In view of the emergency cited in the preamble, this
32 legislation takes effect when approved.'

33 **SUMMARY**

34 This amendment strikes and replaces the bill. It creates an exemption from the
35 eligibility requirements for unemployment benefits dealing with work search for an
36 individual otherwise eligible for unemployment benefits when that individual has been
37 temporarily laid off with a definite recall date for a period of 6 weeks during that
38 temporary layoff, as long as the individual remains in contact with and is able and

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COMMITTEE AMENDMENT "A" to H.P. 491, L.D. 700

1 available to work for that employer. Use of this exemption beyond 6 weeks total in a
2 benefit year requires approval by the Department of Labor.

3 The amendment limits the area in which an individual must be able and available to
4 work to a geographic area that is not more than 35 miles from the individual's residence,
5 and it limits the reemployment services and eligibility assessment requirements to
6 individuals who have not completed those requirements in the prior 5 years. It also adds
7 an emergency preamble and clause and an appropriations and allocations section.

8 **FISCAL NOTE REQUIRED**

9 (See attached)

COMMITTEE AMENDMENT



128th MAINE LEGISLATURE

LD 700

LR 1227(02)

An Act To Give Flexibility to Employees and Employers for Temporary Layoffs

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-749)
 Committee: Labor, Commerce, Research and Economic Development
 Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - Unemployment Trust Fund
 Potential future biennium revenue increase - Unemployment Trust Fund

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Appropriations/Allocations				
Federal Expenditures Fund	\$71,200	\$0	\$0	\$0

Fiscal Detail and Notes

This bill includes a one-time Federal Expenditures Fund allocation of \$71,200 in fiscal year 2017-18 to the Employment Security Services program within the Department of Labor for the cost of making computer programming updates to implement changes to eligibility requirements for unemployment benefits.

Creating exemptions from eligibility requirements individuals must meet to qualify for unemployment benefits will increase costs to the Unemployment Trust Fund within the Department of Labor beginning in fiscal year 2018-19. The department estimates the cost to be between \$3.8 million and \$43.2 million per year in benefits being paid to individuals not actively searching for work and potentially not returning to work as soon as they would have had the exemptions not been in place. The actual impact to the Trust Fund will depend on the number of individuals who take advantage of the exemptions.

Higher benefit costs may impact future employer contribution rates if the impact to the Trust Fund results in a higher contribution rate schedule. The contribution rate schedule formula uses the balance of the Unemployment Trust Fund as of September 30 as a factor in determining whether a change in the contribution rate schedule is required. Such a change would bring in an estimated \$18.0 million annually from employers.