

# MAINE STATE LEGISLATURE

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SAC  
ROS

L.D. 1564

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Date: 6/8/21

## REPORT A

(Filing No. S-223)

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### LABOR AND HOUSING

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Reproduced and distributed under the direction of the Secretary of the Senate.

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### STATE OF MAINE

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### SENATE

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### 130TH LEGISLATURE

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### FIRST SPECIAL SESSION

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COMMITTEE AMENDMENT "A" to S.P. 507, L.D. 1564, "An Act To Amend the Laws Governing Unemployment Compensation"

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Amend the bill in section 1 in paragraph B in the last line (page 1, line 13 in L.D.) by inserting after the following: "subsection." the following: 'On the first Sunday of June 2022 and each first Sunday of June thereafter, the excess earnings cap then in effect must be increased by the increase, if any, in the cost of living. The increase in the cost of living must be measured by the percentage increase, if any, as of December of the previous year over the level as of December of the year preceding that year in the Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W, for the Northeast Region, or its successor index, as published by the United States Department of Labor, Bureau of Labor Statistics or its successor agency, with the amount of the excess earnings cap rounded up to the nearest dollar.'

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Amend the bill by inserting after section 6 the following:

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'Sec. 7. 26 MRSA §1051, sub-§9, as enacted by PL 1999, c. 464, §4, is amended to read:

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~~9. Interest on overpayments. Benefit payments owed to the commissioner bear interest at the rate of 1.0% per month or per fraction of a month. Except as provided in this subsection, interest accrues on any balance that remains unpaid one year after the first of the month following the date the determination establishing the benefit overpayment becomes final until payment plus accrued interest is received by the bureau. If the A benefit overpayment was established in a determination rendered under section 1193, subsection 6, accrues interest accrues at the rate of 1.0% per month or per fraction of a month from the first of the month following the date the determination establishing the benefit overpayment becomes final until payment plus accrued interest is received by the bureau.'~~

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Amend the bill by inserting after section 10 the following:

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'Sec. 11. 26 MRSA §1190, sub-§2, ¶C, as enacted by PL 1999, c. 740, §1, is amended to read:

1 C. Review of the impact of a proposed benefit change on recipient groups, including  
2 an analysis by gender, income levels and geographic distribution; and

3 **Sec. 12. 26 MRSA §1190, sub-§2, ¶C-1** is enacted to read:

4 C-1. The projected impact of the proposed change on the State's unemployment  
5 insurance reciprocity rate. For purposes of this paragraph, "reciprocity rate" means the  
6 number of insured unemployed persons in regular unemployment insurance programs  
7 as a percent of total unemployed persons; and'

8 Amend the bill by inserting after section 11 the following:

9 **'Sec. 12. 26 MRSA §1191, sub-§3**, as amended by PL 2017, c. 284, Pt. CCCCC,  
10 §1, is further amended to read:

11 **3. Weekly benefit for partial unemployment.** Each eligible individual who is  
12 partially unemployed in any week must be paid a partial benefit for that week. The partial  
13 benefit is equal to the weekly benefit amount less the individual's weekly earnings in excess  
14 of \$25, except that, beginning the first full benefit week beginning on or after January 1,  
15 2018, the partial benefit is equal to the weekly benefit amount less the individual's weekly  
16 earnings in excess of \$100. On the first Sunday of June 2022 and each first Sunday of June  
17 thereafter, the individual's earnings disregard then in effect must be increased by the  
18 increase, if any, in the cost of living. The increase in the cost of living must be measured  
19 by the percentage increase, if any, as of December of the previous year over the level as of  
20 December of the year preceding that year in the Consumer Price Index for Urban Wage  
21 Earners and Clerical Workers, CPI-W, for the Northeast Region, or its successor index, as  
22 published by the United States Department of Labor, Bureau of Labor Statistics or its  
23 successor agency, with the amount of the individual's earnings disregard rounded up to the  
24 nearest dollar. The following amounts are not considered wages for purposes of this  
25 subsection:

26 A. Amounts received from the Federal Government by a member of the National  
27 Guard and organized reserve, including base pay and allowances;

28 B. Amounts received as a volunteer firefighter or as a volunteer emergency medical  
29 services person;

30 C. Amounts received as an elected member of the Legislature; and

31 D. Earnings for the week received as a result of participation in full-time training under  
32 the United States Trade Act of 1974 as amended by the United States Trade and  
33 Globalization Adjustment Assistance Act of 2009 up to an amount equal to the  
34 individual's most recent weekly benefit amount.'

35 Amend the bill in section 12 in subsection 6 in the 14th line (page 6, line 20 in L.D.)  
36 by striking out the following: "60%" and inserting the following: '75%'

37 Amend the bill in section 12 in subsection 6 in the first blocked paragraph in the first  
38 line (page 6, line 21 in L.D.) by inserting the following: 'Only one individual is entitled to  
39 a dependency allowance for the same dependent with respect to any week.'

40 Amend the bill in section 12 in subsection 6 by striking out all of the 2nd blocked  
41 paragraph (page 6, lines 24 to 29 in L.D.) and inserting the following:

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1 No individual may be eligible to receive dependency allowances as provided in this  
2 subsection for any week during which that individual's spouse is employed full time  
3 provided that the spouse is contributing some support to their dependent or dependents. For  
4 purposes of this subsection, "employed full time" means the receipt of any wages, earnings,  
5 salary or other income equivalent to that amount that would be received for a 40 hour work  
6 week.

7 Amend the bill by striking out all of section 18.

8 Amend the bill by striking out all of section 21.

9 Amend the bill by inserting after section 32 the following:

10 'Sec. 33. 26 MRSA c. 26-A, as amended, is amended by amending the chapter  
11 headnote to read:

12 CHAPTER 26-A

13 PEER SUPPORT PROGRAM FOR DISPLACED WORKERS PROGRAMS

14 Sec. 34. 26 MRSA c. 26-A, sub-c. 1, headnote is enacted by adding before section  
15 2061 the following to read:

16 SUBCHAPTER 1

17 PEER SUPPORT PROGRAM FOR DISPLACED WORKERS

18 Sec. 35. 26 MRSA c. 26-A, sub-c. 2 is enacted to read:

19 SUBCHAPTER 2

20 PEER WORKFORCE NAVIGATOR PROGRAM

21 §2065. Peer workforce navigator pilot program

22 1. General requirements. No later than January 1, 2022, the Commissioner of Labor,  
23 referred to in this subchapter as "the commissioner," shall implement the peer workforce  
24 navigator pilot program for a period of 2 years in accordance with this section to contract  
25 with qualified entities to assist workers in reentering the workforce by:

26 A. Promoting access to reemployment services, including apprenticeship and other  
27 education and training opportunities;

28 B. Assisting unemployed and underemployed individuals to access resources  
29 necessary to meet their basic needs during the reemployment process;

30 C. Educating workers about the manner in which unemployment insurance benefits  
31 may be coordinated with part-time employment and approved training opportunities;

32 D. Raising awareness of the availability of unemployment benefits for underserved  
33 and marginalized individuals and assisting those individuals in accessing benefits; and

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1 E. Identifying systemic obstacles to receiving benefits or services necessary to support  
2 successful reemployment efforts.

3 The commissioner shall provide appropriate support from Bureau of Unemployment  
4 Compensation staff to entities receiving peer workforce navigator contracts under this  
5 section, including support resolving the issues of individual claimants and job seekers and  
6 systemic issues that present barriers to timely receipt of reemployment services or  
7 unemployment compensation benefits.

8 **2. Qualified entities.** To be eligible to receive a peer workforce navigator contract  
9 under this section, an entity must:

10 A. Demonstrate that it has existing peer relationships or is able to readily establish  
11 such relationships with unemployed or underemployed individuals;

12 B. Have the capability to carry out the duties of this section, including knowledge of  
13 eligibility requirements, application processes and other substantive provisions and  
14 processes related to the unemployment compensation program, reemployment  
15 services, education and training services and other resources necessary to help  
16 unemployed or underemployed individuals increase their economic security;

17 C. Maintain strict confidentiality standards to ensure the privacy of all information  
18 collected from individuals receiving peer workforce navigator services; and

19 D. Provide peer workforce navigator services under this section without charge to the  
20 individual receiving those services.

21 **3. Commissioner's duties; award criteria; navigator services.** The commissioner  
22 shall establish standards for the awarding of contracts to qualified entities in accordance  
23 with this subsection.

24 A. The commissioner may award multiple contracts to perform one or more of the peer  
25 workforce navigator services described in this section.

26 B. To support the maintenance of relationships between qualified entities and  
27 unemployed and underemployed individuals and to ensure a high quality of service,  
28 the commissioner shall award contracts to qualified entities for the duration of the pilot  
29 project period as long as the qualified entity satisfies performance standards set forth  
30 in the contract awards.

31 C. The commissioner shall give priority for peer workforce navigator contracts to a  
32 qualified entity that:

33 (1) Has an organizational mission that requires the entity to represent the interest  
34 of unemployed or underemployed individuals;

35 (2) Represents a membership base of workers; or

36 (3) Is a recognized source of support or advocacy for underserved groups including  
37 racial and ethnic minorities, persons with low literacy and persons with disabilities.

38 D. Peer workforce navigator services provided by qualified entities that receive peer  
39 workforce navigator contracts must be coordinated with and supplement, not supplant,  
40 services provided by the Department of Labor.

41 E. The commissioner shall ensure that the following peer workforce navigator services  
42 are provided through qualified entities awarded peer workforce navigator contracts in

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1 accordance with this section and that these peer workforce navigator services are  
2 coordinated throughout the State:

3 (1) Outreach to identify individuals who need support in accessing sustainable  
4 employment or are potentially eligible for unemployment compensation benefits  
5 but who may be unaware of their eligibility, including eligibility for partial  
6 unemployment benefits or dislocated worker benefits;

7 (2) Targeted public education initiatives related to services available to job seekers  
8 and unemployed or underemployed individuals;

9 (3) Individual assistance in applying for and making ongoing claims for  
10 unemployment compensation benefits, including as they relate to partial  
11 unemployment benefits and assistance for dislocated or marginalized workers;

12 (4) Assistance in identifying appropriate reemployment services, including  
13 opportunities for education, training and apprenticeship, to increase employability  
14 for high-wage, in-demand jobs;

15 (5) Referrals for unemployed or underemployed individuals to resources necessary  
16 to help those individuals meet their basic needs during the reemployment process;

17 (6) Appropriate training to ensure the quality and accuracy of peer workforce  
18 navigator services, including training on how to most effectively assist  
19 communities that are underrepresented in receiving reemployment services and  
20 unemployment compensation benefits; and

21 (7) Identification of systemic issues creating barriers to successful reemployment  
22 for unemployed and underemployed individuals, including improvements to the  
23 unemployment insurance program to reduce those barriers, and presentation of  
24 those issues to the commissioner, who shall promptly resolve or relay those issues  
25 to the joint standing committee of the Legislature having jurisdiction over labor  
26 and housing matters.

27 All peer workforce navigator services provided under this subsection must be performed  
28 in a manner that is culturally and linguistically appropriate to the needs of the population  
29 being served, including individuals with limited English proficiency, persons with low  
30 literacy and persons with disabilities, and must recognize the varying levels of digital  
31 literacy and access to technology among individuals in need of services.

32 4. Funding. The Department of Labor shall seek sources of revenue other than the  
33 General Fund and the Unemployment Trust Fund for the peer workforce navigator pilot  
34 program under this subchapter.

35 **Sec. 36. Unemployment insurance working group.** The Commissioner of  
36 Labor shall convene a working group to review and make recommendations and a report  
37 related to certain provisions of the unemployment insurance program under the Maine  
38 Revised Statutes, Title 26, chapter 13. The commissioner shall appoint members of the  
39 working group that include stakeholders representing the interest of employers and  
40 employees and shall convene the first meeting of the working group no later than  
41 September 30, 2021.

42 1. In developing its recommendations and report under this section, the working group  
43 shall examine the following issues:

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- 1           A. Methods of connecting employers and unemployed workers following the
- 2           pandemic related to coronavirus disease 2019;
- 3           B. Processes and methods to improve the efficiency and effectiveness of the work-
- 4           sharing plan established under Title 26, section 1198;
- 5           C. A determination regarding whether the provisions of Title 26, section 1044 are
- 6           working effectively to achieve the protection of rights and benefits goals;
- 7           D. Methods to streamline and facilitate application for unemployment insurance
- 8           benefits that will increase access for unemployed workers, simplify reporting
- 9           requirements for employers and determine any clarifications or modifications that may
- 10          be needed related to the submission of partial unemployment claim forms in
- 11          accordance with Title 26, section 1194, subsection 1-A;
- 12          E. How an employer liaison contract might be designed to provide assistance to the
- 13          business community in interacting with the unemployment insurance program, focused
- 14          on the goal of reducing administrative burden and improving user experience,
- 15          including recommendations of a funding source to support such a contract;
- 16          F. Whether unemployed individuals have completed reemployment services and
- 17          eligibility assessment with the Department of Labor within the prior 5 years and
- 18          whether these individuals should be considered to have good cause for not participating
- 19          in reemployment services and eligibility assessment under Title 26, section 1192,
- 20          subsections 2 and 13; and
- 21          G. Any software or technology issues contributing to delays, claims processing issues
- 22          and paperwork burden to businesses that may be resolved through technological means
- 23          or any ways to promote improved claimant or employer user experience and interface
- 24          with the unemployment insurance system.
- 25          2. No later than January 15, 2022, the Commissioner of Labor shall submit the report
- 26          and recommendations developed pursuant to this section, including any suggested
- 27          legislation, to the Joint Standing Committee on Labor and Housing. The Joint Standing
- 28          Committee on Labor and Housing may submit a bill in response to this report to the Second
- 29          Regular Session of the 130th Legislature.
- 30          **Sec. 37. Analysis of unemployment insurance reciprocity rate.** The
- 31          Department of Labor, Bureau of Unemployment Compensation shall complete an analysis
- 32          of the State's unemployment insurance reciprocity rate to investigate the factors that
- 33          contribute to the State's low reciprocity rate and make recommendations for improvement.
- 34          For purposes of this section, "reciprocity rate" has the same meaning as in the Maine
- 35          Revised Statutes, Title 26, section 1190, subsection 2, paragraph C-1. In conducting this
- 36          analysis, the bureau may use any reliable data or research available to the bureau or conduct
- 37          additional research within available resources.
- 38          1. The analysis must consider:
- 39                A. The State's unemployment insurance reciprocity rate as determined by the United
- 40                States Department of Labor, Employment and Training Administration for the most
- 41                recently completed 20 calendar years;
- 42                B. The State's unemployment insurance reciprocity rate relative to the average of other
- 43                New England states' reciprocity rates;

# COMMITTEE AMENDMENT

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1 C. An evaluation of the factors contributing to the State's low reciprocity rate based on  
2 the consensus of national research or any available data for the State, including  
3 consideration of monetary and nonmonetary eligibility factors and lack of awareness  
4 of potential eligibility for unemployment insurance benefits;

5 D. To the extent available from state or national research or data, the demographics,  
6 including gender, age, race, ethnicity, income and urban or rural geographic  
7 representation of unemployed individuals who do not file for unemployment benefits;  
8 and

9 E. The adequacy of unemployment benefits to replace wages for wage earners at  
10 different income levels.

11 2. The bureau shall issue a report with its recommendations, including any suggested  
12 legislation, to the Joint Standing Committee on Labor and Housing by February 1, 2022.  
13 Recommendations must include, but are not limited to:

14 A. Administrative or legislative initiatives to increase awareness of and application  
15 rates for unemployment benefits;

16 B. Changes in monetary and nonmonetary eligibility for unemployment benefits  
17 needed to increase the State's reciprocity rate;

18 C. A benchmark for the State's reciprocity rate based on the experience of other New  
19 England states; and

20 D. Any increase in staff capacity needed to comply with the core performance  
21 measures established by the United States Department of Labor related to  
22 unemployment insurance benefit promptness and accuracy and the timeliness of appeal  
23 determinations.

24 The Joint Standing Committee on Labor and Housing is authorized to introduce legislation  
25 in response to this report to the Second Regular Session of the 130th Legislature.'

26 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
27 number to read consecutively.

28 **SUMMARY**

29 This amendment, which is the majority report of the committee, makes the following  
30 changes to the bill.

31 1. It specifies that the amount of wages a person may receive and still be considered  
32 partially unemployed is indexed to the increase in the cost of living, if any, beginning the  
33 first Sunday of June 2022 and annually thereafter.

34 2. It specifies that a benefit overpayment accrues interest at the rate of 1.0% per month  
35 or per fraction of a month from the first of the month following the date the determination  
36 establishing the benefit overpayment becomes final until payment plus accrued interest is  
37 received by the Department of Labor, Bureau of Unemployment Compensation.

38 3. It requires that, whenever a legislative proposal containing an unemployment  
39 compensation benefit change is proposed, the bureau consider the estimated effect of the  
40 proposed change on the State's unemployment insurance reciprocity rate.



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- 1           4. It adds a provision that an individual's earnings disregard in effect on the first Sunday  
2 of June 2022 and each first Sunday of June thereafter must increase by the increase, if any,  
3 in the cost of living.
- 4           5. It changes the increase in the maximum dependency benefit allowance proposed in  
5 the bill from 60% to 75% of the individual's weekly benefit amount and specifies that only  
6 one individual is entitled to a dependency allowance for the same dependent with respect  
7 to any week.
- 8           6. It removes the elimination of a waiver requiring participation in reemployment  
9 services and eligibility assessment for anyone who has participated in the last 5 years.
- 10          7. It removes the provision of the bill that changed the amount of earnings and earnings  
11 plus holiday pay an employee would have to earn before an employer did not have to offer  
12 the employee a partial unemployment claim form.
- 13          8. It establishes a peer workforce navigator program.
- 14          9. It requires the Commissioner of Labor to convene an unemployment insurance  
15 working group to examine the unemployment insurance program pursuant to the Maine  
16 Revised Statutes, Title 26, chapter 13. The commissioner must submit a report of the  
17 working group's recommendations and any suggested legislation to the Joint Standing  
18 Committee on Labor and Housing no later than January 15, 2022.
- 19          10. It requires the Department of Labor, Bureau of Unemployment Compensation to  
20 complete an analysis of the State's unemployment insurance reciprocity rate and to report  
21 to the Joint Standing Committee on Labor and Housing no later than February 1, 2022.

**FISCAL NOTE REQUIRED**  
**(See attached)**

**COMMITTEE AMENDMENT**



Approved: 06/07/21 *MAC*

# 130th MAINE LEGISLATURE

LD 1564

LR 454(02)

## An Act To Amend the Laws Governing Unemployment Compensation

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-223)  
Committee: Labor and Housing  
Fiscal Note Required: Yes

### Fiscal Note

Current biennium cost increase - Unemployment Compensation Trust Fund  
Current biennium cost increase - All funds

#### Fiscal Detail and Notes

This legislation makes changes to the laws governing unemployment compensation including certain changes that will expand the amount of benefits paid out of the Unemployment Compensation Trust Fund beginning in fiscal year 2021-22. The impact to the trust fund will depend on the level of unemployment in the State. The estimated impact of these changes, developed by the Department of Labor, is provided in the table below. According to the department, low periods of unemployment are such periods that took place in 2019 and high periods of unemployment are such periods that occurred in 2009. These changes are not expected to result in an increase in an unemployment tax schedule. Information from the department states that, generally, a benefit cost increase of \$17.0 million or greater has the potential of causing an increase in the schedule in the following year.

LD 1564 An Act to Amend the Laws Governing Unemployment Compensation Fiscal Impact of Majority Report on Unemployment Insurance Trust Fund		
Provisions affecting Unemployment Insurance Trust Fund	Fiscal Impact Low Unemployment	Fiscal Impact High Unemployment
Increases amount of wages person may receive and still be eligible for partial unemployment benefit	\$246,500	\$1,635,500
Increases the maximum dependency benefit allowance from 50% to 75% of an individual's weekly benefit amount	\$1,600,000	\$6,500,000
Adds sudden loss of childcare, elder care or transportation to "good cause exemption" for temporary disqualification of benefits	\$500,000-\$1,000,000	\$1,000,000-\$1,500,000
Total impact of Unemployment Insurance Trust Fund	\$2,346,500-\$2,846,500	\$9,135,500-\$9,635,500

The State, with a few exceptions, is a direct reimbursement employer and, as such, would experience an increase in unemployment compensation costs as a result of this legislation. The impact will depend on actual experience. Additional costs to the Department of Labor to implement the requirements of this legislation can be absorbed within existing budgeted resources.