



# 125th MAINE LEGISLATURE

LD 224

LR 906(01)

## An Act To Provide Temporary Changes to the Extended Benefit Triggers in Accordance with the Federal Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Rector of Knox

Committee: Labor, Commerce, Research and Economic Development

Fiscal Note Required: Yes

### Preliminary Fiscal Impact Statement

Current biennium cost increase - All Funds

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Revenue</b>					
Federal Expenditures Fund ARRA	\$4,000,000	\$10,500,000	\$0	\$0	\$0

#### Fiscal Detail and Notes

Temporarily changing Maine law to reflect a change in a formula that determines when the federal-state unemployment extended benefits program "triggers on" will increase unemployment compensation costs to the State and local units of government, with some exceptions, as direct reimbursement employers. The Department of Labor estimates the total cost to range between \$300,000 and \$400,000 with approximately \$75,000 to \$85,000 of that cost occurring in fiscal year 2010-11 and the balance occurring in fiscal year 2011-12. Of the total fiscal year 2010-11 cost, the State portion is estimated to be between \$30,000 and \$35,000 and the local units of government portion is anticipated to be between \$45,000 and \$50,000. The Department of Labor estimates the fiscal year 2011-12 costs to the State to be between \$100,000 and \$115,000 with the local share expected to be between \$175,000 and \$200,000. The State portion includes estimates not only for the 3 branches of State government, but also the State's public higher educational institutions, the Maine Turnpike Authority and the Maine Veterans Home.

The changes to the laws governing the federal-state extended benefits program included in the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 passed by the United States Congress on December 17, 2010, continue the full federal funding of the extended benefits program through December 31, 2011. The Department of Labor estimates the increase in the amount of funds available to be received by the Federal Benefit Payment - Extended Benefits ARRA account from the Federal Government to be approximately \$4.0 million in fiscal year 2010-11 and \$10,500,000 in fiscal year 2011-12.

This preliminary fiscal impact statement uses estimates prepared by the Department of Labor that assume that the Extended Benefits remain "triggered on" through December of 2011. The actual cost to the State and local units of Government, as well as the amount of additional revenue received from the Federal Government, may be less if the Extended Benefits trigger "off" prior to the end of December.