



# 128th MAINE LEGISLATURE

LD 1927

LR 3096(01)

## An Act To Restore the Integrity of the Unemployment Compensation System

**Fiscal Note for Original Bill**  
**Sponsor: Sen. Brakey of Androscoggin**  
**Committee: Not Referred**  
**Fiscal Note Required: Yes**

### Fiscal Note

Eliminates current biennium cost increase - Unemployment Trust Fund  
Eliminates potential future biennium revenue increase - Unemployment Trust Fund

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

#### Fiscal Detail and Notes

This bill repeals the provisions in Public Law 2017, chapter 453 (LD 700) that created exemptions from eligibility requirements that individuals must meet in order to qualify for unemployment benefits. It includes a one-time Federal Expenditures Fund deallocation of \$71,200 in fiscal year 2018-19 to the Employment Security Services program within the Department of Labor to remove the one-time Federal Expenditures Fund allocation provided in Public Law 2017, chapter 453 authorizing the expenditure of \$71,200 for computer programming updates necessary to implement changes to eligibility requirements.

Repealing the exemptions from eligibility requirements for unemployment benefits created in PL 2017, c. 453 will eliminate the increase in benefit costs to the Unemployment Trust Fund within the Department of Labor beginning in fiscal year 2018-19. Those costs were estimated to be between \$3.8 million and \$43.2 million per year.

Repealing the exemptions will also negate the potential impact on future employer contribution rates that may have resulted due to higher benefits costs. 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.