

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1829-01  
Bill No.: SB 454  
Subject: Emergencies; Labor and Industrial Relations Department; Unemployment  
 Compensation  
Type: Original  
Date: March 6, 2009

Bill Summary: This proposal waives the waiting week for seekers of unemployment benefits adversely affected by the winter storm of January 2009.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Unemployment Compensation Trust Fund	(Unknown)	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown)</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials at the **Department of Economic Development** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Labor and Industrial Relations (DOLIR)** state that under current law, a claimant is eligible to receive a waiting week payment if the remaining monetary balance on his or her claim is equal to or less than his or her Weekly Benefit Amount. The waiting week payment is received at the end of the claim process as the claimant is exhausting his or her claim. Claimants who do not exhaust their monetary entitlement do not receive payment for the waiting week.

It is DOLIR understanding that the purpose of this proposed legislation is to waive the waiting week requirement for unemployed workers who work in or reside in counties affected by a winter storm in January 2009. This payout would be a one time event occurring in the 2009 federal and state fiscal years.

If passed, this legislation would require DOLIR to develop procedures for identifying and paying the waiting week to individuals who reside in a county affected by the winter storm in January of 2009. Secondly, the agency will have to verify the work location of individuals whom do not reside in an affected county, but state they work in a county affected by the winter storm in January 2009. Identifying and verifying the work location of individuals claiming they were affected by this storm will be a manual process and require a massive information gathering process.

As DOLIR's current legacy computer system is 40-plus years old and is not easily modified, the proposed legislation would require current DOLIR staff to manually enter the waiting week payment into the computer system. This manual process will take a significant amount of work.

It is assumed that the number of individuals that would be affected by this provision could be large; however DOLIR has no way of determining the actual number of individuals who would file for the waiting week payment. Based on an average weekly benefit amount of \$ 253.40, the unemployment benefits being paid from the Unemployment Compensation Trust Fund could be significant.

<u>FISCAL IMPACT - State Government</u>	FY 2010	FY 2011	FY 2012
<b>UNEMPLOYMENT COMPENSATION TRUST FUND</b>			
<u>Cost - Dept. of Labor</u> waiting week payments	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON UNEMPLOYMENT COMPENSATION FUND</b>	<b><u>(Unknown)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2010	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

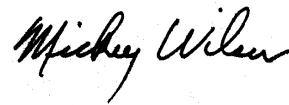
This act waives the waiting week that must be served before becoming eligible to receive unemployment insurance for unemployed workers who were employed in or a resident of the counties of Barry, Bollinger, Butler, Cape Girardeau, Carter, Douglas, Dunklin, Howell, Madison, Mississippi, New Madrid, Oregon, Ozark, Pemiscot, Reynolds, Ripley, Scott, Shannon, Stoddard, Stone, Taney, and Wayne that were adversely affected by the winter storm in January of 2009. Workers shall have been employed in or been a resident of one of the aforementioned counties between January 26, 2009 and April 1, 2009 to be eligible for the waiver. The section, if enacted, shall expire April 1, 2009.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 1829-01  
Bill No. SB 454  
Page 5 of 5  
March 6, 2009

SOURCES OF INFORMATION

Department of Economic Development  
Department of Labor and Industrial Relations

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA  
Director  
March 6, 2009