

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4246-03
Bill No.: Perfected HCS for HB 1544
Subject: Unemployment Compensation; Employment Security; Federal - State Relations
Type: Original
Date: February 1, 2010

Bill Summary: Modifies the “state ‘on’ indicator” for unemployment compensation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

- 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations** state this legislation proposes two technical changes followed by language that would modify the "state 'on' indicator" for unemployment compensation.

The first technical change appears between 288.062.1(2)(a) and 288.062.1(2)(b) with the second technical change appearing at the end of 288.062.1(2)(b). The "and" proposed between (a) and (b) would clarify that both conditions have to be satisfied to trigger "on" extended benefits, unless otherwise noted. The second technical change would clarify that 288.062.1(2)(c) is intended to be a stand-alone provision. The proposed language does not create a fiscal impact.

The language proposed would allow Missouri to continue to participate in the 100% federal reimbursement of extended benefits paid to most claimants. In order to remain triggered "on" for extended benefits, legislation must be passed that would remove the hard trigger "off" date that was contained in HB 1075 and replace it with a soft date that will allow Missouri to remain triggered "on" during periods of 100% federal funding of extended benefits. Extended benefits paid to individuals who work for state and local government entities and Indian Tribes are not subject to federal sharing of extended benefits because these organizations do not pay federal unemployment taxes.

Claimants who are exhausting all regular and Emergency Unemployment benefits and who are determined eligible could receive up to an additional 20-weeks of 100% federal funded extended benefits.

The modification to the "state 'on' indicator" does not create a fiscal impact to the Trust Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<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

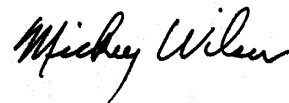
This bill extends the state's eligibility to receive federal extended unemployment benefit money to provide unemployed individuals compensation beyond the current unemployment benefit period that ended December 5, 2009. The state is eligible to receive this money until the week ending prior to the last week of unemployment for which 100% federal sharing is available under the provisions of Public Law 111-5, Section 2005(a) of the American Recovery and Reinvestment Act of 2009, commonly known as the federal economic stimulus act.

The bill contains an emergency clause.

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

SOURCES OF INFORMATION

Department of Labor and Industrial Relations



Mickey Wilson, CPA
Director
February 1, 2010