

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0797-04
Bill No.: HCS for HB 136
Subject: Unemployment Compensation; Military Affairs
Type: Original
Date: February 16, 2011

Bill Summary: This proposal allows a spouse of an active member of the United States Armed Forces to be eligible for unemployment benefits if accompanying the military spouse in the event of a military transfer.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Unemployment Compensation Trust Fund	(\$1,029,657)	(\$994,958)	(\$906,473)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$1,029,657)	(\$994,958)	(\$906,473)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 288.050, 288.090; 288.100 Military Spouses & Unemployment Compensation

Officials at the **Department of Labor and Industrial Relations (DOLIR)** assume that under the proposed legislation, individuals who quit work to relocate due to their spouses' military change of station would be eligible for unemployment benefits. If enacted, the projected payout amount from the trust fund is estimated to be 0.09% of total benefits paid, or \$1,029,657 in FY2012, \$994,958 in FY2013, and \$906,473 in FY2014. DOLIR assumes that 0.09% of total benefits will be paid to trailing military spouses. This percentage is based on the actual experience of Colorado, Florida, Kansas, Montana, and New Mexico (the only states with available data).

This proposed change allows the benefits paid to these trailing military spouses to be non-charged to a specific employer. These benefits would be charged to a "pool" and the costs spread among all employers.

Section 324.008 Military Spouses and Professional Licenses

Officials at the **Department of Insurance, Financial Institutions and Professional Registration** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Labor and Industrial Relations** assume section 324.008 enumerates the conditions under which nonresident military spouses may obtain temporary courtesy licenses to practice their occupations in Missouri. Only trailing military spouses with sufficient wages in Missouri may receive unemployment benefits in Missouri. Therefore, this section does not affect Missouri's Unemployment Compensation trust fund

<u>FISCAL IMPACT - State Government</u>	FY 2012	FY 2013	FY 2014
	(10 Mo.)		
UNEMPLOYMENT COMPENSATION TRUST FUND			
<u>Cost - DOLIR</u>			
military spouse benefits paid	<u>(\$1,029,657)</u>	<u>(\$994,958)</u>	<u>(\$906,473)</u>
ESTIMATED NET EFFECT ON UNEMPLOYMENT COMPENSATION TRUST FUND			
	<u>(\$1,029,657)</u>	<u>(\$994,958)</u>	<u>(\$906,473)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses could be affected as a result of this proposal.

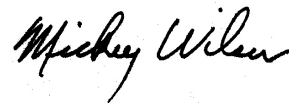
FISCAL DESCRIPTION

This act allows spouses who leave employment to follow their military spouses in the event of a military transfer, to qualify for unemployment compensation.

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 Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations



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Director
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