

FISCAL NOTE

The fiscal impact is indeterminable.

The Department of Workforce Services (Department) anticipates this bill would decrease revenues to the Unemployment Insurance Trust Fund and Employment Support Fund and to the Federal Fund from the Unemployment Insurance Administrative Grant. This bill would also decrease expenditures from the Unemployment Insurance Trust Fund.

The Department indicates that the decrease in revenue to the Unemployment Insurance Trust would be in the form of reduced tax rates for employers which are paid into Unemployment Insurance Trust Fund as a result of decreased demands on the fund to pay benefits. The decrease in revenue from federal funds is based on the Resource Justification Model, which includes factors such as the number of claims received and processed in a year, number of appeals, and number of issues adjudicated, which will all likely be reduced. Tax rates for employers are set in December of each year and implemented in January. Part of that determination includes recent demand on the fund based on the amount of benefits paid. The demand on the fund is unknown as the number of claimants receiving benefits and the maximum weeks of benefits based on the state's average unemployment rate are unknown.

The Department indicates the source of the expenditure decrease to the Unemployment Insurance Trust Fund is a result of this bill reducing the maximum amount of benefits payable to any eligible individual in a benefit year from the lesser of 30 percent of wages payable for insured work in their base period or 26 weeks to the lesser of 30 percent of wages payable for insured work in their base period or the maximum number of weeks based on the state's average unemployment rate within the range of 12-23 weeks.

The Department indicated that in fiscal year 2019, the total number of claimants receiving benefits was 12,035, with 3,395 of those claimants receiving benefits for more than 12 weeks and 313 of those receiving the maximum weekly benefit amount. The amount of benefits received is unique to each claimant and has varied greatly in recent years due to multiple economic anomalies. Currently, the maximum weekly benefit amount is \$560.

NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Workforce Services

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