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FISCAL IMPACT STATEMENT

LS 6960

BILL NUMBER: HB 1228

NOTE PREPARED: Jan 1, 2010

BILL AMENDED:

SUBJECT: Unemployment Benefits after Military Service.

FIRST AUTHOR: Rep. Pearson

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill authorizes an individual eligible for unemployment compensation benefits to be exempt from the requirements of: (1) registration for work; and (2) reporting for availability for work; for a period of six weeks after the individual's discharge from service in the armed forces or National Guard or postdeployment in the armed forces or the National Guard, after having served the one-week waiting period for unemployment compensation benefits.

Effective Date: July 1, 2010.

Explanation of State Expenditures: The bill would have two impacts on the state. First, it could increase unemployment benefits paid from the Unemployment Insurance Trust Fund. The impact on the fund would probably be minor.

The second impact would be on the state as a self-insured employer. The state would have to pay the six weeks of benefits to eligible employees. The impact is probably minor. The state paid about \$4.1 M in FY 2009, \$4.1 M in FY 2008, and \$5.9 M in FY 2007 to the fund.

Background : For FY 2009 the Unemployment Insurance Benefit Fund received \$543.8 M from employers, earned \$2.5 M in interest, paid \$1,659.4 M in benefits, and had administrative expenses of \$17.3 M. The ending balance on June 30, 2009, was a negative \$885.5 M. Currently, the loans to states from the federal government for unemployment benefits are not accruing interest until at least December 31, 2010.

Explanation of State Revenues:

Explanation of Local Expenditures: The impact on a local unit would be as an employer. The impact is probably minor.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

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