

FISCAL NOTE

Bill #: SB0308

Title: Increase Period of Unemployment Compensation

Primary Sponsor: Dan Harrington

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	FY2002 Difference	FY2003 Difference
Expenditures:	0	0
Revenue:	0	0
Net Impact on General Fund Balance:	0	0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. This bill authorizes the use of the third trigger mechanism approved by the U.S. Dept of Labor, a statewide Total Unemployment Rate (TUR), to activate the Extended Benefits (EB) program.
2. The third trigger is a seasonally adjusted TUR of at least 6.5% and TUR must be 110% higher than the average TUR for the comparable 13 week period in either or both of the preceding two years OR a "high unemployment" period can occur if the TUR is 8% and the TUR is 110% higher than the average TUR for the comparable 13 week period in either or both of the preceding two years.
3. A review of the TUR for calendar years 2000 back to 1990 indicates that the EB program authorized in SB 308 would have "triggered on" beginning January 1991 through August 1991. EB would have triggered on again beginning July 1992 through November 1992.

4. If the TUR occurs, the benefits paid are recovered 50% from the UI Trust Fund, as paid into by qualified employers, and 50% from U.S. Department of Labor.
5. Based on the December 2000 TUR at 4.4%, Montana is not in an EB status.
6. The cost of programming this trigger into the new benefits system (MISTICS) can be absorbed within the operating budget of the Department of Labor and Industry.
7. Based on current economic conditions being as now known, the net impact to the UI Trust Fund is projected to be zero for the next biennium.