

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0654-01
Bill No.: HB 238
Subject: Workers Compensation; Unemployment Compensation; Military Affairs
Type: Original
Date: March 7, 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 move.

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 All 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

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.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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 by this proposal.

FISCAL DESCRIPTION

This bill specifies that a claimant seeking unemployment compensation is not disqualified for waiting week credit or benefits, regardless if the claimant has earned wages for insured work equal to 10 times the claimant's weekly benefit amount, if the claimant quit work in order to relocate with his or her spouse who is on active duty in the United States armed forces or is a member of the national guard or reservist on active duty. If a claimant is not disqualified as a result of this provision, no benefits based on wages paid for work prior to the quitting date can be chargeable to the claimant's former employer.

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



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