



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 225** SLS 21RS 149
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 5, 2021	10:58 PM	Author: REESE
Dept./Agy.: Department of Labor / Louisiana Workforce Commission		Analyst: Monique Appeaning
Subject: Unemployment Insurance		

UNEMPLOYMENT COMP OR SEE FISC NOTE FF EX Page 1 of 1
 Provides relative to unemployment insurance. (See Act)

Proposed law changes the maximum weekly benefit amount (Procedure 1 - from \$231 to \$251, Procedure 2 - from \$247 to \$277, Procedure 3 - from \$258 to \$290, and Procedure 4 - from \$284 to \$300).

Proposed law provides that a claimant's weekly benefit amount shall be dependent upon the state's average unemployment rate, as that term is defined in proposed law. Proposed law provides specific guidelines to determine the weekly benefit amounts.

Proposed law provides that any time the state's average unemployment rate is at or below five and one-half percent, the duration of benefits is twelve weeks. Proposed law defines the "state average unemployment rate". The Louisiana Workforce Commission shall promulgate all rules and regulations as are necessary.

This shall take effect and become operative if and when the state's average unemployment rate as defined in R.S. 23:1595, is less than five and one-half percent for two consecutive calendar quarters.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	INCREASE	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable increase in expenditures (assumed to be Federal in this fiscal note) to the Louisiana Workforce Commission (LWC) associated with one-time modifications to information technology systems used to administer unemployment benefits. The agency reports that information was provided to the vendor to estimate the necessary modifications. The cost is not yet available. The Legislative Fiscal Office will update the fiscal note once the agency provides the information from the vendor.

Proposed law will increase weekly unemployment benefit payments while tethering the duration of benefits to the state's average unemployment rate. The source of benefit payments are the LA Unemployment Trust Fund within the U.S. Treasury; therefore, any expenditure impacts are off-budget. However, the expenditures associated with weekly benefits will increase payments by Procedure 1 - from \$231 to \$251, Procedure 2 - from \$247 to \$277, Procedure 3 - from \$258 to \$290, and Procedure 4 - from \$284 to \$300. The current Procedure is determined by the Applied Trust Fund Balance pursuant to the provisions of LA R.S. 23:1474.

The duration of benefits as defined in LA R.S. 23:1595, shall be adjusted from twenty-six weeks to twelve weeks if the state's average unemployment rate is at or below five and one half percent. For periods in which the state's average unemployment rate exceeds five and one half percent, the duration of benefits for eligible individuals will increase by one week for every half a percent increment the unemployment rate exceeds five and one half-percent (e.g. at 6% an eligible individual may receive thirteen weeks, at 8% an eligible individual may receive seventeen weeks).

The provisions of proposed law become operative if and when the state's average unemployment rate is less than five and one half percent for two consecutive calendar quarters. This triggering date is speculative and cannot be estimated.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


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