



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 119** HLS 24RS 408
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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|---|---------|-----------------------------|
| Date: May 23, 2024 | 8:55 AM | Author: ROMERO |
| Dept./Agy.: Louisiana Workforce Commission | | Analyst: Noah O'Dell |
| Subject: Duration of Unemployment Benefits | | |

UNEMPLOYMENT COMP EN +\$81,550 FF EX See Note Page 1 of 1
 Provides relative to the duration of unemployment compensation benefits and provides for extended benefits

Current law provides that an eligible individual is entitled to receive unemployment compensation benefits for 26 weeks during a 12-month period. Current law provides for an extended benefit period and sets the total extended benefit amount at 13 times a claimant's weekly benefit amount in a benefit year.

Proposed law decreases the maximum number of weekly regular benefits a claimant may be eligible for in a benefit year from 26 weeks to a number of weeks between 12 and 20, depending on the average of the three most recently published seasonally adjusted state unemployment rates. The Louisiana Workforce Commission (LWC) shall publish biannually on its website the maximum number of weekly benefits a claimant may be eligible for. Proposed law presumably decreases the total extended benefit amount from 13 times to 8 times a claimant's weekly benefit amount in a benefit year.
 Effective January 1, 2025

| EXPENDITURES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 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 | \$81,550 | \$0 | \$0 | \$0 | \$0 | \$81,550 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$81,550 | \$0 | \$0 | \$0 | \$0 | \$81,550 |

| REVENUES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

Proposed law increases state expenditures by \$81,550 in FY 25 within the Louisiana Workforce Commission (LWC). LWC currently uses a proprietary technology system HiRE to manage and distribute benefits. LWC estimates one-time costs of \$81,550 to reprogram the system for the number of weeks claimants are eligible as specified in the bill. LWC has one-time federal funds available for automation that can be used to make the proposed changes.

For informational purposes, the current administration of unemployment insurance (UI) is financed entirely by federal funds. The amount of federal funds available for LWC to staff this program is a function of the number of unemployment claims. The federal funding follows an equation that increases/decreases depending on the number of claims.

The bill decreases the maximum number of weekly regular benefits a claimant may be eligible for in a benefit year from 26 weeks to a number of weeks between 12 and 20, depending on the average of the three most recently published state seasonally adjusted unemployment rates. When the average unemployment rate is 5% or less, the maximum duration of regular benefits shall be limited to 12 weeks. For each gradual increase of 0.5% in the average unemployment rate, the maximum duration of regular benefits increases by 1 week, until 8.5%. When the average unemployment rate is greater than or equal to 8.5%, the maximum duration of regular benefits shall be 20 weeks.

The bill also appears to reduce the total extended benefit amount from 13 times the weekly benefit amount to 8 times the weekly benefit. The bill imposes a new requirement that exhaustees must be enrolled in and participating in an approved training program to be eligible for extended benefits.

Note: The bill directs LWC to electronically publish every six months the number of weeks for which a claimant is eligible in a benefit year. However, the number of eligible weeks appears to depend on the three most recently reported monthly state unemployment rates that precede the month in which the claimant files. Therefore, it appears that the administrator will perform calculations for eligible weeks that may not be updated timely in a biannual report.

REVENUE EXPLANATION

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

Employers pay into the UI trust fund through a payroll tax or reimbursable program. The UI trust fund is housed at the federal level and is used to distribute unemployment benefits to qualified claimants.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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