

HOUSE BILL 600

Introduced by Bradley, et al.

2/05	Introduced
2/05	Referred to Appropriations
2/05	First Reading
3/23	Hearing
3/23	Tabled in Committee

1 HOUSE BILL NO. 600
 2 INTRODUCED BY _____
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE
 5 UNEMPLOYMENT INSURANCE MAXIMUM BENEFIT AMOUNT SCHEDULE;
 6 AMENDING SECTION 39-51-2204, MCA; AND PROVIDING AN EFFECTIVE
 7 DATE."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 39-51-2204, MCA, is amended to read:

11 "39-51-2204. **Maximum benefit amount.** Any otherwise
 12 eligible individual is entitled during the individual's
 13 benefit year to a total amount of benefits equal to the
 14 individual's weekly benefit amount, as calculated according
 15 to 39-51-2201(1), times the number of full weeks of benefit
 16 entitlement appearing in the following table in the line
 17 which includes the individual's ratio of total base period
 18 earnings to the highest quarter of earnings in the base
 19 period:

Ratio of Total Base Period		Full Weeks of Benefits
At Least	But Less Than	
1.00	1-25 <u>1.35</u>	8
1-25 <u>1.36</u>	1-50 <u>1.55</u>	10
1-50 <u>1.56</u>	1.75	12

1	1-75 <u>1.76</u>	2-00 <u>1.95</u>	14
2	2-00 <u>1.96</u>	2-25 <u>2.15</u>	16
3	2-25 <u>2.16</u>	2-50 <u>2.35</u>	18
4	2-50 <u>2.36</u>	2-75 <u>2.55</u>	20
5	2-75 <u>2.56</u>	3-00 <u>2.75</u>	22
6	3-00 <u>2.76</u>	3-25 <u>2.95</u>	24
7	3-25 <u>2.96</u>	--	26"
8	NEW SECTION. Section 2. Effective date. (This act) is		
9	effective July 1, 1991.		

-End-



INTRODUCED BILL
 HB 600

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0600, as introduced.


DESCRIPTION OF PROPOSED LEGISLATION:

"An act to revise the unemployment insurance maximum benefit amount schedule.


ASSUMPTIONS:

1. The estimate of fiscal impact is based on actual FY90 claimant data. A computer simulation was performed by recomputing all claimant's maximum benefit amounts based upon the criteria stated. The maximum benefit amount is equal to the calculated weekly benefit multiplied by the number of weeks of duration. This bill would change the calculation for determining the number of weeks duration. The number of claimants monetarily eligible does not change.
2. The average potential weeks duration increased from 20.465 to 21.306 weeks. The average actual duration of claimants is projected to be 14 weeks. Historical data indicates no direct relationship between the potential duration and the actual duration. Actual duration is more directly related to economic conditions. Actual average duration has never been more than 15 weeks even during the past recessions.
3. About 20% of claimants eligible for 12 weeks or fewer under current law would lose two weeks duration under the proposal. Most of these claimants (70%) actually claim all potential benefits. For purposes of this fiscal note, it is assumed that 70% of the decrease in potential benefits would be realized in actual payments. This resulting decrease in actual benefits paid is estimated to be about \$100,000 in FY92 and FY93, respectively.
4. 40% of claimants eligible for 14 weeks or more under current law gain at least two potential weeks duration under HB0600. Few of these claimants (20%) actually claim all potential benefits. The probability of actually claiming all potential benefits is inversely related to the number of weeks for which a claimant is eligible. Moreover, the increase in potential benefits under HB0600 is directly related to the number of weeks a claimant is potentially eligible. In summary, those who would be most likely to receive increased potential benefits under HB0600 would be least the likely to actually claim the increased benefits.
5. If all the increase in potential benefits were actually claimed, paid claims would increase by about \$1 million in FY92 and FY93, respectively.
6. For purposes of this fiscal note, three scenarios are defined:
 - a) "Low" assumes that only about 10% of the increase in potential benefits are used, offsetting the decrease in benefits among claimants eligible for 12 weeks or less.
 - b) "Intermediate" assumes that about 30% of the increase in potential benefits are used, offset by the decrease assumed in #3.
 - c) "High" assumes that 100% increase in potential benefits are used, offset by the decrease assumed in #3.

FISCAL IMPACT: (see page two)



ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning 2-11-91



JERRY DRISCOLL, PRIMARY SPONSOR DATE
Fiscal Note for HB0600, as introduced. 2-12-91
HB 600

Fiscal Note Request, HB0600, as introduced.
Form BD-15
Page 2

FISCAL IMPACT:

Expenditures:

	FY92			FY93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
"Low"	43,000,000	43,000,000	0	42,000,000	42,000,000	0
"Intermediate"	43,000,000	43,200,000	200,000	42,000,000	42,200,000	200,000
"High"	43,000,000	43,900,000	900,000	42,000,000	42,900,000	900,000

TECHNICAL NOTES:

The high ratio for each schedule does not equal the low ratio for subsequent schedules, making the eligibility for claimants who fall in between schedules unclear.

HB 600

APPROVED BY COMMITTEE ON LABOR & EMPLOYMENT RELATIONS

HOUSE BILL NO. 600 INTRODUCED BY DRISCOLL A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE UNEMPLOYMENT INSURANCE MAXIMUM BENEFIT AMOUNT SCHEDULE; AMENDING SECTION 39-51-2204, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-51-2204, MCA, is amended to read:

"39-51-2204. Maximum benefit amount. Any otherwise eligible individual is entitled during the individual's benefit year to a total amount of benefits equal to the individual's weekly benefit amount, as calculated according to 39-51-2201(1), times the number of full weeks of benefit entitlement appearing in the following table in the line which includes the individual's ratio of total base period earnings to the highest quarter of earnings in the base period:

Table with 3 columns: Ratio of Total Base Period Earnings to High Quarter, Full Weeks of Benefits. Rows show earnings thresholds (1-00, 1-25, 1-50) and corresponding full weeks (8, 10, 12).

Table with 3 columns: Earnings thresholds (1-75, 2-00, 2-25, 2-50, 2-75, 3-00, 3-25) and corresponding full weeks (14, 16, 18, 20, 22, 24, 26).

NEW SECTION. SECTION 2. COORDINATION INSTRUCTION. IF HOUSE BILL NO. 256 IS PASSED AND APPROVED AND IF IT INCLUDES A SECTION THAT AMENDS 39-51-2204, THEN THE SCHEDULE OF THE INDIVIDUAL'S RATIO OF TOTAL BASE PERIOD EARNINGS IN [SECTION 1 OF THIS ACT] REPLACES THE SCHEDULE OF THE INDIVIDUAL'S RATIO OF TOTAL BASE PERIOD EARNINGS IN HOUSE BILL NO. 256.

NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 1991.

-End-



1 HOUSE BILL NO. 600
 2 INTRODUCED BY DRISCOLL
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE
 5 UNEMPLOYMENT INSURANCE MAXIMUM BENEFIT AMOUNT SCHEDULE;
 6 AMENDING SECTION 39-51-2204, MCA; AND PROVIDING AN EFFECTIVE
 7 DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 39-51-2204, MCA, is amended to read:

11 **"39-51-2204. Maximum benefit amount.** Any otherwise
 12 eligible individual is entitled during the individual's
 13 benefit year to a total amount of benefits equal to the
 14 individual's weekly benefit amount, as calculated according
 15 to 39-51-2201(1), times the number of full weeks of benefit
 16 entitlement appearing in the following table in the line
 17 which includes the individual's ratio of total base period
 18 earnings to the highest quarter of earnings in the base
 19 period:

Ratio of Total Base Period			Full Weeks of Benefits
Earnings to High Quarter			
At Least	But Less Than		
1:00	1:25 1:35	0	
1:25 1:36	1:50 1:55	10	
1:50 1:56 1.00	1.75	12	

1	1:75 1:76 1.75	2:00 1.95	14
2	2:00 1:96 1.95	2:25 2.15	16
3	2:25 2:16 2.15	2:50 2.35	18
4	2:50 2:36 2.35	2:75 2.55	20
5	2:75 2:56 2.55	3:00 2.75	22
6	3:00 2:76 2.75	3:25 2.95	24
7	3:25 2:96 2.95	--	26"

8 NEW SECTION. SECTION 2. COORDINATION INSTRUCTION. IF
 9 HOUSE BILL NO. 256 IS PASSED AND APPROVED AND IF IT INCLUDES
 10 A SECTION THAT AMENDS 39-51-2204, THEN THE SCHEDULE OF THE
 11 INDIVIDUAL'S RATIO OF TOTAL BASE PERIOD EARNINGS IN [SECTION
 12 1 OF THIS ACT] REPLACES THE SCHEDULE OF THE INDIVIDUAL'S
 13 RATIO OF TOTAL BASE PERIOD EARNINGS IN HOUSE BILL NO. 256.

14 NEW SECTION. Section 3. Effective date. [This act] is
 15 effective July 1, 1991.

-End-

THIRD READING

