

FISCAL NOTE

This bill contains an authorization of 1 at-will contract employee (AWEC) position.

The fiscal impact for a revenue decrease and expenditure increase to the UNEMPLOYMENT TRUST FUND and EMPLOYMENT SUPPORT FUND are indeterminable.

The Department of Workforce Services (DWS) states that the short-time compensation (STC) program would decrease revenue. However, estimating the level of decrease is currently indeterminable to the unemployment insurance program based on initial absent premiums from employers opting to participate in the program, as well as the loss of potential earned interest for the UNEMPLOYMENT TRUST FUND and EMPLOYMENT SUPPORT FUND. The DWS does not know the appropriate level of employer participation upon initial implementation (FY2022) and employers' tax levels in future years (FY2023 and beyond) would be set based on experience after the first year.

The DWS also notes that the program may have potential increases in unemployment insurance expenditures for the UNEMPLOYMENT TRUST FUND depending on the level of employer participation and the number and dollar amounts of claims. As the program seeks to supplement employees' wages, as applicable with program requirements, the program could experience new expenditures not currently provided for in the program. This expenditure increase amount is currently indeterminable but would be better estimated after the program's first year (FY2022) of employers' experience.

Additionally, the DWS states that it would need to make investments in the program and the Unemployment Insurance Commission would need to establish rules for the program, as well as internal policies and procedures, quality assurance tools and reprogramming of the unemployment insurance information technology system for the program's long-term operation.

NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Workforce Services

Prepared by: Michael Swank, LSO Phone: 777-7881
(Information provided by Jessica Vendegnia, Strategic Planning and Performance Manager, Department of Workforce Services, 307-286-5921)