

Revised due to adoption of amendments on General File

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$1,512,268		\$475,805	
OTHER FUNDS				
TOTAL FUNDS	\$1,512,268		\$475,805	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1020, as amended by AM 2512, amends the Employment Security Law dealing with unemployment benefits.

AM 2512, which becomes the bill, makes several substantive changes to the Employment Security Law. These include the following: a redefinition of the base period used to determine unemployment benefit eligibility; a provision that a person is not ineligible to receive unemployment benefits solely because they are seeking part-time work if the majority of weeks in the person's base period included part-time work; beginning July 1, 2011 increases the necessary level of base period wages paid from the current level of \$2,500 to \$3,700; changes the waiting period for an individual who has left work voluntarily without good cause from 12 weeks to 13 weeks; changes the waiting period for an individual who has left work voluntarily for the purpose of accepting other work for the betterment of wages or working conditions from one week to two weeks; changes the waiting period for an individual who has been discharged for misconduct from 12 weeks to 14 weeks; and provides for an extension of benefits for individuals who have exhausted all regular unemployment benefits of up to 26 weeks if the individual meets certain requirements.

The bill, as amended, has an operative date of July 1, 2011.

The Department of Labor has provided the following information:

From the 2009 Session, the mainline appropriation bill, LB 315, section 99, appropriated \$3,116,126 for the administration of the unemployment compensation program including but not limited to Unemployment Insurance Modernization Act implementation and on-going costs. It is the intent of the Nebraska Department of Labor to expend the funds appropriated in LB 315 for the purpose of implementing the changes required by LB 1020, AM 2512 and FA 77. Additionally, the estimated costs are not additional costs to the agency, but are the costs that will be expended for the implementation of LB 1020, AM 2512 and FA 77.

One-time costs are estimated as \$1,512,268. This includes \$580,834 in salaries (10.5 FTE for various positions ranging from pay grade 251 to pay grade 19); \$220,717 in personnel benefits. Non-personal services and other operational costs are estimated at \$140,703.

The estimated expenses are funded from:

Fiscal Year 2010-11: \$1,512,268 Federal Funds Program 031 – Reed Act
 Fiscal Year 2011-12: \$ 475,805 Federal Funds Program 031 – Reed Act or Unemployment Insurance Base Grant Funds

There is no basis to disagree with the Department of Labor's estimate of cost.