

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

**BILL NO.** Senate Bill 1375

**PRINTER'S NO.** 1889

### **AMOUNT**

\$100,000 in FY 2011-12  
\$200,000 in FY 2011-12

### **FUND**

General Fund & Other State Funds  
Local Government Employers

### **DATE INTRODUCED**

January 13, 2012

### **PRIME SPONSOR**

Senator Gordner

### **HISTORY OF BILL**

Referred to LABOR AND INDUSTRY, Jan. 13, 2012

Reported as committed, Jan. 17, 2012

First consideration, Jan. 17, 2012

Re-referred to APPROPRIATIONS, Jan. 17, 2012

Re-reported as committed, Jan. 18, 2012

Second consideration, Jan. 18, 2012

### **DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 1375 amends section 401-A of the Unemployment Compensation (UC) Law to further provide for an extension of unemployment compensation extended benefits (EB) as authorized and funded by the United States Congress.

When Congress passed the Temporary Payroll Tax Cut Continuation Act of 2011, which was signed into law on December 23, 2011, it provided a 60-day extension of the federally-funded EB program.

In order to qualify for the 60-day extension, Pennsylvania's UC Law must be amended to provide an alternative state "on" indicator.

This legislation would provide an alternative three-year look-back "on" indicator for any period when Congress authorizes and funds EB through April 30, 2012. This is necessary because on February 4<sup>th</sup>, claimants would not be eligible for the 5 additional weeks of EB which are authorized by Congress through March 10, 2012. A similar provision changing the look-back "on" indicator through December 31, 2011 was enacted into law through Act 6 of 2011 which qualified state claimants for 100% federally-funded EB through that date.

The Department of Labor and Industry's Center for Workforce Information and Analysis estimates that changing the EB state "on" indicator to the alternative three-year look-back period will allow 17,000 claimants to collect an estimated \$30 million in 100% federally-funded EB over the five week period of February 5 through March 10.

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Private sector employer costs are 100% covered by the federal government. However, public sector employers must cover 100% of the costs for extended benefits paid to eligible claimants.

The act shall take effect immediately and shall be applied retroactively to December 31, 2011.

### **FISCAL IMPACT:**

The Department of Labor and Industry estimates that state government, as an employer, will incur costs of about \$100,000 in FY 2011-12 as a result of the bill's provision to provide for the alternative look-back indicator which will qualify claimants to receive EB. Likewise, local government employers are estimated to incur costs of about \$200,000 in FY 2011-12.