

**126th MAINE LEGISLATURE****LD 1802****LR 2772(01)****An Act To Allocate a Portion of the Reed Act Distribution of 2002 To Use for the Administration of the Unemployment Insurance and Employment Services Programs****Preliminary Fiscal Impact Statement for Original Bill****Sponsor: Sen. Patrick of Oxford****Committee: Labor, Commerce, Research and Economic Development****Fiscal Note Required: Yes****Preliminary Fiscal Impact Statement**

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Appropriations/Allocations				
Federal Expenditures Fund	\$0	\$2,018,071	\$2,076,315	\$1,850,913
Revenue				
Federal Expenditures Fund	\$0	\$2,499,991	\$2,558,235	\$2,320,844
Other Funds	\$0	(\$2,499,991)	(\$2,558,235)	(\$2,320,844)
Transfers				
Federal Expenditures Fund	\$0	(\$146,920)	(\$146,920)	(\$134,931)
Other Special Revenue Funds	\$0	\$146,920	\$146,920	\$134,931

Fiscal Detail and Notes

The Department of Labor will require a Federal Expenditures Fund allocation of \$2,018,071 in fiscal year 2014-15 associated with distribution of a portion of the 2002 Reed Act funds to be used to maintain and operate the State's unemployment and employment programs. The amount of Reed Act funds anticipated to be transferred to the Department of Labor is \$2,499,991 in fiscal year 2014-15, \$2,558,235 in fiscal year 2015-16 and \$2,320,844 in fiscal year 2016-17 for the continued support of the State's employment and unemployment offices. Beyond fiscal year 2016-17, the department expects to draw down approximately \$1,700,000 per year until the balance of the \$17,500,000 in Reed Act funds authorized for use by this legislation has been transferred, anticipated to be by the end of calendar year 2023.

The Employment Security Services program within the Department of Labor will require a Federal Expenditures Fund allocation of \$2,018,071 in fiscal year 2014-15 for 10 Claims Adjudicator positions, 10 Customer Representative Specialist - Benefits positions, 4 Hearings Examiner positions and related all other costs to address understaffing in the areas of claims processing, adjudication and appeals.

Of the remaining \$481,920 in Reed Act funds expected to be transferred to the Department of Labor in fiscal year 2014-15, \$50,000 will be used to support the cost for existing staff in the Center for Workforce Research and Information to conduct research and analysis targeted at re-employment issues, \$285,000 will be used to support the costs of certain existing staff in the Bureau of Employment Services to make technological improvements to the case-management system, the Maine Job Bank and the online service delivery system and \$146,920 will be used to reimburse the General Fund for indirect costs assessed for certain centrally provided services (e.g. payroll, human resources, office space, security, etc.).