

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 3430 – SB 3657

April 18, 2012

SUMMARY OF AMENDMENTS (014725, 016857): Deletes all language after the enacting clause. Defines terms relative to seasonal employment. Requires the Department of Labor and Workforce Development to make a determination whether an employer should be considered a seasonal employer. Establishes qualifications and criteria for determining benefit amounts paid to seasonal employees. Amendment 016857 establishes an effective date of July 1, 2016, by which implementation shall begin.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$1,000,000/One-Time/General Fund

Decrease State Expenditures – \$2,227,700/Recurring/Unemployment Insurance Trust Fund

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

On April 18, 2012, a fiscal note was issued estimating a fiscal impact as follows:

NOT SIGNIFICANT

This impact failed to include the decrease in state expenditures from the Unemployment Trust Fund. The correct impact is:

**Decrease State Expenditures – \$2,227,700/Recurring Beginning FY16-17/
Unemployment Insurance Trust Fund**

Assumptions applied to amendments:

- According to the Department of Labor and Workforce Development, the current Southeast Consortium Unemployment Benefits Initiative (SCUBI) project will provide the functionality needed to implement the provisions of this bill as amended.
- An effective date of July 1, 2016, is consistent with the planned implementation timeline of SCUBI.

HB 3430 – SB 3657 (CORRECTED)

- SCUBI is 100 percent federally funded. This bill as amended will not add significant expenditures to the current SCUBI project.
- DLWD estimates 585 claimants will be disqualified who would have received an average weekly benefit amount of \$224 for an average duration of 17 weeks. A recurring decrease in state expenditures from the Unemployment Insurance Trust Fund of \$2,227,680 (585 claimants x \$224 benefit amount x 17 weeks) beginning in FY16-17.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jaw