

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 40

January 20, 2011

SUMMARY OF BILL: Defines “base period” with respect to unemployment compensation for claimants who have received temporary total workers’ compensation benefits. Excludes periods of temporary total disability from calculation of the base period and requires that the base period be determined from the last four completed quarters of work before any such disability.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$53,900/One-Time/Unemployment Insurance Fund
\$191,000/Recurring/Unemployment Insurance Fund**

Assumptions:

- The Department of Labor and Workforce Development has documented \$53,900 in one-time actual computer programming and software costs to implement this bill. This includes \$4,700 in database modifications to increase the size of the benefit charge file and add a disability field to the record, \$6,900 to modify existing claim intake programs, \$25,100 for program coding and testing, \$2,000 to create two new disability claim programs, and \$15,200 in server modifications.
- The Unemployment Insurance Trust Fund is reimbursed with federal administrative funds for expenditures approved for administering the State’s unemployment insurance program.
- A recurring increase in state expenditures resulting from an increase in the number of unemployment compensation claimants.
- The Department of Labor and Workforce Development estimates that there will be an increase of 50 cases per year. According to the U.S. Department of Labor’s third quarter 2010 Unemployment Insurance Data Summary, the average duration of a claim is 17.2 weeks and the average weekly benefit amount is \$222.06. This will result in an increase in state expenditures of approximately \$191,000 (50 claims x 17.2 weeks x \$222.06 benefits).

CERTIFICATION:

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

A handwritten signature in blue ink that reads "James W. White". The signature is written in a cursive style with a large initial "J" and "W".

James W. White, Executive Director

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