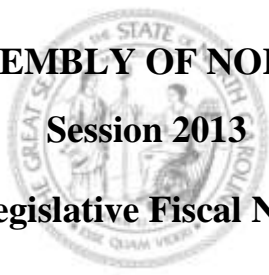


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2013

Legislative Fiscal Note

BILL NUMBER: House Bill 922 (First Edition)

SHORT TITLE: Extend Federal Emergency UI.

SPONSOR(S): Representative L. Hall

FISCAL IMPACT					
(\$ in millions)					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
State Impact					
General Fund Revenues:					
General Fund Expenditures:					
Special Fund Revenues:	446.5				
Special Fund Expenditures:	666.5				
State Positions:					
NET STATE IMPACT	(\$220.0)	\$0.0	\$0.0	\$0.0	\$0.0
Local Impact					
Revenues:					
Expenditures:					
NET LOCAL IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Dept of Commerce, Div of Employment Security					
EFFECTIVE DATE: Becomes effective when law.					
TECHNICAL CONSIDERATIONS:					
None					

BACKGROUND:

House Bill 4 was passed by the General Assembly in February and made significant changes to North Carolina’s unemployment insurance laws. The US Department of Labor subsequently notified the State that certain provisions in House Bill 4 violate the US Department of Labor’s non-reduction rule. Congress enacted the non-reduction rule to stipulate that states, as a condition of a state participating in the emergency unemployment compensation (EUC) benefits program,

may not change the method by which the amount of regular unemployment compensation is computed. The enactment of House Bill 4 violated the non-reduction rule and resulted in termination of federal EUC benefits effective July 1st.

BILL SUMMARY:

House Bill 922 would delay the effective date of House Bill 4 from July 1, 2013 to January 1, 2014.

ASSUMPTIONS AND METHODOLOGY:

HB 922 would allow State unemployment benefits to remain at current levels until January 1. Based on simulations provided by the W.E. Upjohn Institute, staff estimates that the additional cost of benefits paid until the implementation of HB 4 would amount to approximately \$220 million. HB 922 would also result in the State maintaining its eligibility to participate in the EUC benefits program; Commerce's Division of Employment Security projects the resulting receipt and distribution of \$446.5 million in EUC benefits.

SOURCES OF DATA: W.E. Upjohn Institute and Commerce Division of Employment Security

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

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APPROVED BY: Mark Trogdon, Director
Fiscal Research Division

DATE: June 26, 2013



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