

OFFICE OF FISCAL ANALYSIS

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SB-357

AN ACT CONCERNING UNEMPLOYMENT DEPENDENCY ALLOWANCE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Labor Dept.	GF - Cost	None	380,000
Labor Dept.	UITF - Cost	None	None

Note: UITF=Unemployment Insurance Trust Fund; GF=General Fund

Municipal Impact: None

Explanation

The bill increases the dependency allowance for individuals eligible to receive unemployment benefits from \$15 to \$45, starting on July 1, 2028. This results in a one-time cost to the Department of Labor (DOL) of \$380,000 in FY 28¹ for technology changes to ReEmployCT².

The Out Years

In addition to the one-time cost identified above, the bill results in an annual cost to the Unemployment Insurance Trust Fund (UITF) of approximately \$10.8 million, starting in FY 29.

According to the DOL, an average of \$5.4 million was paid for dependency allowances over the past three fiscal years. The estimated amounts may fluctuate depending on economic conditions (e.g. unemployment levels).

¹ The cost would be incurred in FY 28 to ensure the system is operational prior to the beginning of FY 29.

² DOL's unemployment tax and benefits system.