

OFFICE OF FISCAL ANALYSIS

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SB-357

AN ACT CONCERNING UNEMPLOYMENT DEPENDENCY
ALLOWANCE.

AMENDMENT

LCO No.: 4165

File Copy No.: 464

Senate Calendar No.: 276

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 amendment strikes the underlying bill and its associated fiscal impact resulting in the following impact.

The amendment phases in increases to the dependency allowance for individuals eligible to receive unemployment benefits, starting in FY 29. This results in a one-time cost to the Department of Labor (DOL) of \$380,000 in FY 28¹ for technology changes to ReEmployCT².

In addition to the one-time cost identified above, the amendment results in costs to the Unemployment Insurance Trust Fund (UITF) of approximately \$3.6 million in FY 29, \$7.1 million in FY 30, and \$10.7

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.

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million in FY 31 and thereafter³.

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).

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

³ The amendment increases the current \$15 unemployment benefit dependency allowance to \$25 in FY 29, \$35 in FY 30, and \$45 in FY 31.