

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 986

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 986 with amendments.

This bill, as amended, establishes an Emergency Unemployment Benefits Program and provides up to 6 1/2 weeks of additional unemployment benefits to claimants who have exhausted their entitlement to regular unemployment benefits. The bill is intended to assist a growing number of unemployed workers who have exhausted their claims for regular unemployment and have remained unemployed, in light of the more restrictive trigger mechanism under the amended "Federal-State Extended Unemployment Compensation Act of 1970," (26 U.S.C. §3304 fn.). The program will extend through October 1, 1996, except that it would automatically terminate if the Federal-State Extended Benefits Program or any federally funded supplemental benefits program were to be triggered, or if the Total Unemployment Rate were to fall below 6%. Total benefits expenditure is capped at \$250 million.

The program is limited to those unemployment claimants who have filed intrastate claims, and includes claims filed by federal civilian employees, ex-service persons and those filed under the Combined Wage Program. Benefits paid under the Emergency Unemployment Benefits Program would be funded by the unemployment compensation fund; employers' Experience Rating Accounts would not be charged.

COMMITTEE AMENDMENTS

The committee amended the bill to delete the provisions that contained an alternative trigger for 13 weeks of extended benefits for each worker if the State's total unemployment rate reached 6.5% or more and was also at least 10% higher than the rate for the corresponding 13-week period during either of the preceding two calendar years. Twenty weeks of extended benefits would have been provided if the State's total unemployment rate reached 8%. The cost of these extended benefits would have been shared equally by the State and the federal government.

In addition, the committee changed the date for the beginning of

the emergency unemployment benefit period from March 3, 1996 to April 1, 1996, the date after which a person who exhausted regular benefits would be eligible for extended benefits from September 2 to October 2, 1995, and the date until which the extended benefits would be available from September 1 to October 1, 1996. Other amendments to the bill are technical in nature.

FISCAL IMPACT

The extended unemployment benefits provided by this bill will be funded from the unemployment compensation fund; employers' Experience Rating Accounts would not be charged.