

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7911**

**BILL NUMBER: HB 1792**

**DATE PREPARED:** Jan 20, 1999

**BILL AMENDED:**

**SUBJECT:** Base earnings required for unemployment insurance.

**FISCAL ANALYST:** Beverly Holloway

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill decreases the minimum wage credit necessary to qualify for unemployment compensation to \$2,000 in the base period, and requires the total wage credits in the base period to equal at least 1.25 times the wages paid in the highest quarter. (Current law requires \$2,750 in the base period with \$1,650 in the last two quarters of the base period, and requires the total wage credits in the base period to equal or exceed 1.25 times the wages in the highest quarter.)

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** This bill makes decreases the minimum computation base for unemployment compensation from \$2,750 to \$2,000. This provision will impact the amount of benefits available to an individual from the Unemployment Benefit Trust Fund. The balance of the Unemployment Benefit Trust Fund as of December 7, 1998 was \$1.4 billion. The fiscal impact of this provision is indeterminable at this time and will be updated when information is available.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See "Explanation of State Expenditures."

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Workforce Development.

**Local Agencies Affected:** All.

**Information Sources:** Reginald Wagner, Unemployment Insurance, Department of Workforce Development, (317) 232-7678.