

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

Senate Bill 554 (Senator Exum, *et al.*)
 Judicial Proceedings

Victims of Terror Relief Fund

This bill establishes a Victims of Terror Relief Fund to assist workers who lost their jobs or were laid off as a result of the terrorist attacks of September 11, 2001. The bill takes effect July 1, 2002 and sunsets on June 30, 2003.

Fiscal Summary

State Effect: Potential significant increase in State expenditures. There are insufficient data at this time to reliably estimate the number of Maryland residents who were laid off or lost their jobs as a result of the September 11, 2001 terrorist attacks and would be eligible for assistance. Department of Human Resources general fund expenditures would increase by \$24,800 in FY 2003 for a half-time contractual human services specialist to administer the fund. Special fund revenues could increase depending on the amount of grants or donations made to the fund.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
SF Revenue	-	-	-	-	-
GF Expenditure	24,800	-	-	-	-
Net Effect	(\$24,800)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: This bill establishes a Victims of Terror Relief Fund as a special continuing, nonlapsing fund to be administered by the Department of Human Resources (DHR). The department is required to adopt regulations to carry out the bill's provisions.

The purpose of the fund is to assist workers who can document that they lost their jobs or were laid off as a result of the terrorist attacks of September 11, 2001. The funds will be available to pay delinquent rents, mortgages, utilities, and car payments.

The fund consists of earnings from the investment of moneys in the fund and any other moneys accepted for the benefit of the fund from any governmental or private source.

Eligible applicants may apply up to two times for assistance from the fund. The bill requires that payments from the fund be made directly to the creditor of an eligible person.

The Treasurer is required to separately hold the fund and invest the money of the fund in the same manner as other State money may be invested. Any investment earnings of the fund must be credited to the general fund of the State. Expenditures from the fund may be made only in accordance with the State budget.

Current Law: Individuals who are unemployed through no fault of their own and who are ready, willing, and able to work, and actively seeking work, may be eligible for unemployment insurance benefits.

Background: According to a recent news report, the American Red Cross has raised \$850 million since September 11 and some of these funds are being paid out to individuals who lost income as a result of the terrorist attacks, including limousine drivers in Manhattan.

The U.S. Department of Labor's Bureau of Labor Statistics is tracking the number of mass layoffs reported as a direct or indirect result of the September 11, 2001 terrorist attacks. A mass layoff occurs when 50 or more people are laid off from a company for more than 30 days. In the ten weeks following the attacks, 103,781 workers were laid off nationally, with 64% of those people in California, Nevada, New York, Illinois, Texas, and Florida. In that same period, there were fewer than three mass layoffs in Maryland attributable to the attacks. The bureau does not release data on the number of workers affected if there were fewer than three mass layoffs recorded.

State Expenditures: There are insufficient data at this time to reliably estimate the number of Maryland residents who were laid off or lost their jobs as a result of the September 11, 2001 terrorist attacks and would be eligible for assistance. The costs to provide the assistance could be significant, however. Revenues could increase depending on the amount of grants or donations made to the fund.

DHR general fund expenditures could increase by an estimated \$24,752 in fiscal 2003, which accounts for the bill's 90-day start-up delay. This estimate reflects the cost of hiring a part-time contractual human services specialist to administer the program for one fiscal year. It includes a salary, fringe benefits, one-time start-up costs, and operating expenses.

Salary and Fringe Benefits	\$17,364
Equipment and Printing	5,813
Operating Expenses	<u>1,575</u>
Total FY 2003 State Expenditures	\$24,752

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources, U.S. Department of Labor (Bureau of Labor Statistics), Department of Legislative Services

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