

FISCAL IMPACT STATEMENT ON BILL NO. **H.3762**

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TO: The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee  
FROM: Office of State Budget, Budget and Control Board  
ANALYSTS: K. Earle Powell  
DATE: March 29, 2011 SBD: 2011269

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AUTHOR: Representative Cooper PRIMARY CODE CITE: 41-31-45  
SUBJECT: Unemployment Insurance Trust Fund

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See Below

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**BILL SUMMARY:**

House Bill 3762 amends the Code of Laws of South Carolina, 1976, to revise provisions governing the Unemployment Insurance Trust Fund, so as to provide that, in a year in which the fund is in debt status, the Department of Employment and Workforce, amongst other estimates, must estimate the amount of income necessary to repay all outstanding federal loans within eight years, rather than five years.

**EXPLANATION OF IMPACT:**

Enactment of this Bill will have no impact on the Department's operating expenditures.

**LOCAL GOVERNMENT IMPACT:**

None.

**SPECIAL NOTES:**

The Department of Employment and Workforce (DEW) indicates that extending the outstanding loan repayment will increase overall interest payments owed the federal government. Instead of paying back in 5 years at an interest cost of approximately \$109 million (assuming an average interest rate of 4.09%), DEW will be paying approximately \$185 million (assuming same average interest rate of 4.09%).

Approved by:



Harry Bell  
Assistant Director, Office of State Budget