



The Bell Policy Center

Research • Advocacy • Opportunity

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FOR IMMEDIATE RELEASE

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Workers' advocacy groups call for Gov. Owens to sign unemployment insurance reform bill

The Bell Policy Center and 18 groups representing thousands of Coloradans issued an appeal to Gov. Bill Owens Friday, urging him to sign HB 1020, the Alternative Base Period for Unemployment Insurance bill passed by the state Legislature.

HB 1020 would establish an alternative method for calculating unemployment insurance (UI) eligibility for workers who are ineligible under the current calculation method, by giving more weight to more recent earnings for those workers.

In the last year, ABP would have helped 877 of our state's most vulnerable workers who lost their jobs through no fault of their own.

Low-wage workers should not be left out of Colorado's unemployment insurance system. Implementing the ABP does not increase the pool of UI claimants. It does not increase the UI benefit amount or extend the benefit period for ABP recipients. It simply means that affected workers will get benefits when they become unemployed rather than having to wait until the end of the quarter.

Eighteen other states and the District of Columbia have already adopted an Alternative Base Period to modernize their UI systems. Studies show that most ABP recipients earn less than \$9 per hour.

HB 1020 does have a fiscal impact, but it is critical that we look at what it costs not to have an ABP. Employers have already paid UI on these workers to help tide their families over until they find new jobs and to help stabilize the state's economy during rough times. Without UI, these families that have been subsisting on low wages may end up on public assistance, incur huge debt, or lose their health insurance or their homes.

Other states that have adopted ABP have proven it to be effective in keeping very low-wage workers attached to the workforce and off public assistance.

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The Alternative Base Period can also help the state's budget by paying UI funds, as intended, to unemployed workers and reducing the size of the UI surplus which drives TABOR refunds from the state's general fund.

Legislative Council has determined that ABP will not raise overall business taxes. It could possibly increase taxes on a few firms who lay off low-wage workers who would be eligible for UI under the ABP. However, Colorado's UI taxes are already lower than those in 41 other states, and any increase would be minor and offset many times over by the \$162 million reduction in business UI taxes being implemented under HB 1208.

Other contacts:

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Kristen Thomson, Colorado Women's Agenda, (303) 863-7336

Groups supporting HB 1020

9to5, National Association of Working Women – Colorado
All Families Deserve a Chance (AFDC) Coalition
Bell Policy Center
Colorado AFL-CIO
Colorado Center on Law and Policy
Colorado Coalition Against Domestic Violence
Colorado Federation of Public Employees
Colorado Fiscal Policy Institute
Colorado League of Women Voters
Colorado NOW
Colorado Progressive Coalition
Colorado Women's Agenda
Community Resource Center
Denver Women's Commission
Lutheran Advocacy Ministry
Metropolitan Denver Homeless Initiative Inc.
National Association of Social Workers Colorado Chapter
Project WISE
Women's Lobby of Colorado