

Unemployment Insurance (SB20-207)

Testimony to the Senate Finance Committee

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Thank you for the opportunity to testify today. I am Tyler Jaeckel, the director of policy and research at the Bell Policy Center. The Bell Policy Center provides policymakers, advocates, and the public with reliable resources to create a practical policy agenda that promotes economic mobility for every Coloradan.

The Bell Policy Center supports SB20-207, which would make needed changes to the unemployment insurance system, both during public health emergencies and non-public health emergencies. With [nearly half a million claims filed as a result of the COVID-19 pandemic](#) in Colorado, we are truly experiencing unprecedented use of this almost century-old program.

Unfortunately, by some estimates, we may be asking this system to continue to play an ongoing role in the continued pandemic response for a long while. A recent study from the [University of Chicago estimates](#) 42 percent of coronavirus-related job losses will result in permanent job losses. At the same time, we need to ensure those Coloradans who are able to return to work are safe, secure, and able to manage the complications COVID-19 has forced upon the workplace.

By passing SB20-207, Colorado can strengthen UI by keeping Coloradans employed, ensuring they return to safe work environments, and helping businesses retain employees and reduce use of unemployment insurance. This bill makes three important changes that are needed right now and into the future:

1) Adapts unemployment insurance to the current conditions

- **Expands the Work Share Program**, which allows employers to use UI benefits to compensate employees for lost hours rather than having to lay off employees.
- **Aligns the definition of employee** within the unemployment insurance statute with the definition in other statutes, increasing CDLE's ability to identify and enforce misclassification across the agency.

2) Ensures workers have the right to return to a healthy workplace by further clarifying "good cause" for quitting or not returning to a job during a "public health emergencies."

3) Incentivizes individuals to Work and Accept Employment Opportunities by raising the earnings disregard from 25 percent to 50 percent of an individual's weekly benefit amount for both full and partial unemployment.

It's promising many Colorado businesses are beginning to reopen and take the needed steps to restart the economy. As our state takes these steps, many employees may see reduced hours, perhaps reduced pay, or a need to take different jobs. The Work Share Program and the expansion of earnings disregard helps to reduce these problems.

Unfortunately, returning to work may not be an option for some Coloradans, as COVID-19 has wreaked havoc within their families, requiring them to care for a family member or a child that can no longer attend school. The risks of COVID-19 may also require many Coloradans to stay home and make them unavailable to return to work. The expansion of “good cause” will allow these Coloradans the opportunity to stay on UI while they try to recover themselves.

These changes may not be enough, and we may have to do more when the legislature returns in January, but they are a strong start.

Thank you for the opportunity to testify today and I am happy to take questions.