

The problems with Senate Bill 234:

1. Making the 50% of earnings disregard permanent discourages return to work and availability for full time work. It also increases benefit payout. (ex. individuals with average weekly wages in the base period of \$1000 would receive approximately \$500 in unemployment benefits while also working part time and earning \$500 per week. This undercuts the incentive for individuals to search for and accept fulltime work when their earnings part time combined with UI benefits is equal or more than they would receive working full time. The prior 25% of prior base period wages is more in line with most states. This raises an issue similar to the one was fought out in Congress about discouraging return to work. At a time of worker shortages this provision makes it even more difficult to find workers. What is the cost of this provision?

2. Paying the waiting week not only increases benefit payout, but it also puts Colorado at risk of not receiving the full federal share reimbursement for benefits paid if the state triggers "on" regular extended benefits. What is the cost of this provision?

3. The agency could study Dependency, but the language seems to push for data to justify enactment. They don't need statutory language to study this.

4. All employers should not be taxed to create funds for the Benefit Recovery Fund to be used to pay individuals who are not eligible for unemployment insurance.

- Have we not learned the lessons of the Program? Who is the third party that would administer this fund? Since they would be a contractor for CDLE individuals would assert that they were entitled to be paid and not subject to having payments suspended when the money ran out. Who would pay? Has anyone costed this out? Will the third party be bound to the confidentiality and security requirements that apply to regular UI? The language addresses this a bit but sufficiently.
- The language actually permits individuals to simply attest that they are not receiving other wage replacement. This "self-attestation" idea was a prime reason for massive fraud in the PUA program. Who is responsible to identify and prosecute fraud in the program and to recover amounts improperly paid? Who will respond to appeals of the new benefit payments? What courts would review? What are the projected costs of this?

5. The language indicates that it may need to be reviewed by US DOL for conformity. Has it already been reviewed? What was the response?

6. There appears to be an assumption that CDLE will just issue bonds and implement assessments as necessary to restore a positive balance in the state UI trust fund (some funds will be needed in addition to the \$600 or so transfer from ARPA). How much will be needed? What is the projected assessment that would be due from employers?