

SENATE BILL 09-247

2009 ANNUAL REPORT (July 1, 2009 – December 1, 2009)

Submitted to:

**The Colorado Joint Budget Committee,
The Colorado House Committee on Business Affairs and Labor, and
The Colorado Senate Committee on Business, Labor, and Technology**

By:

**The Colorado Department of Labor and Employment
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**Prepared in compliance with Colorado Revised Statutes 8-72-113 and 8-73-114 by staff of
the Colorado Department of Labor and Employment, Unemployment Insurance Program**

December 31, 2009

SENATE BILL 09-247 REPORTING REQUIREMENTS

Senate Bill (SB) 09-247 requires the Colorado Department of Labor and Employment to submit the following report by December 31, 2009, providing status on the:

- Total accumulated federal stimulus money expended as of December 1, 2009, addressing the expansion of unemployment insurance benefits alternative base period and separations due to compelling family reasons.
 - Title 8 of Article 72, Section 113 of the Colorado Revised Statutes.
- Enhancement of unemployment insurance benefits associated with an approved-training program and the resulting outcomes.
 - Title 8 of Article 73, Section 114 of the Colorado Revised Statutes.

This report complies with these requirements.

PART I. OVERVIEW AND SUMMARY

Public Law 111-5: The American Recovery and Reinvestment Act

On February 7, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA). The ARRA was an aggressive attempt by the federal government to promote job growth and provide economic stimulus to a nation mired in recession.

Unemployment Insurance Modernization. One significant portion of the ARRA encouraged states to “modernize” state unemployment insurance laws by expanding the circumstances by which an individual could become eligible for unemployment compensation. The ARRA set aside a total of **\$7,000,000,000** in federal incentive funding to states to enact specified modernization provisions.

In order to receive modernization payments, a state is required to enact an alternative base period for the calculation of unemployment insurance eligibility **and** adopt two of four other unemployment insurance benefit eligibility provisions. The four available provisions are:

1. Allowing eligibility for persons seeking part-time work
2. Not disqualifying a claimant who became separated from employment due to the following compelling family reasons:
 - Domestic violence
 - Illness or disability of a family member
 - The need to accompany a spouse to a new place of employment
3. Allowing for the continuance of benefits for persons who make satisfactory progress in a state approved training program
4. Paying an additional dependents’ allowance to claimants at a minimum of **\$15** per week per dependent

Upon passage of the alternative base period, a state would then receive one-third of its allocated modernization incentive funding. If a state elected to enact two of four other provisions, the state would receive the remaining two-thirds of its allocation. However, to collect the remaining two-thirds of the allocated funding, a state must already have in place provisions allowing for an alternative base period.

State Extended Benefits. A second provision of the ARRA encouraged states to establish a period of extended unemployment insurance benefits to allow individuals to receive additional weeks of state benefits beyond the normal 26 weeks authorized by state law. In return for enacting a state extended benefits program, the federal government would change the federal reimbursement rate for benefits paid under this program from 50 percent to 100 percent for a specified timeframe.

Unemployment Insurance Administrative Funding. Another provision of the ARRA provided for a special administrative transfer of **\$500,000,000** to all states’ unemployment insurance trust funds. The administrative transfers were made regardless of whether a state qualifies for a modernization incentive funding for benefit expansion. Even though these federal dollars were deposited in state unemployment insurance trust funds, moneys can only be used for

specified administrative purposes.

Colorado

In Colorado, SB 09-247, was signed by the Governor on June 2, 2009, and became law on July 1, 2009. To take advantage of the first one-third of incentive funding available under the ARRA, this legislation established an alternative base period to determine unemployment insurance benefit eligibility. To receive the remaining two-thirds, SB 09-247 authorized benefit payments for individuals who quit employment for certain compelling family reasons. Since Colorado already authorized benefits for individuals seeking part-time employment, the state was not required to enact further changes in order to receive its full share of federal incentive dollars.

Additionally, SB 09-247 also modified existing state extended benefits law to conform to federal ARRA requirements for full federal reimbursement of extended benefits paid by Colorado.

Colorado's total share of the unemployment insurance modernization funding equaled **\$127,469,762** and its share of the special administrative transfer was **\$9,104,983**.

In addition, SB 09-247 also established an "enhanced unemployment insurance benefit" program that was not a part of the ARRA. Under the enhanced unemployment insurance benefit program, an individual is eligible to supplement her or his additional unemployment insurance benefit payment by an amount equal to 50 percent of her or his regular state unemployment insurance weekly benefit if the individual is preapproved to participate in a job-training program in renewable energy or other high-demand occupation.

Summary of Federal Funds Received and Expended Under SB 09-247. The tables below summarize the total federal dollars received and expended under the provisions of SB 09-247, as well as the number of unique individuals benefiting from this legislation. Additional information for these provisions is provided in subsequent sections of this report.

SB 09-247 Federal Dollars Received and Administrative Expenditures			
Federal Funding Description	Amount Received	SB 09-247 Appropriation	Total Expended
Administrative Transfer - Modernization	\$9,104,983		
Enhanced Unemployment Insurance Benefit Outreach		\$500,000	\$0
State Extended Benefit Implementation		\$1,055,392	\$335,396
Total	\$9,104,983	\$1,555,392	\$335,396

As of December 1, 2009, the balance of unexpended federal administrative dollars equals **\$8,769,587**. However, of the **\$9,104,983** received, **\$1,555,392** was appropriated in SB 09-247. Thus, the unobligated amount available for additional expenditures equals **\$7,549,591**.

SB 09-247 Federal Dollars Received and Benefits Paid				
SB 09-247 Provision	Federal Dollars Received	Individuals Receiving Benefits	Amount Expended	Balance
Alternative Base Period	\$42,489,921	808	\$374,278	\$42,115,643
Compelling Family Reasons	\$84,979,841			\$84,561,156
-Quit to Accompany		219	\$251,377	
-Care for a Family Member		206	\$167,308	
-Domestic Violence ¹	N/A	N/A	N/A	N/A
Part-Time Work¹	N/A	N/A	N/A	N/A
Extended Benefits²	\$52,574,475.56	17,703	\$52,574,475.56	N/A
Enhanced UI	0	67	\$118,571	\$0
Total	\$180,044,238	19,003	\$53,486,010	\$126,676,799
¹ Benefits were authorized for these provisions prior to SB 09-247.				
² Colorado reimbursed by federal government for all extended benefits paid, resulting in federal dollars received equaling amount expended.				

Federal Policy

Based on the requirements of the ARRA, the U.S. Department of Labor (USDOL) provides state unemployment insurance programs with implementation requirements via Unemployment Insurance Program Letters (UIPLs). Consistent with these requirements, the Colorado Unemployment Insurance Program determines what steps must be taken to properly identify, implement, and administer programs and initiatives funded under the ARRA. USDOL issued the following UIPs related to the ARRA:

- **UIPL 12-09, Extended Benefits Program–Temporary Changes Made by the Assistance for Unemployed Workers and Struggling Families Act.** This UIP and its subsequent change advises state unemployment insurance programs of temporary changes to the permanent federal-state extended benefits program.
- **UIPL 14-09, Special Transfers for Unemployment Compensation Modernization and Administration and Relief from Interest on Advances.** This UIP and its subsequent changes advises state unemployment insurance programs of unemployment insurance modernization incentive payments, special administrative transfers, and relief from interest on advances to state unemployment funds.

PART II. EXPANSION OF UNEMPLOYMENT INSURANCE BENEFITS

Based on the provisions of the ARRA and guidance provided in UIP 14-09, SB 09-247 was introduced and passed, which enabled the Colorado Unemployment Insurance Program to apply for and receive additional ARRA funds (unemployment insurance modernization incentive

payments). Colorado was awarded a total of **\$127,469,762** in federal unemployment insurance modernization incentive payments.

By establishing an alternative base period, the Unemployment Insurance Program received one-third of the unemployment insurance modernization funds (**\$42,489,921**) on September 10, 2009. By establishing provisions related to paying benefits for certain compelling family reasons and clarifying, by rule, benefit eligibility for part-time workers, the Unemployment Insurance Program received the remaining two-thirds of the unemployment insurance modernization funds (**\$84,979,841**) on October 19, 2009.

SB 09-247 authorized the Unemployment Insurance Program to expend up to **\$1,555,392** for state extended benefit implementation and for outreach to unemployed workers, with emphasis on traditionally underserved populations, to inform them of the availability of enhanced unemployment benefits.

The Unemployment Insurance Program implemented the following programs because of SB 09-247, either through the receipt of unemployment insurance modernization funds or as federally funded programs, such as state extended benefits. Colorado modified its statutes and regulations to include qualifying provisions to make unemployment insurance benefits payable to individuals who:

- Have not earned sufficient wages in insured work during the standard base period to qualify for unemployment insurance benefits.
- Separate from a job because of specific compelling family reasons.

Alternative Base Period

SB 09-247 created an alternative base period for an unemployed individual who has not earned sufficient wages in insured work during the standard base period to qualify for unemployment insurance benefits. To determine monetary eligibility for unemployment compensation using the standard base period, the Unemployment Insurance Program calculates an individual's wages earned in four previous calendar quarters, not including the current calendar quarter or the most recently completed calendar quarter. Under this calculation, "older" wages are used instead of an individual's most recent wages, to determine unemployment insurance benefit eligibility. Occasionally, this results in an individual being deemed ineligible for benefits simply because she or he has not earned enough wages during the designated standard base period.

Because of SB 09-247 if an individual does not qualify using the standard base period, the Unemployment Insurance Program can use the alternative base period to determine an individual's monetary eligibility for unemployment insurance benefits. The alternative base period consists of the last four completed calendar quarters; thereby including more recent wages earned by an individual. Since wages that are more recent may be higher than older wages, an individual who is not eligible for benefits under the standard base period may be eligible under an alternative base period.

As of November 30, 2009, **808** claimants have received **\$374,278** in benefit payments using the alternative base period.

Compelling Family Reasons

SB 09-247 also modified Colorado statutes to allow the payment of unemployment insurance benefits when an individual separates from his or her job for the following compelling family reasons:

- **Domestic Violence.** The individual must meet specific requirements, including reasonably believing that continued employment jeopardizes his or her safety or that of the worker's immediate family and providing specified documentation of the domestic violence.
- **Relocate to Accompany a Spouse.** To relocate to a new place of residence to accompany a spouse because the spouse's location of employment has changed. Benefits are dependent upon the individual being unable to practically commute to his or her current job and the individual, upon arrival to the new residence, being available for suitable work.
- **Care for an Immediate Family Member.** To care for an ill or disabled immediate family member who requires care for a period longer than allowed the individual under his or her employer's medical leave of absence policy or the federal Family and Medical Leave Act of 1993.

As of November 30, 2009, **219** claimants have received **\$251,377** in benefit payments due to change in spouse's employment location. Additionally, **206** claimants have received **\$167,308** in benefits for care of an immediate family member.

State Extended Benefits

The ARRA and UIPL 12-09 encouraged state unemployment insurance programs to enact an optional total unemployment rate trigger and, by doing so, the federal government would pay 100 percent of the benefit costs. SB 09-247 enacted the optional total unemployment rate trigger and authorized the Colorado Department of Labor and Employment to expend **\$1,055,392** from the administrative special transfer fund to implement state extended benefits.

State extended benefits provides up to 20 additional weeks of benefits to claimants who have exhausted emergency unemployment compensation during periods of high unemployment. State extended benefits are available only after all regular unemployment insurance and emergency unemployment compensation benefits are paid.

State extended benefits increase the number of weeks of unemployment insurance benefits when the total unemployment rate, averaged over three months, reaches the following levels. The total unemployment rate is averaged over three months.

- If the average total unemployment rate reaches 6.5 percent, up to 13 weeks of state extended benefits may be paid.
- If the average total unemployment rate reaches 8 percent, up to 20 weeks of state extended benefits may be paid.

As of November 30, 2009, **17,703** claimants have received state extended benefits for a total amount of **\$52,574,475.56**.

PART III. ADMINISTRATIVE FUNDING AND EXPENDITURES

The Colorado Department of Labor and Employment received an administrative transfer of **\$9,104,983** on March 2, 2009, from the federal government for certain administrative activities.

Allowable expenditures include:

- Improved outreach to individuals who may benefit from unemployment insurance modernization.
- Improved operations for unemployment insurance benefit and tax functions.
- Staff-assisted reemployment services for unemployment insurance claimants.
- Implement and administer the provisions of state law that qualify the state for the modernization incentive payments.

SB 09-247 authorized the Unemployment Insurance Program to expend up to **\$1,555,392** for state extended benefit implementation and for outreach to unemployed workers, with emphasis on traditionally underserved populations, to inform them of the availability of enhanced unemployment benefits.

PART IV. ENHANCED UNEMPLOYMENT INSURANCE BENEFITS—APPROVED TRAINING

SB 09-247 established the Enhanced Unemployment Insurance Benefits Program, which allows for unemployment insurance benefits for persons who make satisfactory progress in a state-approved training program. SB 09-247 provides **\$15,000,000** for state fiscal years 2009-2010 through 2011-2012 for claimants enrolled and making satisfactory progress in an approved-training program.

The total enhanced unemployment insurance benefit amount equal up to 20 weeks of benefits on the participant's regular unemployment insurance claim or 40 percent of the maximum benefit amount on the participant's regular claim, whichever is less.

As of November 30, 2009, **67** claimants have been approved through the enhanced unemployment insurance benefits and job-training program with total expenditures of **\$118,571**.

Enhanced Unemployment Insurance Benefits - Demographic Analysis

Female Recipients				
Race	Number of Recipients	Age Group	County of Residence ¹	Percentage
American Indian	1	30-39	Garfield	3.23
Asian	1	50-59	Larimer	3.23
Hispanic	1	30-39	Pueblo	3.23
	1	40-49	Pueblo	3.23
	2	50-59	Larimer (2) Pueblo	6.45
Other	1	50-59	Jefferson	3.23
White	3	20-29	Mesa (2) Pueblo	9.68
	5	30-39	Eagle Garfield Jefferson Larimer Mesa	16.13
	3	40-49	Boulder Larimer Pueblo	9.68
	8	50-59	Garfield Larimer (3) Pueblo Mesa (3)	25.81
	5	60-69	Lake Larimer (3) Pitkin	16.13

Total Recipients 31

Male Recipients				
Race	Number of Recipients	Age Group	County of Residence ²	Percentage
Asian	1	40-49	El Paso	5.41
Black	2	30-39	Broomfield Mesa	5.41
Hispanic	1	40-49	Garfield	2.70
	1	50-59	Eagle	2.70
Other	1	40-49	Boulder	2.70

¹ One participant per county unless otherwise noted in parenthesis.

² One participant unless otherwise noted in parenthesis.

White	3	20-29	Garfield Mesa Pueblo	8.11
	2	30-39	El Paso Larimer	5.41
	7	40-49	El Paso Larimer (6)	18.92
	12	50-59	Boulder (2) Broomfield Garfield Larimer (6) Mesa (2)	32.43
	4	60-69	Broomfield Larimer (2) Jefferson	10.81
Blank (No Response)	2	40-49	Boulder Jefferson	5.41

Total Recipients 36

Gender	Number of Recipients	Percentage
Female	31	46.27
Male	36	53.73

Total 67

Race	Number of Recipients	Percentage
American Indian	1	1.49
Asian	2	2.99
Black	2	2.99
Hispanic	6	8.96
Other	2	2.99
White	52	77.61
Blank (No Response)	2	2.99

Total 67

Age	Number of Recipients	Percentage
20-29	6	8.96
30-39	11	16.42
40-49	16	23.88
50-59	25	37.31
60-69	9	13.43

Total 67

County of Residence	Number of Recipients	Percentage
Boulder	5	7.46
Broomfield	3	4.48
Eagle	2	2.99
El Paso	3	4.48
Garfield	6	8.96
Jefferson	4	5.97
Lake	1	1.49
Larimer	25	37.31
Mesa	10	14.93
Pitkin	1	1.49
Pueblo	7	10.45

Total 67

North American Industry Classification System Code (2-Digit) for Claimant's Last Permanent Employer in Customary Occupation	Number of Recipients	Percentage
21–Mining, Quarrying, and Oil and Gas Extraction	1	1.49
23–Construction	7	10.45
31–Manufacturing	6	8.96
32–Wood Product Manufacturing	1	1.49
33–Primary Metal Manufacturing	10	14.93
42–Wholesale Trade	1	1.49
44–Retail Trade	2	2.99
45–Sporting Goods, Hobby, Book, and Music Stores	1	1.49
48–Transportation and Warehousing	2	2.99
49–Postal Service	3	4.48
51–Information	1	1.49
52–Finance and Insurance	1	1.49
54–Professional, Scientific, and Technical Services	17	25.37
56–Administrative and Support and Waste Management and Remediation Services	7	10.45
62–Health Care and Social Assistance	4	5.97
72–Accommodation and Food Services	1	1.49
81–Other Services (except Public Administration)	2	2.99

Total 67

Enhanced Unemployment Insurance Benefits - Duration of Benefits

Total Duration of Benefits Paid (in weeks)	Number of Recipients	Percentage
1	6	8.96
2	4	5.97
3	3	4.48
4	5	7.46
5	3	4.48
6	3	4.48
7	4	5.97
8	4	5.97
9	7	10.45
10	3	4.48
11	3	4.48
12	2	2.99
13	8	11.94
14	5	7.46
15	3	4.48
16	1	1.49
17	2	2.99
19	1	1.49
Total	67	

Enhanced Unemployment Insurance Benefits - Training Analysis Provided to Recipients

6-Digit O*Net Code of Occupations or Occupational Category Targeted by Training ³)	Number of Recipients	Percentage
Not Available	62	92.54
172071–Senior Electrical Engineer	1	1.49
Blank (No Response on Approved Training Request Form)	4	5.97
Total	67	

Class or Course of Study (Training Requested)	Number of Recipients	Percentage
A+ and Network+ (Computer Support Specialist)	1	1.49

³ Only the general 2-digit code was obtained which is not as precise as the individual's specific 6-digit occupation code.

Accounting	4	5.97
Alternative Energy (Solar)	1	1.49
Associate Degree in Applied Science Accounting (Accountant/Accounting Clerk)	1	1.49
Automotive Technician	2	2.99
Business Essentials (Sales Representative–Manufacturing)	1	1.49
Business/Economics (Training and Development Specialist)	1	1.49
Certificate in Embedded Systems (Electrical Engineer)	1	1.49
Certificate in Transportation and Logistics	1	1.49
Certified Nurse Aide	2	2.99
CIS Network Administration	1	1.49
Clean Energy Technician	5	7.46
Communications/Computer Science	1	1.49
Computer Information Systems	3	4.48
Computer Science	1	1.49
Computer Systems Analyst	1	1.49
Customer Service Representative–Hospitality	1	1.49
Electrical Lineman Worker Programs	1	1.49
Electrical Line worker Program	1	1.49
Emergency Medical Technician	1	1.49
Entrepreneur Fitness Center (Accounting)	1	1.49
Foundations, Operations, Transition, Design, CSI, Strategy, MALC (Financial Analyst)	1	1.49
Geographic Information Systems	2	2.99
Instrumentation/Alternative Energy	1	1.49
Leed Preparation Class and Revit Mechanical Drafting	1	1.49
Medical Assistant	3	4.48
Medical Assistant/Radiologic Technician	1	1.49
Medical Assisting	1	1.49
Medical Coding	1	1.49
Medical Coding, Billing, Transcription	1	1.49
Medical Office Administration	2	2.99
Medical Office Billing	1	1.49

Medical Office Technology	1	1.49
Microsoft Certified Systems Engineer	1	1.49
Microsoft Office Specialist	1	1.49
Network Security Administration	1	1.49
Nursing	1	1.49
Physical Anatomy Medical Terminology Biller Coder	1	1.49
PMP Certification (Project Manager)	1	1.49
Project Management with MCTS and Access 7	1	1.49
Radiologic Technician	2	2.99
Registered Nurse	1	1.49
RESNET Energy Rater Training (Energy Rating for Buildings/Residences)	1	1.49
Six Sigma (Network Systems Analyst)	1	1.49
Supply Chain Management	1	1.49
Teacher Certification	1	1.49
Truck Driver	1	1.49
Truck Operator	1	1.49
Web Development	2	2.99
Web Development/Graphic Design	1	1.49

Total 67

Enhanced Unemployment Insurance Benefits - Recipients' Employment and Wage History

Wage of Last Permanent Job in Customary Occupation Prior to Training	Number of Recipients	Percentage
\$5.00 –\$10.00 per hour	9	13.43
\$10.01–\$15.00 per hour	13	19.40
\$15.01–\$20.00 per hour	15	22.39
\$20.01–\$25.00 per hour	12	17.91
\$25.01–\$30.00 per hour	5	7.46
\$30.01–\$35.00 per hour	1	1.49
\$35.01–\$40.00 per hour	5	7.46
\$40.01–\$45.00 per hour	0	0.00
\$45.01–\$50.00 per hour	2	2.99
\$50.01–\$55.00 per hour	2	2.99

Wage of Last Permanent Job in Customary Occupation Prior to Training	Number of Recipients	Percentage
\$55.01–\$60.00 per hour	2	2.99
\$60.01–\$65.00 per hour	1	1.49

Total 67

Wage of Last Permanent Job in Customary Occupation After Training ⁴	Number of Recipients	Percentage
\$13.00 per hour	1	1.49
Blank	7	10.45
Not Applicable	59	88.06

Total 67

Training Successfully Completed	Number of Recipients	Percentage
Not Applicable	59	88.06
Yes	8	11.94

Total 67

Reason for Noncompletion of Training ⁵	Number of Recipients	Percentage
Not Applicable	67	100.00

Total 67

Returned to Previous Employer After Training ⁶	Number of Recipients	Percentage
Not Applicable	67	100.00

Total 67

⁴ Surveys will be completed to obtain information from claimants once training has ended.

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