



HB23-1078 Unemployment Compensation Dependent Allowance

Thursday, February 9 2023

House Business Affairs & Labor 1:30 p.m. | HCR 0112

Testimony: Oppose

Good afternoon, Madam Chair and fellow committee members,

My name is Adam Burg I am the vice president of Government Affairs for the Denver Metro Chamber of Commerce. For over 155 years, the Denver Metro Chamber of Commerce has been a leading voice for Colorado's business community, advocating for sound policy that strengthens our economy and makes our state the best place to live, work and do business.

I'm here today to express our organizations' opposition to HB23-1078.

As you know the Colorado UI program provides temporary and partial wage replacement to workers who have become unemployed through no fault of their own. UI benefits are paid from the Unemployment Compensation Fund, which is funded through premium and surcharge rates charged to employers.

It was just last year that legislators passed a bill that infused money into the UITF and helped to pay off a federal loan that had kept the fund afloat. The \$600 million appropriated from the 2022 law allowed CDLE to end the state's debt to the U.S. Treasury before employers lost a tax credit given to states that don't have outstanding unemployment benefit loans. However, the UITF remains \$1 billion short of fiscal solvency.

The business community has done a great deal to ensure the solvency of Colorado's unemployment trust fund. This bill puts this solvency into jeopardy and would cost the state tens of millions of dollars – estimates range between \$15 to \$56 million a year.

While we recognize that a period of joblessness for a primary caregiver can drive a family into poverty, the proposal comes at a time when the UITF – a fund which was never intended to fund dependents - while more stable than it was one year ago, is far from being actuarially solvent.

The business community is focused on getting the fund back to solvency. And doing something like this - even if well-intentioned - is going to hurt that mission.

We encourage you to vote no on this legislation.