

Meeting the Challenges of the Changing Workforce Unemployment Insurance Safety Net Conference

Friday, November 22 - Saturday, November 23, 2002



Unemployment Insurance Reform Agenda Expanding UI Eligibility

The specific elements of unemployment insurance (UI) reform differ from state to state. NELP coordinates and advises a nation-wide network of community groups, advocates, and policy makers that share information and develop UI reform policies. NELP's UI reform agenda is comprised of a number of reform elements that address the concerns of low-wage, women and part-time jobless workers.

The basis of NELP's agenda is that in the states, UI programs should promptly pay adequate benefits to a high proportion of jobless workers. Benefits should flow from trust funds maintained with prudent balances through adequate payroll tax financing. After all, UI programs are social insurance programs, not business recruitment or economic development programs. At the federal level, UI extensions should automatically stabilize the economy during recessions and minimize inter-state competitive pressures that undermine the UI safety net.

NELP's Recommended State UI Reforms

1. **Adopt Alternative Base Periods.** Sixteen states now use a worker's more recent wages to measure UI monetary eligibility. This year, Connecticut, the District of Columbia, Georgia, and Oklahoma became four of them by adopting alternative base periods (ABPs). ABPs promote UI eligibility expansion, especially among women, new entrants to labor markets (including welfare recipients), re-entrants to the workforce, and low-wage workers.
2. **Expand Good Cause to Include Compelling Domestic Circumstances.** The majority of states don't permit "personal" reasons to count as good cause for leaving work. Some states allow good cause for specific reasons, such as lack of day care or medical causes. By including "compelling domestic circumstances" as good cause, states can protect workers who are forced to quit in order to care for sick children, partners or parents, or have left work due to child care/shift work conflicts or domestic violence.
3. **Treat Part-time Workers Equitably.** About one fifth of workers are part-time. Part-time workers are predominantly women and disproportionately low-income. In 33 states, however, part-time workers cannot obtain UI benefits because these states stipulate that UI claimants must be able and available for full-time work. States should permit laid off workers to search for part-time work when they have a history of part-time work and where there is good cause for limiting work and substantial part-time job opportunities exist.
4. **Adopt Improved Extended Benefits Triggers.** Under federal law, states have an option to adopt triggers, using total unemployment rates (TUR) to generate extended benefits (EB) coverage. In the 1980s, many states with high unemployment rates did not pay EB benefits using insured unemployment rate (IUR) triggers. With overall lower unemployment levels in today's economy, TUR triggers are even more important. North Carolina recently adopted TUR triggers, enabling the state to provide an additional 13 weeks of federal extensions to its workers.
5. **Provide Language Access for Limited English Proficiency Speakers.** With increased use of telephones and computers as access points for UI, state agencies need to ensure that limited English speakers have access to systems and forms they can understand.

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NELP's Federal Reform Issues

1. **Fix Temporary Emergency Unemployment Compensation.** The TEUC program adopted in March 2002 has a number of shortcomings that deny benefit extensions to long-term unemployed workers. Most importantly, the program ends on December 31, 2002. Congress and the Bush Administration must ensure that the remaining unemployed in the "jobless recovery" receive UI benefit extensions.
2. **Reform Extended Benefits.** Currently, the federal-state Extended Benefits (EB) program uses outdated triggers that reflect the higher levels of unemployment in the early 1980s. As a result, states with very high unemployment still do not receive EB. EB triggers should be fixed before the next recession to ensure that UI extensions are automatically available to stimulate the economy. In addition, federal EB law -imposed restrictions upon states' regular UI programs should be repealed. EB reform is needed to address long-term unemployment after TEUC ends in the current recession, as well.
3. **Expand UI Eligibility.** The federal goals of the UI program are to provide adequate wage replacement to jobless workers and to stimulate the economy in downturns. Permitting states to adopt "lowest common denominator" UI programs undermines these goals. In the absence of strong federal incentives or standards, the UI safety net faces further restrictions as states engage in a destructive "race to the bottom."
4. **Broaden Language Access for Limited English Proficiency Speakers.** The U.S. Department of Labor has done almost nothing to enforce the language access requirements of Title VI of the Civil Rights Act as applied to UI and job training programs. NELP, together with other organizers, is seeking the Labor Department to act on this critical issue as it adopts new technologies and one-stop systems.
5. **Reform UI Administrative Financing.** For many years, due to budgetary considerations unrelated to the taxes dedicated to financing UI, state UI agencies have struggled with inadequate administrative financing. UI administrative financing should be mandatory under federal budget rules and funding amounts should be substantially increased to assist state agencies, claimants, and employers who require services from these agencies. This would provide actual relief for states, unlike the Bush Administration's "New Balance" devolution proposal.