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Testimony of Cheryl Kohler,
In Support of Raised Bill No. 5647,
"An Act Concerning Certain Eligibility Requirements for Unemployment Compensation for Claimants with a Disability"
March 7, 2006

Good afternoon, Senator Prague, Representative Ryan and Committee members. My name is Cheryl Kohler and I am a staff attorney at Connecticut Legal Services' Waterbury office. I am here to testify in support of HB 5647, An Act Concerning Certain Eligibility Requirements for Unemployment Compensation for Claimants with a Disability. This bill helps to correct what I believe is an injustice in the current unemployment system-an injustice which may improperly discriminate against disabled individuals.

Currently, if a claimant can only work a limited number of hours because of a disability, they are not considered to be available for what the Administrator considers "full-time" employment and are thus ruled ineligible for unemployment benefits. This is true even if the claimant has been working less than full time for several years, and has earned the wage credits that make him financially entitled to unemployment benefits in a part time job. Non-disabled claimants with no medical limitations would be able to collect unemployment benefits earned in the same part time employment as long as they are looking for full time work. The non-disabled worker would not be precluded from accepting another part time job, so long as he were looking for full-time employment. The difference here is that the disabled claimant, who medically *cannot* work full-time and who, consequently, cannot honestly say that he is looking for full-time work, is ruled ineligible to collect the benefits which he earned.

HB 5647 would preserve a disabled individual's right to collect earned unemployment compensation, as long as he has a capacity to work at least 16 hours each week. This bill would be an important step towards remedying illegal and unjust treatment of workers with disabilities.

However, this bill may be too restrictive to help recently disabled individuals whose disabilities do not meet the definitions of "permanent or long-term" impairments. Additionally, it is conceivable that individuals could be available to work less than the specified 16 hour minimum. Even with its drawbacks, this bill is a marked improvement, and would further the goals of state and national policies that encourage disabled individuals to reenter the work force, and for those disabled workers who are successful at finding a job but subsequently become unemployed through no fault of their own, the bill would

United Way

states which allow part-time workers access to unemployment benefits. Approximately 9 states allow complete parity of part time workers with full time workers. If the part timers qualify financially, their reasons for seeking part time work are not scrutinized. I have attached a 2004 report from the National Employment Law Project that discusses the issue in depth. Other states make allowances for disabled workers, as this current bill anticipates, or provide some type of good cause exceptions. While I personally prefer a broader expansion, this bill is certainly a step in the right direction.

Despite their significant labor force attachment, part time working adults (those over age 25) are half as likely to receive UI benefits as full-time workers. Nationally, only 12% of unemployed part time workers receive unemployment benefits. In many states, the problem is worse. For example, a NELP study of Texas found that only 8.5 percent of part-time workers received UI benefits in the mid 1990s. These part-time Texas workers denied UI benefits were working an average of 30 weeks a year and 30 hours a week. According to a leading researcher, if the states adopted modest changes in the eligibility rules related to part-time workers, the gap between full time and part time workers who recover unemployment benefits would close considerably. Recent state legislation closing this gap by expanding part time eligibility for UI benefits is discussed in detail in this fact sheet.

What state policies permit part-time workers to get UI? As seen in the attached table, twenty-four states have more favorable part-time policies in 2004 according to our research. We classify nine states (California, Delaware, Kansas, Nebraska, New Mexico, Pennsylvania, South Dakota, Vermont, and Wyoming) as treating part time workers on a "parity basis" with full time workers. These states have judicial rulings, agency policies, or statutes that apply the same UI eligibility rules to jobless workers whether they are part time workers or full time workers. The remaining favorable states have extended eligibility to part time jobless workers on the basis of either "past work" or "good cause." Thirteen states permit payment of benefits when the jobless claimant has worked a substantial amount of part time work prior to his or her claim (Arkansas, Colorado, Florida, Hawaii, Iowa, Louisiana, Maine, Minnesota, New Jersey, New York, North Carolina, Oklahoma, and Puerto Rico). Two states (District of Columbia and Rhode Island) have court decisions permitting claimants with good cause to restrict their availability to part time work.

What are the part-time UI eligibility rules in other states? Overall, 25 of the 53 UI jurisdictions maintain restrictive rules regarding part time eligibility for UI. Nine states (Georgia, Indiana, Maine, Michigan, New Hampshire, New Mexico, Oklahoma, Washington, and West Virginia) have statutes requiring availability for full time work. Nine other states (Alabama, Connecticut, Idaho, Iowa, Minnesota, Nebraska, Oregon, Utah, and Wisconsin) have agency rules or regulations that do so. The remaining seven restrictive states have judicial decisions, agency rulings, or interpretations limiting the eligibility of part-time workers. Four remaining states have part-time eligibility in limited circumstances (Illinois, Massachusetts, Montana, and Washington). For example, in Illinois and Montana a jobless worker with a signed doctor's statement can restrict his or her availability to part time work, but in most other circumstances UI benefits would be denied to jobless workers available only for part time work. For these reasons, we classify these four states with the other 21 restrictive states in terms of part time eligibility because they permit part time eligibility in only very limited circumstances.

It is worth noting that while formal rules bar eligibility for those seeking part time work in these 25 states, administration of these rules is not totally effective in all circumstances. For example, telephone claims processes in some restrictive states (Illinois, for example) do not explicitly explore part time availability. As a result, only those part time job seekers that admit or volunteer that they are restricting their availability to part time work will run afoul of restrictive rules. Nevertheless, spotty enforcement provides little reason for punishing only those claimants openly seeking part time work due their honesty or naiveté when others similarly situated are paid benefits. Adopting a policy more fully reflecting the role of part time work in our economy and labor market would end the ambiguity and arbitrariness now facing part time jobless workers in these states.

Examples of Expanding UI Eligibility for Part Time Workers
Four states with favorable part time policies expanded UI eligibility significantly in 2003 (Maine, New Jersey, New Mexico, and North Carolina). States that are considering UI reforms are following the patterns of earlier state practices on part-time UI eligibility.

New Mexico-Parity for Part Time Workers
New Mexico passed a major UI reform in 2003. N.M. Sess. Laws 2003, ch. 47. The bill included the following part-time language, ". . . no individual who is otherwise eligible, shall be deemed ineligible for benefits solely for the reason that the individual seeks, applies for or accepts only part-time work, instead of full-time work, if the part time work is for at least twenty hours per week." N.M.S.A. 5-1-42(I); see also N.M.S.A. 5-1-5(A)(3). This language extends UI eligibility to part time workers available for at least 20 hours of work per week. New Mexico's rule is termed "parity" because part time eligibility does not turn on prior part time employment or good cause before permitting claimants to restrict their availability to part time work. We classify nine states has providing parity for part time jobless workers in 2004.

California-Eligibility Based Upon Past History By Statute
Because of a 2001 amendment (Ch. 409, L. 2001), California provides by statute that claimants shall not be denied benefits solely because they are available for part time work. The law now reads:

An unemployed individual shall not be disqualified for eligibility for unemployment compensation

claimants' labor market. Based upon an analysis of CPS data from 2000-2002, we found an estimated that 2900 Georgians would benefit annually from expanding UI eligibility for part time workers on the basis of labor market trends in the last several years. This translated into an additional 27,160 weekly benefit checks paid out per year, costing around $2.5 million. To put this in perspective, Georgia paid a total of $780 million in UI benefits in 2002. Obviously, cost estimates will vary based upon the weekly benefit formulas in a state, the assumptions made in making the estimate, and the numbers of part time workers in a state's economy.

What are "partial" or "underemployment" UI benefits? All state UI laws permit workers facing reduced hours of work draw "partial" or "underemployment" UI benefits while working part time. In general, the worker must earn less than his/her UI weekly benefit amount in a week of less than full-time work. States then provide a partial disregard of some portion of the claimant's earnings, depending upon each state's partial UI benefit formula. These income disregards range from the entire weekly benefit amount in Puerto Rico and one-half the weekly benefit amount in Idaho, Illinois, and Nebraska, down to one-fifth of the weekly benefit amount in New Hampshire, New Mexico, Ohio, and Rhode Island.

By design, partial UI benefits are paid to lower-wage workers that are employed part-time. Studies have shown that higher income disregards in partial UI benefit formulas promote jobless workers to accept part-time employment. To encourage their use whenever appropriate, most states do not charge partial UI benefits to the employer furnishing the part-time employment. When addressing eligibility for part-time workers, partial UI benefit formulas should be revised and improved where necessary.

Conclusion
Fairer policies in twenty-four states demonstrate that part-time eligibility for UI benefits are no longer departures from established UI eligibility rules. Instead, broader UI part time eligibility rules involve individual application of longstanding UI eligibility rules to part time workers, rather than their wholesale ineligibility under more traditional full time availability rules. The adoption of broader eligibility for part time workers is a better reflection of the role of part time workers in today's labor market and another step toward equity for low wage and women workers in UI programs.

Summary Table on Treatment of Part Time Workers Under State UI Programs-- March 2004

Eligibility on Parity Basis with Full Time Work (9 States)	Eligibility with Past History of Part Time Work (13 States)	Eligibility with Good Cause for Restricting Availability (2 states)	Eligibility on More Limited Basis (4 States)	Not Eligible without Full Time Availability (25 States)
California Delaware Kansas Nebraska New Mexico Pennsylvania South Dakota Vermont Wyoming	Arkansas Colorado Florida Hawaii Iowa Louisiana Maine Minnesota New Jersey New York North Carolina Oklahoma Puerto Rico	District of Columbia Rhode Island	Illinois Massachusetts Montana Washington	Alabama Alaska Arizona Connecticut Georgia Idaho Indiana Kentucky Maryland Michigan Mississippi Missouri Nevada New Hampshire North Dakota Ohio Oregon South Carolina Tennessee Texas Utah Virginia Virgin Islands West Virginia Wisconsin

Further materials in this section