



Children's Action Alliance

A Voice for Arizona's Children since 1988

UNEMPLOYED ARIZONANS ELIGIBLE FOR MILLIONS OF FEDERAL DOLLARS

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Unemployment insurance (UI) is not just for adults – it's also for the children of the 115,800 workers who lost their jobs between August 2008 and January 2009. The weekly UI benefit – capped at \$265 – allows families to pay for very basic necessities such as rent and food. More Arizonans could qualify for unemployment insurance for a longer period of time if the Arizona legislature makes the changes necessary to accept the federal funding. These include:

1. Extending the Benefit Period by 13 Weeks. Over 34,239 Arizona workers will exhaust their current UI benefits between now and the end of the calendar year. Extending the benefit period requires no state funding – it is 100% federal dollars averaging \$3.9 million a week (\$97 million between now and December 2009) – and it can be reversed once the federal funds are exhausted. A statutory change is needed.
2. Adopting the Alternative Base Period. With recent work and salary history now available on computers, Arizona can update its method for calculating unemployment benefits that are more reflective of an applicant's salary. By using this recent period of work history – the Alternative Base Period – more than 7,000 Arizonans could qualify for benefits. Adopting this provision would also bring in \$50 million in federal funds to the state's unemployment trust fund.
3. Extending Benefits in Specific Situations. Arizona will receive an additional \$100 million by extending unemployment benefits to one of three groups: (1) part-time workers who are denied state benefits because they are required to seek full-time work; (2) workers with dependent family members who qualify for state benefits but whose benefits could be increased to help care for their dependents; and (3) permanently laid off workers who require extra benefits to participate in training. Arizona already meets a fourth criterion – providing benefits for individuals who leave work for compelling family reasons such as domestic violence.

WHO WOULD BENEFIT UNDER REFORMS

- Arizona businesses as more families would be able to pay for rent, groceries, clothes, etc.
- Workers who are about to run out of their unemployment benefits and still can't find a job
- Workers who entered the work force most recently
- Workers who rely on income from part-time work
- Workers with dependents
- Workers who enter training for high-demand jobs

Arizona's Unemployment Trust Fund is very healthy, with nearly 2 years' worth of monthly benefits in its reserves. According to the National Employment Law Project, the \$150 million in federal stimulus funds available would cover the additional benefits for more than 10 years.

Children's Action Alliance is a nonprofit, non-partisan organization dedicated to promoting the well-being of all of Arizona's children and their families through research, policy development, media campaigns and advocacy.