



# The Bell Policy Center

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1905 Sherman St., Suite 900, Denver, Colo. 80203 • 303-297-0456

## Enhanced Unemployment Compensation Benefits

### HB15-1231

Rich Jones, Director of Policy and Research  
Testimony to the House Business Affairs and Labor Committee  
March 19, 2015

Thank you for the opportunity to present this testimony to the committee today.

I am Rich Jones, the director of policy and research with the Bell Policy Center. The Bell is a non-partisan, non-profit research and advocacy organization founded on progressive values and dedicated to making Colorado a state of opportunity for all.

**The Bell Policy Center supports HB15-1231 to allow, through July 1, 2018, the payment of enhanced unemployment insurance compensation benefits for eligible unemployed workers who are engaged in approved training programs. These benefits have helped unemployed workers hone their skills and return to the workforce. Unemployed workers who participate in this program are more likely to be hired than others who are registered with the workforce system but who do not participate in the program. This is consistent with academic research that shows that training programs focused on occupational skills that meet employer needs are cost-effective methods for moving unemployed workers into employment.**

According to data presented by the Colorado Department of Labor and Employment in its 2013 annual report to the General Assembly on a previous version of this policy, 72 percent of the workers engaged in this training have entered employment. Of those who were hired, 80 percent were still employed one year later. For unemployment insurance claimants who registered with the workforce system but did not participate in the program, 57 percent entered employment and 82 percent were still employed one year later.<sup>1</sup> In addition, CDLE reported to the Joint Budget Committee in 2013 that workers who completed their training as of Nov. 30, 2013, had average annual wages of \$36,460.<sup>2</sup>

The Bell Policy Center supported the 2009 legislation (SB09-247) that authorized the payment of enhanced unemployment insurance benefits for workers engaged in approved training programs. We also supported the 2012 legislation (HB12-1272) that extended the enhanced unemployment insurance benefits program through June 30, 2014. As we testified at the time, this training “will

help workers gain skills and expand the pool of skilled workers needed to fill current and future jobs.”

There is an extensive body of academic research on the effects of job training on employment and earnings. These studies have found that programs that emphasized on-the-job and occupational training have been effective in raising earnings and employment rates, especially for low-income adults, particularly women.<sup>3</sup> In an analysis of 97 evaluations of job-training programs, classroom and on-the-job training programs were found to result in long-term gains in employment and earnings. Welfare recipients tended to see strong gains from training.<sup>4</sup> Utah's Department of Workforce Services found that occupational training in its state “produced consistently strong earnings and employment improvements for both males and females in nearly every region of the state.” The training led to increases in earnings that were significantly larger than the total spent on the training services.<sup>5</sup>

Research also shows that training programs to help unemployed workers start their own businesses have been successful. A rigorous analysis of self-employment training programs for unemployed individuals through the Growing America Through Entrepreneurship (GATE) project led to significant increases in employment – either self-employment or working for someone else – and increased earnings.<sup>6</sup>

We thank Representatives Esgar and Kraft-Tharp for bringing this bill to you today.

If you would like more information or if I could answer any question please contact me at [jones@bellpolicy.org](mailto:jones@bellpolicy.org) or via telephone at 303.297.0456, ext. 244.

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<sup>1</sup> Colorado Department of Labor and Employment, House Bill 12-1272 Annual Compliance Report, Calendar Year 2013, Dec. 30, 2013.

<sup>2</sup> Joint Budget Committee, Department of Labor and Employment, FY14-15 Joint Budget Committee Hearing Agenda, Dec. 4, 2013, [http://www.tornado.state.co.us/gov\\_dir/leg\\_dir/jbc/2013-14/labhrg.pdf](http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2013-14/labhrg.pdf) The data presented referred specifically to the program authorized by HB12-1272.

<sup>3</sup> Stanley, Marcus, Lawrence Katz, Alan Krueger, *Developing Skills, What We Know About The Impacts of American Employment and Training Programs on Employment, Earnings and Educational Outcomes*, Harvard University, October 1998.

<sup>4</sup> Krantz, John and Carrie Mayne, *Is Job Training Justified? An Analysis of Job Training Services as Administered by Utah's Department of Workforce Services*, Utah Department of Workforce Services, August 2011.

<sup>5</sup> Ibid.

<sup>6</sup> The Hamilton Project, *Strengthening Reemployment in the Unemployment Insurance System*, Policy Brief 2015-02, March 2015, [http://www.brookings.edu/~media/research/files/papers/2015/03/11-hamilton-project-expanding-jobs/policy\\_brief\\_strengthening\\_reemployment\\_in\\_unemployment\\_insurance\\_syste\\_kugler.pdf](http://www.brookings.edu/~media/research/files/papers/2015/03/11-hamilton-project-expanding-jobs/policy_brief_strengthening_reemployment_in_unemployment_insurance_syste_kugler.pdf)