

STATE
CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 13-0967
Prime Sponsor(s): Rep. Moreno
Sen. Guzman

Date: April 15, 2013
Bill Status: House Business, Labor, Economic, and
Workforce Development
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING ELIGIBILITY FOR UNEMPLOYMENT COMPENSATION BENEFITS WHEN UNEMPLOYMENT IS DUE TO A LOCKOUT.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds		
Unemployment Compensation Trust Fund	Potential Increase	Potential Increase
State Expenditures		
Cash Funds		
Unemployment Compensation Trust Fund	Potential Increase	Potential Increase
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill allows an employee who is subject to an employer-initiated lockout to receive unemployment benefits. It also removes the existing definitions of an offensive lockout, defensive lockout, and multiemployer bargaining unit.

Labor-management disputes rarely escalate to the level of an employer locking out employees. Since 1996, Colorado workers have not experienced a lockout by any employer. If no lockouts are experienced in any given year, there will be no impact on the Unemployment Compensation (UC) Trust Fund.

State Revenue

Changes in state revenue are conditional upon whether an employer-initiated lockout occurs. The amount employers contribute to the UC Trust Fund is dependent on an employer's experience rating, which is assessed by the number of its employees who ultimately receive unemployment

benefits. A lockout may decrease an employer's experience rating, and thus increase the employer's premiums paid to the UC Trust Fund. In addition, a lower fund balance will result in a loss of interest revenue. The UC Trust Fund currently earns 2.62%.

State Expenditures

Changes in state expenditures are conditional upon whether an employer-initiated lockout occurs. It is estimated that each locked-out worker will receive \$344 per week in unemployment benefits. To illustrate possible expenditures, the Department of Labor and Employment would distribute approximately \$3.44 million per week from the UC Trust Fund in a lockout of 10,000 employees.

Departments Contacted

Labor and Employment

Personnel and Administration