A BILL FOR AN ACT

CONCERNING THE RESTORATION OF THE MONEY SPENT BY THE STATE DURING THE COVID-19 PANDEMIC FOR THE STATE'S UNEMPLOYMENT INSURANCE PROGRAM.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill:

- Requires the state treasurer to transfer $1.1 billion from the general fund to the unemployment compensation fund (fund) to restore the balance of the fund to the fund's pre-pandemic level; and
Requires the director of the division of unemployment insurance to repay the federal government for $1.014 billion of advances received from the federal government in responding to the COVID-19 pandemic.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) In January 2020, the balance of Colorado's unemployment compensation fund (fund) was $1.1 billion;

(b) Shutdowns ordered by the governor and local public health officials during the COVID-19 pandemic led to record unemployment and a rapid depletion of the entire fund;

(c) According to the Colorado department of labor and employment, between February and June of 2020, Colorado's jobless rate increased from 2.5% to 10.5%, resulting in an increase of payments to unemployed individuals from the fund; and

(d) The fund became insolvent on August 18, 2020. Colorado was forced to borrow from the federal government in order to meet the unemployment obligations and, as of January 7, 2022, owes $1.014 billion on those loans.

(2) The general assembly recognizes that:

(a) Unemployment payments over the past two years have been a lifeline to thousands of struggling Colorado families;

(b) Without the beginning balance in the fund, it would have been impossible for the state to meet the needs of Colorado families;

(c) Putting the burden on employers to rebuild the fund will actually delay the recovery and put Colorado companies at a
disadvantage; and

(d) It is incumbent upon the general assembly to use the unexpected budget surplus in the general fund to repay the federal advances and refill the unemployment compensation fund to the level it was prior to the COVID-19 pandemic.

SECTION 2. In Colorado Revised Statutes, 8-77-101, add (3) as follows:

8-77-101. Unemployment compensation fund - state treasurer custodian. (3) On July 1, 2022, the state treasurer shall transfer one billion one hundred million dollars from the general fund to the unemployment compensation fund for the purpose of restoring the fund balance that was depleted as a result of the COVID-19 pandemic and the government's response to the COVID-19 pandemic.

SECTION 3. In Colorado Revised Statutes, 8-77-103, add (3) as follows:

8-77-103. Advances from federal unemployment trust fund. (3) On July 1, 2022, the director of the division shall repay the federal government one billion fourteen million dollars for federal advances received pursuant to subsection (1) of this section used to assist individuals unemployed as a result of the COVID-19 pandemic and the government's response to the COVID-19 pandemic.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.