



# Children's Action Alliance

*A Voice for Arizona's Children since 1988*

## **URGENT: 34,000 Workers Are About to Lose Unemployment Insurance Benefits Unless Legislature Passes Extension Now**

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Unemployment insurance (UI) is designed as a bridge to help workers who are temporarily out-of-work and looking for a new job. Unless the Arizona legislature acts very soon, thousands of Arizona unemployed workers who are still looking for new jobs will stop receiving their weekly unemployment insurance checks because their benefits will expire. By the end of the year, over 34,000 workers and their families will be affected. Without these benefits, families will be unable to pay their bills and face eviction and complete financial crisis.

This need not happen. The federal American Recovery and Reinvestment Act (ARRA) allows Arizona to extend unemployment payments at no cost to the state. There are no "strings" attached to these dollars. They do not flow through the state treasury and are not part of the state budget. All that needs to occur is for the legislature to modify Arizona's unemployment compensation laws to allow for the extended benefit payments. The legislation can include a "sunset" provision so that, when the 100% federal funding is no longer available, the temporary provisions are automatically repealed.

This extended benefits provision of the ARRA is separate from other provisions (often called "modernization") that gives states additional funds when they expand unemployment coverage to workers not currently ineligible.

Extending these benefits not only helps the workers and their families, it also provides a boost to Arizona's businesses. An estimated \$97 million will flow into Arizona's economy between the time the legislation is passed and the end of the calendar year – about \$3.9 million a week. These UI checks are used to pay rent, buy groceries, and pay for the other necessities.

### **Summary:**

- Many Arizona workers' unemployment checks will stop unless action is taken.
- 34,000 Arizona workers and their families will be affected by the end of the calendar year.
- The extended benefits are paid for with 100% federal funds, bringing \$97 million into Arizona's economy.
- The extension can be made temporary – the legislation that enacts it can also include a sunset date.