

PRESS RELEASE

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Unemployment Modernization Would Reduce Taxes, Help Workers

Lincoln, NE: Modernizing Nebraska's unemployment insurance program would reduce taxes and help 2,100 Nebraskans qualify for benefits according to a report released today by the Nebraska Appleseed Center for Law in the Public Interest. Changes to update the program would allow Nebraska to draw down \$43.6 in federal funds from the American Recovery and Reinvestment Act (ARRA), resulting in a business tax decrease of between \$17 and \$18 million in 2011.

"Nebraska has a unique opportunity to update our program to better fit the mobile working dynamics of the 21st Century. Modernizing our program will not only help workers, but will allow the state to draw down millions in federal dollars. The end result is that both workers and businesses win" states Rebecca Gould, Executive Director of the Nebraska Appleseed Center for Law in the Public Interest. To get additional federal funding, Nebraska would need to alter the method used for determining eligibility for unemployment insurance to include a worker's most recent earnings. The state would also need to choose two options from a list of alternatives that help other workers qualify, such as those working part-time or people leaving work to care for ill family members.

The federal funding would help to address recent unemployment insurance related tax increases on businesses by increasing the amount of funding available in the unemployment insurance trust fund, from which benefits are drawn. When the trust fund dips below a certain level, businesses are subject to additional taxes. The increase in the trust fund from ARRA dollars would increase the trust fund and ease the pressure on business taxes in 2011.

"The unemployment insurance program is just that: an insurance program paid into by workers and businesses to keep families afloat and prevent experienced workers from leaving our state's labor pool in difficult economic times such as these. The time is now to make adjustments to better serve Nebraska's workers," states Gould.

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About Nebraska Appleseed

Nebraska Appleseed, a nonprofit, nonpartisan public interest law project, is a national leader in addressing social problems facing vulnerable children without

loving and permanent homes, low-income families working hard to make ends meet, and new immigrants seeking a better life.

Nebraska Appleseed's current year action plan and description of its six program areas, significant litigation and policy reform successes and broad-based accomplishments can be found at neappleseed.org. Nebraska Appleseed is a part of the Appleseed network of independent state-based public interest law centers working to identify and address social injustices. The Appleseed network seeks to build a just society through education, legal advocacy, community activism and policy expertise by addressing root causes and producing practical, systemic solutions with broad implication. For more information visit appleseednetwork.org.

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