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# News Release

**EMBARGOED UNTIL**

11:00 a.m. EDT, April 27, 2009

## Construction Workers Rally to Save Unemployment Insurance

Indianapolis, IN – Thousands of unemployed construction and other workers converged on the Indiana Statehouse to protest proposed cuts in unemployment benefits and restrictions on eligibility. House Bill 1379 would cut unemployment insurance benefits by more than 25% for the average worker. It would also further restrict who would be eligible to receive unemployment insurance benefits.

The repeated message of the construction workers: working families can't afford more benefit cuts in a time of recession. According to Dale Johnsen, Secretary-Treasurer of the Indiana State Building and Construction Trades Council, "a lack of leadership has allowed the \$1.6 billion surplus in the Unemployment Insurance Trust Fund to be squandered. The trust fund has taken in fewer dollars in taxes than it has paid out in benefits for sixteen of the last eighteen years. Everyone knew it was coming, and no one wanted to act until the fund went bankrupt! And now that the unemployment rate is soaring above 10%, they want to cut benefits."

The cuts are the Senate Republican's answer to fixing Indiana's bankrupt Unemployment Insurance Trust Fund (UITF). Indiana's UITF officially went bankrupt at the end of November and has thus far borrowed over \$700 million from the federal government.

"The recession we face is a national one. We need to be sure not to act in haste and work to find a short-term solution that erases Indiana's structural deficit, while working with the White House and Congress to find a long-term fix," added Johnsen. "Cutting benefits in a

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time of recession, or quadrupling employer taxes in a time of recession, will both have the effect of pouring gas on the fire.”

In 2008, Indiana ranked 23<sup>rd</sup> nationally in average weekly benefits at \$298 a week. Yet Indiana ranks dead last in the taxable wage base (amount of each worker’s wages used to compute the employer’s tax). While the system was originally designed to collect 2.7% of total wages, it now collects just 0.61%.

Pete Rimsans, associate director and lobbyist for the Indiana State Building and Construction Trades, noted, “We have been working with all sides to help come to a deal. Although we feel that progress is being made and that a deal is possible without a special session, we feel the need to show the General Assembly how important unemployment insurance benefits are to working families in these trying times. We really feel that it is necessary for them to see the faces behind the unemployment numbers.”

House Bill1379, as passed by the Senate, would:

- Deny unemployment insurance (UI) benefits to a greater number of workers;
- Reduce benefit amounts to those workers who are deemed to be eligible;
- Eliminate the safety net that UI benefits traditionally provide to unemployed workers; and
- Deny workers \$550 million a year in benefits;

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The Indiana State Building & Construction Trades Council is an independent, umbrella organization, affiliated with the Indiana AFL-CIO. The state council represents over 75,000 construction workers that belong to the nation’s 15 Building Trades unions and their over 120 local affiliates located within the state of Indiana.

- *Buses start arriving at the Indiana Statehouse 9:30 a.m.*
  - *Rally from 11 a.m. to 1 p.m. in the statehouse rotunda*
  - *Media availability of Building Trades’ speakers upon conclusion*
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