

November 15, 2002

Current Federal Unemployment Insurance Program Will Expire in Most States Unless House Passes Senate Bill

90,000 Workers Per Week Would Lose Benefits Under House Bill Starting Three Days After Christmas

On November 14, the House and Senate each passed bills relating to the federal Temporary Extended Unemployment Compensation (TEUC) program, which is currently scheduled to expire on December 28. The bipartisan Senate bill, H.R. 3529, extends the entire program for another three months, while the House version, H.R. 5063, only partially extends the program and lasts for only five weeks.

Under the House bill, starting on December 29, approximately 90,000 workers per week will run out of state unemployment benefits without finding a job and get no assistance from the federal government. Except in a small handful of states, the House bill does not allow any workers who exhaust regular state benefits after December 28 to get any federal assistance. The Senate bill would provide assistance to these workers.

In addition, under the House bill, workers already receiving federal benefits on December 28 would see those benefits arbitrarily cut off five weeks later, even if they would otherwise have qualified for more weeks. The Senate bill does not include this arbitrary cut-off.

Under the current program, people who exhaust their regular, state-funded benefits generally qualify for up to 13 weeks of federal benefits. In states that meet the program's "high unemployment" criteria, workers qualify for up to 26 weeks of federal benefits. Due to the restrictiveness of the "high unemployment" criteria, only three states – Alaska, Oregon, and Washington – currently qualify, although a few more might qualify in the next couple of months.

- **Under the House bill, the current TEUC program would be severely cut back, and would expire after five weeks.** Unemployed workers who exhaust their regular benefits after December 28 would qualify for federal TEUC benefits only if they live in a "high unemployment" state, and those benefits would be cut off after February 2.

The House bill would also provide some modest assistance to a subset of unemployed workers in other states – those who are already receiving TEUC benefits on December 28 but have not yet gotten their full 13 weeks of benefits – by postponing the cut-off date for their benefits until February 2.

- **Under the Senate bill, the full TEUC program would continue for another three months, until March 29.** As a result, everyone who exhausts regular benefits after December 28 would still be eligible for TEUC benefits. In addition, unlike the House bill, the Senate bill does not impose an arbitrary cut-off date; workers receiving TEUC benefits on March 29 would still continue to receive the full number of weeks for which they are eligible.

The number of workers affected is substantial. *The Senate bill would assist an additional 1.2 million jobless workers (roughly 90,000 per week)* – those who are expected to exhaust their regular state-funded benefits between December 28 and March 29 and do not live in one of the few “high unemployment” states. Moreover, the Senate bill puts five times as many dollars in the hands of unemployed workers as the House bill, because it provides more weeks of benefits, as well as covering more workers. (The Congressional Budget Office has estimated that the House bill will cost \$0.9 billion, while the Senate bill will cost \$4.9 billion.)

It would be unwise for the House to deny benefits to these workers, given the state of the nation’s economy. The unemployment rate has been stagnating, and the number of jobs has actually been declining in recent months. It should be noted, however, that neither bill would help the one million jobless workers who have already exhausted all their TEUC benefits.

Finally, if there is no further action in the House or Senate on this issue, the program will expire altogether on December 28, and no unemployed workers will get federal assistance in the new year.

The following table provides state-by-state estimates of the number of workers assisted under the two bills.

**Estimated Numbers of Workers Who Would be
Assisted by Senate and House Proposals to
Extend the TEUC Program**

	Estimated Number of Workers Assisted by the Senate Bill	Estimated Number of Workers Assisted by the House Bill	Difference
Alabama	17,800	6,000	11,800
Alaska	12,700	9,900	2,800
Arizona	20,300	7,400	12,900
Arkansas	15,700	4,800	10,900
California	317,100	129,900	187,200
Colorado	34,200	14,500	19,700
Connecticut	24,300	10,600	13,700
Delaware	4,200	1,800	2,400
DC	5,300	1,700	3,600
Florida	93,200	40,500	52,700
Georgia	57,600	20,600	37,000
Hawaii	4,500	1,800	2,700
Idaho	9,100	2,700	6,400
Illinois	93,800	41,700	52,100
Indiana	38,500	13,300	25,200
Iowa	14,200	5,300	8,900
Kansas	14,200	4,600	9,600
Kentucky	15,600	6,700	8,900
Louisiana	19,500	7,900	11,600
Maine	5,900	3,000	2,900
Maryland	19,700	7,900	11,800
Massachusetts	61,000	23,700	37,300
Michigan	81,800	32,900	48,900
Minnesota	29,800	11,900	17,900
Mississippi	13,700	5,900	7,800
Missouri	32,800	12,600	20,200
Montana	4,400	1,200	3,200
Nebraska	8,600	2,700	5,900
Nevada	16,800	5,400	11,400
New Hampshire	2,600	800	1,800
New Jersey	98,200	40,700	57,500
New Mexico	6,600	2,000	4,600
New York	176,900	65,900	111,000
North Carolina	59,800	28,000	31,800
North Dakota	2,700	900	1,800
Ohio	52,600	22,900	29,700
Oklahoma	14,300	5,200	9,100
Oregon	50,000	37,500	12,500
Pennsylvania	88,300	35,600	52,700
Rhode Island	8,200	3,100	5,100
South Carolina	24,200	9,900	14,300
South Dakota	800	200	600
Tennessee	38,900	16,400	22,500
Texas	213,100	62,100	151,000
Utah	13,600	5,400	8,200
Vermont	2,400	1,000	1,400
Virginia	26,300	8,600	17,700
Washington	77,200	56,700	20,500
West Virginia	6,200	2,500	3,700
Wisconsin	33,700	13,200	20,500
Wyoming	2,500	400	2,100
Total	2,085,400	857,900	1,227,500

Note: *Currently, only Alaska, Oregon, and Washington qualify to provide the second tier of TEUC benefits. This table assumes that no other states meet the trigger requirement, and that these three states remain qualified.