

ATTACK LAUNCHED ON THE UNEMPLOYED

On May 11, House Ways and Means Committee Chairman David Camp (R-MI) rammed through the Ways and Means Committee legislation (H.R. 1745) that is a major assault on unemployed workers and the unemployment insurance (UI) program. House Republican leaders hope to consider the bill on the House floor as soon as possible. Sen. Orrin Hatch (R-UT) has introduced the same legislation (S. 904) in the Senate.

H.R. 1745 ends the federal guarantee for extended unemployment benefits.

H.R. 1745, the so-called “Jobs, Opportunity, Benefits, and Services Act of 2011”, reneges on a December agreement in which Congress agreed to a two-year extension of tax cuts for the wealthy in exchange for a one-year continuation of the federal extended unemployment benefits for the long-term unemployed.

Five months after that agreement, Camp and the other GOP leaders want to end the federal extended benefits program on July 6 and allow states to decide whether to continue these unemployment benefits or to use the funds to cut business taxes, pay for employment services which are being cut at the federal level, or pay off federal loans which many states took out because they failed to maintain adequate employer taxes to support their UI programs. As a result, over four million unemployed workers would lose the federal guarantee to their extended benefits.

H.R. 1745 would make profound changes in the basic state benefit programs.

- Since its inception, unemployment insurance has provided wage replacement income based solely on a worker’s work history and earned income. The bill imposes non-wage job training and educational eligibility requirements for unemployment benefits for the first time. Benefits would have to be denied to anyone without a high school degree or not enrolled in a GED program even if they otherwise would be eligible.
- The bill forces states to impose one-size fits all job search rules for all beneficiaries creating additional financial demands on states already strapped for funds.
- States could apply for waivers to use state UI benefit trust funds for purposes other than unemployment benefits, including private accounts, similar to the Medicare private accounts included in the House passed budget plan, which could be used for unemployment benefits and employment services. States also could use UI funds to pay wage subsidies to employers that hire UI recipients.

Contrary to its name, H.R. 1745 doesn’t create jobs; it undermines opportunity and takes away benefits for the unemployed.

- H.R. 1745 is a job loser, not a job creator. According to the Economic Policy Institute, putting unemployment benefits in the hands of unemployed workers is a major boost to the economy, yet this bill would take money out of the hands of the unemployed.
- H.R. 1745 takes opportunity away from the unemployed by creating new burdensome requirements that will lead to workers being denied crucial benefits that they earned.
- H.R. 1745 relieves states of the requirement that state UI trust funds be used exclusively to pay unemployment benefits and allows states to divert federal extended benefit funds for purposes other than paying UI benefits.