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H.R. 6867 - Unemployment Compensation Extension Act of 2008

FLOOR SITUATION

H.R. 6867 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Jim McDermott (D-WA) on September 10, 2008. This legislation was referred to the House Committee on Ways and Means, but was not considered.

H.R. 6867 is expected to be considered on the floor on October 3, 2008.

BACKGROUND

The Federal-State Unemployment Compensation program provides up to 26 weeks of state benefits to eligible workers who lose their jobs through no fault of their own. In addition, the regular Extended Unemployment Benefit program is triggered when a state's unemployment rate reaches a specific level. It allows for up to an additional 13 weeks of unemployment benefits for individuals in states during a period of high unemployment, paid for by state and federal funds.

In addition, Congress can enact legislation that further extends unemployment compensation. Congress last did this when it passed the Supplemental Appropriations Act (P.L. 110-252) on June 19, 2008, by a vote of 416-12. A provision in that bill created the Emergency Unemployment Compensation (EUC08) program. This program provides for the payment of up to 13 weeks of federal extended unemployment benefits to long-term unemployed workers in all states, with payments beginning July 6, 2008, and allowing for new recipients of these extended benefits through March 28, 2009; a "phaseout" period allows those who start collecting these extended benefits by that date to receive their full promised benefits, payable through the end of June 2009. It also required that potential beneficiaries had to have worked at least 20 weeks prior to layoff to qualify for these extended benefits.

*Note: Prior to this, the House had passed the Emergency Extended Unemployment Compensation Act (H.R. 5749) on June 12, 2008, by a vote of 274-137. This legislation would have provided up to 13 weeks of federal extended benefits to workers in all states, with up to an additional 13 weeks of federal extended benefits available to those in high unemployment states. This legislation failed to include the "20 weeks rule" described above. The Senate never considered H.R. 5749.

On October 3, 2008, the Bureau of Labor Statistics (BLS) released job figures for the month of September 2008 that showed that the national unemployment rate stayed steady at 6.1 percent despite the loss of 159,000 jobs.

SUMMARY

H.R. 6867 would provide up to seven additional weeks of federal extended unemployment benefits to workers in all states (for a total of up to 20 weeks of such benefits under the program, in all states), with up to an additional thirteen weeks of federal extended benefits (for a total of up to 33 weeks in such states, under the program) for workers in states with unemployment rates of 6 percent or higher, among other conditions. It also maintains the underlying program requirement that potential beneficiaries had to have worked at least 20 weeks prior to layoff to qualify for these extended benefits. The bill as amended would maintain the current eligibility window (through the end of March 2009) during which individuals may first qualify for these extended benefits. However, it extends through the end of August 2009 (from the current end of June 2009) the phaseout period during which these benefits may be collected, allowing those who become eligible for the additional weeks of benefits offered under this legislation to receive their full course of promised extended benefits.

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*Note: The extended benefits provided by this legislation are in addition to the extended benefits included in the Supplemental Appropriations Act (P.L. 110-252), as well as the up to 26 weeks of regular state unemployment benefits available at all times in all states.

COST

According to a preliminary estimate from the Congressional Budget Office, this legislation would increase direct spending by \$5.99 billion. (Preliminary CBO Cost Estimate)

STAFF CONTACT

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