

**Testimony of Judith M. Conti, Federal Advocacy Coordinator
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Before the U.S. Congress Joint Economic Committee**

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The National Employment Law Project (NELP) is a 501(c)(3) national non-profit organization that engages in research, education, litigation support and policy advocacy on issues affecting low wage and unemployed workers. In partnership with national, state and local organizational allies, NELP works to maintain strong federal and state programs of unemployment insurance (UI) benefits that are providing a lifeline of support for individuals who, through no fault of their own, remain jobless after exhausting their state UI benefits. These federal benefits have kept millions out of poverty and are pumping vital stimulus into local economies. On an ongoing basis, NELP also engages directly with unemployed workers to help them assess and address the problems they are facing in trying to find work in an economy that, though growing modestly, is not creating enough jobs to meet the employment demand.

As we address below, though we are in a period of recovery and have seen promising trends of job growth in recent months, unemployment still remains unacceptably high and long-term unemployment remains dangerously high. Thus, while we are pleased with the general economic trends we are seeing, it is important to stress that the long-term unemployed, in particular, are still suffering badly and not sharing in the recovery nearly enough. Therefore, it is crucial for Congress to maintain the robust support it has provided for the unemployed over the past three years, and refrain from either eviscerating that essential life-line, or enacting unnecessary and harmful barriers to benefits that would impair the important economic functions of the UI safety net in the future.

A Crisis of Long-Term Unemployment Persists Because of Inadequate Job Creation

America is in the midst of a near-unprecedented crisis of long-term unemployment. Of the 12.8 million officially unemployed workers in January, 42.9 percent—nearly six million—had been unemployed for six months or longer. Average durations of unemployment in November reached a record high of almost 41 weeks and have only come down slightly, registering 40.1 weeks in January. As NELP recently reported, the rate of long-term unemployment has equaled or exceeded 40 percent for roughly the last two years, the longest stretch of such high long-term unemployment since this data was first reported in 1948.¹ Finally, there are roughly 8.2 million people who are under-employed – they want to be working full-time but can only find part-time hours.

¹ National Employment Law Project, “Unemployment Insurance: Jobless Workers and Our Economy Hanging on by a Thread,” October 2011, p. 4 (url: http://www.nelp.org/page/-/UI/2011/NELP_UI_Extension_Report_2011.pdf?nocdn=1)

Combining the unemployed, the under-employed and marginally attached workers, those who have not looked for work recently but still want to work and are available to do so, the “real” unemployment rate is 15.1%. Again, this number is trending downward, but it’s still unacceptably high.

The principle reason for sustained high rates of long-term unemployment is that employers are simply not creating enough jobs to put Americans back to work. The nation’s jobs hole is deep and competition for job openings is stiff.

Although job creation has been anemic since job growth resumed in the summer of 2010, the good news is that over the past six months, average job growth has slightly exceeded population growth. Nevertheless the jobs deficit—the hole we need to fill to restore employment levels to pre-recession status—remains deep.

As shown in NELP’s recent analysis, the economy must add another 6.1 million jobs to make up for those lost during and in the aftermath of the 2007 recession, along with an additional 4.7 million jobs to account for growth in the working age population since there. Altogether, this amounts to a deficit of 10.8 million jobs. Closing this gap in three years would require the addition of 400,000 jobs per months on average—a level more than twice as great as average job growth of the past six months.² Plainly, job creation is simply not keeping up with the demand for work, either from the unemployed or from new work force entrants.

Comparing new job openings to official unemployment levels underscores the gap between the supply of individuals who want to work and the opportunities available to them. In November (latest comparative data available), there were more than four officially unemployed workers (13.3 million) for every new job opening (3.2 million). This gap has persisted for nearly three years. Under the best of circumstances, job competition would be stiff when the ratio of applicants to openings is greater than four to one. But even this figure understates the real level and intensity of job competition as it relates to the unemployed. Official unemployment counts do not include the under-employed—those who want full-time hours but are able only to get part-time work—or individuals “marginally attached” to the labor force, that is those who want to work and have looked for jobs in the past year but not in the preceding month. Including these individuals in official unemployment counts would nearly double the number of potential unemployed or under-employed applicants for each vacancy. Of course, anecdotal evidence suggests there are numerous applicants for every job opening, with thousands showing up at job fairs.

² National Employment Law Project, “Jobs deficit ticks down to 10.8 million,” January 6, 2012 (url: <http://www.nelp.org/page/-/Press%20Releases/2011/nelp.jobs.deficit.december.pdf?nocdn=1>)

Unemployment Benefits Are Modest and Hold the Line Against Poverty

Consistent with President Franklin D. Roosevelt's ambitious vision for the unemployment insurance program when it was created more than 75 years ago, the federal UI benefits have made all the difference in the lives of millions of families suffering from the fallout of the jobs crisis. New evidence from the states also puts to rest the exaggerated claims of some detractors that the modest unemployment benefits have motivated unemployed workers to avoid seeking work. The reality, especially in today's severe labor market, could not be further from the truth.

Today's average unemployed worker on the federal extension receives just \$296 in weekly unemployment benefits. That represents only 50 percent of the income needed to cover the most basic necessities of food, housing, and transportation, as measured by the annual Consumer Expenditure Survey.³ While the average American family spends \$1,380 per month on housing alone, the average monthly unemployment benefit is only \$1,283. Put simply, today's unemployed workers are not living the high life on jobless benefits.

Yet these benefits, modest as they are, have gone a long way to prevent economic hardship for millions of families since the recession began in 2007. In 2010 alone, according to recently released Census figures, unemployment benefits kept 3.2 million Americans out of poverty. The Census Bureau reports that in 2010, poverty increased by 2.6 million people over 2009 levels; however, the unemployment insurance program kept an even greater number of Americans from slipping into poverty. Indeed, were it not for unemployment benefits, the increase in the number of Americans in poverty would have more than doubled, from 2.6 million to 5.8 million people. To put these figures in perspective, the number of people protected against destitution has increased nearly sevenfold since 2007 thanks to the unemployment program.

Significantly, unemployment insurance has played a more prominent role in alleviating child poverty during the course of the recession. According to the Bureau of Labor Statistics, the share of families with at least one member unemployed during the year climbed to 12.4 percent in 2010, the highest rate since the data series began in 1994. This 12.4 percent figure, which represents a total of 9.7 million families, was nearly double the 6.3 percent of families reporting at least one jobless member in 2007, when the recession officially began. In 2010, children accounted for over a quarter (27 percent) of all those who were kept out of poverty due solely to the support their families received in the form of unemployment benefits (900,000 in total).

³ These monthly figures for selected expenditures are derived from the 2010 annualized data reported by the Bureau of Labor Statistics. See Bureau of Labor Statistics, Consumer Expenditures Survey News Release (September 27, 2011).

Thus, the federal investment in unemployment benefits has an immediate payoff for those kept out of poverty, but it also produces long-term dividends for children and families given the social costs associated with child poverty and severe economic hardship. Children who experience economic hardship are more likely to drop out of school, suffer from poor health, and experience difficulty maintaining stable employment as adults. The National Center for Children in Poverty has documented the invaluable role that economic stability plays in laying the groundwork for later school achievement, economic productivity, and responsible citizenship.

Federal Jobless Benefits Provide a Boost to the Economy

It is easy to appreciate how much unemployment insurance benefits mean to families struggling to get by when they are unemployed. A few hundred dollars a week may be enough to keep a family out of poverty or avoid losing a home while an unemployed family member scrambles to find work. Narrowly focusing on individual circumstances, however, ignores the equally important and positive role unemployment insurance plays in the overall economy and the broader labor market.

Over the years, several exhaustive studies have documented the “countercyclical” impact of unemployment insurance in lifting up an economy that has been beaten down by a recession. The most recent such study, authored by Wayne Vroman of the Urban Institute, reviewed the role unemployment benefits have played during the most recent economic downturn from 2007 to 2010.⁴ Consistent with the prior research, Vroman found that the nation’s economy grew by \$2 for every dollar spent on unemployment insurance during the latest recession, as unemployed workers spent their benefits in their communities at grocery stores, gas stations, and other retail and service outlets. And time and time again, the non-partisan Congressional Budget Office rates UI benefits as among the most impactful economic stimuli possible.⁵

Moreover, billions of dollars that otherwise would not have been spent flowed directly from unemployed consumers to local businesses, which translated into hundreds of thousands of jobs created or saved by the federal unemployment insurance benefits. In fact, according to the Center for American Progress analysis of Vroman’s findings, unemployment benefits saved or created 2.3 million jobs in the fourth quarter of 2009 (on an annualized basis).⁶ Federal unemployment benefits were responsible for nearly

⁴ Vroman, Wayne, “The Role of Unemployment Insurance as an Automatic Stabilizer During a Recession” (Urban Institute, 2010), Table 4.3 Real GDP and Real Extended Benefits, 2008Q1 to 2010Q2.

⁵ “Policies for Increasing Economic Growth and Employment in 2012 and 2013,” CBO testimony before the U.S. Senate Committee on the Budget, November 14, 2011, http://www.cbo.gov/ftpdocs/124xx/doc12437/11-15-Outlook_Stimulus_Testimony.pdf; “Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output from July 2011 Through September 2011, November 2011, <http://www.cbo.gov/ftpdocs/125xx/doc12564/11-22-ARRA.pdf>.

⁶ Boushey, Heather and Matt Separa, “Unemployment Insurance Dollars Create Millions of Jobs” (Center for American Progress, 2011).

half of those jobs (1.1 million), while regular state unemployment benefits accounted for the remaining half. The latest research provides compelling new proof that pulling the plug on the federal extension will produce a major drag on the nation's economy. The Economic Policy Institute estimates that if Congress maintains the 2011 level of federal UI benefits through 2012, it will be responsible for saving and/or creating over half-a-million jobs.⁷

Unemployment Benefits Enhances Job Search Activities by the Unemployed and Keeps Unemployed Workers Attached to the Workforce

Some detractors of unemployment insurance maintain that unemployment insurance recipients prefer to collect an unemployment check rather than seek or accept work, despite the desperate economic circumstances of families surviving on their modest unemployment benefits. Recent research by Professor Jesse Rothstein of the University of California at Berkeley roundly refutes that assertion. Evaluating the impact on the unemployment rate of workers collecting benefits under the recent federal extension, Professor Rothstein concluded that the effects are "quite small, too small to outweigh the benefits on transfers to people who have been out of work for over a year in conditions where job finding prospects are bleak."⁸

Rothstein's work is a careful study on the effects of UI extensions on job searches in the Great Recession. Although he finds a 0.3 percentage point increase in the December 2010 unemployment rate could be attributed to extended unemployment benefits, he also finds that at least half of this increase is due to the fact that receipt of UI benefits keep workers who it in the labor force, searching for jobs.⁹ According to an analysis by the Economic Policy Institute (EPI), even this small increase may be overstating the impact of extended unemployment benefits.¹⁰ EPI economists note that the Rothstein study does not account for the fact that unemployed workers greatly outnumber job openings, nor does it account for macroeconomic effects of UI benefits on unemployment rate.

Another recent analysis by researchers at the Federal Reserve Bank of San Francisco provides additional evidence that extended benefits are not a big driver of increases in the length of time that workers are unemployed.¹¹ In searching for an explanation of the dramatic rise during this recession of the average duration of a worker's unemployment, the researchers determined that weak labor demand is the primary

⁷ Michel, Lawrence and Shierholz, Heidi, "Labor Market Will Lose Over Half A Million Jobs if UI Extensions Expire in 2012," Nov. 4, 2011, <http://www.epi.org/publication/labor-market-lose-million-jobs-ui-extensions/>.

⁸ Rothstein, Jesse, "Unemployment Insurance and Job Search in the Great Recession" (NBER, July 2011)

⁹ Id.

¹⁰ Lawrence Mishel and Heidi Shierholz, "Labor market will lose over half a million jobs if UI extensions expire in 2012", Economic Policy Institute (November 4, 2011)

¹¹ Rob Valletta and Katherine Kuang, "Why Is Unemployment Duration So Long?", FRBSF Economic Letter (January 30, 2012)

cause, not extended unemployment benefits. Using Bureau of Labor Statistics data on job openings to pinpoint labor market demand, they conclude that the “ratio of the total number of unemployed workers to job vacancies accounts for about 11.5 weeks of the 15.7 extra weeks of duration in 2010–11, explaining virtually all the increase in duration”¹²

Moreover, new evidence from two states further debunks these exaggerated claims, which are divorced from the reality of unemployed families living in today’s economy. State agencies in Connecticut and Washington surveyed the conditions of workers who have reached the end of their state and federal jobless benefits. If, as the argument goes, unemployment benefits were motivating these workers to stay unemployed, it stands to reason that these workers would be looking harder and finding work just before their benefits run out, or shortly thereafter. But that is simply not the case.

In Connecticut, where 9.0 percent of working-age residents are unemployed, just one-quarter (24.7 percent) of the 43,172 workers who had exhausted their unemployment benefits over the second quarter of 2010 to the first quarter of 2011 were reemployed by the end of the next quarter. In Washington, where unemployment is 9.3 percent, the findings are consistent with the Connecticut survey.¹³ Of those workers who exhausted all of their unemployment benefits, just one-quarter (24.4 percent) had found work. Of those exhautees who had not found work, more than 86 percent said they were *still* looking for jobs—reaffirming that it is the desperate condition of the job market, and not unemployment benefits, that account for the continued high levels of long-term unemployment.

A recent survey and corresponding report by the John J. Heldrich Center for Workforce Development of workers who had lost jobs during the Great Recession is also directly on point. Analysis of survey results showed that “[u]nemployed workers who received [unemployment insurance] benefits were **more likely** to have been proactive in seeking work than those who did not receive UI” (emphasis in original), with benefits recipients reporting “more hours devoted to the job search and more frequently contact[ing] friends and examin[ing] job postings.”¹⁴ Continuing joblessness among the long-term unemployed was not because they were not looking for work. According to the Heldrich Center report, the unemployed participated in substantial job search activities, with three-quarters having applied for a job within the preceding month and two-thirds having searched newspapers and online job postings.

¹² Id.

¹³ For the Washington survey results, see Washington State Employment Security Department, “Unemployment Benefits Exhaustee Survey Report” (July 2011). The findings from Connecticut are drawn from “Following Connecticut’s Unemployment Insurance Claimants Through the Recession,” by Manisha Srivastava, Connecticut Department of Labor, Office of Research, October 2011.

¹⁴ John J. Heldrich Center for Workforce Development, “The Long-Term Unemployed and Unemployment Insurance: Evidence from a Panel Study of Workers Who Lost a Job During the Great Recession,” November 2011, p. 2 (url: http://www.heldrich.rutgers.edu/sites/default/files/content/UI_Unemployed_Brief.pdf)

Erecting Barriers to Unemployment Insurance Does Not Put the Unemployed Back to Work

During the 2011 debates about renewing federal unemployment extensions for 2012, House Republicans heaped criticisms on state unemployment insurance (UI) programs, primarily by claiming that the program is broken and requires major changes. As part of their critique, House Republicans offered a series of proposals in H.R. 3630, all of which would create new barriers to state UI benefits while drastically slashing the duration of federal UI benefits. Though these proposals are touted as “reforms,” nothing could be further from the truth. Rather, these new barriers would abandon fundamental underpinnings of the federal-state nature of the basic UI program while leaving jobless workers without an appropriate safety net in a labor market that, while improving, still has been the worst since the Great Depression.

The fact is the UI program is *not* broken. If anything, the last few years have proven that even in the worst of economic times, the basic program functions just as intended by replacing part of the wages workers lose when they are laid off so that they have a safety net while looking for a new job, while at the same time stabilizing local economies.

Instead of doing anything to improve the UI system, the provisions in H.R. 3630 would make it harder for ordinary Americans who lose their jobs to access their unemployment insurance. It would subject workers to mandatory drug tests, disqualify workers who were not fortunate enough to finish high school, and allow states to experiment with new workfare-type requirements that have no place in a social insurance program in which unemployed Americans’ work has paid for the insurance to provide wage replacement when out of work. Far from being real and meaningful “reforms,” these barriers to benefits are politically motivated solutions in search of problems.

If lawmakers really want to improve the UI program, they would not be erecting new barriers to benefits, but would instead adequately fund job search assistance and reemployment programs. They would provide state agencies with the resources needed to help jobless workers re-enter the workforce. But these kinds of *real* reforms are not part of the House package. At a time when the UI program remains crucially important to millions of workers, their families, and national and local economies, H.R. 3630 proposes only mean-spirited and punitive barriers to benefits that begin to dismantle the UI system, and do nothing to create jobs, improve the economy, or help unemployed workers get back to work.

Congress Should Reject Waivers of Federal Law Protecting Against Abuses of Dedicated UI Trust Funds

As stated by the bi-partisan federal Advisory Council on Unemployment Compensation in 1995, “[t]he most important objective [of UI] is the provision of temporary, partial wage replacement as a matter of right to involuntarily unemployed individuals who have demonstrated a prior attachment to the labor force.”¹⁵ Under federal law, UI was exclusively established to insure employees from the hazards of wage loss due to involuntary unemployment and is funded and paid solely in relation to unemployment. In other words, eligibility for UI benefits is not conditioned upon other factors unrelated to unemployment, like income or education levels. UI is a social insurance program, like Social Security and Medicare, plain and simple. As such, in order to ensure that UI meets its major objective, federal law has always provided that payroll taxes can be withdrawn from dedicated UI trust funds “solely for payment of unemployment compensation.”

Rather than openly trying to repeal longstanding federal protections for UI recipients, H.R. 3630 would instead allow states to be granted waivers to use UI funds for purposes other than paying UI benefits. This may sound harmless at first blush, but in fact, this would mean a dramatic shift in the UI program’s most basic principles and begin the unraveling of the program. In particular, H.R. 3630 would permit up to 10 states each year to get waivers from key federal UI law requirements for purposes of operating “demonstration projects” for up to five years, each allegedly designed to promote more rapid reemployment of jobless workers. Notably, there is no overall limit to the number of demonstration project waivers that could operate under the H.R. 3630 proposal.

These waivers would have immediate, negative impacts on UI programs. First, waivers would permit states to use scarce UI trust funds for purposes other than the payment of UI benefits to jobless workers. Second, federal waivers could permit demonstration projects that condition payment of UI benefits upon reasons unrelated to involuntary unemployment; namely, income limits, education requirements, or other reasons not related to each UI claimant’s unemployment. Third, allowing waivers of the administrative standards established in the Social Security Act would eliminate long-standing UI program safeguards that require states to make eligibility decisions and pay benefits to unemployed workers promptly. Ultimately, allowing states not to comply with these three basic obligations is giving states license to take the element of insurance out of unemployment insurance.

Equally important, proponents of these waivers are offering a solution to a problem that doesn’t, in fact, exist. States already have broad authority under existing federal UI guidelines to define labor market attachment eligibility rules, benefit levels, and

¹⁵ Advisory Council on Unemployment Compensation (1995), statement of purpose cited in *Defining Federal and State Roles in Unemployment Insurance: A Report to the President and the Congress*, p. 28 (January, 1996).

disqualification penalties for separations other than layoffs. And states are currently free to use non-UI funding for reemployment and job search assistance. In fact, many states have demonstrated that they already have the capability of accelerating the return of UI claimants to work within the parameters of existing state and federal UI law through effective reemployment services. In Washington State, for example, staff-assisted placement services reduced UI claimants' duration of unemployment by 7.7 weeks.¹⁶ Wisconsin provides expanded reemployment services for UI claimants and increased collaboration between the UI program and Employment Services, which have reduced the average duration that claimants receive benefits by between 0.6 and 0.9 weeks.¹⁷

Drug Testing the Unemployed Penalizes and Stigmatizes Honest Workers and Pointlessly Burdens State UI Agencies

When Congress created the UI program in 1935, the Senate report accompanying the legislation spelled out that UI *"differs from relief in that payments are made as a matter of right not on a needs basis, but only while the worker is involuntarily unemployed."* Federal UI law has been consistently interpreted to prohibit states from restricting benefit receipt based upon conditions unrelated to the "fact or cause of worker's unemployment." State statutes governing eligibility and disqualification already ensure that workers who collect benefits were sufficiently attached to the labor force and have the capacity to rejoin it. Requiring a claimant to pass a drug test is an additional qualification that goes beyond the "fact or cause" of the worker's unemployment. That is why the U.S. Department of Labor, under both Democratic and Republican administrations, has stopped states from implementing such programs.

There is no reasonable basis to subject the unemployed to a drug testing requirement, and proponents of this proposal cite no data or verifiable evidence showing any need for such testing. While it may make for a good sound bite in certain circles, it is, in reality, a not-so-subtle attack on the character of unemployed Americans. This proposed draconian over-reach seems rooted in a blanket assumption that unemployed workers are to blame for their own unemployment and that the ranks of the unemployed are crowded with lazy drug abusers.

Moreover, the UI system already appropriately penalizes job-related drug use. Twenty states already explicitly deny benefits for any job loss connected to drug use or a failed drug test. And based on the laws on the books in the remaining states, they would also likely treat a drug-related discharge as disqualifying misconduct even though it is not explicitly referenced in their discharge statutes. Thus, states already restrict eligibility for workers whose job loss is related to drug use.

¹⁶ Testimony of Karen Lee, President of the National association of State Workforce Agencies, before the Senate Finance Committee, April 15, 2010.

¹⁷ Id.

And employers already have testing as a tool to screen out drug users. Pre-employment drug testing has become a standard part of the hiring process for millions of employers. Recruiters estimate that more than half of newly hired employees are subject to a pre-employment drug screen.¹⁸ Employers have the capacity to screen out applicants who use illegal drugs without a program of government testing.

Finally, large-scale government drug-testing would be very expensive, and the cost would greatly outweigh any slight benefits. At a time when there are not enough resources to adequately fund and staff state UI programs, layering on a bureaucratic new qualifying requirement would be very expensive and senseless. As a conservative figure, the Substance Abuse and Mental Health Services Administration estimates the cost for drug testing to be between \$25 and \$75 per test.¹⁹ As federal law prohibits assigning this cost to claimants, states would have to absorb the cost of drug testing thousands of unemployed workers. In March 2011, the Texas Legislative Budget Board estimated the full year cost of implementing such a program in Texas to be nearly \$30 million.²⁰

Two recent examples of drug testing recipients of federal assistance show the folly in such programs. Florida recently started drug testing in the TANF cash assistance program. The testing, which has been halted by a federal judge on grounds that it likely violates the Fourth Amendment's protection against unreasonable search and seizure, revealed positive results in only two percent of applicants, a rate substantially below the CDC's estimate of 8.5 percent drug-use rate in the general population.²¹ An Indiana requirement to drug test unemployed applicants for a government training program yielded an even more paltry one percent positive result. Indiana spent \$45,000 to drug test approximately 1,240 people, and only 13 individuals tested positive.²² Spending an average of \$3,500 per applicant to root out only one drug user for every 95 tested is hardly a good use of scarce resources.

¹⁸ Drug Testing Efficacy Poll, Society for Human Resource Management, <http://www.shrm.org/Research/SurveyFindings/Articles/Pages/IDrugTestingEfficacy.aspx>.

¹⁹ U.S. Department of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA) Drug Testing Facts and Statistics Fact Sheet, http://workplace.samhsa.gov/WPWorkit/pdf/drug_testing_facts_and_stat_fs.pdf.

²⁰ Texas Legislative Budget Board Fiscal Note, 82nd Legislative Regular Session, March 24, 2011, <http://www.legis.state.tx.us/tlodocs/82R/fiscalnotes/html/HB00126I.htm>.

²¹ "Welfare Drug Testing Yields 2 Percent Positive Result," Tampa Bay Tribune, August 24, 2011, <http://www2.tbo.com/news/politics/2011/aug/24/3/welfare-drug-testing-yields-2-percent-positive-res-ar-252458/>.

²² <http://abclocal.go.com/wls/story?section=news/local/indiana&id=8483514>.

Requiring UI Claimants to Have or Pursue a High School Diploma or GED is a Misguided and Impractical Barrier to Benefits

For the first time in federal law, H.R. 3630 would establish as an eligibility requirement that all UI recipients have a high school or general educational development (GED) degree, or be making sufficient progress toward getting such a degree. While states could waive this requirement for individuals for whom it would be unduly burdensome, the legislation provides no standards guiding this waiver, and it is a requirement that should not exist in the first place.

Let me be clear: NELP is very much in favor of adult workers getting the additional training and education they need in order to be successful in the workforce. We are enthusiastically support the Workforce Investment Act, Trade Adjustment Assistance, and publicly funded job training programs. But there is an appropriate way to incentivize workers to receive training and education, and an entirely improper way to force GEDs through the UI system. Indeed, even the National Coalition for Literacy, a group whose mission is “[t]o advance adult education, family literacy, and English language acquisition in the U.S. by increasing public awareness for the need to increase funding and programs; promoting effective public policy; and serving as an authoritative resource for the field on national adult education issues,” has said that the GED requirement would be “going against common sense,” and is actively working to oppose this misguided proposal.²³

First, as noted earlier but it bears repeating: UI is a social insurance program in which eligibility is driven *solely* by loss of employment, attachment to the workforce, and employer payments into the applicable UI trust funds on behalf of the employee, *not* income level, educational attainment, or other characteristics of unemployed workers. Employer contributions are made for the entire workforce, including those without high school diplomas or GEDs, not simply those with certain characteristics.

Second, this proposal would have a significant negative impact on unemployed workers with low education levels who have been dramatically affected by the recent recession. A survey of a random sample of claimants who had weeks compensated in the regular program during 2010 found that between 13 and 14 percent have not completed high school or the equivalent.²⁴ Given that there were 2.2 million successful new claims of unemployment payments in the third quarter of 2011, this educational requirement would have affected about 284,000 people in one quarter alone – leading either to a denial of benefits or forced enrollment in adult education courses.

²³ “Going Against Common Sense: Denying Undereducated Workers UI Benefits,” January 17, 2012, <http://blog.ncladvocacy.org/2012/01/going-against-common-sense-denying-undereducated-workers-ui-benefits/>; <http://www.national-coalition-literacy.org/uibenefits.html>.

²⁴ Center for Law and Social Policy (CLASP) calculations based on data provided by the Employment and Training Administration, U.S. Department of Labor. See also, “Beyond Basic Skills,” Center for Law and Social Policy, March 2011, <http://www.clasp.org/admin/site/publications/files/Beyond-Basic-Skills-March-2011.pdf>.

Third, this provision would have a huge impact on older workers. The Center on Budget and Policy Priorities recently reported that almost half of all UI claimants without a high school degree are over age 45, and 35 percent are over age 50. In addition, there were half a million UI claimants in 2010 who were age 50 and over without a high school diploma.²⁵ Does it make sense to require these older workers to return to high school just so that they can qualify for the unemployment insurance they have earned through their long work histories?

Fourth, this is a substantial unfunded mandate on the states, at a time when they can least afford to cover the costs. State funding, a traditionally robust source of funding for adult education, is becoming less reliable as a result of crumbling state revenues. Moreover, it is unlikely that state programs could accommodate a new surge in enrollment. A survey conducted during the 2009-2010 program year found that nearly every state had a waiting list for adult education/ESL services, and that nearly three-quarters of local programs reported waiting lists. About 160,000 learners across the country were on these lists, and the number of months on the waiting list has increased since the previous survey, with 81 percent reporting waiting lists of two months or longer.²⁶

Congress Must Maintain the Rule Limiting State Cuts in Weekly Unemployment Benefits When the Federal Extensions are in Place

H.R. 3630 would eliminate the “non-reduction rule” that has been in place since February 2009. This rule bars states from cutting the weekly amount of state benefits they provide claimants as long as the state is accepting money to pay EUC. The purpose was to insure that states did not undermine the stimulative impact of federal dollars by changing their formulas in a way to reduce the corresponding UI dollars paid out under the state program.

Despite the clear intent of Congress, some states found a way around this rule in 2011 and cut the UI dollars paid out under the state program by reducing the total number of weeks of benefits. Six states reduced the maximum available benefits below the historic standard of 26 weeks, with three states cutting the limit to 20 weeks, and one state (Florida) creating a sliding scale that could reduce its maximum to as low as 12 weeks.²⁷

²⁵ Robert Greenstein, Hannah Shaw and Chad Stone, “Hundreds of Thousands of Lower-Wage Workers, Many of Whom Worked for Decades, Would be Denied Unemployment Insurance Under Provision Now Under Consideration,” Center on Budget and Policy Priorities, January 6, 2012, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3652>.

²⁶ Id.

²⁷ Claire McKenna and George Wentworth, “Unraveling the Unemployment Insurance Lifeline: Responding to Insolvency, States Enact Cuts in 2011, August 2, 2011, http://www.nelp.org/page/-/UI/2011/Unraveling_UI_Lifeline_Report.pdf?nocdn=1.

States claim to be doing this in an attempt to deal with the extreme solvency problems many have experienced as their trust funds have run out of money, and they've been forced to borrow from the federal government in order to make payments on state UI claims. But the assertion is misguided at best, and more often, disingenuous. State UI trust funds are NOT in such bad shape because of the claims levels or the claims amounts. The problem lies in at least a decade of neglect and poor fiscal management of the trust funds – of a failure to “forward fund” and build up the trust funds while economic times were good. Instead, states abandoned this hallmark principle of UI funding and, bowing to the pressure of corporate lobbyists, granted a series of unwise tax cuts to employers during a stronger economic periodic when the taxes were affordable and sound cushions could be built.²⁸ It is regrettable that the price of that profligacy is such great trust fund indebtedness, but unemployed workers did not create this crisis and they should not be doubly victimized now—unable to find work and unable to collect the unemployment insurance benefits they worked for and earned. The appropriate response to the indebtedness crisis is to raise employer taxes in order to pay down debts and restore solvency to state trust funds. But, it is true that this is not an opportune time for employers to have to pay larger UI taxes. That is why NELP supports the Unemployment Insurance Solvency Act of 2011 (S. 386) introduced by Senator Richard Durbin of Illinois. This bill would waive employer taxes for two years, as well as state interest payments on the UI trust fund loans, in exchange for states entering into voluntary agreements with the U.S. Department of Labor to enact sensible policies to get their trust funds solvent and ready for the next recession.²⁹ This approach is far superior to one that leaves the states without any incentives for making smart choices in how to repair their UI trust funds.

Eliminating the non-reduction rule would give states even more leeway to do harm to the underlying state UI programs that are still so desperately needed. Congress should, in fact, be strengthening the non-reduction rule to prohibit states from cutting their existing maximum weeks of benefits as long as they receive federal EUC dollars. Were Congress to eliminate the one provision that requires states to keep their part of the deal to help the unemployed in these economic hard times, it would be akin to an open invitation for states to slowly and surely abandon them and the communities in which they live and hope to work.

H.R. 3630 Usurps Established Authority of States to Determine Their Own Standards for UI Eligibility and Repayment, While Penalizing Millions of Deserving Workers

It is ironic that H.R. 3630, which purports to give states flexibility in administering their UI programs (through waivers, for example) actually imposes severe eligibility mandates that create new burdens for states and tie their hands in program administration.

²⁸ “Rebuilding the Unemployment Insurance System: A Deficit-Neutral Plan that Limits Tax Increases and Maintains Benefits,” National Employment Law Project and Center on Budget and Policy Priorities, February 9, 2011, <http://www.nelp.org/page/-/UI/UI%20Solvency%20Report%20FINAL.pdf?nocdn=1>.

²⁹ <http://www.nelp.org/page/-/UI/2011/solvency.leg.summary.04.05.2011.pdf?nocdn=1>.

Redundant Work-Search Requirements: H.R. 3630 requires every state to establish new work-search documentation requirements for every week of benefits claimed for regular state UI benefits, not just the federal programs. States already mandate that UI claimants must be available for suitable work and that they must make their best efforts to find a new job. But H.R. 3630 further mandates that states develop and implement expensive new programs to track where and when unemployed workers have applied for jobs. The “documentary evidence” requirement for each and every week of benefits claimed creates huge new administrative burdens for states already straining from the unprecedented demands imposed on them – demands the agencies simply do not have the resources to meet. The proposed job search mandate is an anachronistic form of enforcement that is so expensive and unwieldy, state administrators across the political spectrum have uniformly supported a proposal to eliminate it altogether from the Extended Benefits program. And of course, there is no funding provided for states to meet this extreme administrative burden.

Expecting workers collecting UI benefits to look for work is entirely reasonable, and that is why states already do so. State UI agencies already have the flexibility to review the job search efforts of UI claimants through whatever systems work best in their states. State UI agencies know that some workers on temporary layoff will return to their jobs in a week or two and that it makes no sense to require these workers to look for new jobs and comply with bureaucratic documentation requirements. States do not need the new unfunded across-the-board mandates that H.R. 3630 would impose. The problem is not workers’ lack of effort in searching for jobs; it is lack of jobs.

Draconian Rules on Overpayments: Currently, federal law authorizes states to recover federal and state UI benefits that are overpaid, whether due to innocent error on the part of the agency, workers, or employers, or because of claimant fraud. In fact, of the relatively small share of all UI payments that are determined to be improper “overpayments,” only about one-quarter are attributable to claimant fraud (only 2 to 3 percent of all UI payments).³⁰ States have a full range of collection tools and legal remedies for recovering both categories of overpayments, and most states employ appropriately tough collection rules in fraud cases. Indeed, just a few months ago, Congress authorized states to intercept federal income tax refunds to collect benefits overpaid due to fraud.

However, most states have also carefully crafted rules to insure that workers are treated fairly when an overpayment issue arises, especially in cases involving honest errors by the agency or the worker. These errors can produce overpayments of thousands or even tens of thousands of dollars because they are often detected weeks or months after the claimant began filing. As a result, these determinations can impose extreme financial

³⁰ U.S. Department of Labor, Unemployment Insurance (UI) Improper Payments By State, <http://www.dol.gov/dol/maps/Data.htm>.

hardship on unemployed workers to repay the benefits. As a result, about half the states authorize a “waiver” of part or all of these overpaid benefits in cases of “equity and good conscience,” i.e., when the worker did nothing to defraud the state agency and where repayment would be unfair and unduly burdensome.

With a simple one-word change in the federal law,³¹ substituting “may” for “shall,” H.R. 3630 would require states to collect *all* overpaid benefits, robbing them of any discretion to consider the cause of the overpayment or the financial circumstances of the worker. This preemption of long-standing reasonable state protections would come at a time when the state UI systems are dealing with a high volume of non-fraud overpayments that are attributable to errors that result from the complexity of dealing with on-line and telephone claim-filing systems. In addition, many overpayments result from employers and their third-party representatives routinely failing to respond timely to state agency requests for information or delaying their objection to a claim until benefits have already been approved.³²

Congress Should Make Proven Reemployment Tools for Jobless Workers a Priority

Rather than presuming that lagging efforts by UI claimants are a major reason for long-term unemployment, or that drug use is a major barrier to reemployment, justifying across-the-board drug testing of jobless workers, Congress should prioritize UI reforms directed toward implemented reemployment tools with a proven record.³³ Instead of limited and somewhat symbolic reemployment demonstration projects under a waiver approach, the following reemployment tools should be adopted and funded immediately.

Support Effective “High Quality” Job Search Assistance. To preserve workers’ skills and channel those skills into jobs for which they are best suited, workers should not be forced to apply for and accept jobs that are not suitable to their education and skill level as part of regular UI benefit requirements. Instead, workers should receive effective reemployment assistance, including personal attention, referrals and placement in job openings, and counseling on work search plans, all strategies that have proven effective in getting workers back to work as quickly as possible.³⁴

³¹ 26 U.S.C. 3304.

³² Jason DeParle, “Contesting Jobless Claims Becomes a Boom Industry,” New York Times, April 3, 2010, <http://www.nytimes.com/2010/04/04/us/04talx.html?pagewanted=all>.

³³ Christopher T. King and Carolyn J. Heinrich, University of Texas, “How Effective Are Workforce Development Programs? Implications for U.S. Workforce Policies,” Paper Presented at APPAM Fall Research Conference (November 2011), <http://www.utexas.edu/research/cshr/pubs/pdf/King-Heinrich-APPAM-10222011.pdf>.

³⁴ Paul Decker, Robert Olsen, Lance Freeman and Daniel Klepinger, “Assisting UI Claimants: The Long-Term Impacts of Job Search Assistance Demonstration,” USDOL Occasional Paper 2000-02, (2000), <http://wdr.doleta.gov/owsdrr/00-2/00-02.pdf>; Stephen Woodbury, “Long Term Effects of the Work Test and Job Search Assistance: Reexamining the Washington Alternative Work Search Experiment” (2001), http://econ.as.nyu.edu/docs/IO/14690/Woodbury_20100412.pdf.

The Employment Service (ES) was established by the Wagner-Peyser Act in 1933 as the nation's public labor exchange mechanism. It is a system that benefits both workers and employers, enabling employers to find qualified workers more quickly and employees to gain reemployment or better employment. UI plays a role in unemployed workers' return to work by requiring that claimants register for work, and disqualifying those who refuse offers of suitable work. In addition to its public labor exchange functions, the Employment Service was charged with enforcing the UI work search test. And starting in 1995, all UI claimants are "profiled" by state UI agencies so that those who are deemed likely to exhaust benefits and need reemployment services are referred to such services with a suspension of UI benefits if they do not cooperate.

Despite its role in these important labor market functions, Employment Service funding under the Wagner-Peyser Act has remained at roughly \$700 million for many years under administrations of both political parties. And despite expressed concern about enforcing the UI work search test on the part of employers and UI critics, the public Employment Service has languished as an "orphan program" that receives little attention or support. Employment services are important because they are universal and available to both employed and unemployed job seekers as well as UI claimants and jobless workers who have exhausted UI. To a significant extent, few job referrals are made to UI claimants in many states due to the decline in ES services.³⁵ In Michigan, job seekers must rely upon computer job listings as the sole public labor exchange tool available statewide, and few employers post job openings to the public computer listings.

In contrast to its neglect by Congress and several administrations, there is general agreement among program evaluators that ES job referrals and job search assistance "is highly cost effective,"³⁶ returning as much as \$4.50 to taxpayers for every dollar spent.³⁷ Studies by Lou Jacobson, President of New Horizons Economic Research and a nationally recognized expert on the costs and benefits of workforce development programs, demonstrate that personal contact by trained personnel with jobless workers can particularly help shorten time spent on UI benefits. He has found that states could improve job search assistance and shorten unemployment spells by increasing the number of unemployed individuals who visit one-stops for group workshops and one-on-one counseling; expanding job development (i.e., employer outreach) to ensure that more jobs are listed on public labor exchanges; and providing assessment and counseling for potential trainees to determine what type of training, if any, would be

³⁵ See Christopher J. O'Leary and Randall W. Eberts, "The Wagner-Peyser Act and U.S. Employment Service: Seventy-Five Years of Matching Job Seekers and Employers," Upjohn Institute (2008), <http://research.upjohn.org/cgi/viewcontent.cgi?article=1032&context=reports>, for a general account of these trends.

³⁶ O'Leary and Eberts, *supra*, p. viii; Louis S. Jacobson, "Strengthening One-Stop Career Centers: Helping More Unemployed Workers Find Jobs and Build Skills," Brookings Institution (2009), p. 8, http://www.brookings.edu/papers/2009/0402_jobs_skills_jacobson.aspx.

³⁷ Jacobson (2009), p. 29.

most beneficial.³⁸ His work calls particular attention to automation used in Oregon and Washington that immediately lists job openings and notifies job seekers of openings in their occupational fields.³⁹ Jacobson's findings about the success of Employment Services are all consistent with Assistant Labor Secretary Jane Oates' October 6, 2011 testimony before the House Ways and Means Subcommittee on Human Resources.⁴⁰

Use Wage Subsidy Programs to Promote Reemployment.

Studies show that with each passing month workers are unemployed, they face more obstacles to reemployment. Subsidized employment programs, in which a worker's wages are subsidized for a given period of time, have a proven record of promoting reemployment for disadvantaged workers. They give jobless workers a chance to reestablish connections to paid employment and revive employer confidence in their viability as productive employees.⁴¹

A recent example of wage subsidies was the TANF Emergency Fund created under the Recovery Act. The District of Columbia and 39 states operated subsidized jobs programs, putting nearly 260,000 people to work, until the majority of programs ended in late 2010 with the expiration of Recovery Act funding.⁴² These programs were highly effective in reaching the long-term unemployed. In Illinois, for example, 39 percent of the 27,000 participants in its Put Illinois to Work program had been out of work for two years prior to the program, and all participants, on average, had been out of work for an average of 15.4 months.⁴³ A similar wage subsidy model was adopted by Mississippi,

³⁸ Based on previous demonstration projects, Jacobson estimates that UI weeks claimed could be reduced by 1.1 weeks for claimant call-ins, 2.8 weeks for job search assistance, 3.8 weeks for job development, and 0.8 weeks for counseling for potential trainees. *Id.* at p. 24, Table 2A.

³⁹ "Powerful evidence has accumulated that high-quality job search assistance helps claimants return to work more quickly with no negative effects on future earnings." Jacobson (2009), p. 18-20, 29; Louis S. Jacobson, Ian Petta, Amy Shimshak, and Regina Yudd, "Evaluation of Labor Exchange Services in a One-Stop Delivery System Environment: Final Report," USDOL Employment and Training Occasional Paper 2004-09 (2004),

http://wdr.doleta.gov/research/FullText_Documents/Evaluation%20of%20Labor%20Exchange%20in%20One-Stop%20Delivery%20System%20-%20Final%20Report.pdf; Louis S. Jacobson and Ian Petta, "Measuring the Effect of Public Labor Exchange," USDOL Office of Workforce Security Occasional Paper 2000-06 (2000), <http://wdr.doleta.gov/owsdrr/00-6/00-6.pdf>.

⁴⁰ Testimony of Jane Oates, Assistant Secretary, Employment and Training Administration, DOL, at an October 6, 2011 hearing, "Moving from Unemployment Checks to Paychecks: Assessing the President's Proposals to Help the Long-Term Unemployed."

⁴¹ Timothy J. Bartik, "Adding Labor Demand Incentives to Encourage Employment for the Disadvantaged," *Employment Research*, Upjohn Institute for Employment Research (2009), http://research.upjohn.org/cgi/viewcontent.cgi?article=1079&context=empl_research.

⁴² LaDonna Pavetti, Liz Schott and Elizabeth Lower-Basch, "Creating Subsidized Employment Opportunities for Low-Income Parents: The Legacy of the TANF Emergency Fund," Center for Budget and Policy Priorities and Center on Law and Social Policy (February 16, 2011), <http://www.cbpp.org/cms/index.cfm?fa=view&id=3400>.

⁴³ "Put Illinois to Work evaluation: An early look," Social IMPACT Research Center of the Heartland Alliance (October 2010), <http://www.heartlandalliance.org/whatwedo/advocacy/reports/put-illinois-to-work.html>.

where Governor Barbour used the state's STEPS program to create 1,800 permanent jobs in less than nine months in 2010. In the 1980's, Minnesota pioneered a similarly successful wage subsidy program, the highly acclaimed MEED program, that specifically targeted the long-term unemployed.⁴⁴ Tim Bartik of the Upjohn Institute recently estimated that a similar program could assist many workers with reemployment in today's labor market.⁴⁵

States' experiences with the TANF Emergency Fund program produced a number of strong models for successful subsidized employment programs that can lead to high levels of permanent job retention. Another promising pilot project in Connecticut has leveraged public and private resources and begun to pair training and wage subsidies for a pool of long-term unemployed workers who have run out of their unemployment insurance benefits.⁴⁶

Adopt Work Sharing Programs. "Work sharing," "shared work," or "short-time compensation" are terms that refer to a UI program that serves as an alternative to layoffs during temporary declines in business. Under a work sharing program, an employer may reduce hours of its employees in lieu of worker layoffs. As a result, employees qualify for unemployment benefits to partially compensate them for the reduction in hours and pay they have experienced. If work sharing was not utilized, some of the employees would be laid off and draw full UI benefits, while the rest would remain fully employed. These programs are currently permitted, but not required, within our federal-state unemployment insurance laws. There are 23 states with functioning work-sharing programs.⁴⁷

Participating employers are able to retain a skilled, trained workforce and do not incur new training costs when a business upswing occurs and laid-off workers are no longer available for recall.⁴⁸ In addition, by committing to workforce continuity and job security, employers enjoy the benefits of increased employee morale.⁴⁹ Significantly,

⁴⁴ William Schweke, "Minnesota Emergency Employment Development Program (MEED)," CFED Newsletter, v. 3, no. 9 (September 2001).

⁴⁵ Timothy J. Bartik, "How a Renewed MEED Program Can Help Solve the Unemployment Problem," Upjohn Institute Presentation (November 12, 2009), http://www.upjohninstitute.org/bartik_meed_11-12-09.pdf.

⁴⁶ For more information on Connecticut's pilot program, see The Workplace Inc., www.theworkplace.org, and "Social Enterprise Initiative in CT Seeks Jobs for UI Exhaustees," UnemployedWorkers.org, June 19, 2011, http://unemployedworkers.org/sites/unemployedworkers/index.php/site/blog_entry/social_enterprise_initiative_in_ct_seeks_jobs_for_ui_exhaustees.

⁴⁷ These states are Arizona, Arkansas, California, Colorado, Connecticut, Florida, Iowa, Kansas, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Vermont and Washington. In January 2012, Governor Chris Christie signed a New Jersey work sharing program into law.

⁴⁸ Neil Ridley, "Work Sharing – an Alternative to Layoffs for Tough Times," Center for Law and Social Policy (March 2009), p. 2, <http://www.clasp.org/page?id=0009>.

⁴⁹ Steven Greenhouse, "Work-Sharing May Help Companies Avoid Layoffs" The New York Times, June 15, 2009, <http://www.nytimes.com/2009/06/16/business/economy/16workshare.html?pagewanted=all>.

this program should not create additional UI costs for employers since the charges for one full week of UI benefits are equivalent to the charges for five employees each receiving 20 percent of a full week's benefits.

On the other side of the coin, workers retain their jobs and the financial security that comes with continuing employment. They are compensated for the unemployment they experience and are able to continue to meet their financial obligations and to contribute to their local economies. Workers retain their health insurance and keep accruing any retirement benefits in a properly structured program. In addition, employees avoid the economic and emotional hardship associated with layoffs, and the stress of looking for a new job in a tough labor market is averted.

Currently, work sharing is more prevalent in certain European countries than in the United States. In Germany, for example, widespread use of work sharing in the most recent recession is credited with keeping that country's unemployment rate substantially lower than other countries that experienced similar declines in GDP.⁵⁰ Even in limited use in this country, the work-sharing programs currently running in the United States saved an estimated 265,000 jobs in 2009 and 2010.⁵¹

President Obama's American Jobs Act, as well as legislation introduced by Senator Jack Reed (D-RI) and Rep. Rosa DeLauro (D-CT), would facilitate widespread adoption of work sharing programs within states and set national standards for short-time compensation to ensure that workers retain their health care and retirement benefits while participating in work sharing.⁵² The proposed legislation would also provide \$700 million in temporary funding to states that enact new work-sharing programs, covering implementation expenses and administrative costs associated with outreach and enrollment of employers. These relatively meager financial incentives are critical for taking work sharing to scale in states where it already exists as well as implementing programs in the remaining states and promoting the benefits of work sharing among employers and workers.⁵³ This small investment could reap significant returns in terms of successful layoff aversion in the future.

⁵⁰ Dean Baker, "Work Sharing: The Quick Route Back to Full Employment," Center for Economic Policy and Research (June 2011) <http://www.cepr.net/index.php/publications/reports/work-sharing-the-quick-route-back-to-full-employment>.

⁵¹ "Reed Calls for New National Plan to Help Save American Jobs," Press Release, July 6, 2011, <http://reed.senate.gov/press/release/reed-calls-for-new-national-plan-to-help-save-american-jobs>.

⁵² U.S. Congress, House, Layoff Prevention Act of 2011, H.R. 2421, 112th Cong., 1st sess. (July 6, 2011). U.S. Congress, Senate, Layoff Prevention Act of 2011, S. 1333, 112th Cong., 1st sess. (July 6, 2011). United States. Cong. House. H.R. 1950, Newborns' and Mothers' Health Protection Act of 1995. 104th cong. 1st sess. 8 June 1995. 14 Feb. 2004 . U.S. Congress, Senate, American Jobs Act of 2011, S. 1549, 112th Cong., 1st sess. (September 13, 2011).

⁵³ Kevin Hassett, "Testimony before the Joint Economic Committee, The Road to Economic Recovery: Prospects for Jobs and Growth," (February 26, 2010), http://jec.senate.gov/public/?a=Files.Serve&File_id=fdd8c30e-59a5-47c6-b482-9810229edb4c.

Conclusion

We all know that the root cause of the persistent long-term unemployment in the aftermath of the Great Recession is that there simply aren't enough jobs being created. There are still more than four times as many unemployed workers as there are available jobs. It is inconsistent with American values and bad for the American economy to penalize those who have suffered most as victims of the Great Recession by denying or reducing their unemployment insurance benefits, or to demonize them through unnecessary and stigmatizing barriers to participation in the program. Instead, Congress should reauthorize the federal unemployment insurance programs, immediately and without reductions or barriers to benefits, in order to provide for workers and families that continue to need this limited wage replacement, keep these workers actively engaged in the job search, and maintain the economic recovery.