



From the National Employment Law Project
For Immediate Release: Thursday, June 18, 2009
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25 STATES EXPAND UNEMPLOYMENT BENEFIT ELIGIBILITY

Four Months After Enactment, American Recovery and Reinvestment Act Fuels Unprecedented Wave of Unemployment Insurance Reforms

21 High-Unemployment States Also Extend Benefits 13-20 Weeks Under Stimulus Provisions

June 18, 2009 – Today the National Employment Project released a [report](#) documenting the unprecedented reforms over two-dozen states have made to modernize their unemployment insurance programs as a result of \$7 billion in federal incentive funds provided by the American Recovery and Reinvestment Act (ARRA). Just four months after President Obama signed the legislation, 25 states have enacted jobless benefit policies that will enable thousands of workers previously barred from the system to collect unemployment benefits, while 21 high-unemployment states have extended jobless benefits an additional 13-20 weeks. The NELP report estimates that \$3.65 billion in federal funds have been leveraged so far and that, altogether, stimulus-funded expansions are helping more than one million jobless workers stay afloat during the recession.

“This is an unprecedented wave of reforms, at a time when states need help the most. Just four months after Congress and President Obama enacted the recovery package, half the country is leveraging key provisions to help more jobless workers collect benefits, boost the solvency of state unemployment insurance funds, limit employer tax increases, and get local economies back on their feet,” said Maurice Emsellem, Policy Co-Director of the National Employment Law Project.

The ARRA created \$7 billion in financial incentives for states to adopt reforms to modernize the eligibility rules for collecting jobless benefits. To qualify for the first one-third of the ARRA’s incentive funding, a state must adopt the “alternative base period,” which allows workers to count their recent earnings when needed in order to qualify for unemployment benefits. To qualify for the remaining two-thirds of the ARRA incentive funding, states had to choose from a menu of options groups who have previously fallen through the cracks of the unemployment system due to outdated eligibility rules - including low-wage workers, women, part-time workers, workers seeking job training, and the long-term unemployed.

25 states have enacted reforms that expand their unemployment insurance programs, and they span every region of the United States: from the Western states (Alaska, California, Hawaii, Idaho,

Nevada, Oregon) to the Central states (Colorado, Kansas, Montana, Oklahoma, South Dakota), to the Midwest (Illinois, Iowa, Minnesota, Wisconsin), to the South (Arkansas, Georgia, Tennessee), and the Northeast (Connecticut, Maine, New Hampshire, New York, New Jersey, Vermont, West Virginia). All but three states adopted reforms that will allow them to qualify for full federal incentive grants; the NELP report delineates which reforms each state has enacted.

In addition to these 25 states, eight states and the District of Columbia had adopted the “alternative base period” before the American Recovery and Reinvestment Act took effect, and those states will qualify for at least one-third of their incentive funds. As a result, at least 34 states are now positioned to qualify for full or partial incentive funding under the ARRA once certified by the U.S. Department of Labor (DOL), totaling \$3.65 billion that is being provided to these states.

Underscoring the bi-partisan support for the modernization funding, the NELP report notes that nine Republican governors have signed legislation to expand unemployment insurance eligibility in their states, and that both the governors’ offices and the legislatures were Republican-controlled in three of the states (Georgia, Idaho and South Dakota).

“Despite opposition by a very small but vocal group of governors, when the time came to seriously debate the reforms, most governors and state legislatures crossed party lines to take up the reforms,” stated Emsellem.

The ARRA also made it possible for many more states to pay additional weeks of extended unemployment benefits to the long-term unemployed.

Most states now qualify for 33 weeks of Emergency Unemployment Compensation (EUC) extended jobless benefits paid for by the federal government, but another federal program called Extended Benefits (EB) provides an extra 13 to 20 weeks of assistance for high states with unemployment rates exceeding 6.5% and 8%, respectively. Under the ARRA, the federal government is covering 100% of the benefits through December 2009, where normally states pay for 50% of the program.

With this significant federal assistance, 21 states have adopted this federal option, delivering additional benefits to 999,000 long-term unemployed workers.

The incentive funding proposals to expand unemployment insurance eligibility are still being actively debated in several states, and others have yet to introduce proposals. States have until August 2011 to pass legislation and submit their applications to the U.S. Department of Labor to certify that they comply with the specific requirements of the ARRA incentives program.

“In four short months, states have taken enthusiastic advantage of the opportunity to modernize their unemployment insurance systems, thanks to the American Recovery and Reinvestment Act. As the need for help to the unemployed continues to be painfully clear, states should keep working to usher in these federal stimulus dollars for the sake of their workers and their economies,” stated Emsellem.

Click here for a full copy of the report: <http://www.nelp.org/page/-/UI/UIMA.Roundup.June.09.pdf>

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