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## Paul E. Miller: This session last chance fro \$22 million in stimulus funds

Only about one-third of jobless workers qualify for unemployment benefits because of outdated eligibility restrictions in the state's unemployment insurance program.

In 2009, the American Recovery and Reinvestment Act included \$7 billion in available federal funds to the states as an incentive payment to adopt a series of modernization reforms that would expand eligibility to a limited number of workers who've lost their jobs due to no fault of their own.

The state legislature must adopt two reforms before the August 2011 deadline to qualify for \$22 million in ARRA stimulus funds. The two reforms would allow workers, particularly female workers, who've left work voluntarily due to "compelling family reasons" and to allow dislocated workers to remain enrolled in certified training programs for up to 26 weeks leading to certification in demand occupations to maintain eligibility for unemployment insurance benefits.

The first reform, called "compelling family reasons" includes caring for a sick family member, avoiding a domestic violence encounter or to follow a spouse who must relocate in order to find work. The second reform would require the state to stipulate a minimum 26-week benefit period for workers enrolled in a certified training program. In many instances, the state wouldn't bear additional costs for this provision because the state could structure the benefit to begin only after regular and federal benefits have expired, which currently lasts up to 99 weeks. Most workers would have already graduated from the training program before the additional benefits kick in, thereby not costing the state additional money.

Unemployment benefits help individuals and their families regain an economic foothold when the economy can't produce enough jobs and unemployment remains stubbornly high. Unemployment insurance benefits also act as an important stabilizer to the economy because unemployment payments are quickly spent on immediate needs such as rent, mortgage, utilities, and food supporting existing employment and economic growth. Further, unemployment insurance benefits contribute \$1.60 in economic growth for every dollar spent further strengthening our anemic state economy.

The U.S. Department of Labor and the bipartisan Advisory Council on Unemployment Compensation recognized that the current UI program has failed to keep pace with the fundamental changes to the American workforce that have occurred since 1935. In 2009, 28 states took some or all of the steps necessary to modernize their program. In 2010, eight more states adopted various reforms including four states dominated by Republican governors and Republican legislatures. Currently, 32 states have fully completed the modernization process and another six states, including West Virginia, have adopted the first one-third of the modernization reforms.

Twenty-three states do not disqualify workers due to "compelling family reasons" and 720 jobless West Virginians would benefit from this reform. SB 310, the unemployment modernization bill, passed out of the Senate Labor committee and is now pending in the Senate Finance committee chaired by Sen. Roman Prezioso.

Also, the \$22 million represents the best opportunity to maintain solvency of the state's Unemployment Insurance Trust Fund, which is expected to remain barely above water at the end of March or April. West Virginia sits among 20 other states not currently borrowing money from the federal government to pay its bills. Once the \$22 million in free federal money runs out, West Virginia could repeal the legislation and keep the money. West Virginia would benefit because it wouldn't have to borrow \$20 million from the state's Rainy Day Trust, paid for by general taxpayers in the form of sales, personal income, and severance taxes thus, keeping West Virginia

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taxpayers off the hook from bailing out businesses once again.

The 2011 legislative session provides the last best opportunity for West Virginia to make the necessary policy changes and claim \$22 million in stimulus funds before the clock runs out. West Virginia should join 33 other states and draw down the remaining \$22 million that would help approximately 1,000 jobless workers qualify for benefits, help the local economy as additional money gets spent avoiding additional layoffs, and provide a short-term financial boost to help keep the state's ailing unemployment trust fund from pending insolvency. Contact members of the Senate Finance committee and express your support for SB 310.

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