



National Employment Law Project

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HOUSE APPROVES RECOVERY PACKAGE FOR AILING ECONOMY & UNEMPLOYED WORKERS

Bill Would Fill Gaps in Safety Net

New York – Following strong approval of the American Recovery and Reinvestment Bill in the House today, economic experts at the National Employment Law Project lauded passage of the package and urged the Senate to approve a similar bill in order to bring vital relief to the nation's economy and unemployed workers. The House recovery bill, developed in conjunction with President Obama, carries several provisions, like the Unemployment Insurance Modernization Act, that would swiftly inject money into state economies and aid the TK million unemployed as jobless claims rise and states grapple with depleting unemployment trust funds.

“This House vote is an important step towards boosting state economies and helping thousands of workers falling through the cracks. This recovery package will help unemployed workers weather the storm until their next jobs come along, and it will usher in immediate help to states that are overwhelmed by rising jobless claims. The Senate should follow suit, quickly, to deliver effective recovery for our economy,” said Christine Owens, Executive Director of the National Employment Law Project.

Key provisions for unemployed workers in the American Recovery and Reinvestment Bill passed in the House today include:

- Enactment of the Unemployment Insurance Modernization Act (UIMA), which would enable states to provide benefits for at least 500,000 mostly part-time, low-wage and female workers currently ineligible for benefits;
- Extending the deadline to qualify for the Emergency Unemployment Compensation extensions through December 31, 2009;
- A \$25 per week increase in unemployment benefits, paid for by the Federal government;
- Subsidizing 65% of COBRA premiums for unemployed workers and providing Medicaid coverage for unemployed workers below 200% of the federal poverty guidelines;
- \$500 million in new funding to help equip the Employment Service to play a key role accessing the new jobs to be created by the plan;
- \$4 billion in additional WIA funding targeting key industries.

“As layoffs blanket the economy and workers turn to their local employment offices for help, relief like the Unemployment Insurance Modernization Act is critical to accommodate the modern workforce, which includes large numbers of part-time, low-wage and female workers who are currently left out of the safety net. And in addition to being an important part of the safety net for workers losing their jobs, unemployment benefits pump spending power into local economies during a recession, boost businesses, and help to stave off further job losses,” Owens stated.

The UIMA would provide up to \$7 billion for states to cover more than 500,000 workers not covered under the current system, and set aside \$500 million to help every state address the administrative demands of fielding claims from the growing number of workers applying for benefits.

The House bill approved today would also provide much needed extensions of benefits, as more and more workers who do receive jobless benefits exhaust them. From January 2008 to December 2008, 3,542,000 workers exhausted their regular state benefits, and NELP estimates that a total of 2,129,694 workers will exhaust their regular state benefits from January 2009 - June 2009.

For more information about the National Employment Law Project and the proposals in the House bill released today, visit www.nelp.org. Workers interested in the proposal's elements should contact nelp@nelp.org.

To speak with an employment expert or contact unemployed workers directly, call Tim Bradley at 646-452-5637.

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