

McDermott Will Push For UI Extension Through 2010

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by Peter Cohn

A senior House Democrat said Thursday he would push to extend unemployment insurance benefits through all of 2010 before the end of this year, when the eligibility window for new enrollees will shut down or begin to phase out for existing beneficiaries.

The projected cost of such a program is potentially \$80 billion to \$85 billion, according to preliminary estimates.

Ways and Means Income Security Subcommittee Chairman **Jim McDermott**, D-Wash., said it was his preference to renew the unemployment insurance programs in one fell swoop rather than resort to a piecemeal approach.

"It is not a cheap program, but you've got to remember, it is a bridge to the economy getting better, which people say is going to get better in the third quarter of 2010. So if somebody loses their house in March, and then gets their job back in September, it really is a terrible hole you're created for them. So I really think there will be justification and I think there will be support on a bipartisan basis," McDermott said.

McDermott introduced a bill just before the August recess to extend for a year emergency unemployment compensation, which provides up to 33 weeks of extended benefits to workers exhausting their regular UI benefits. It also continues 100 percent federal funding for extended benefits of up to an additional 20 weeks in high unemployment states, plus an extra \$25 a week in compensation.

Co-sponsors include Ways and Means Chairman **Charles Rangel**, Democratic Congressional Campaign Committee Chairman **Chris Van Hollen** of Maryland, and a range of others, from progressives to New Democrats. It even drew a GOP co-sponsor, Rep. **Candice Miller** of Michigan.

That measure also provided additional benefits, which were beefed up and approved by the House and Senate this week. Adding an extra 14 weeks of assistance for workers in all 50 states, with six more tacked on in the 27 states with three-month, seasonally adjusted average jobless rates of 8.5 percent or more, and the tab comes to as much as \$85 billion.

By contrast, total temporary extended benefits Congress created during the post-Sept. 11, 2001, recession cost \$23 billion over the course of 2002-2004.

McDermott declined to say whether the proposal would be paid-for. "I'm not saying anything about how the future is going to be dealt with," he said. A House Democratic aide said leadership has not discussed how to handle the next round of UI benefits.

The approach McDermott advocates might be politically difficult. Passing a long-term extension of that magnitude would essentially acknowledge steps the White House and Democratic leaders have taken thus far have not had the desired impact on job creation. The cost would also be prohibitive, with last year's deficit of \$1.4 trillion expected to remain steady this year. Roughly 90 percent of the UI extension would be borne by general revenues, and the rest from payroll taxes paid by employers.

Rep. **Kevin Brady**, R-Texas, said it would "simply add to the enormous deficits, and equally enormous state tax hikes on jobs" being run up. "All of which begs the question: Where are the jobs? While long-term unemployed workers appreciate the additional unemployment benefit help in the bill, what they really want are jobs," he said.

McDermott said that will remain a problem as long as there are six people vying for each available job. "I'm one who would do the whole thing and just leave it out there, because I think we're going to be out there eight or nine months at least. Some people, all they want to do is three months at a time, two months at a time, but we're back here five months after we did the last one, and we're going to be back again in another few months," McDermott said. "We might as well do what needs to be done ... Some of my colleagues are hoping the tooth fairy will suddenly turn the economy around and we'll be all better. I don't think it's going to come back that quickly."