

HOUSE BILL REPORT

HJM 4031

As Passed House:

January 26, 2004

Brief Description: Urging extension of temporary extended unemployment compensation.

Sponsors: By Representatives Conway, McIntire, Kenney, Wood, Santos, Chase, Murray, Sullivan, Simpson, G., McDermott, Morrell, Kagi, Darneille and Hudgins.

Brief History:

Committee Activity:

Commerce & Labor: 1/15/04 [DP].

Floor Activity:

Passed House: 1/26/04, 95-0.

Brief Summary of Bill

- Urges Congress and the President to extend federal temporary unemployment compensation benefits.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 9 members: Representatives Conway, Chair; Wood, Vice Chair; McMorris, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse, Holmquist, Hudgins, Kenney and McCoy.

Staff: Jill Reinmuth (786-7134).

Background:

Eligible unemployed workers may receive up to 30 weeks of regular unemployment benefits. (Beginning in the first month after the Commissioner of the Employment Security Department finds that the state's unemployment rate is 6.8 percent or less, they may receive up to 26 weeks of benefits.) Until very recently, individuals who exhausted regular benefits may have been eligible for further benefits through the temporary extended unemployment compensation (TEUC) program or the extended benefits program. Now there are no TEUC benefits or extended benefits available.

Temporary Extended Unemployment Compensation

The TEUC program was first authorized in March 2002, and then extended in January 2003 and May 2003. To receive TEUC benefits, eligible unemployed workers must have exhausted regular benefits before December 21, 2003.

In most states, eligible unemployed workers could receive up to 13 weeks of these benefits. In Washington and other states with high unemployment rates, eligible unemployed workers could receive up to 26 weeks of these benefits. Eligibility criteria for these benefits differed somewhat from that for regular benefits, but the weekly benefit amount was the same.

These benefits were 100 percent federally-funded. Contribution-paying employers were not charged and reimbursable employers were not billed for these benefits.

Extended Benefits

The extended benefits program "triggered on" in Washington on January 6, 2002, and "triggered off" on January 10, 2004, based on the state unemployment rate and conditions specified in state law. No payments of these benefits can be made for weeks beginning after January 10.

Eligible unemployed workers could receive up to 13 weeks of these benefits, but most received no more than nine weeks. Eligibility criteria for these benefits also differed somewhat from that for regular benefits, but the weekly benefit amount was the same.

These benefits were 50 percent federally-funded and 50 percent state-funded. Contribution-paying employers were not charged for these benefits, but most reimbursable employers were billed for these benefits.

Summary of Bill:

Congress and the President are urged to extend and make retroactive federal temporary unemployment compensation benefits.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Upon adoption by both houses of the Legislature.

Testimony For: The state recession predates the national recession. Unemployment is high and is expected to remain at a rate of between 6.8 and 7.0 percent throughout 2004. Unemployed workers need more time to find a job. Thousands of unemployed workers

are exhausting their benefits. Unemployment benefits help maintain family income and consumer spending. Long-term unemployment “ meaning individuals who are out of work for six months or more “ is at its highest rate nationally in 20 years. These extended benefits would help.

Testimony Against: None.

Persons Testifying: (In support) Jeff Johnson, Washington State Labor Council.

Persons Signed In To Testify But Not Testifying: None.