



Long-term unemployed watch coming debate over benefits closely

Bipartisan Senate deal faces tough odds in House

By John Fritze

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The first thing Eric Miles lost was his Jeep. Then it was the apartment that he and his 12-year-old son called home.

Since the federal government cut off jobless benefits for the long-term unemployed late last year, the 54-year-old East Baltimore man has moved in with his sister, relied on family to pay the phone bill and borrowed bus fare to go out and look for work.

"You're talking about \$3.50 for an all-day bus pass," Miles said. "If you don't have the \$3.50 coming in, you don't have it."

Nearly three months after Congress allowed the benefits to lapse, tens of thousands of out-of-work Marylanders are hoping that a bipartisan deal to extend the program through May will win approval. But the plan could be doomed by opposition from some conservatives, who say the benefits create a disincentive for seeking a job, as well as a national group representing state unemployment officials.

The emergency federal benefits are used by people who have run out of the 26 weeks of unemployment insurance offered by most states, including Maryland. The federal program continues the benefits for as many as 47 additional weeks; the duration depends on a state's [unemployment rate](#). For example, in Maryland, the program offered an additional 37 weeks last year, but that would fall to 28 weeks this year if the program were reinstated.

President Barack Obama has repeatedly pressed for an extension and polls indicate a majority of Americans support it, but the Senate has failed three times to muster the 60 votes needed to advance the measure. Now opposition to the latest agreement has put prospects of approval in doubt once again.

About 1.3 million people nationwide and more than 25,000 in Maryland lost federal benefits when the program expired Dec. 28. Since then, another 12,310 Marylanders have exhausted state benefits and may have become eligible for the federal program, according to the state Department of Labor, Licensing and Regulation.

A central debate between supporters and opponents of the program focuses on its impact — whether or not the benefits encourage the long-term unemployed to [find a job](#). Miles, for one, says program payments were a big help.

Miles said he spent 20 years operating bulldozers for Chesapeake Site Contractors before he was laid off. He has worked since then, but always at short-term construction [jobs](#) — three months here, eight months there, he said.

He said the money he received in federal unemployment — about \$400 week — allowed him not only to pay the bills but also to keep looking for work. Such weekly payments are based on a percentage of how much workers previously made, up to just over \$400 a week in Maryland.

"Without family, I wouldn't even have a telephone to conduct interviews," Miles said. "It's just little things that you need help with."

When he was forced to sell his truck, it made it far more difficult to show up for [job interviews](#). "There ain't no job right across the street from me," he said.

LaShonda Armstrong, a 41-year-old Baltimore resident, is in a similar spot.

She lost her job as a manager at a Lane Bryant clothing store in August. Since then, she's moved in with her mother in East Baltimore and is burning through savings to make ends meet. She said she has sent out application after application, but potential employers simply aren't calling her back.

"The bills do not stop just because the money stops," said Armstrong, who, like Miles, has been getting help through the Mayor's [Office](#) of Employment Development. "Your life changes when your income changes."

With U.S. unemployment falling to 6.7 percent from a peak of 10 percent in the fall of 2009, some conservatives say it is time to end the program first approved by President George W. Bush at the start of the Great Recession.

The federal government has spent \$226 billion on it so far.

Chris Edwards, an economist at the libertarian Cato Institute, said the benefits have little impact on the economy and wind up increasing unemployment.

"Many people tend to wait until the very end, until employment benefits run out, to make the tough decisions they need to make, like taking a lower wage or changing careers," said Edwards,

who edits Cato's downsizinggovernment.org blog. "The emergency with the U.S. economy has long passed."

Edwards noted that most people out of work would continue to receive state benefits for more than six months, which he said "is a reasonable amount of time to make the tough decisions needed to find a job."

The latest proposal to extend the benefits, which is expected to advance in the Senate, would provide retroactive payments to December. Congress would offset the \$10 billion cost by extending increased customs fees and allowing companies to set aside less for employee pensions, which in turn would increase profits and federal tax revenue.

Opponents, including Edwards, describe that arrangement as an accounting gimmick. Increased revenue from the customs fees wouldn't kick in until 2024, for instance, but the spending would take place immediately.

The proposal is also facing criticism from Republican House Speaker John Boehner, who in a statement called the deal "simply unworkable."

Boehner's office distributed a letter from the National Association of State [Workforce](#) Agencies last week that questioned the ability of states to verify that people have remained eligible for a retroactive payout since the end of last year.

Maryland officials say the state appears to be in a better position to offer retroactive benefits than others because it asked the unemployed to continue filing claims through early March, after the program had been shut off. That should make it easier for officials to check eligibility.

However, Maryland officials say another provision — requiring states to turn off benefits for people who earned more than \$1 million in the year prior to their unemployment — could be more problematic. There is no system in place to verify that information, so the state would have to create one.

Without the new verification provisions, the state could turn the program back on in a matter of days, said Maureen O'Connor, spokeswoman for the Department of Labor, Licensing and Regulation. If they remain in the final legislation, she said, it could take weeks or even months to do so.

"Either way, the Maryland Department of Labor is ready and committed to providing ... benefits to Marylanders," she said in a statement.

Democrats have pushed back against Boehner's comments, arguing that implementation issues are an excuse not to act.

"I am profoundly disappointed in the unwillingness of the House to help Americans in need," said Sen. Ben Cardin, a Maryland Democrat. "The longer this partisan fight over emergency

unemployment insurance drags out, the more severe the situation will be for those who, through no fault of their own, are still searching for [jobs](#)."

The share of people out of work for 27 weeks or more increased by 203,000 in February to 3.8 million nationwide. That represents 37 percent of all who are unemployed, according to the U.S. Department of Labor.

Though there was an increase in February, the share of long-term unemployed has remained relatively steady since the recession began. Four years ago, there were 6.1 million people out of work for more than 27 weeks, about 41 percent of all unemployed.

Charity organizations report an anecdotal increase in demand since the federal program ended, but say it is too soon to determine if that is a direct result of the benefits ending. That cut came on top of a reduction in food stamps in November when federal stimulus dollars ran out.

"We're at a breaking point," said Bill McCarthy, [executive director](#) of Catholic Charities of Baltimore. He said requests for help with utility bills and rent are at record highs.

Traffic has also increased in the city's one-stop career centers, which help people with interviewing, resume writing, career counseling and [job training](#), and reach 20,000 to 30,000 people a year. Officials could not say precisely how many more people they have served since January.

Diedre Moore-Durant, an early intervention facilitator at the East Baltimore site, said her center sent letters to several hundred clients when it became clear that the federal benefits were likely to end. Anecdotally, she said, she believes the number of people enrolling or "re-engaging" with the center has increased.

Advocates cheered the announcement this month that a group of 10 senators had reached a deal to extend the federal program, but they acknowledged that its path forward is uncertain.

With five Republican senators on board, the legislation should have the 60 votes needed to pass — as long as all Democrats support the agreement.

Flora Lightner is less focused on the politics in Congress than being able to pay her bills. The 60-year-old Baltimore woman was laid off by MetLife in 2012. Before joining the insurance company, she spent 30 years as an administrative assistant for Verizon and the company's predecessors.

Lightner said she believes the search has been a little harder for those who are above the median age of the workforce, which is 42, but she keeps trying. She said her lengthy service at the telecommunications company proves she has both experience and dedication.

In the meantime, she said, she's struggling without the benefits.

"It's devastating when I first heard the news" that the program would end, she said. "You still need to eat, and you need to think of your monthly bills. You still have to put gas in your [car](#)."

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