

THE PLAIN DEALER



Arguments over helping the jobless are likely to go on and on, even if a bill passes: Analysis

By Stephen Koff

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WASHINGTON, D.C. – What do you call a guy who does the same thing over and over, only to wind up back where he started?

"Senator" might be the right answer.

Senate Democrats, in what they say is an attempt to help people whose state unemployment compensation has run out, are offering a bill to provide up to six months of additional benefits. A group of Senate Republicans including Ohio's Rob Portman is competing with a similar proposal, but theirs would provide up to five months of federal jobless benefits, not six. Their debate for now is over how to pay for these benefits, which average \$318 a week per recipient in Ohio.

Both of these proposals are from the Washington version of the movie "Groundhog Day." That's because either bill would grant benefits retroactively to Dec. 28, when the previous federal program ended, and expire five or six months from then. It is now nearly mid-March, the third month of the year. So the benefits would expire in little more than two (Republicans) or three (Democrats) months from now. Their respective bills specify these expiration dates.

Given the likelihood that the unemployment rate will still be high in three more months, it is fairly certain that Democratic lawmakers will be back again this summer, asking for yet another extension.

Before the federal jobless benefits finally ended in December, Congress extended them repeatedly since 2008. These are the benefits that kicked in after a worker was out of a job for 26 weeks. For those first 26 weeks, states provided unemployment compensation – and still do, getting the money from a tax on employers. The amount of time a beneficiary could get additional, federal benefits depended on his state's unemployment rate, but in Ohio it was 37 weeks, on top of the state's 26 weeks.

When President George W. Bush signed the since-expired emergency job benefits program in 2008, unemployment was at 5.6 percent. The latest unemployment rate in Ohio, from January, was 6.9 percent, and the national rate for February was 6.7 percent.

Both these rates are a marked improvement since 2009, 2010 and 2011; the national rate hit 10 percent in October 2009. But joblessness remains a persistent problem, noted Zach Schiller, research director at Policy Matters Ohio, a left-leaning think tank.

Mitchell Hirsch, an unemployed-worker advocate at the National Employment Law Project, said that it takes the average unemployed worker 37 weeks to find a job. Before the recession started in 2007, the average was 17 weeks.

"It's still 20 weeks longer than it was before the recession," Hirsch said in a telephone interview.

Hirsch's employer is liberal, too. But his figures come from the impartial U.S. Bureau of Labor Statistics.

So why is the Senate trying to pass bills to provide aid that will run out in or before summer, assuring this entire debate will be repeated in mere months?

In fairness to the Democrats, they tried early this year to extend these emergency unemployment benefits for a longer period – up to 11 months.

Republicans would not stand for it, citing the high cost, the added long-term federal debt and, for some, a concern that some unemployed Americans had grown dependent on benefits and no longer looked for work. Congress needs to realize, said Chris Edwards, an economist at the libertarian-leaning Cato Institute, that "we're not going back to the economy of the 1990s' boom times. That's one thing policy makers need to think about. We can't afford emergency benefits forever."

Democrats countered last year, however, with a Congressional Budget Office report that said the economy would be better off in 2014 and 2015 if the federal benefits were extended, and that this could create 200,000 jobs. But Democrats, while a majority in the Senate, lacked the votes to get past procedural hurdles, and Republicans pointed out the CBO report's language on the economic harm from long-term deficits.

So Democrats, led by Sen. Jack Reed of Rhode Island, are taking the short-term approach for now. And so is the handful of Republicans in the Portman group, led by Sen. Dean Heller of Nevada, where the unemployment rate is 9 percent.

The Republican bill, promoted by seven senators altogether, has an added feature. It would tell states that they could require beneficiaries to get screened in order to see if they need job training to make them more employable. If they don't need job training, the states could require the aid recipients to perform 20 hours a week of community service.

This would be entirely up to states, the senators say. But another lesson in the calendar might come in handy here. If benefits from the Republican bill would end two and a half months from now, when, exactly, would states have time to screen their tens of thousands of jobless citizens and put them in training or community service? The federal benefits -- the carrot behind the train-or-volunteer stick -- would run out before that could happen.

"To try to get a program like that up and running is not a rational possibility," said Hirsch.

But this isn't about rationality, much less the calendar. The train-or-volunteer component sends a message: "We're willing to help, but not if you just sit around." This already has riled some liberals and labor unions, but it could please conservatives who question the effectiveness of many social programs.

During a news conference call last week, Portman was asked about the rapid expiration of either party's bills. He said that to understand the timeframe, it helps to go back to discussions last year, when he said President Barack Obama asked him and others to work on a temporary extension of benefits while finding a way to reform the nation's job training programs.

Portman, a White House budget director under President George W. Bush, focused on these programs when he ran for the Senate in 2010, saying that there were dozens of job training programs, some effective some not, but many duplicative. Obama has said the same thing, most recently in this year's State of the Union address.

Asked about this again, Portman press secretary Christyn Keyes said, "Sen. Portman has always said that we should extend unemployment benefits, but we ought to pay for them and the extension should be short-term so that we can quickly jump into reforming the program. Portman believes that it's important we act sooner rather than later so that we can quickly reform a broken program that's failing to connect Americans with jobs."

Congress manages to agree on little, however, and the government moves slowly. Which brings us back to the calendar. The odds of reforming job training programs by this summer, or even this year, might be longer than the odds of bringing the unemployment rate back to even 5.6 percent, which by today's standards looks good.

It's enough to make one cynical -- except, said Schiller, for the fact that if you are unemployed and your benefits have run out, that extra, retroactive money would be awfully helpful. State benefits now have run out on about 60,000 people in Ohio, Hirsch said.

"That's a lot of people being hit hard," Hirsch said. "In many cases, these benefits were their only way of keeping their heads above water, and now they're drowning."

Schiller, too, would prefer a longer extension. Still, he said, "I don't think that's a reason to do nothing, just because we don't get a long-term solution."

So if you wake up in June or July and hear this conversation again, don't think you're stuck in Punxsutawney. More likely, you're just stuck in the Senate.