

Fate of federal jobless benefits renewal uncertain despite Demo push

By STEVE TETREAULT STEPHENS

January 5, 2014

WASHINGTON — In the days leading to the return of Congress today, Democrats mounted a full-court press to renew payments to people whose federal jobless benefits expired over the holidays.

Lawmakers and Obama administration officials had a series of media conference calls and made public pronouncements urging Congress after it reconvenes to pass a three-month extension of emergency unemployment compensation.

President Barack Obama will have a White House rally on Tuesday, backed by people whose benefits have expired, officials said.

The event will take place after a key procedural vote Senate Majority Leader Harry Reid, D-Nev., plans today on a three-month extension bill that would be made retroactive to Dec. 28, when payments ended for 1.3 million people, including 17,600 Nevadans.

But despite the big push, prospects for an extension remain uncertain. While Reid needs at least five Republicans to reach a 60-vote threshold to advance the bill, Sen. Dean Heller, R-Nev., is the only GOP public supporter so far.

And leaders of the Republican-controlled House have not offered a schedule to consider the bill, which comes with a \$6.5 billion price tag that is not offset by new revenues or cuts in spending elsewhere — normally a big concern to the GOP.

Democrats on Sunday said the Senate vote will be close, indicating they still were short of the necessary majority.

“It would seem to me that five Republicans in the Senate could agree with Republicans around the country,” Reid said on “Face the Nation” on CBS. “Republicans around the country want us to do something to extend these benefits.”

Reid said Senate Republicans should follow the lead of Heller, a conservative and “not some maverick that is out spewing socialism.”

In the House, Minority Whip Steny Hoyer, D-Md., said Friday, "I have not had any representation from any of the (GOP) leadership yet that they would support" extending compensation with or without an offset.

House Speaker John Boehner, R-Ohio, "has indicated that he does not support an extension but there is some indication that he would under some circumstances," Hoyer said.

Boehner told reporters last month he would be open to an extension if spending offsets were part of the deal, but "I've not seen a plan from the White House that meets those standards."

And the House this week is scheduled to vote on several health care-related bills, with unemployment insurance not on the schedule.

At stake are the federal payments that have been made available since 2008 to people unable to find work after exhausting an initial 26 weeks of state-funded unemployment benefits.

The number of federal benefit weeks varied by state depending on its unemployment rate. In Nevada, where the 9 percent jobless rate is tied with Rhode Island for worst in the nation, payments were allowed for the maximum 73 weeks.

But an extension was left out of a compromise year-end spending bill, meaning sudden hardship for job seekers facing sudden cutoff between Christmas and New Year's Eve.

"They have gone from a situation where they were in a position of hardship in December to a situation of what is now a catastrophe for them because they no longer have a critical lifeline," Labor Secretary Thomas Perez said in a call with reporters Friday.

Some Republicans have called for the program to be re-examined in light of an improving economy, and some have revived the idea that the federal checks serve as a disincentive for people to look hard for work.

"The time for 'emergency' unemployment insurance benefits has passed," Chris Edwards, director of tax policy studies at the libertarian Cato Institute, wrote on Friday. "We all want the economy to grow faster and create more jobs but the way to do that is to enact free-market policies, not more welfare spending."

If a high unemployment state like Nevada wanted to provide for its job seekers, "there is nothing stopping Nevada from funding its own extra UI benefits," Edwards wrote.

Sen. Rand Paul, R-Ky., indicated Sunday that he would be open to extending benefits if they were paid for, but that more needed to be done to help people find jobs to begin with.

"I do think, though, that the longer you have it, that it provides some disincentive to work, and that there are many studies that indicate this," Paul said. "So, what I've been saying all along, we have to figure out how to create jobs and keep people from becoming long-term unemployed."

Sen Chuck Schumer, D-N.Y., said Paul's comments were "insulting" to job seekers.

“They are insulting to American workers because they want to work,” Schumer said.

Schumer said Republicans will pay a price with voters if they block an extension of benefits.

“It will place them far out of the mainstream as far as fighting for average folks and the middle class,” he said. “It’s going to be a strong indication to the American people where the Republicans are headed.”

Democrats have argued economics and also the human factor in making a case for restoring federal unemployment checks.

The payments put dollars in the pockets of people most in need of cash, which is spent and supports other jobs, they argue. Removing that, said White House economic adviser Betsey Stevenson, “will cost us 240,000 jobs in the next year.”

When the federal benefits were authorized as the nation slipped into the Great Recession in 2008, the unemployment rate was 5.6 percent and the average job seeker was out of work for 17.1 weeks, Perez said.

While the economy has dug out from a deep hole, those numbers remain worse today. The national unemployment rate is 7 percent and the average duration of unemployment is 36 weeks, according to the Department of Labor.

“To put it differently, it would be unprecedented during the current rate of long-term unemployment for Congress to fail to act,” Perez said.

In a report Friday, Democrats on the House Ways and Means Committee said the expiration of federal benefits has taken more than \$400 million out of pockets of job seekers so far, including \$5.4 million from Nevadans whose average weekly benefit was \$306.90.

For each week without action, an additional average 3,400 Nevadans would see their payments expire as they exhaust their basic 26 weeks of state-funded benefits, according to the Labor Department. The Senate bill to renew jobless benefits is sponsored by Heller and Sen. Jack Reed, D-R.I., whose states share the dubious distinction of having the highest jobless rate.

Reed has said a three-month extension would give congressional leaders time to find a spending offset or make other reforms in the program.

“As Nevada’s unemployment rate continues to top the charts nationwide, many families and individuals back home do not know how they are going to meet their basic needs,” Heller said when the bill was introduced.

A Heller spokeswoman said the senator is working to solidify Republican support for the bill in advance of Monday’s vote.