

Legislative Bulletin.....July 1, 2010

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H.R. 5618—Restoration of Emergency Unemployment Compensation Act of 2010

H.R. 5618 - Restoration of Emergency Unemployment Compensation Act (McDermott, D-WA)

Order of Business: The legislation is scheduled to be considered under a closed rule on Wednesday, June 30, 2010. The rule ([H.Res.1495](#)) that waives all points of order against the consideration except those arising under clause 9 of Rule XXI (earmarks) and clause 10 of rule XXI (PAYGO), and provides for 1 hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means. The rule provides for one motion to recommit with or without instructions. The rule includes a self executing amendment to H.R. 5618 to insert several additional provisions to the underlying bill.

Summary: H.R. 5618 extends the temporary program of “emergency” unemployment programs that were first created by Federal Emergency Unemployment Compensation (EUC) Act of 2008 and then expanded by the “stimulus.” This program provides up to 99 weeks of unemployment benefits. The bill extends the EUC program entirely through federal funding for the EB program through November 30, 2010. The bill does not include the Federal Additional Compensation payments of an extra \$25 dollars a month in UC provided under the “stimulus.”

H.R. 5618 also establishes procedures by which the states may decide eligibility for unemployment compensation for certain individuals.

The bill designates all spending authorized as “emergency.”

The rule allows for a self-executing amendment that adds an addition section to H.R. 5618 that directs states to implement reasonable procedures to:

- Prevent UI benefits from being provided to any person who appears on any current list of known or suspected terrorists.
- Prevent UI benefits from being provided to any individual convicted of a sex offense against a minor.
- Ensures the enforcement requirements under the bill bar unauthorized aliens from receiving emergency unemployment compensation.

Possible Conservative Concern: Some conservatives may be concerned that the legislation increases the deficit by \$34 billion, according the Ways and Means Committee. In addition, some

conservatives have expressed concern that this program being extended grants up to 99 weeks of unemployment. In addition, many economists argue that extending unemployment benefits creates incentives to delay returning to work, which has a negative effect on the economy. As Martin Feldstein states in testimony before the Senate Finance Committee in January 2009:

"[w]hile raising unemployment benefits or extending the duration of benefits beyond 26 weeks would help some individuals ... it would also create undesirable incentives for individuals to delay returning to work. That would lower earnings and total spending."

Committee Action: On June 28, 2010, the bill was introduced and referred to the Committee on Ways and Means, and in addition to the Committee on the Budget, which took no public action. On June 29, 2010, the bill was considered by the House of Representatives under suspension of the rules and failed by a vote of [261 – 155](#).

Administration Position: No Statement of Administration Policy (SAP) is available. However, the White House has repeatedly stated they believe extending unemployment benefits is an important piece of another jobs stimulus package and “the president will continue to press Congress to pass this bill and bring this relief that’s critical to our economic recovery.”

Cost to Taxpayers: According to CBO, H.R. 5618 would cost \$33.943 billion in “emergency” spending over the FY 2010 to 2010 period.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any Federal Encroachment into State or Local Authority in Potential Violation of the 10th Amendment? Yes. This legislation requires states not to reduce their regular unemployment compensation in order to be eligible for unemployment funds that were made under the Supplemental Appropriations Act of 2008 (H.R. 2642 in the 110th Congress).

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: Yes. This legislation requires states not to reduce their regular unemployment compensation in order to be eligible for unemployment funds that were made under the Supplemental Appropriations Act of 2008 (H.R. 2642 in the 110th Congress).

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report stating compliance with the House earmark rule is unavailable for H.R. 5618.

Constitutional Authority: A committee report stating constitutional authority is unavailable for H.R. 5618.

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