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Rep. Camp's Unemployment Bill Would Leave Michigan Dead Last in Aid to Unemployed

High-Unemployment States Like Michigan Take Biggest Hit Under House Bill

Ann Arbor, MI—Michigan's Representative Dave Camp (R-Midland), who chairs the House Ways and Means Committee, introduced legislation on Friday that would impose severe cuts in the number of weeks of federal unemployment insurance available to out-of-work Americans in Michigan and around the nation, according to an <u>analysis</u> released today by the National Employment Law Project.

Camp's plan hits the unemployed in his home state especially hard. When combined with state cuts enacted by Michigan's governor and legislature last spring, Camp's proposal would leave Michigan, which faces an unemployment rate of 10.6 percent—fourth-highest in the nation—tied with low-unemployment states in offering the fewest weeks of unemployment insurance in the nation, at 46 weeks by the end of January 2012.

"This proposal is reckless and irresponsible," said **Christine Owens, executive director of the National Employment Law Project**. "It dismantles the one program Americans can turn to when they are laid off through no fault of their own. We are still very much in the thick of a jobs crisis. To jobseekers and states hit hard by long-term unemployment, this proposal offers a cold and cynical shrug. Anyone serious about helping workers and businesses get going again needs to know that this is neither a serious nor acceptable way forward."

High-unemployment states such as Michigan, Ohio, Florida, and California would bear the deepest cuts under Camp's bill. Federal unemployment insurance programs currently provide an additional 34 to 73 weeks of assistance to unemployed workers in every state, depending on the state's unemployment rate, after workers exhaust state unemployment insurance. Camp's bill would eliminate Tier II (14 weeks) and Tier IV (6 weeks) of the federal Emergency Unemployment Compensation (EUC) program, and would allow federally-funded Extended Benefits (20 weeks) to expire—for a total loss of 40 weeks of federal unemployment insurance.

Furthermore, Michigan's unemployed workers would lose an addition 13 weeks on top of those 40 weeks, as a result of actions taken by the state legislature and governor last spring. They had cut Michigan's maximum duration of state unemployment insurance down six weeks, from 26 weeks down to 20 weeks. That six-week cut also results in seven fewer weeks of federal unemployment insurance, based on the federal program rules.

For Michigan, the bottom line is this: as a result of the Camp proposal and cuts enacted by the state last spring, the number of weeks of unemployment insurance available to Michigan workers would quickly drop from 99 weeks in 2011 to only 46 by the end of January 2012—a 53-week reduction in total. Michigan would be tied with low-unemployment states, such as Nebraska and North Dakota, in offering the fewest weeks of unemployment insurance in the nation.

Also included are provisions allowing states to require claimants to submit to drug tests when applying for unemployment insurance, pay a weekly fee for reemployment services, and exclude claimants without a high school degree or GED—regardless of how much they worked or earned before losing their jobs.

Camp's legislation comes at a time when members of the Michigan legislature are pushing through an unprecedented rewrite of the state's unemployment insurance laws, with more than 30 proposed modifications designed to ensure that fewer unemployed workers are covered by the program. Some of the more egregious features of the proposed federal and state bills are modeled after legislation passed by Florida lawmakers earlier this year. Nearly 140,000 Floridians, or two out of three claimants, were denied unemployment insurance in the three-month period since the law took effect—an ominous sign for Michigan and other states.

At 10.6 percent, Michigan's unemployment rate is tied with Mississippi's as the nation's fourth-highest, while nearly half-a-million workers in the state remain unemployed. "Representative Camp and his colleagues refused to consider a surtax on millionaires, but they have no problem cutting a critical lifeline for survival for their unemployed constituents in 2012. It's unconscionable," said Owens.

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit www.nelp.org.

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