



Summary of Unemployment, Welfare and Related Provisions in the Democrats' "Extenders" Bill

H.R. 4213

The latest version of the "[American Jobs and Closing Tax Loopholes Act of 2010](#)" includes several unemployment, welfare and related provisions that amend or directly affect programs under the jurisdiction of the Ways and Means Income Security and Family Support Subcommittee, or are related to Income Security programs, as described below.

Unemployment, Welfare and Related Provisions that Amend or Directly Affect Income Security Programs

(1) EXTENSION OF FEDERAL UNEMPLOYMENT INSURANCE (UI) PROGRAMS AND BENEFITS: Section 501 of the bill would extend expiring Federal UI programs and benefits through the end of November 2010, continuing to make available: (1) a total of up to 99 weeks of State (up to 26 weeks) and Federal (up to 73 weeks) UI benefits for unemployed workers; (2) 100% Federal funding for benefits under the Federal/State Extended Benefits program; and (3) an additional \$25 per week in Federal payments to all UI recipients.

The bill includes a new provision (Section 502) that modifies Federal extended benefit eligibility rules to effectively prevent a reduction in benefit payments due to earnings occurring after a worker started collecting UI benefits. Under current law, some persons who work part-time while collecting UI benefits, or who work during a temporary break in collecting UI benefits, may experience a reduction in Federal extended benefit payments as a result of that work. (This is caused by complicated UI rules that use earnings during a "base year" to determine eligibility and benefit amounts. Since total UI benefits stretch for nearly two years today, part-time work performed after a person started collecting UI might trigger a reduction in benefits based on the lower earnings they received in a new "base year.") The bill would effectively prevent reductions of greater than \$100 or 25 percent per week.

The unemployment provisions described above are estimated to cost \$41 billion over 10 years and would be designated as emergency spending.

(2) EXTENSION AND EXPANSION OF WELFARE EMERGENCY FUND: Section 503 extends for one year (through FY 2011) the current welfare emergency fund (technically titled the "TANF emergency contingency fund") and provides an additional \$2.5 billion in funding, among other changes. This welfare emergency fund was created in Democrats' 2009 stimulus law (P.L. 111-5) and currently provides up to \$5 billion to States in matching funds for certain TANF spending in FYs 2009 or 2010. As of May 2010, States had collectively received \$2.4 billion in program funds. *This provision is estimated to cost \$2.65 billion over 10 years.*

(3) EXTENSION OF STATE COURT IMPROVEMENT PROGRAM: Section 612 would extend for one year (through FY 2011) the authorization of the current Title IV-E State Court Improvement Program. The current authorization of this program, which provides funds to help courts improve the processing of foster care and adoption cases, expires at the end of FY 2010. *This provision is estimated to cost \$20 million over 10 years.*

(4) 6-MONTH EXTENSION OF TEMPORARY INCREASE IN FMAP, WHICH ALSO INCREASES FOSTER CARE FUNDING: Section 516 increases the Federal Medicaid matching rate (FMAP) by 6.2 percentage points for all States, and by additional percentage points for States with high unemployment, through June 30, 2011. These temporary increases, first enacted in the 2009 stimulus law, also raise Federal matching rates and thus funding under the Title IV-E foster care program. *This provision is estimated to cost \$24 billion over 10 years, the vast majority of which is for Medicaid. Pending a detailed CBO score, and based on the foster care funding resulting from the FMAP increase in the 2009 stimulus law, that \$24 billion should include approximately \$300 million in additional foster care funding for States.*

Other Related Provisions

(5) EXTENSION OF USE OF 2009 POVERTY GUIDELINES: Section 610 prevents through the remainder of CY 2010 the updating of the current Federal poverty guidelines, continuing the freeze already in effect for January through May 2010. This would prevent a possible reduction in the guidelines due to a negative CPI, which would curtail eligibility for means-tested benefits. *This provision is estimated to cost \$317 million over 10 years.*

(6) UNIFORM TAX DISREGARD FOR FEDERALLY-FUNDED PROGRAMS: Section 611 would exclude Federal tax refunds received during CY 2010 from being counted as income, or counted as resources for the following 12 months, when determining eligibility for Federal or federally-assisted programs. This single standard would replace the various disregards that now apply to certain tax credits. *This provision is estimated to cost \$2 million over 10 years.*

(7) ADDITIONAL FUNDING FOR SUMMER JOBS: Section 605 would provide \$1 billion in new funding for summer youth employment programs and raises the maximum “youth” age from 21 to 24. The Democrat summary suggests this funding will support over 300,000 jobs for youth. Note that several States have also used welfare emergency funds for summer youth job programs, and significant funds were provided separately for this purpose in the 2009 stimulus law. *This provision is estimated to cost \$1 billion over 10 years.*

(8) REPORTING REQUIREMENTS FOR STIMULUS FUNDS: Section 619 requires agencies funding programs with 2009 stimulus law funds to make available on their website (1) a description of the program, (2) information on how funds are distributed, (3) program milestones, and (4) performance measures used by the agency. This requirement comes 15 months *after* the stimulus bill was signed into law, and after hundreds of billions of dollars in stimulus funds have been spent. *No expected cost.*

(9) COMMERCE DEPARTMENT STUDY OF JOB LOSSES DUE TO OUTSOURCING OF MANUFACTURING: Section 618 requires the Department of Commerce to issue a report on “job losses in New England, Mid-Atlantic, and Midwest states over the past 20 years,” and specifically “the role off-shoring of manufacturing” played in such job losses. Job losses in other areas (Southeast, Southwest, and West) would not be covered by the study. *No expected cost.*