



Tim Pawlenty
Governor of Minnesota
Chair

Edward G. Rendell
Governor of Pennsylvania
Vice Chair

Raymond C. Scheppach
Executive Director

May 1, 2008

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Charles Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jim McCrery
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Baucus, Senator Grassley, Chairman Rangel and Representative McCrery:

On behalf of the nation's governors, we write to express our support for an extension of unemployment benefits and to request federal assistance for states to serve a growing number of jobless individuals.

In the last month, 36 states experienced an increase in the unemployment rate. The national unemployment rate increased to 5.1 percent in March 2008. Most notable, however, is the significant number of individuals that are unemployed for 27 weeks or longer, thus exhausting all unemployment benefits. Today, approximately 16.7 percent of jobless individuals are experiencing long-term unemployment compared to approximately 11 percent at the beginning of the last recession.

Beginning in 1935, a federal-state partnership was formed to create an unemployment program that would provide a core stabilizing function during economic downturns through short-term income support for jobless individuals. In prior recessions including the economic downturn that began in 2001, Congress and the Administration utilized the program to extend unemployment benefits to jobless individuals.

At the same time, any proposal to extend unemployment benefits must also address the reality that states need additional resources to administer unemployment claims for a larger number of individuals for a longer period of time. This year alone, states may have to administer an average of nearly 400,000 unemployment insurance claims without federal funding. Federal support is needed by state employment and workforce agencies to administer increased initial unemployment claims, to support weekly unemployment benefits, and to provide employment and training services.

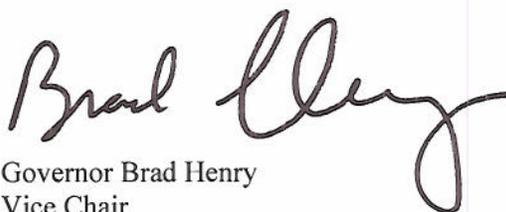
Given the current economic indicators and historical precedent, governors believe it is prudent and appropriate for Congress and the Administration to enact a temporary federally funded extension of unemployment insurance benefits and to provide a sufficient increase in funding for states to assist jobless individuals during this period of economic slowdown.

We stand ready to work with you and thank you for your leadership on this issue of national importance.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald L. Carcieri". The signature is fluid and cursive, with a long horizontal stroke at the end.

Governor Donald L. Carcieri
Chair
Education, Early Childhood and Workforce
Committee

A handwritten signature in black ink, appearing to read "Brad Henry". The signature is fluid and cursive, with a large loop at the end of the last name.

Governor Brad Henry
Vice Chair
Education, Early Childhood and Workforce
Committee