

Questions of Representative Lloyd Doggett, Ranking Member of the Subcommittee for Human Resources

Mark Up of Legislation to End This Year's Federal Guaranteed Unemployment Insurance Committee on Ways and Means

Rep. Doggett: Mr. Weidinger, we've enjoyed a good bipartisan relationship on the Subcommittee. I plan to maintain that and will save most of my remarks for the speech I will give on the amendment that I have to this bill. I just want to ask you a few specific questions, one of which I posed to you previously. As you know, many of us believe that in Texas, my home state, that our employers are having to pay more because our Governor insisted that the unemployed receive less in rejecting monies that were available for Texas. And in fact, Texas, unlike most states, actually went out to Wall Street and issued bonds to pay for its debt. As best I can determine, from talking with experts here and in Texas, under this legislation, there would be nothing to prevent Governor Perry from calling the legislature into session and taking the monies available for the long term unemployed and using that money if the legislation were approved, to pay down the debt to Wall Street.

Matt Weidinger: Mr. Doggett, as I think you know, we've consulted with CRS, and they have actually conferred with DOL, and prior regulations suggest that in instances like this where there's private bonds, the principal, but not the interest, could be payable with this sort of money.

Rep. Doggett: Could take from the unemployed and pay down the principal on the bonds.

Weidinger: For these types of bonds, just like the underlying loans that all other states have.

Rep. Doggett: Right, and also, whether it's Texas, or some other state, there would be nothing to prevent the state from using these monies taken from the long term unemployed to reduce their unemployment tax rate even lower.

Weidinger: Again, as I discussed with Mr. Rangel, if they chose to pass a law to spend the money within the bounds of the UI system after enactment they could do so.

Rep. Doggett: And that gets to another key point about this legislation. Because as I read the paper that you put out responding to the statement Mr. Levin and I had, I can't tell how much confidence you have in this legislation. You say that there are only, I believe, ten states that will be in session after July 1st. Is the feeling that this bill is really illusory in its benefits to most states?

Weidinger: I think discussion of that simply gets at the facts that this legislation allows states to pass legislation after they receive the funds. But that's just a simple fact statement about which states will be in session

Rep. Doggett: Right but you don't expect most of them to do it, isn't that the thrust of the paper?

Weidinger: It's not for me to make statements about expectations.

Rep. Doggett: Well as far as statements you maybe can make as a professional about expectations, the maximum benefit in taking from the unemployed in giving to the states for the purposes that they deem appropriate under unemployment system is I believe [31 billion] if this were enacted right now. Isn't that the most if all the states approved implementing legislation, the maximum amount of money available that we're talking about is a little over [30] billion dollars?

Weidinger: Section 201 makes available 31 billion dollars to the states. That reflects all the remaining federal temporary funds.

Rep. Doggett: Excuse me, I got my decimal point wrong at a critical point, but 31 billion dollars.

Weidinger: That's correct.

Rep. Doggett: And is it true that if this bill is not approved by the Senate and signed into law by the President until say September or October, it will be less than that?

Weidinger: The bill would have to be re drafted because the premise is the remaining funds at that point in time and in September or October there would be fewer remaining funds, so that's correct.

Rep. Doggett: Well, this at best is temporary assistance to the states from the long term unemployed, if the states choose to use it and when this year is up the states will basically be in about the same situation they're in now, won't they? It's not any kind of long-term solution, it's just a patch available on a short-term basis.

Weidinger: What are temporary funds but, again, it would leave it to the states to determine what to do with those funds, and, so they could make decisions that might have application beyond just the rest of this calendar year.

Rep. Doggett: And then lastly, where did this idea of having the states opt out of the extended unemployment benefits come from? I see there are some endorsements from some groups here. But this seems to be, as I said, kind of a Jack-in-the-Box idea. What is the source of it? We had Heritage there I know saying that unemployment and Pell grants and the like are welfare, is this a Heritage idea?

Weidinger: I'm not going to comment on that. As you well know, we had a hearing in February, that hearing was about efforts to re employ individuals it covered things like work search, education requirements, many of the provisions of this bill. There were also general concerns expressed by a number of the witnesses there about the taxes that are currently in place and rising in states especially because of the loans. This bill is an effort to address that consistent with the hearing that we had.

http://www.youtube.com/watch?v=yMB5QaDa_4g