

107TH CONGRESS
1ST SESSION

S. 1532

To provide for the payment of emergency extended unemployment
compensation.

IN THE SENATE OF THE UNITED STATES

OCTOBER 11, 2001

Mr. ALLEN (for himself, Mr. WARNER, Mr. LOTT, Mr. NICKLES, Mr. GREGG, Mr. BOND, Mr. ENZI, Mr. SESSIONS, Mr. HUTCHINSON, Mr. BROWNBACK, Mr. VOINOVICH, Mr. HAGEL, Mr. CAMPBELL, Mrs. HUTCHISON, Mr. ROBERTS, Mr. CRAIG, Mr. COCHRAN, Mr. SANTORUM, and Mr. ALLARD) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for the payment of emergency extended
unemployment compensation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Emergency Extended
5 Unemployment Compensation Act of 2001”.

6 **SEC. 2. FEDERAL-STATE AGREEMENTS.**

7 (a) IN GENERAL.—Any State which desires to do so
8 may enter into and participate in an agreement under this

1 Act with the Secretary of Labor (hereafter in this Act re-
 2 ferred to as the “Secretary”). Any state which is a party
 3 to an agreement under this Act may, upon providing 30
 4 days written notice to the Secretary, terminate such agree-
 5 ment.

6 (b) PROVISIONS OF AGREEMENT.—Any agreement
 7 under subsection (a) shall provide that the State agency
 8 of the State will make payments of emergency extended
 9 unemployment compensation—

10 (1) to individuals who—

11 (A) have exhausted all rights to regular
 12 compensation under the State law,

13 (B) have no rights to compensation (in-
 14 cluding both regular compensation and ex-
 15 tended compensation) with respect to a week
 16 under such law or any other State unemploy-
 17 ment compensation law or to compensation
 18 under any other Federal law (and are not paid
 19 or entitled to be paid any additional compensa-
 20 tion under any State or Federal law).

21 (C) are not receiving compensation with
 22 respect to such week under the unemployment
 23 compensation law of Canada, and

1 (D) were separated from employment, as
2 defined under the State law, on or after Sep-
3 tember 11, 2001,

4 (2) for any week of unemployment which begins
5 in the individual's period of eligibility (as defined in
6 section 7(2) of this Act), and

7 (3) when such State meets the definition of
8 qualified State in section 7(3) of this Act and as
9 provided under section 3(c) of this Act.

10 (c) EXHAUSTION OF BENEFITS.—For purposes of
11 subsection (b)(1)(A) an individual shall be deemed to have
12 exhausted such individual's rights to regular compensation
13 under a State law when—

14 (1) no payment of regular compensation can be
15 made under such law because such individual has re-
16 ceived all regular compensation available to such in-
17 dividual based on employment or wages during such
18 individual's base period, or

19 (2) such individual's rights to such compensa-
20 tion have been terminated by reason of the expira-
21 tion of the benefit year with respect to such rights
22 existed.

23 (d) WEEKLY BENEFIT AMOUNT.—For purposes of
24 any agreement under this Act—

1 (1) the amount of emergency extended unem-
2 ployment compensation which shall be payable to
3 any individual for any week of total unemployment
4 shall be equal to the amount of the regular com-
5 pensation (including dependents' allowances) payable
6 to such individual during such individual's benefit
7 year under the State law for a week of total unem-
8 ployment,

9 (2) the terms and conditions of the State law
10 which apply to claims for extended compensation
11 and to the payment thereof shall apply to claims for
12 emergency extended unemployment compensation
13 and to the payment thereof, except—

14 (A) that those provisions of State law im-
15 plementing the requirements of paragraphs (3)
16 through (5) of section 202(a) and subsection (c)
17 of section 202 of the Federal-State Extended
18 Unemployment Compensation Act of 1970 shall
19 not apply, and

20 (B) any provisions of State law otherwise
21 inconsistent with the provisions of this Act, or
22 with the regulations or operating instructions of
23 the Secretary promulgated to carry out this Act
24 shall not apply, and

1 (3) the maximum amount of emergency ex-
2 tended unemployment compensation payable to any
3 individual for whom an account is established under
4 section 3 shall not exceed the amount established in
5 such account for such individual.

6 (e) ELECTION.—Notwithstanding any other provision
7 of Federal law (and if State law permits), the Governor
8 of a State that is in an extended benefit period may pro-
9 vide for the payment of emergency extended unemploy-
10 ment compensation in lieu of extended compensation to
11 individuals who were separated from employment on or
12 after September 11, 2001, and who otherwise meet the
13 requirements of subsection (b)(1). Such an election shall
14 not require a State to trigger off an extended benefit pe-
15 riod.

16 **SEC. 3. EMERGENCY EXTENDED UNEMPLOYMENT COM-**
17 **PENSATION ACCOUNT.**

18 (a) IN GENERAL.—Any agreement under this Act
19 shall provide that a qualified State will establish, for each
20 eligible individual who files an application for emergency
21 extended unemployment compensation, an emergency ex-
22 tended unemployment compensation account with respect
23 to such individual's benefit year.

24 (b) AMOUNT IN ACCOUNT.—

1 (1) IN GENERAL.—The amount established in
 2 an account under subsection (a) shall be equal to the
 3 lesser of—

4 (A) 100 percent of the total amount of
 5 regular compensation (including dependent's al-
 6 lowances) payable to the individual with respect
 7 to the benefit year (as determined under the
 8 State law) on the basis of which the individual
 9 most recently received regular compensation, or

10 (B) 13 times the individual's average week-
 11 ly benefit amount for the benefit year.

12 (2) REDUCTION FOR EXTENDED BENEFITS.—

13 The amount in an account under subparagraph (1)
 14 shall be reduced (but not below zero) by the aggre-
 15 gate amount of extended compensation (if any) re-
 16 ceived by such individual relating to the same ben-
 17 efit year under the Federal-State Extended Unem-
 18 ployment Compensation Act of 1970.

19 (c) EFFECTIVE DATE.—No State shall be considered
 20 a qualified State under section 7(3) and no emergency ex-
 21 tended unemployment compensation shall be payable to
 22 any individual under this Act for any week—

23 (1) beginning before the latest of—

24 (A) the first week following the date of en-
 25 actment of this Act,

1 (B) the first week following the week in
 2 which an agreement under this Act is entered
 3 into, or

4 (C) the first week following the week in
 5 which the State meets the definition of “quali-
 6 fied state” in section 7(3) of this Act, and

7 (2) beginning 78 weeks after the first week fol-
 8 lowing the date of enactment of this Act.

9 **SEC. 4. PAYMENTS TO STATES HAVING AGREEMENTS FOR**
 10 **THE PAYMENT OF EMERGENCY EXTENDED**
 11 **UNEMPLOYMENT COMPENSATION.**

12 (a) GENERAL RULE.—There shall be paid to each
 13 State which has entered into an agreement under this Act
 14 an amount equal to 100 percent of the emergency ex-
 15 tended unemployment compensation paid to individuals by
 16 the State pursuant to such agreement.

17 (b) TREATMENT OF REIMBURSABLE COMPENSA-
 18 TION.—No payment shall be made to any State under this
 19 section in respect of any compensation to the extent the
 20 State is entitled to reimbursement in respect of such com-
 21 pensation under the provisions of any Federal law other
 22 than this Act or chapter 85 of title 5, United States Code.
 23 A State shall not be entitled to any reimbursement under
 24 such chapter 85 in respect of any compensation to the ex-

1 tent the State is entitled to reimbursement under this Act
2 in respect of such compensation.

3 (c) DETERMINATION OF AMOUNT.—Sums payable to
4 any State by reason of such State having an agreement
5 under this Act shall be payable, either in advance or by
6 way of reimbursement (as may be determined by the Sec-
7 retary), in such amounts as the Secretary estimates the
8 State will be entitled to receive under this Act for each
9 calendar month, reduced or increased, as the case may be,
10 by any amount by which the Secretary finds that the Sec-
11 retary's estimates for any prior calendar months were
12 greater or less than the amounts which should have been
13 paid to the State. Such estimates may be made on the
14 basis of such statistical, sampling, or other method as may
15 be agreed upon by the Secretary and the State agency of
16 the State involved.

17 **SEC. 5. FINANCING PROVISIONS.**

18 (a) IN GENERAL.—Funds in the extended unemploy-
19 ment compensation accounts (as established by section
20 905 of the Social Security Act) of the Unemployment
21 Trust Fund shall be used for the making of payments to
22 States having agreements entered into under this Act.

23 (b) CERTIFICATION.—The Secretary shall from time
24 to time certify to the Secretary of the Treasury for pay-
25 ment to each State the sums payable to such State under

1 this Act. The Secretary of the Treasury prior to audit or
2 settlement by the General Accounting Office, shall make
3 payments to the State in accordance with such certifi-
4 cation, by transfers from the extended unemployment
5 compensation account (as established by section 905 of the
6 Social Security Act) to the account of such State in the
7 Unemployment Trust Fund.

8 (c) ASSISTANCE TO THE STATES.—There are hereby
9 authorized to be appropriated out of the employment secu-
10 rity administration account (as established by section 901
11 of the Social Security Act), without fiscal year limitation,
12 such funds as may be necessary for purposes of assisting
13 States (as provided in title III of the Social Security Act)
14 in meeting the costs of administration of agreements
15 under this Act.

16 (d) AUTHORIZATION OF APPROPRIATIONS FOR CER-
17 TAIN PAYMENTS.—There are hereby authorized to be ap-
18 propriated from the general fund of the Treasury, without
19 fiscal year limitation, to the extended unemployment com-
20 pensation account (as established by section 905 of the
21 Social Security Act) such sums as may be necessary for
22 to make payments under this section in respect of—

23 (1) compensation payable under chapter 85 of
24 title 5, United States Code, and

1 (2) compensation payable on the basis of serv-
2 ices to which section 3309(a)(1) of the Internal Rev-
3 enue Code of 1986 applies.

4 Amounts appropriated pursuant to the preceding sen-
5 tences shall not be required to be repaid.

6 **SEC. 6. FRAUD AND OVERPAYMENTS.**

7 (a) IN GENERAL.—If an individual knowingly has
8 made, or caused to be made by another, a false statement
9 or representation of a material fact, or knowingly has
10 failed, or caused another to fail, to disclose a material fact,
11 and as a result of such false statement or representation
12 or of such nondisclosure such individual has received an
13 amount of emergency extended unemployment compensa-
14 tion under this Act to which he was not entitled, such indi-
15 vidual shall be ineligible for further emergency extended
16 unemployment compensation under this Act in accordance
17 with the provisions of the applicable State unemployment
18 compensation law relating to fraud in connection with a
19 claim for unemployment compensation.

20 (b) REPAYMENT.—In the case of individuals who
21 have received amounts of emergency extended employment
22 compensation under this Act to which they were not enti-
23 tled, the State shall require such individuals to repay the
24 amounts of such emergency extended unemployment com-

1 pensation to the State agency, except that the State agen-
2 cy may waive such repayment if it determines that—

3 (1) the payment of such emergency extended
4 unemployment benefits was without fault on the part
5 of any such individual, and

6 (2) such repayment would be contrary to equity
7 and good conscience.

8 (c) RECOVERY BY STATE AGENCY.—

9 (1) IN GENERAL.—The State agency may re-
10 cover the amount to be repaid, or any part thereof,
11 by deductions from any emergency extended unem-
12 ployment compensation payable to such individual
13 under this Act or from any unemployment com-
14 pensation payable to such individual under any Fed-
15 eral unemployment compensation law administered
16 by the State agency or under any other Federal law
17 administered by the State agency which provides for
18 the payment of any assistance or allowance with re-
19 spect to any week of unemployment during the three
20 year period after the date such individuals received
21 the payment of emergency extended unemployment
22 benefits to which they were not entitled.

23 (2) OPPORTUNITY FOR HEARING.—No repay-
24 ment shall be required, and no deduction shall be
25 made, until a determination has been made, notice

1 thereof and an opportunity for a fair hearing has
 2 been given to the individual, and the determination
 3 has become final.

4 (d) REVIEW.—Any determination by a State agency
 5 under this section shall be subject to review in the same
 6 manner and to the same extent as determination under
 7 the State unemployment compensation law, and only in
 8 that manner and to that extent.

9 **SEC. 7. DEFINITIONS.**

10 (a) IN GENERAL.—The terms “compensation”, “reg-
 11 ular compensation”, “extended compensation”, “addi-
 12 tional compensation”, “benefit year”, “base period”,
 13 “State”, “State agency”, “State law”, and “week” have
 14 the respective meanings given such terms under section
 15 205 of the Federal-State Extended Unemployment Com-
 16 pensation Act of 1970.

17 (b) PERIOD OF ELIGIBILITY.—An individual’s period
 18 of eligibility consists of any week for which the State
 19 against which the individual files a claim is a qualified
 20 state as provided in section 3(c) of this Act and paragraph
 21 (c) of this section.

22 (c) QUALIFIED STATE.—

23 (1) The term “qualified state” means a State—
 24 (A) within which, not later than October 1,
 25 2001, a major disaster or an emergency was de-

1 clared by the President, pursuant to sections
2 401 or 501, respectively, of the Robert T. Staf-
3 ford Disaster Relief and Emergency Assistance
4 Act (42 U.S.C. 5170 and 5191), due to a ter-
5 rorist attack on the United States on Sep-
6 tember 11, 2001, or

7 (B) in which the Secretary determines that
8 the average rate of total unemployment (season-
9 ally adjusted) for the period consisting of the
10 most recent 3 months for which data for all
11 States are published is at least 30 percent high-
12 er than the average rate of total unemployment
13 (seasonally adjusted) in such State for the three
14 month period ending August 31, 2001.

15 (2)(A) Except as provided in clause (B), a
16 State shall cease to be a qualified State under sub-
17 paragraph (1)(B) beginning the third week after the
18 week in which the Secretary determines that such
19 State's average rate of total unemployment (season-
20 ally adjusted) is no longer at least 30 percent higher
21 than the average rate of total unemployment (sea-
22 sonally adjusted) in such State for the three month
23 period ending August 31, 2001.

24 (B) A State that is determined to meet the re-
25 quirements of subparagraph (1)(B) shall remain a

1 qualified State for the purposes of this Act for a pe-
 2 riod of not less than thirteen consecutive weeks fol-
 3 lowing such determination, provided that no emer-
 4 gency extended unemployment benefits shall be pay-
 5 able after the date specified in section 3(c)(2).

6 (3) Any rate determined by the Secretary under
 7 this paragraph shall be rounded to the nearest one-
 8 tenth of 1 percent.

9 **SEC. 8. NATIONAL EMERGENCY GRANT ASSISTANCE FOR**
 10 **WORKERS.**

11 (a) ELIGIBILITY FOR GRANTS.—Section 173(a) of
 12 the Workforce Investment Act of 1998 (29 U.S.C.
 13 2918(a)) is amended—

14 (1) in paragraph (2), by striking “and”,

15 (2) in paragraph (3) by striking the period and
 16 inserting “; and”, and

17 (3) by adding the following new paragraph after
 18 paragraph (3):

19 “(4) from funds appropriated under section
 20 174(c), to a State to provide employment and train-
 21 ing assistance and the assistance described in sub-
 22 section (f) to dislocated workers affected by a plant
 23 closure, mass layoff, or multiple layoffs if the Gov-
 24 ernor certifies in the application for assistance that
 25 the attacks of September 11, 2001, contributed im-

1 portantly to such plant closures, mass layoffs, and
 2 multiple layoffs.”.

3 (b) USE OF FUNDS FOR COBRA CONTINUATION
 4 COVERAGE PAYMENTS.—Section 173 of the Workforce In-
 5 vestment Act of 1998 (29 U.S.C. 2918) is amended by
 6 adding the following subsection after subsection (e):

7 “(f) COBRA CONTINUATION COVERAGE PAYMENT
 8 REQUIREMENTS.—

9 “(1) IN GENERAL.—Funds made available to a
 10 State under paragraph (4) of subsection (a) may be
 11 used by the State to assist a participant in the pro-
 12 gram under such paragraph by paying up to 75 per-
 13 cent of the participant’s and any dependents’ con-
 14 tribution for COBRA continuation coverage of the
 15 participant and dependents for a period not to ex-
 16 ceed 10 months.

17 “(2) DEFINITION.—For purposes of paragraph
 18 (1), the term ‘COBRA continuation coverage’ means
 19 coverage under a group health plan provided by an
 20 employer pursuant to title XXII of the Public
 21 Health Service Act, section 4980B of the Internal
 22 Revenue Code of 1986, part 6 of subtitle B of title
 23 I of the Employee Retirement Income Security Act
 24 of 1974, or section 8905a of title 5, United States
 25 Code.”.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
2 174 of the Workforce Investment Act of 1998 (29 U.S.C.
3 2919) is amended by adding the following subsection after
4 subsection (b):

5 “(c) NATIONAL EMERGENCY GRANTS RELATING TO
6 SEPTEMBER 11 ATTACKS.—There are authorized to be
7 appropriated to carry out subsection (a)(4) of section 173
8 \$3,000,000,000 for fiscal year 2002. Funds appropriated
9 under this subsection shall be available for obligation for
10 a period beginning with the date of enactment of such ap-
11 propriations and ending 18 months thereafter.”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on the date of enactment of
14 this section.

○