

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 5749) TO PROVIDE
FOR A PROGRAM OF EMERGENCY UNEMPLOYMENT COMPENSATION

JUNE 11, 2008.—Referred to the House Calendar and ordered to be printed

Mr. ARCURI, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 1265]

The Committee on Rules, having had under consideration House Resolution 1265, by a record vote of 9 to 3, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 5749, the “Emergency Extended Unemployment Compensation Act of 2008,” under a closed rule. The resolution provides for one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The resolution waives all points of order against consideration of the bill except those arising under clause 9 of rule XXI. In lieu of the amendment in the nature of a substitute recommended by the Committee on Ways and Means, the amendment in the nature of a substitute printed in this report shall be considered as adopted. The bill, as amended, shall be considered as read. The resolution waives all points of order against the bill, as amended. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure). The resolution provides one motion to recommit with or without instructions. Finally, the resolution permits the Chair, during consideration of the bill, to postpone further consideration of it to a time designated by the Speaker.

EXPLANATION OF WAIVERS

The waiver of all points of order against consideration of the bill (except those arising under clause 9 of rule XXI) includes waivers of: (1) clause 10 of rule XXI (regarding increases in direct spending); (2) section 302 of the Congressional Budget Act (regarding direct spending above the allocation provided to the Committee on Ways & Means); and (3) section 311 of the Congressional Budget

Act (regarding limits on amounts in the aggregate of budget authority and outlays). These waivers are necessary even though all benefits under the bill would be paid out of the Federal unemployment trust funds, which now have over \$35 billion in reserves. The waiver of all points of order against the bill includes a waiver of clause 4 of rule XXI (appropriating on a legislative bill).

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 534

Date: June 11, 2008.

Measure: H.R. 5749.

Motion by: Mr. Dreier.

Summary of motion: To make in order an amendment, if offered by Mr. McCrery, or his designee, which would be separately debatable for one hour, and that the rule waive all points of order against the amendment, except those arising under clause 9 or 10 of rule XXI.

Results: Defeated 3–9.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Hastings (WA)—Yea; Sessions—Yea; Slaughter—Nay.

Rules Committee record vote No. 535

Date: June 11, 2008.

Measure: H.R. 5749.

Motion by: Mr. McGovern.

Summary of motion: To report the rule.

Results: Adopted 9–3.

Vote by Members: McGovern—Yea; Hastings (FL)—Yea; Matsui—Yea; Cardoza—Yea; Welch—Yea; Castor—Yea; Arcuri—Yea; Sutton—Yea; Dreier—Nay; Hastings (WA)—Nay; Sessions—Nay; Slaughter—Yea.

SUMMARY OF AMENDMENT TO BE CONSIDERED AS ADOPTED

Upon enactment, the amendment would provide up to 13 weeks of extended unemployment benefits in every State to workers exhausting regular unemployment compensation. In States with higher levels of unemployment, an additional 13 weeks would be available (high unemployment is defined as a six percent total unemployment rate or a four percent insured unemployment rate). The weekly benefit amount provided by the program would equal the amount received under regular unemployment compensation. The extended benefits program would be in effect through March 2009. All benefits would be paid out of the Federal unemployment trust funds (which now have over \$35 billion in reserves).

TEXT OF AMENDMENT TO BE CONSIDERED AS ADOPTED

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Emergency Extended Unemployment Compensation Act of 2008”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Federal-State agreements.
- Sec. 3. Emergency unemployment compensation account.
- Sec. 4. Payments to States having agreements for the payment of emergency unemployment compensation.
- Sec. 5. Financing provisions.
- Sec. 6. Fraud and overpayments.
- Sec. 7. Definitions.
- Sec. 8. Applicability.

SEC. 2. FEDERAL-STATE AGREEMENTS.

(a) **IN GENERAL.**—Any State which desires to do so may enter into and participate in an agreement under this Act with the Secretary of Labor (in this Act referred to as the “Secretary”). Any State which is a party to an agreement under this Act may, upon providing 30 days’ written notice to the Secretary, terminate such agreement.

(b) **PROVISIONS OF AGREEMENT.**—Any agreement under subsection (a) shall provide that the State agency of the State will make payments of emergency unemployment compensation to individuals who—

(1) have exhausted all rights to regular compensation under the State law or under Federal law with respect to a benefit year (excluding any benefit year that ended before May 1, 2007);

(2) have no rights to regular compensation or extended compensation with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law (except as provided under subsection (e)); and

(3) are not receiving compensation with respect to such week under the unemployment compensation law of Canada.

(c) **EXHAUSTION OF BENEFITS.**—For purposes of subsection (b)(1), an individual shall be deemed to have exhausted such individual’s rights to regular compensation under a State law when—

(1) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual’s base period; or

(2) such individual’s rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(d) **WEEKLY BENEFIT AMOUNT, ETC.**—For purposes of any agreement under this Act—

(1) the amount of emergency unemployment compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents’ allowances) payable to such individual during such individual’s benefit year under the State law for a week of total unemployment;

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof

shall apply to claims for emergency unemployment compensation and the payment thereof, except where otherwise inconsistent with the provisions of this Act or with the regulations or operating instructions of the Secretary promulgated to carry out this Act; and

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

(e) **ELECTION BY STATES.**—Notwithstanding any other provision of Federal law (and if State law permits), the Governor of a State that is in an extended benefit period may provide for the payment of emergency unemployment compensation prior to extended compensation to individuals who otherwise meet the requirements of this section.

(f) **UNAUTHORIZED ALIENS INELIGIBLE.**—A State shall require as a condition of eligibility for emergency unemployment compensation under this Act that each alien who receives such compensation must be legally authorized to work in the United States, as defined for purposes of the Federal Unemployment Tax Act (26 U.S.C. 3301 et seq.). In determining whether an alien meets the requirements of this subsection, a State must follow the procedures provided in section 1137(d) of the Social Security Act (42 U.S.C. 1320b–7(d)).

SEC. 3. EMERGENCY UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) **IN GENERAL.**—Any agreement under this Act shall provide that the State will establish, for each eligible individual who files an application for emergency unemployment compensation, an emergency unemployment compensation account with respect to such individual's benefit year.

(b) **AMOUNT IN ACCOUNT.**—

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

(A) 50 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law, or

(B) 13 times the individual's average weekly benefit amount for the benefit year.

(2) **WEEKLY BENEFIT AMOUNT.**—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

(c) **SPECIAL RULE.**—

(1) **IN GENERAL.**—Notwithstanding any other provision of this section, if, at the time that the individual's account is exhausted or at any time thereafter, such individual's State is in an extended benefit period (as determined under paragraph (2)), then, such account shall be augmented by an amount equal to the amount originally established in such account (as determined under subsection (b)(1)).

(2) **EXTENDED BENEFIT PERIOD.**—For purposes of paragraph (1), a State shall be considered to be in an extended benefit period, as of any given time, if—

(A) such a period is then in effect for such State under the Federal-State Extended Unemployment Compensation Act of 1970;

(B) such a period would then be in effect for such State under such Act if section 203(d) of such Act—

(i) were applied by substituting “4” for “5” each place it appears; and

(ii) did not include the requirement under paragraph (1)(A); or

(C) such a period would then be in effect for such State under such Act if—

(i) section 203(f) of such Act were applied to such State (regardless of whether the State by law had provided for such application); and

(ii) such section 203(f)—

(I) were applied by substituting “6.0” for “6.5” in paragraph (1)(A)(i); and

(II) did not include the requirement under paragraph (1)(A)(ii).

SEC. 4. PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF EMERGENCY UNEMPLOYMENT COMPENSATION.

(a) **GENERAL RULE.**—There shall be paid to each State that has entered into an agreement under this Act an amount equal to 100 percent of the emergency unemployment compensation paid to individuals by the State pursuant to such agreement.

(b) **TREATMENT OF REIMBURSABLE COMPENSATION.**—No payment shall be made to any State under this section in respect of any compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this Act or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this Act in respect of such compensation.

(c) **DETERMINATION OF AMOUNT.**—Sums payable to any State by reason of such State having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary’s estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

SEC. 5. FINANCING PROVISIONS.

(a) **IN GENERAL.**—Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act (42 U.S.C. 1105(a))) of the Unemployment Trust Fund (as established by section 904(a) of such Act (42 U.S.C. 1104(a))) shall be used for the making of payments to States having agreements entered into under this Act.

(b) **CERTIFICATION.**—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the Government Accountability Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as so established) to the account of such State in the Unemployment Trust Fund (as so established).

(c) **ASSISTANCE TO STATES.**—There are appropriated out of the employment security administration account (as established by section 901(a) of the Social Security Act (42 U.S.C. 1101(a))) of the Unemployment Trust Fund, without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act (42 U.S.C. 501 et seq.)) in meeting the costs of administration of agreements under this Act.

(d) **APPROPRIATIONS FOR CERTAIN PAYMENTS.**—There are appropriated from the general fund of the Treasury, without fiscal year limitation, to the extended unemployment compensation account (as so established) of the Unemployment Trust Fund (as so established) such sums as the Secretary estimates to be necessary to make the payments under this section in respect of—

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

(2) compensation payable on the basis of services to which section 3309(a)(1) of the Internal Revenue Code of 1986 applies.

Amounts appropriated pursuant to the preceding sentence shall not be required to be repaid.

SEC. 6. FRAUD AND OVERPAYMENTS.

(a) **IN GENERAL.**—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of emergency unemployment compensation under this Act to which he was not entitled, such individual—

(1) shall be ineligible for further emergency unemployment compensation under this Act in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(b) **REPAYMENT.**—In the case of individuals who have received amounts of emergency unemployment compensation under this Act to which they were not entitled, the State shall require such individuals to repay the amounts of such emergency unemployment compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(1) the payment of such emergency unemployment compensation was without fault on the part of any such individual; and

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

(c) RECOVERY BY STATE AGENCY.—

(1) IN GENERAL.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any emergency unemployment compensation payable to such individual under this Act or from any unemployment compensation payable to such individual under any State or Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the emergency unemployment compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(2) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

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

SEC. 7. DEFINITIONS.

In this Act, the terms “compensation”, “regular compensation”, “extended compensation”, “benefit year”, “base period”, “State”, “State agency”, “State law”, and “week” have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

SEC. 8. APPLICABILITY.

(a) IN GENERAL.—Except as provided in subsection (b), an agreement entered into under this Act shall apply to weeks of unemployment—

(1) beginning after the date on which such agreement is entered into; and

(2) ending on or before March 31, 2009.

(b) TRANSITION FOR AMOUNT REMAINING IN ACCOUNT.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of an individual who has amounts remaining in an account established under section 3 as of the last day of the last week (as determined in accordance with the applicable State law) ending on or before March 31, 2009, emergency unemployment compensation shall continue to be payable to such individual from such amounts for any week beginning after such last day for which the individual meets the eligibility requirements of this Act.

(2) LIMIT ON AUGMENTATION.—If the account of an individual is exhausted after the last day of such last week (as so determined), then section 3(c) shall not apply and such account shall not be augmented under such section, regardless of whether such individual’s State is in an extended benefit period (as determined under paragraph (2) of such section).

(3) LIMIT ON COMPENSATION.—No compensation shall be payable by reason of paragraph (1) for any week beginning after June 30, 2009.

