

IDAHO DEPARTMENT OF LABOR
NEWS RELEASE

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Madsen to Federal, State Lawmakers: Oppose Further Extension of Jobless Benefits

Idaho Department of Labor Director Roger B. Madsen sent a message to Congress and the Idaho Legislature today, urging them to oppose further extension of federal unemployment insurance benefits.

Madsen sent the letter in anticipation of Thursday's U.S. Senate Finance Committee hearing - Unemployment Insurance: The Path Back to Work.

Madsen said he doesn't take his position lightly.

"I am deeply concerned about all Idahoans, especially those who are unemployed," Madsen said. "Our local office employees are doing everything in their power daily to help these people find work."

Department staff are contacting thousands of Idaho citizens who are about ready to exhaust their benefits and offering to help them look for jobs, write resumes and prepare for interviews.

"Our goal is to get Idaho citizens re-employed so they can receive a paycheck instead of an unemployment benefit check," Madsen said. "But Idaho's legislators and business owners also need to regain confidence in this very important social program. Putting our federal fiscal house in order is the one thing I believe will make our country's unemployment insurance program stronger."

The department also invites job seekers to attend targeted job fairs based on their profession and industry interest and connects unemployed and homeless veterans to community resources.

Since the recession began, 150,000 Idaho workers – 20 percent of the state's labor force – have received over \$750 million in federal extended benefits beyond the basic 10 to 26 weeks of benefits offered through the regular state unemployment program. Over 12,000 of them exhausted those additional benefits – between 27 and 73 additional weeks – without finding a job through the end of October, and about 100 more are exhausting those benefits every week. The federal extended benefit program is currently scheduled to expire at the end of December.

To date, six states – Arkansas, Florida, Illinois, Michigan, Missouri and South Carolina – have reduced the number of weeks unemployed workers can collect regular state benefits, at least partially in response to growing concern over the up to nearly a year and a half of additional benefits authorized by the federal government.

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November 7, 2011

The Honorable Senator Mike Crapo
239 Dirksen Senate Building
Washington, DC 20510

Dear Senator Crapo:

Idaho's unemployed and the businesses they support have survived this recession thanks in part to the payout of more than \$800 million in federally funded unemployment benefits since July 2008. These benefits have helped thousands of Idahoans pay their bills, take care of the mortgage and support local businesses.

I am a strong supporter of the unemployment insurance program and consider it America's most successful social program since its inception 75 years ago. I have supported unemployment insurance - including at least two benefit extensions - for more than 35 years, first as a private and public employment attorney, then as a state senator and, since 1995 as director of the Idaho Department of Labor.

More recently, I've been meeting with business owners, legislators, my staff and others throughout the state. Many tell me they are far less supportive of unemployment insurance than they were a year ago.

After listening to these people and engaging in some serious personal reflection, I can no longer support extensions for several reasons:

- I believe the very individuals this program helps both now and in the future are being harmed by endless extensions. Some have been out of the workforce so long their skills and knowledge are beginning to deteriorate and their chances of re-employment are beginning to dim. Ending extended benefits will encourage many to re-enter the workforce where they will have a better chance of finding long-term employment.
- Benefit extensions are having a serious unintended consequence of undermining support for this vital program all across the country and certainly in Idaho. Many states including so-called "Blue States" like Michigan and Illinois lowered state-funded regular unemployment benefits this year. State legislators, including Idaho's, are seriously considering reductions for regular state-funded unemployment benefits and may refuse to accept federally funded extended unemployment benefits, which have been available to thousands of unemployed Idahoans for up to 73 additional weeks.
- Extended unemployment insurance benefits are adding billions of dollars to our national deficit because they are not fully funded. They are borrowed dollars. Moreover, I believe unemployment insurance has become, in the eyes of many claimants and business owners, an "entitlement" or "welfare" program rather than one based on basic unemployment insurance principles that have served the program well with minimal controversy for decades.

My sense is Idaho's U.S. senators and congressman will vote "no" on more extended benefit proposals, and if Washington, D.C., votes to extend benefits, I am confident Idaho's Legislature and our Governor will refuse to accept them.

Our U.S. Department of Labor partners are doing an outstanding job of administering this very complex program and will no doubt be disappointed in this position. I also realize my opposition to extensions will upset thousands of Idaho citizens, and I am aware many Idahoans will have a tough time meeting their obligations if extended benefits are no longer readily available.

Nearly every area of the state is showing positive signs that our economy is improving. More good jobs are available now than during the severity of the recession, but that is not enough. While many Idaho businesses have healthy balance sheets, the mounting national debt and conflict in DC makes them uncertain about the economy.

If we want to give our Idaho businesses the confidence they need to increase hiring, action needs to be taken to reduce the national deficit, and unemployment insurance extensions must come to an end.

I am grateful and proud to have our agency administer Idaho's unemployment insurance program. Our employees are doing everything in their power to help the unemployed and underemployed upgrade their skills. Many are working with Idaho businesses to put people to work with the help of programs like On-the-Job Training.

Together we will help restore faith and fiscal responsibility in America's best social program.

Sincerely,

Roger B. Madsen
Director