



GOVERNORS IN SUPPORT OF THE UNEMPLOYMENT INSURANCE MODERNIZATION ACT STIMULUS PROVISIONS

Arkansas

- Governor Mike Beebe (D)
- [Arkansas Democrat-Gazette](#), March 4, 2009
- Editorial: "[Beebe should accept help](#)," [Arkansas Leader](#), March 2, 2009

California

- Governor Arnold Schwarzenegger (R)
- [Los Angeles Times](#), February 25, 2009; [New York Times](#), February 22, 2009
- Editorial: "[As We See It: Shoring up jobless benefits](#)," [San Jose Mercury News](#), March 6, 2009

Connecticut

- Governor Jodi Rell (R)
- [Governor's Press Release](#), March 6, 2009

Florida

- Governor Charlie Crist (R)
- [Miami Herald](#), March 5, 2009

Georgia

- Governor Sonny Perdue (R)
- [Atlanta Journal-Constitution](#), March 4, 2009; [11Alive](#), Atlanta, March 4, 2009
- Oped: "[Too few Georgia workers qualify for unemployment](#)," [Atlanta Journal-Constitution](#), March 9, 2009

Iowa

- Governor Chet Culver (D)
- [Governor's Press Release](#), February 18, 2009

Oklahoma

- Governor Brad Henry (D)
- [Tulsa World](#), March 4, 2009

Oregon

- Governor Ted Kulongoski (D)
- [Statesmen Journal](#), February 24, 2009

Pennsylvania

- Governor Ed Rendell (D)
- [Allentown Morning Call](#), February 28, 2009
- Editorial: "[Funds for state's unemployed are getting precariously low](#)," [Patriot News](#), March 5, 2009

Rhode Island

- Governor Donald Carcieri (R)
- Governor's Press Release, February 26, 2009

South Dakota

- Governor Michael Rounds (R)
- "Opinion: Stimulus cash means more unemployment benefits in S. Dakota," The Daily Republic, March 07, 2009

Tennessee

- Governor Phil Bredesen (D)
- Chattanooga Times Free Press, March 7, 2009; WSMV Nashville, March 6, 2009

Utah

- Governor Jon Huntsman (R)
- New York Times, February 26, 2009

Gov. Bobby Jindal may accept refused stimulus money for expanded unemployment benefits



by Robert Travis Scott, The Times-Picayune

Thursday March 19, 2009, 10:03 PM

BATON ROUGE -- Gov. Bobby Jindal's workforce commissioner said Thursday that the U.S. Labor Department's latest clarification of the federal stimulus act has opened the possibility that the administration could consider accepting a previously rejected \$98.4 million package of extra jobless benefits, although important questions remain in what has become a high-profile issue.

Tim Barfield, the governor's appointee as head of the Louisiana Workforce Commission, said the federal agency has made "real progress" in allaying concerns about strings attached to the program.

State agency officials are seeking more answers and continuing to examine the consequences of accepting the money, Barfield said. He said it was not out of the question that he could recommend that the governor accept the package "if we can show it does not increase taxes on business and industry."

Jindal helped turn the stimulus act's jobless benefits program into a national debate last month when he announced his refusal to take the money just before his appearance at a national governors' conference and his nationally televised Republican Party response to the Democratic president's address to Congress.

Although he has accepted nearly all the state's share of the federal stimulus money, he has resisted a \$98.4 million portion of the jobless benefits package, which would require a change in state law to expand the number of people eligible for unemployment compensation. One of the concerns is that businesses, which pay for jobless benefits, could end up with a larger financial burden even with the nearly \$100 million in assistance.

Defining 'permanent'

A key sticking point for Jindal was that the federal stimulus act requires states to adopt "permanent" changes to accommodate the expanded system. Jindal's team and Sen. Mary Landrieu, D-La., have been asking what would happen if the state changed its law and repealed it later. Would the federal government try to get the money back?

The U.S. Department of Labor sent a letter to Landrieu on Wednesday stating that the stimulus act "does not prohibit the state's legislature from repealing these provisions in the future."

"As a result, if a state eventually decides to repeal or modify any of these provisions, it may do so, and it will not be required to return any incentive payment, " according to the letter, signed by Deputy Assistant Secretary Douglas Small.

The letter also stated that Congress "clearly intended" to encourage states to adopt the expanded eligibility requirements for jobless claims on a permanent basis and that Congress and the Labor Department "rely on states' good faith in adopting the eligibility criteria."

Landrieu said the department had "weighed in clearly" and put the issue to rest.

"I hope the Jindal administration and the Legislature can come to a consensus, as families struggle during this difficult economic time," Landrieu said.

Risk reduced

Barfield said the letter, while not providing a 100 percent legal guarantee, "carries a tremendous amount of weight and significantly reduces the risk we have of them coming back to get the money."

The state still wants to know more details, Barfield said. For example, would the stimulus money be sufficient to cover the added costs of the program until such time as the expanded system could be repealed?

Also, because businesses are assessed payments for unemployment insurance based on their history of layoffs, would the new expanded system put a long-lasting stain on their records?

Barfield said he hopes to get answers to these questions within 30 days, or before the legislative session begins April 27.

If the answers are that employers would not get an increase in their rates, then the governor and the Legislature could work together and seriously consider the program, he said.

Partisan debate

With veto power and control of the agency that would apply for the jobless benefits program, Jindal holds the keys to adopting the expanded benefits program. In the Legislature, the issue so far has been divided largely along party lines.

State Sen. Eric LaFleur, D-Ville Platte, a leader in the movement to adopt the stimulus package, said there is a good chance the state would not use all the federal jobless benefits money during a period of two years or so. With that in mind, the Legislature could change the law and revisit the program when the economy improves, he said.

In the meantime, the Labor Department letter proves that "permanency is not an issue. You can change the law, period," LaFleur said.

If Jindal keeps opposing the program at this point, "then it becomes something he's doing purely for political reasons . . . and not for the taxpayers of Louisiana," LaFleur said.

Business lobbyists have argued against adopting the expanded program because laws, once put in place, are difficult to repeal.

.....

Robert Travis Scott can be reached at rscott@timespicayune.com or 225.342.4197.