

ECONOMY

## Quietly, GOP Aims to Remake Jobless Aid

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December 15, 2011 | 9:35 p.m.

Conservatives are using the fight over unemployment benefits to introduce initiatives that could eventually alter jobless benefits and job-training programs.

The House Republican tax package that passed this week included new requirements that unemployment beneficiaries have high school diplomas or GEDs; those who don't are supposed to be working toward those goals. It also creates a waiver program allowing states to test ways to help the unemployed and gives states the flexibility to require drug testing for beneficiaries, responding to a court ruling from the 1970s that prohibited states from doing so.

The ideas in the GOP package are reminiscent of the welfare reform law of 1996. Then, as now, liberals worry that people who need aid will be cut off. Sen. **Patty Murray**, D-Wash., labeled the proposed new restrictions "draconian" and "counterproductive."

Lawmakers are almost guaranteed to extend the benefits this year with some programmatic overhaul. A Senate Democratic leadership aide said that some of the more onerous changes, such as GED requirements and drug testing, won't be in the bill but that other efforts to tighten up requirements and give states more opportunities to experiment with job training will be included. Still, the GOP proposals could open the door to more fundamental changes; and that's why they have raised hackles in the job-training community.

The National Skills Coalition, representing job-training organizations, sent an alert to its members on Thursday asking them to urge Congress to "reject the punitive unemployment-insurance requirements" in the House bill. The coalition said that Republicans are separately proposing large cuts to the Labor Department's job-training budget.

"It seems very cynical. We know the highest rate of unemployed are people without a high school degree. If those funding levels were enacted, there would be nowhere for people to go," said Rachel Gragg, the coalition's federal policy director.

Federal job-training programs have their problems, including lax oversight and bureaucratic nightmares. "Most of them don't work," said James Sherk, senior policy analyst in labor economics at the Heritage Foundation's Center for Data Analysis.

Unemployment benefits are not an entitlement, he said, but rather temporary insurance for unemployed people who are looking for a job. Currently, beneficiaries have to make two employer contacts per week to obtain the cash, he noted, although enforcement is sometimes weak. This year's proposals are widening past debates over how long benefits should last and how they should be paid for. "We should talk about, 'How many people are you going to get off unemployment?'" Sherk said.

He views the GOP's waiver proposal as holding promise for long-term change. The House bill would allow 10 states to bypass the law's requirement that they spend federal unemployment money only on direct benefits to applicants.

Instead, they can propose alternative unemployment-related plans. Republican leaders, including House Ways and Means Chairman, **Dave Camp**, R-Mich., argue that the outdated unemployment system could be drastically improved if states are allowed to tailor their programs to the needs of their communities—just as they did under welfare reform.

Democrats are worried that the loosely written waiver rules could allow states to stop paying direct benefits to people who are out of work. One House Democratic aide said, "It is possible in the waiver

to not give a direct benefit at all.”