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IOWA WORKFORCE DEVELOPMENT

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Contact: Kerry Koonce
Telephone: (515) 281-9646

NEW STATE-BY-STATE ANALYSIS SHOWS SEVERE HARDSHIP ON WORKERS AND ECONOMY IF RECOVERY ACT'S UNEMPLOYMENT PROVISIONS EXPIRE

Over Three Million Workers Will Lose Benefits in 1st Quarter of Next Year

Iowa Workforce Development Deputy Director Joseph Walsh Joins in Calling on Congress to Swiftly Renew Unemployment & COBRA Benefits

Washington, DC – Today, the National Employment Law Project (NELP), the Center for American Progress Action Fund and the Half in Ten Campaign released a report detailing the severe economic and human costs by state if key provisions of the American Recovery and Reinvestment Act (ARRA) – scheduled to expire at the end of the year – are not renewed and millions of workers become ineligible for unemployment and COBRA benefits. The groups were joined by state labor commissioners from across the country, as well as labor and civil rights leaders, in calling on Congress to renew the ARRA's provisions swiftly by the end of the year.

"The unemployment crisis will not disappear simply because we move into 2010," stated Deputy Director Walsh. "Without an immediate extension of ARRA benefits, thousands of Iowans will lose benefits during the first quarter of 2010."

Over 10,000 Iowans will exhaust their regular state unemployment benefits during the first quarter of 2010. Without a deadline extension, these individuals will not receive any of the federal unemployment benefit extensions. An additional 20,000 will exhaust a portion of the three tiers of federal extensions and will not be allowed to continue in the program.

Keeping a First Line of Defense for the Jobless was presented at the National Press Club today in Washington, D.C. and provides national and state-by-state impacts should key ARRA unemployment and health provisions expire this year:

- One million workers will be left unemployed in January with no access to benefits, which will swell to over three million workers by the end of March.

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- Compounding a severe funding crisis already facing the state unemployment programs, 12 states will have to return to paying a 50% share of the federal Extended Benefits program – which provides 13-20 weeks of jobless benefits – because the ARRA's full federal funding for the program expires. Those states are: Alaska, Connecticut, Kansas, Minnesota, New Hampshire, New Jersey, New Mexico, North Carolina, Oregon, Rhode Island, Vermont and Washington.

- The state agencies that process unemployment benefits, which have already been overwhelmed by the record volume of claims, will have to notify all recipients of an interruption in federally-funded benefits and adapt to new benefits programming and major processing delays.

- Hundreds of millions of dollars in income will be lost to struggling unemployed families when the ARRA's $25 boost in weekly benefits expires, along with a provision suspending the federal income tax in the first $2,400 in unemployment benefits.

- Failure to reauthorize and expand the 65% COBRA subsidy could result in nearly half of those now enrolled in the COBRA program becoming uninsured and exposed to even more serious financial hardship should they suffer even a minor health problem requiring medical care.

The Labor Commissioners of Kansas, Maine, New Jersey, Pennsylvania and Washington traveled to Washington, D.C. Monday, along with state agency officials from Arizona, Iowa, and New York, to share first-hand the urgency of renewing the federal jobless provisions.

Additional speakers and attendees included: **Arlene Holt Baker**, Executive Vice President, AFL-CIO; **Nancy Duff Campbell**, Co-President, National Women's Law Center; **Jim Garner**, Secretary, Kansas Department of Labor; **Laura Fortman**, Commissioner, Maine Department of Labor; **Karen Lee**, Commissioner, Washington Department of Employment Security; **David Socolow**, Commissioner, New Jersey Department of Labor and Workforce Development; **Nancy Dunphy**, Deputy Commissioner, New York Department of Labor; **Joseph Walsh,** Deputy Director, Iowa Workforce Development; **Rochelle Webb**, Administrator, Arizona Department of Economic Security.

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