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United States Government Accountability Office
Washington, DC 20548

July 27, 2009

The Honorable Mitch McConnell
Republican Leader
United States Senate

Subject: *Unemployment Insurance Measures Included in the American Recovery and Reinvestment Act of 2009, as of July 2009*

Dear Senator McConnell:

This letter is in response to your request to provide information on measures in the American Recovery and Reinvestment Act of 2009 (Recovery Act) to augment unemployment compensation.¹ Tables identifying these measures, along with the most recent unemployment statistics nationally and by state are enclosed.

Unemployment has risen sharply in the current recession, with the June 2009 rate reaching 9.5 percent of the labor force nationally; 15 states and the District of Columbia have unemployment rates exceeding 10 percent (see Table 1). The Recovery Act enacted measures that expanded unemployment compensation benefits for individuals and provided additional funding to states to pay and administer these benefits. These measures include an extension of benefits under Extended Unemployment Compensation (EUC) through 2009; Unemployment Insurance (UI) “modernization” grants to states that expand eligibility according to specific criteria; an increase in weekly benefits of \$25; and an exemption of the first \$2,400 in unemployment benefits received by individuals in 2009 from taxation (see Table 2).

The Department of Labor reports that, as of the week ending July 17, 2009, total payments for extended EUC equaled \$5.1 billion and for the increased \$25 weekly benefit totaled \$4.0 billion (see Table 2). As of July 24, 2009, 28 states and the District of Columbia have been approved for modernization grants totaling \$2.2 billion (see Table 3).

¹ Pub. L. No. 111-5, 123 Stat. 115.

Table 1: Civilian Unemployment Statistics by State, June 2009

	Percentage of labor force		Number of unemployed (thousands)	
	June 2009	May 2009	June 2009	May 2009
AL	10.1	9.8	215.6	208.3
AK	8.4	8.3	30.4	29.7
AZ	8.7	8.2	274.2	258.6
AR	7.2	7.0	98.8	95.0
CA	11.6	11.6	2146.2	2152.8
CO	7.6	7.6	204.0	207.0
CT	8.0	8.0	149.8	150.4
DE	8.4	8.1	36.9	35.6
DC	10.9	10.7	35.9	35.2
FL	10.6	10.3	970.1	953.6
GA	10.1	9.6	483.4	458.9
HI	7.4	7.4	47.7	48.0
ID	8.4	7.8	62.7	58.6
IL	10.3	10.1	683.3	670.3
IN	10.7	10.6	343.0	341.9
IA	6.2	5.7	104.1	95.8
KS	7.0	7.0	105.8	107.3
KY	10.9	10.7	226.1	221.3
LA	6.8	6.6	140.9	135.6
ME	8.5	8.3	59.9	58.1
MD	7.3	7.2	215.2	212.4
MA	8.6	8.2	295.6	282.0
MI	15.2	14.1	740.1	681.4
MN	8.4	8.1	249.1	240.8
MS	9.0	9.7	116.3	127.3
MO	9.3	9.0	278.3	270.9
MT	6.4	6.3	31.9	31.5
NE	5.0	4.8	49.1	47.2
NV	12.0	11.2	167.4	158.0
NH	6.8	6.5	50.1	48.5
NJ	9.2	8.8	420.8	400.0
NM	6.8	6.5	64.9	62.4
NY	8.7	8.2	854.2	799.7
NC	11.0	11.1	502.3	507.0
ND	4.2	4.3	15.5	15.9
OH	11.1	10.8	661.7	646.5
OK	6.3	6.4	112.1	112.6
OR	12.2	12.2	242.0	243.6
PA	8.3	8.3	537.0	534.8
RI	12.4	12.1	70.7	68.4
SC	12.1	12.0	265.0	263.6
SD	5.1	5.0	22.6	22.3
TN	10.8	10.7	328.2	325.3

	Percentage of labor force		Number of unemployed (thousands)	
	June 2009	May 2009	June 2009	May 2009
TX	7.5	7.1	899.7	843.4
UT	5.7	5.4	78.1	74.9
VT	7.1	7.4	25.4	26.5
VA	7.2	7.1	298.9	297.8
WA	9.3	9.1	330.8	325.4
WV	9.2	8.4	72.8	67.0
WI	9.0	8.9	278.3	276.4
WY	5.9	5.0	17.2	14.7
US	9.5	9.4	14729.0	14511.0

Source: Bureau of Labor Statistics.
Note: June 2009 data are preliminary.

Table 2: Unemployment Insurance: Major Recovery Act Provisions

Measures:	<ul style="list-style-type: none"> Extend through December 31, 2009 the Extended Unemployment Compensation (EUC) program. Section 2001, 123 Stat. 436-37. Provide up to \$7 billion total in “modernization” grants to states whose UI rules contain specific provisions that broaden benefit eligibility. Section 2003, 123 Stat. 439-43. Increase weekly benefits by \$25 per week. Section 2002, 123 Stat. 437-439. Exempt the first \$2,400 of unemployment benefits received by individuals from income taxes in 2009. Section 1007, 123 Stat. 317. Provide \$500 million total to states for additional administrative and related costs. Section 2003, 123 Stat. 443.
Status of distribution of this funding:	Labor reports that, as of the week ending July 17, 2009, total payments for extended EUC equaled \$5.1 billion; for the increased \$25 weekly benefit totaled \$4.0 billion; and (as of July 24), \$2.2 billion in modernization payments have been distributed to 28 states and the District of Columbia.

Source: Department of Labor, Employment & Training Administration; and Pub. L. No. 111-5, 123 Stat. 115.

Table 3: Unemployment Insurance Modernization Incentive Payments, as of July 17, 2009

State	Amount	State	Amount
AK	\$5,206,411	NV	\$76,937,412
AR	\$59,969,332	NH	\$10,467,073
CT	\$87,811,338	NJ	\$206,823,364
DC	\$9,210,994	NM	\$13,007,527
DE	\$21,868,398	NY	\$412,742,107
GA	\$220,286,144	OH	\$88,169,529
HI	\$10,175,575	OK	\$75,886,483
ID	\$32,260,831	OR	\$85,574,641
IL	\$100,383,562	SD	\$5,882,545

State	Amount	State	Amount
IA	\$70,814,387	TN	\$141,808,031
KS	\$68,970,143	VT	\$4,639,299
MA	\$54,227,780	VA	\$62,817,683
MI	\$69,427,524	WA	\$48,864,609
MN	\$130,063,620	WI	\$44,644,693
MT	\$6,508,588		
Total	\$2,225,449,623		

Source: Department of Labor, Employment & Training Administration

We obtained the information on these measures included in the Recovery Act from the Department of Labor and from the text of the law itself. We did not independently verify the accuracy or reliability of this information. In all other respects relevant to providing this information, we conducted our work in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. We conducted our work in July 2009.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution until 5 days after the date of this letter. At that time, we will send copies of this report to interested congressional committees and the Secretary of Labor. Copies will also be available to others upon request and at no cost on GAO's Web site at www.gao.gov.

Should you or your staff have any questions about this report, please contact me at (202) 512-7202 or fagnonic@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report include Charles Jeszeck, Michael Collins, and Mark Glickman.

Sincerely yours,



Cynthia Fagnoni
 Managing Director, Education, Income, and Workforce Security Issues

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