Council of the District of Columbia OFFICE OF COUNCILMEMBER ELISSA SILVERMAN 1350 Pennsylvania Avenue, N.W., Washington, D.C. 20004

TO: Chairman Phil Mendelson

FROM: Councilmember Elissa Silverman

RE: Request to Agendize Emergency Measures for the October 20, 2020, Additional

Legislative Meeting

DATE: October 15, 2020

Emergency Legislation

I request that the following emergency measures be agendized for the October 20, 2020 Additional Legislative Meeting:

- "Unemployment Benefits Extension Emergency Declaration Resolution of 2020"
- "Unemployment Benefits Extension Emergency Act of 2020"
- "Unemployment Benefits Extension Temporary Act of 2020"

What the bill does:

This legislation would amend the District's unemployment compensation law to provide District workers with an additional seven weeks of unemployment benefits.

Background:

The COVID-19 pandemic created an unprecedented need for businesses to reduce capacity or close in order to prevent a worsening of the pandemic. Over 150,000 workers have filed for unemployment benefits since March 13, 2020. Some individuals will shortly exhaust the benefits available to them. The public health emergency is expected to continue for many more months before the District's economy can fully reopen, and unemployed workers will continue to rely on benefits until they can safely return to work. Therefore, there is an immediate need to extend the number of weeks of benefits available to District workers unemployed due to the COVID-19 pandemic.

Unemployment benefits payments are a lifeline to help District workers continue to meet their basic needs, such as rent and mortgage payments, utilities, medical costs, groceries, child care, and the other costs of living. The federal-state unemployment insurance ("UI") system, created in 1935, provides partial wage replacement to employees who lose a job through no fault of their own.

Congress has repeatedly recognized the need for additional weeks of benefits payments and has created multiple programs to provide additional support during times of extreme economic distress. The permanent Extended Benefits ("EB") program was established in 1970 and is accessible when state unemployment rates rise significantly. In 2020, Congress passed the

CARES Act (Coronavirus Aid, Relief, and Economic Security Act) that created the Pandemic Emergency Unemployment Compensation ("PEUC") and Pandemic Unemployment Assistance ("PUA") programs which expanded eligibility for and the number of weeks of unemployment benefits available to workers unemployed due to the COVID-19 pandemic.

Existing benefits:

District employees that qualify for regular UI may receive up to 26 weeks of UI benefits, plus an additional 26 weeks (up to 13 weeks of federal PEUC benefits, and up to 13 weeks of federal EB), for a total of 52 weeks of benefits.

District workers who are ineligible for traditional UI, such as gig workers and independent contractors, may receive up to 39 weeks of PUA benefits. These individuals are <u>not eligible</u> for the PEUC or EB extensions under current law. Further, PUA recipients who received benefits for weeks starting with the week of January 27, 2020, the earliest week possible under the law, will begin to exhaust their 39 weeks of PUA benefits starting the week of Oct. 25, 2020.

Why this legislation is necessary:

The CARES Act also provided that PUA recipients and UI claimants in states with a "high unemployment period" in their state EB law may be eligible for up to 7 additional weeks of benefits under the EB program. These benefits are fully federally funded through December 31, 2020, under the Families First Coronavirus Response Act, (specifically Division D, Emergency Unemployment Insurance Stabilization and Access Act of 2020, EUISAA).

The District does not currently have an applicable "high unemployment period" in law. High unemployment is 8% under existing federal EB law; the District's current unemployment rate is 8.5%. During the 2009 Great Recession, the District enacted a "high unemployment period" provision to access 7 additional weeks of EB. This legislation contained a sunset provision and is no longer applicable; however, the rate of unemployment currently in the District is similar to that of the Great Recession, especially for workers of color.

This legislation will amend the District's unemployment insurance law to establish a "high unemployment period" in District law, allowing both PUA recipients and traditional UI claimants to receive an additional 7 weeks of federally-funded benefits, once they exhaust their current benefits.

Please contact Liz Weiss, Committee Director, at lweiss@dccouncil.us or (202) 727-1974 if you have any questions.

cc: Members, Council of the District of Columbia
Office of the Secretary
Office of the General Counsel
Office of the Budget Director
Mayor's Office of Policy and Legislative Affairs