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Reforming Unemployment Insurance to Automatically Respond to Deteriorating Economic Conditions

Introduction

For the past several months, I have been working with my staff on a series of proposals to expand fiscal support when the economy deteriorates. These 'automatic stabilizers' would ramp up immediately when unemployment rises to help prevent recessions and mitigate their effects when they are inevitable. We have consulted with policy experts to develop legislation across several areas including unemployment insurance, direct payments, food assistance, targeted support for vulnerable populations, and fiscal relief to states. Had these plans been in place today, we would already be seeing greater economic support for the millions of Americans affected by the Coronavirus Disease 2019 (COVID-19) pandemic.

Given the ongoing work to strengthen unemployment insurance, I am releasing my plan in the spirit of offering a potential set of reforms to contemplate expanding benefits during the crisis and beyond. With state capacity severely limited, not all of reforms contemplated in this plan will be achievable or relevant in the current environment. Nonetheless, as we continue to think about how to strengthen our unemployment benefit system, I hope this plan can serve as a model for what our unemployment system can offer, both in good times, and during the difficult ones.

Summary

Even outside of a deteriorating economy, the regular unemployment insurance (UI) system leaves too many workers behind. Low and declining benefits, restrictions on who can receive them, and poor administration all contribute to a weakening safety net for America's workers. Additionally, when the economy deteriorates, extended unemployment benefits ramp up slowly and insufficiently.

Currently, expanding benefits to meet severe downturns requires an act of Congress. This occurred during the Great Recession. Yet, Congress often fails to expand and extend benefits for long enough, threatening potential cutbacks while the economy is still weak. In the wake of the Great Recession, partisan brinkmanship led to uncertainty about whether expanded benefits would be extended on multiple occasions, even resulting in a lapse in expanded benefits when the unemployment rate was nearly 10%. Workers should not be vulnerable just because Congress cannot get its act together.

We can build a better system. Unemployment insurance should be a tool to both support struggling workers and to automatically stabilize the economy during times of recession. Strengthening the UI system would provide a stronger safety net for workers and ensure that fiscal policy matches the need for stimulus during recessions.

Overview

The unemployment insurance (UI) system is comprised of two programs:

- **Regular unemployment compensation (UC)** is a joint federal-state program that pays benefits for up to 26 weeks in most states and is available to workers regardless of broader economic conditions. It is a social insurance program financed by taxes paid by workers and employers.

- **Extended Benefits (EB)** kick in when a state is experiencing an elevated level of unemployment, and they allow individual workers to receive an additional 13 to 20 weeks of unemployment benefits once they have exhausted the 26 weeks under the UC program. The federal government and state government each fund half of the cost of EB.

We propose reforming the unemployment insurance program to: 1) strengthen the safety net it provides in both a strong and weak economy; and 2) automatically stabilize the economy when it deteriorates, preventing recessions and lessening their harm when they are inevitable.

Our proposal restructures the regular unemployment program in three key ways: increasing benefits; expanding eligibility; and providing incentives for increased utilization. It does this by:

- Providing grants for states to administer these changes and bonuses for states that increase utilization or perform at a high-level.
- Setting a floor on the percentage of wages replaced to ensure workers across the country are fairly compensated, and an increased floor during national public health crises.
- Requiring all states provide at least 26 weeks of benefits in UC.
- Requiring states fairly compensate workers with reported earnings under the minimum wage, like tipped workers and workers with disabilities.
- Requiring a dependents allowance.
- Requiring states use more recent and relevant work experience when determining UI eligibility.
- Allowing part-time workers to be eligible for UC.
- Expanding the definition of “good cause” so that workers who leave their jobs for compelling reasons still receive benefits.

Our proposal also expands UI benefits quickly and automatically at the onset of economic weakness. In addition to helping individual workers and families when the economy is strong, this plan provides broader economic support during periods of elevated unemployment, as affected workers readily spend a large share of benefits. It does this by:

- Fully federally financing EB.
- Using quicker and more precise economic triggers to alert the country during economic hardship and to automatize extended benefits.
- Implementing a tier system that ensures extended benefits continue throughout the entire duration of economic downturns.
- Removing look-back provisions which limit EB from triggering on if the Total Unemployment Rate (TUR) has been steadily high for extended periods of time.
- Adding a federally financed $50 increase in the weekly benefit amount when EB is triggered.
- Requiring EB benefits to be portable, just like regular benefits.

Detailed Background

I. Reforming Regular Unemployment Compensation (UC)

In deep recessions, Congress sometimes passes Emergency Unemployment Compensation (EUC) – a temporary expansion of the duration and/or generosity of unemployment benefits that goes further than UC and EB alone – as occurred during the Great Recession. We propose making some of those reforms permanent.

The first section of this proposal will address reforms to UC that will apply in all economic conditions, while the subsequent section will explain how our proposal reforms the EB program to automatically extend and expand benefits to prevent and mitigate recessions, akin to an automatic and permanent EUC.

Currently, the Department of Labor's Bureau of Labor Statistics reports that only about one in four eligible workers applies for unemployment insurance benefits. Three out of five eligible workers who do not apply believe they are ineligible.[1] In addition to a lack of awareness, the structure of the UC program allows for substantial heterogeneity in eligibility rules across states, leading to wide divergences in the share of workers covered by state. In 2018, recipiency rates ranged from 10.8% in North Carolina (which is one of only two states to limit UC to 12 weeks) to 63.4% in New Jersey.[2] If every state had recipiency rates consistent with the top ten states, about 1 million more workers per year would have received unemployment benefits for most of the period from 1996 to 2018.[3] This would have been even higher during recessions, with about 1.5 million more during the 2001 recession and 2 million more during the Great Recession. For context, with about 2 million UI initial and continuing claimants at any given time in recent years, a 1 million increase would represent a roughly 50% increase in recipients.

Our proposal reforms regular unemployment compensation (UC) through three key initiatives: (1) incentivizing higher utilization; (2) increasing benefits; and (3) expanding eligibility.

Incentives for Utilization

1. **Grants for UI Administration:** With the understanding that this plan will take effort and money by states in order to administer, this proposal provides them with grants.

    - ***Draft Proposal***: A total grant of $1,000,000,000 shall be distributed, according to the FUTA funds contributed by each state, among the states for the costs of administration.

2. **Bonus Program for Increased Utilization:** Percentages of eligible individuals that receive unemployment benefits vary significantly from state to state. We would like to encourage states to increase uptake of benefits through the following incentive program. States who have perennially performed well in UI uptake will also be rewarded.

[1] https://www.bls.gov/news.release/pdf/uisup.pdf (1)
[2] https://www.brookings.edu/wp-content/uploads/2019/05/ES_THP_AutomaticStabilizers_FullBook_web_20190513.pdf (171)
[3] https://www.brookings.edu/wp-content/uploads/2019/05/ES_THP_AutomaticStabilizers_FullBook_web_20190513.pdf (171)

- ***Draft Proposal:*** $1,000,000,000 bonus grants will be made available for states that demonstrate increases in utilization of UI benefits, or that demonstrate strong performance in utilization when compared nationally.

3. **Extension of Time for Payback of UTF Loans**: In the event that a state depletes its state trust fund and cannot pay UC benefits, it can acquire a loan from the Unemployment Trust Fund.[4] States with outstanding loans from the UTF must repay them fully by the November 10 date following the second consecutive January 1 on which the state has an outstanding loan.[5]

    - ***Draft Proposal****:* If a state obtains a loan from the Unemployment Trust Fund to pay UC benefits within the first two years of this legislation's enactment, it shall receive an additional 12 months to repay the loan. Additionally, for the period of loans obtained within the first two years of this legislation's enactment, interest will not accrue.

Increasing Benefits

4. **Standardizing the Minimum Replacement of Wages and a Maximum Benefit:** UI is intended to provide partial wage replacement; however, states have traditionally varied greatly in the percentage of wages they replace. Currently, the average replacement ratio across the nation is approximately 45%, but that includes states like New Jersey around 51% and Louisiana under 30%.[6] Due to the range of replacement rates, individuals in some states receive substantially less than those in other states.

    - ***Draft Proposal:*** Require that states provide at least a 75% replacement ratio of weekly wages in the two highest quarters in the base period, to a maximum of 80% of the state's average weekly wage, as published quarterly by the Department of Labor. Additionally, when the President declares a national public health emergency, we propose a federally financed increase to a 100% replacement ratio, to the same maximum.

5. **States provide at least 26 weeks of benefits in UC:** States vary in the number of weeks of UI benefits they provide. North Carolina is one of two states that provides UC for just 12 weeks.[7] Evidence suggests that a longer duration of benefits ensures that workers find better matches for their next job—a feature that also helps employers find the best candidates.[8]

    - ***Draft Proposal:*** Require states provide at least 26 weeks of UC benefits for each recipient.

6. **Adding a Dependents' Allowance:** After determining whether or not the individual is eligible for benefits, the weekly benefit amount (WBA) is then calculated. Around one fifth of states include a dependents' allowance in their WBA. The definition of dependent varies from state to state. Massachusetts includes children who are unmarried and under the age of 24 if they are a full-time student. They also include older children who are unable to work, but do not include a stepchild by statute and cap the dependents' allowance at 50% of the individual's WBA. Iowa includes children

[4] https://www.crs.gov/reports/pdf/RS22954 (3)
[5] https://crsreports.congress.gov/product/pdf/RS/RS22954/47 (4)
[6] https://oui.doleta.gov/unemploy/ui_replacement_rates.asp, calculated on 3.19.2020.
[7] This is based on the condition of the economy, and the number of weeks of benefits provided goes up if unemployment exceeds 5.5%. https://crsreports.congress.gov/product/pdf/R/R41859 (7).
[8] http://ftp.iza.org/dp4670.pdf, https://www.aeaweb.org/articles?id=10.1257/aer.20150528

under 18, older children who are unable to work, nonworking spouses who earn less than $120 in gross wages per week, nonworking parents, and a nonworking brother or sister. Iowa caps the maximum number of dependents at 4, one below the highest cap of 5, enacted by Connecticut, Maryland, Michigan, and Rhode Island. The most generous definition would be a hybrid of several state definitions, including all dependents (children and step-children) under age 19 (24 for full-time students), older children who are unable to work, nonworking spouses, nonworking parents, a nonworking brother or sister, with a maximum number of dependents capped at 5.[9]

The amount of weekly dependents' allowance payable also varies greatly among states. Alaska provides a dependents' allowance of $24, capped at $72. Several states choose to expand the maximum dependents' allowance for maximum weekly benefit, such as Massachusetts, who caps this amount at $397. Ohio approaches their dependents' allowance differently, basing the weekly allowance per dependent on a scale from $1 - $155 determined according to the dependency class.[10]

- ***Draft Proposal:*** The proposal will require a $25 allowance per week, per dependent, to a maximum of half of the individual's WBA. It will also expand the definition of dependent to include children 18 and under, children who are full-time students below the age of 24, foster children, nonworking spouses who earn less than $120 in gross wages per week, non-working parents, or immediate family members with disabilities.

7. **Calculation Change to Include Workers Making Under Minimum Wage:** Many workers – including those with disabilities and tipped workers – may receive lower benefits because wages paid directly by their employer are often below the minimum wage, sometimes as low as $2.13 per hour. This proposal seeks to compensate those workers adequately.

    - ***Draft Proposal:*** For the purposes of calculating a weekly benefit, employees who report hourly wage rates below the prevailing minimum wage shall be assumed to have earned the minimum wage, and the calculation shall use the prevailing minimum wage. Additionally, the plan allows workers to provide an affidavit attesting to their earnings, so they can receive benefits commensurate with their real earnings.

<u>Expanding Eligibility</u>

8. **States to Base Unemployment Benefits on More Recent and Relevant Work Experience:** The so-called "base period" is the time period during which a worker's employment history is examined to determine an individual's monetary entitlement to UC benefits. The base period is a 12-month period of time composed of four quarters of three months each. States vary in the share of wages they replace with unemployment benefits, but most states replace approximately half of the worker's average weekly wage during the base period, up to a maximum cap.[11]

    There are two types of base periods: standard base periods (SBPs) and alternative base periods (ABPs). Standard base periods, for the large majority of states, use earnings data from the first 4 of the last 5 completed quarters prior to the quarter in which the employee files a claim. This creates a

[9] https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/monetary.pdf (3-20)
[10] https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/monetary.pdf (3-20)
[11] https://www.crs.gov/reports/pdf/RL33362 (3)

lag between the base period and period of unemployment and leaves out the worker's most recent work history when determining eligibility, particularly harming recent entrants or reentrants into the workforce.

More than two-thirds of states also have an alternative base period that is used to calculate benefits when an individual has not earned a sufficient amount within a standard base period in order to qualify for UC. An ABP is composed of the four most recent completed quarters prior to when an individual files for UC. Our proposal will require states to adopt ABPs. Most ABP programs simply include the last 4 completed quarters,[12] but some states have more expansive definitions that cover more individuals. Massachusetts' ABP allows using the last 3 quarters, plus any weeks of work in the quarter in which the UI claim is filed. Filers are also entitled to use ABPs if the benefit calculation results in a 10% or more increase in WBA. Similar to Massachusetts' approach, the New Jersey and Vermont ABP programs may include either the last 4 completed quarters or the last 3 completed quarters plus any weeks of work in the quarter in which the claim is filed.

The American Recovery and Reinvestment Act (ARRA or "Recovery Act") provided an incentive for states to adopt ABPs to ensure the last completed quarter of a worker's employment is counted when determining eligibility for UI benefits.

- ***Draft Proposal:*** The proposal will require states to allow for the use of Alternative Base Periods, which use the most recently reported earnings data, when determining UI eligibility. States would be required to follow the Massachusetts model, where ABP can be calculated using the last 3 quarters, plus any weeks of work in the quarter in which the UI claim is filed, but also giving filers the option to use the ABP if the benefit calculation results in an increase in the WBA.

9. **Including Part-time Workers:** Three aspects of UC particularly impact part-time workers: part-time worker eligibility; availability for part-time work; and work search requirements.

*<u>Part-Time Worker Eligibility</u>***:** Currently, many states provide benefits to individuals who are "partially unemployed," if they are not working full-time and if their earnings are less than the weekly benefit amount. What is considered "part-time" varies by state. Massachusetts and Connecticut have broad definitions, and allow UC benefit collection when employed part-time. The calculated benefit will usually equal the difference between the individual's earnings and the WBA, and states usually disregard a portion of the earnings when calculating. Under most state laws, a partially unemployed individual may receive benefits for a longer period of time than traditional UI. States usually specify a cap on the maximum dollar amount of benefits individuals can receive (often a multiple of a number of weeks and the WBA).

<u>Availability for Part-Time Work</u>: Many states require individuals to be available for full-time work. Michigan and West Virginia, for example, require that an individual be available for full-time work in order to receive benefits. Other states, however, like Maine and New Hampshire, allow individuals to be available for part-time work under the condition that the claim is based on part-time work (or a history of part-time work), the individual is working part-time due to medical or disability restrictions, or for other circumstances such as family illness/disability, domestic abuse, child care, etc.

[12] https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/complete.pdf (3-2)

Work Search Requirements: Many states allow for individuals to be searching for part-time work with the requirement that they are able to prove part-time work history. Most state laws do not specify whether the individual must be available for full-time or part-time work.[13] Following ARRA implementation, 14 states adopted measures to expand UI coverage to part-time workers bringing the total number of states to 29.[14] Under this provision, states were not allowed to disqualify individuals who were only seeking part-time work from receiving benefits when they had a history of part-time work.

- ***Draft Proposal:*** The proposal will expand UC to current part-time workers earning less than their WBA, and require states to provide benefits for those available for or seeking just part-time work.

10. **Including workers who voluntarily leave for good personal cause or for compelling family reasons:** In order for individuals who leave their work voluntarily to qualify for UI, they must have left with "good cause." The definition of "good cause" varies from state to state. Often, this requires fault on the part of the employer; however, some states allow for the interpretation to include good personal cause. Over half of states expand the definition of good cause to include separation to accept other work, compulsory retirement, sexual or other harassment, and individual's illness. Several states also include leaving to join the armed services.

ARRA included the following within their definition of compelling family reasons: domestic violence, illness or disability of family member, to accompany a spouse moving for a new job (some states only allow for this if the spouse is in the military), and/or sexual assault. Some states also choose to include an impractical commute within this definition. The Violence Against Women Reauthorization Act (H.R. 1585) defines compelling family reasons to include an individual who quit employment because of sexual harassment, domestic violence, sexual assault, or stalking. Many states allow for a broader interpretation of good cause and compelling family reason provisions. For example, "Kansas defines good cause as cause of such gravity that would impel a reasonable individual exercising common sense to leave employment."[15]

- ***Draft Proposal:*** Our proposal will require states to permit "voluntary" separations from employment for good personal cause and compelling family reasons. These reasons include: domestic violence, illness or disability of a family member, to accompany a spouse moving for a new job, sexual assault, sexual harassment, stalking, impractical commutes, or any reason that would compel an individual to leave if they were exercising common sense. For employees who leave for personal reasons unrelated to the employer, the employer's experience rating will not be affected. Also, in the event that a UI agency/SSA agency offers or suggests work opportunities to the unemployed worker, states shall not deny eligibility if they refuse or reject to pursue or accept such offered employment.

II. Reforming Extended Benefits (EB)

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[13] https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/complete.pdf. (5-29)
[14] https://www.dol.gov/sites/dolgov/files/OASP/legacy/files/UCP_State_Decisions_to_Adopt.pdf, https://www.nelp.org/wp-content/uploads/2015/03/ARRA_UI_Modernization_Report.pdf.
[15] https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/complete.pdf (5-7)

During the financial crisis of 2008, unemployment claims spiked from about 3 million to 6 million.[16] Extended benefits automatically added a few hundred thousand additional claims, but if Congress had not acted to pass the Recovery Act and subsequent extensions and expansions of Emergency Unemployment Compensation (EUC), about 3 to 4 million additional recipients of unemployment benefits would have been left behind, either because they would not have been eligible in the first place, or, due to extended periods of unemployment, they would have exhausted their benefits prior to being able to find a job in a very weak job market.[17] That would have been extremely damaging both to these workers and to the broader economy. Congress acted slowly to expand benefits and they were allowed to lapse on several occasions, [18]

Our proposal reforms Extended Benefits (EB) so that it will serve as a more responsive automatic stabilizer – essentially making automatic many of the changes that Congress needed to enact through legislation during the Great Recession. This will allow for unemployment benefits to ramp up faster and more aggressively when the economy weakens and will tie the sunsetting of those expanded and extended benefits to improvements in the economy, rather than Congressional dysfunction.

These changes would trigger on and trigger off when economic indicators show a deteriorating and improving economy.

Our proposal makes the following reforms to the EB program:

1. **Make EB fully federally funded:** Currently, funding for EB is shared equally between the federal government and states. This creates a disincentive for states to trigger EB, and states that do trigger EB feel fiscal pressure as the economy turns downward.

    - ***Draft Proposal:*** Our proposal makes EB fully federally financed for all state and local governments, tribes, and non-profit entities.

2. **Increase Automaticity Through Precise Economic Triggers:** The Extended Benefits program was intended to increase unemployment benefits during recessions. However, the primary metric used, the "Insured Unemployment Rate," is not a precise measure of economic hardship, or a strong predictor of recessions.

    - ***Draft Proposal:*** We propose the use of three triggers to provide additional weeks of unemployment benefits:

        - Elevated Unemployment Periods (EUP): This trigger, popularly known as the "Sahm Rule," is met when the 3-month moving average national unemployment rate (or 6-month moving average for a state) is 0.5 percentage points or more above its lowest level in the previous 12 months. The national trigger was met in every recession

[16] https://www.brookings.edu/wp-content/uploads/2019/05/ES_THP_AutomaticStabilizers_FullBook_web_20190513.pdf (Figure 2, 151)

[17] https://www.brookings.edu/wp-content/uploads/2019/05/ES_THP_AutomaticStabilizers_FullBook_web_20190513.pdf (Figure 2, 151)

[18] "*Over the history of the temporary EUC08 program, there were five lapses in program authorization prior to EUC08 expiration at the end of calendar year 2013:15 February 27, 2010, to March 2, 2010; April 3, 2010, to April 15, 2010; June 2, 2010, to July 22, 2010; November 30, 2010, to December 17, 2010; and December 29, 2012, to January 2, 2013*." https://crsreports.congress.gov/product/pdf/R/R42444

since the 1970s within 3 to 5 months after the recession began and virtually never outside of a recession. In contrast, official announcements of a recession usually occur up to a year after the recession started. The EUP trigger is a reliable and timely indicator that the economy is in a recession. Upon a positive EUP trigger, extended benefits would be provided for 13 weeks.

- <u>Total Unemployment Rate (TUR):</u> TUR is currently defined as the 3-month average all unemployed individuals divided by the size of the civilian labor force. This statistic covers a larger population than the IUR (number of people claiming regular UC benefits to the number of insured workers) because it includes uninsured workers and workers who are unemployed but failed to qualify for (or have exhausted) regular UC benefits. Currently, states may choose to use TUR to jumpstart extended benefits. Our proposal would require that if the Total Unemployment Rate rose to 6.5%, 7.5%, 8.5%, and 9.5%, extended benefits would be provided for an additional 13 weeks at each threshold.

- <u>Augmented Total Unemployment Rate (Augmented-TUR):</u> States, and the nation, may experience short-term "spikes" in unemployment that, unaddressed, lead to recessions. Our proposal triggers EB if a state experiences such a spike, with an augmented TUR. Specifically, if the TUR, plus the change in TUR from the same period up to the past three years, hits a threshold amount, it triggers EB. For example, if the TUR is 6.2% in April 2019, up from 5.1% in April 2018, the Augmented TUR would equal 7.3% (6.2+ (6.2-5.1)), and trigger EB, by the first threshold of TUR.

3. **Implement a tier system:** To ensure that benefits do not lapse while the economy deteriorates, our plan will implement a tier system using the above triggers to extend benefits. Once an individual has used all of their regular UC benefits (at least 26 weeks), and their state or the nation is in an elevated unemployment period, or a high TUR or Augmented-TUR period, they flow into extended benefits (EB):

   - If a state, or the nation, is experiencing an Elevated Unemployment Period, extended benefits will trigger for 13 weeks. These extended benefits will not lapse until three conditions are met:
     - **(**1) **Unemployment is Falling:** The 3-month moving average of the national unemployment rate (or 6-month moving average for a state) has declined for two consecutive months since EB began;
       (2) **Unemployment is Below 6.5%:** The 3-month moving average of the national unemployment rate is below the level required for the second tier of UI Extended Benefits (6.5 percent) for two consecutive months; and
     - (3) **Unemployment is Less Than 1.5 Percentage Points Above Earlier Levels:** The 3-month moving average national unemployment rate is within 1.5 percentage points of its level in the month prior to the start of the Elevated Unemployment Period.

   - If the national or state TUR (or Augmented-TUR) reaches 6.5%, 7.5%, 8.5%, or 9.5%, an additional 13 weeks of extended benefits will trigger.
     - These triggers are additive, meaning that at each tier, the state receives an *additional* 13 weeks.

- Additionally, the precedent tiers are not required to trigger subsequent tiers. Should Tier II hit before Tier I, the number of weeks available would still be 26.

- A summary is available in the table below:

Tier	Metric	Level/Description	Weeks
I	Elevated Unemployment Period (EUP)	If the state or nation is experiencing an EUP, extended benefits will be provided.	13
II	TUR or Augmented State TUR (state or national)	6.5%	13 (26 total EB weeks)
III	TUR or Augmented State TUR (state or national)	7.5%	13 (39 total EB weeks)
IV	TUR or Augmented State TUR (state or national)	8.5%	13 (52 total EB weeks)
V	TUR or Augmented State TUR (state or national)	9.5%	13 (65 total EB weeks)

4. **Remove look-back provisions from extended benefit triggers:** Currently, in order for an individual to be eligible for EB, look-back provisions require the unemployment rate to be above the level in the previous two years, forcing individuals in labor markets with long-term unemployment (as a result of severe and long-lasting recessions) off EB.

    - ***Draft Proposal:*** Our proposal eliminates look-back provisions entirely.

5. **Add a federally financed increase in weekly benefit amount when a state triggers onto extended benefits:** Extended duration of benefits is an important protection for workers in a deteriorating economy, but we also need to provide more benefits to jumpstart the economy. Our plan would increase benefits during the EB period to provide countercyclical stimulus.

    - ***Draft Proposal:*** All states triggered on to EB will receive a $50 weekly benefit amount (WBA) increase for all UI recipients (indexed for inflation). This would add between $10 billion and $20 billion in UI transfers in the first year of a recession if applied to all states.

6. **Allow for portability of benefits during EB**: Currently, regular UI benefits are portable. That means if a person moves to a different state, perhaps in search of new job opportunities or because a partner found a good job, they can still receive their UI compensation. This is not the case for benefits during EB.

    - ***Draft Proposal***: Our plan will require that EB benefits are portable, just like regular UI benefits.