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DISASTER UNEMPLOYMENT ASSISTANCE

DECEMBER 10, 2001.—Ordered to be printed

Mr. JEFFORDS, from the Committee on Environment and Public Works, submitted the following

REPORT

[to accompany S. 1622]

[Including cost estimate of the Congressional Budget Office]

The Committee on Environment and Public Works, to which was referred a bill (S. 1622), to extend the period of availability of unemployment assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the case of victims of the terrorist attacks of September 11, 2001, having considered the same, reports favorably thereon and recommends that the bill do pass.

BACKGROUND

On September 11, 2001, terrorists attacked the Pentagon and the World Trade Center. These horrible events marked the first time since the 1941 attack on Pearl Harbor that the United States has suffered an attack on domestic soil. The magnitude and enormity of these attacks are unprecedented in our nation's history. Thousands of innocent people lost their lives. Thousands more lost their homes, their businesses, their jobs, their livelihoods.

In New York, the attack left in its wake a mountain of debris, damaged buildings and lost jobs. Over the next 2 years, New York City will lose an estimated $105 billion as a result of the September 11th attack. The attack damaged or destroyed nearly 25 million square feet of office space, roughly equivalent to 20 percent of all the office space in downtown New York. The attack has caused the loss of 110,000 jobs and further put at risk 270,000 jobs in the New York City area.

Northern Virginia also will feel the effects of the attack for years to come. The attack on the Pentagon caused National Airport to

close for 3 weeks. Many sectors of the Northern Virginia economy are facing significant job cuts due to the terrorist attack. According to the Washington Post, the attack has caused the loss of 18,700 jobs. State and local sales tax revenues have been reduced by $22 million. Travel spending in the Northern Virginia/Washington DC metro area is down $247 million.

S. 1622 responds to the overwhelming needs of individuals who lost their employment as a result of the September 11th attack. The bill would not amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), but it would extend the period of availability of unemployment assistance under the Stafford Act from 26 weeks to 52 weeks for victims of September 11th.

The Federal Emergency Management Agency (FEMA) administers the disaster unemployment assistance program to provide unemployment assistance to victims of major disasters. The program currently provides disaster unemployment assistance to qualifying individuals for a period not to exceed 26 weeks. The 26-week eligibility period begins on the date of the major disaster declaration Individuals are eligible for disaster unemployment assistance only if they are not receiving other types of unemployment assistance.

The President declared a major disaster in New York on September 11, 2001, and in Northern Virginia on September 21, 2001.

SECTION-BY-SECTION ANALYSIS

Section 1. Extension of Unemployment Assistance

SUMMARY

Section 1 extends disaster unemployment assistance available under the Stafford Act for an additional 26 weeks.

DISCUSSION

In the case of Presidential declaration of a major disaster, section 410(a) of the Stafford Act gives the President authority to provide disaster unemployment assistance to an eligible recipient until that individual finds suitable employment, but for no longer than 26 weeks after a major disaster declaration. The President may provide this assistance only when an individual is not entitled to any other unemployment compensation (as that term is defined in section 85(b) of the Internal Revenue Code of 1986).

This bill does not propose to amend the Stafford Act, it extends the availability period of disaster unemployment assistance for victims of the September 11th attack from 26 weeks to 52 weeks. This bill does not change in any way the qualifications established by FEMA for the provision of disaster unemployment assistance under the Stafford Act. The Committee does not anticipate that FEMA will change the current regulatory scheme for administration of the disaster unemployment assistance program beyond offering an additional 26 weeks of assistance to victims of the attack.

LEGISLATIVE HISTORY

Senator Hillary Rodham Clinton introduced S. 1622 on November 1, 2001. The committee held a legislative hearing to receive tes-

timony on the proposed legislation on November 1, 2001. The committee reported S. 1622 by voice vote on November 8, 2001.

HEARINGS

On November 1, 2001, the committee held a legislative hearing on S. 1622, a bill to extend the period of availability of unemployment assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the case of victims of the terrorist attacks of September 11, 2001, receiving testimony from Michael Brown, Deputy Director, Federal Emergency Management Agency; Joe Moravec, Commissioner, Public Building Service, General Services Administration; Dr. David Sampson, Assistant Secretary for Economic Development, Economic Development Administration, U.S. Department of Commerce; Richard Meserve, Chairman, Nuclear Regulatory Commission; Herbert Mitchell, Associate Administrator for Disaster Assistance, Small Business Administration; and Marianne L. Horinko, Assistant Administrator. Office of Solid Waste and Emergency Response, Environmental Protection Agency.

ROLLCALL VOTES

The Committee on Environment and Public Works met to consider S. 1622 on November 8, 2001 and agreed to report the bill by voice vote.

REGULATORY IMPACT STATEMENT

In compliance with section 11(b) of rule XXVI of the Standing Rules of the Senate, the committee makes evaluation of the regulatory impact of the reported bill.

The bill does not create any additional regulatory burdens, nor will it cause any adverse impact on the personal privacy of individuals.

MANDATES ASSESSMENT

In compliance with the Unfunded Mandates Reform Act of 1995 (Public Law 104–4), the committee finds that S. 1622 would impose no unfunded mandates on local, State, or tribal governments.

COST OF LEGISLATION

Section 403 of the Congressional Budget and Impoundment control Act requires that a statement of the cost of the reported bill, prepared by the Congressional Budget Office, be included in the report. That statement follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, December 6, 2001.

Hon. JAMES JEFFORDS, *Chairman,*
Committee on Environment and Public Works,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1622, a bill to extend the availability of unemployment assistance under the Robert T. Staf-

ford Disaster Relief and Emergency Assistance Act in the case of victims of the terrorist attacks of September 11, 2001.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Julie Middleton, who can be reached at 226–2860.

Sincerely,

DAN L. CRIPPEN

S. 1622, A bill to extend the period of availability of unemployment assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the case of victims of the terrorist attacks of September 11, 2001, as ordered reported by the Senate Committee on Environment and Public Works on November 8, 2001

SUMMARY

S. 1622 would require the Federal Emergency Management Agency (FEMA) to extend the amount of time from 26 weeks to 52 weeks that victims of the September 11, 2001, terrorist attacks would be eligible to receive disaster unemployment assistance. CBO estimates that extending the period of eligibility would cost the federal government about $4 million over the 2002–2006 period, assuming appropriation of the necessary amounts. S. 1622 would not affect direct spending or receipts, therefore, pay-as-you-go procedures would not apply.

S. 1622 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on the budgets of State, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1622 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

By Fiscal Year, in Millions of Dollars

	2002	2003	2004	2005	2006
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	4	0	0	0	0
Estimated Outlays	3	1	0	0	0

BASIS OF ESTIMATE

For this estimate, CBO assumes S. 1622 will be enacted early in fiscal year 2002 and the necessary funds will be appropriated. Under current law, victims of disasters are eligible to receive disaster unemployment assistance from FEMA for up to 26 weeks, though the average length of time for such assistance is 13 weeks. FEMA estimates that the total number of disaster unemployment assistance claims stemming from the September 11, 2001, terrorist attacks will be about 2,500. CBO expects that the total number of recipients receiving assistance would decrease each week by 5 percent over the 52-week period of eligibility. We estimate that under

this bill, the victims would receive an average rate of $250 a week for an average of about 20 weeks.

Based on information from FEMA and information about the past costs of extending federal unemployment compensation, CBO estimates that extending the period of eligibility for disaster unemployment benefits would cost about $4 million over the 2002–2006 period, assuming appropriation of the necessary funds. That is the difference between an estimated cost of about $8 million for assistance up to 26 weeks (under current law) and an estimated cost of about $12 million for extended assistance up to 52 weeks.

Pay-As-You-Go Considerations: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1622 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on the budgets of State, local, or tribal governments.

Estimate Prepared By: Federal Costs: Julie Middleton; Impact on State, Local, and Tribal Governments: Leo Lex; Impact on the Private Sector: Lauren Marks.

Estimate Approved By: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW

Section 12 of rule XXVI of the Standing Rules of the Senate, provides that reports to the Senate should show changes in existing law made by the bill as reported. Passage of this bill will make no changes to existing law.

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