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SENATE

{ REPORT
107-336

UNEMPLOYMENT ASSISTANCE EXTENSION FOR SEPTEMBER 11 VICTIMS

NOVEMBER 12, 2002.—Ordered to be printed

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

[to accompany S. 2715]

[Including cost estimate of the Congressional Budget Office]

The Committee on Environment and Public Works, to which was referred a bill (S. 2715), to provide an additional extension of 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. Northern Virginia also will feel the effects of the attack for years to come.

The President declared a major disaster in New York on September 11, 2001, and in Northern Virginia on September 21, 2001. 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). The Federal Emergency Management Agency (FEMA) administers the program.

The 26-week deadline for the disaster unemployment assistance program in New York and Virginia expired in March of 2002. Public Law 107-154, signed into law on March 25, 2002, extended the eligibility of this program an additional 13 weeks, through June of 2002.

According to FEMA, the Agency processed 6,674 applications for this assistance and approved 3,269 claims totaling \$13,001,530 in New York. FEMA also processed 625 applications and approved 541 claims totaling \$298,584 in Virginia. Approximately 1,200 people were still receiving disaster unemployment assistance in New York when the program expired in June of 2002.

SECTION-BY-SECTION ANALYSIS

Section 1. Extension of Unemployment Assistance

SUMMARY

Section 1 provides an additional 13-week extension of disaster unemployment assistance available under the Stafford Act related to September 11, 2001 terrorist attacks.

DISCUSSION

S. 2715 responds to the continuing needs of individuals who lost their employment as a result of the September 11th attacks. The bill would not amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), but would provide a second 13-week extension of the disaster unemployment assistance program, for a total of 52 weeks of eligibility from the date of the major disaster declaration.

The committee intends for this extension to provide assistance to the approximately 1,200 disaster victims still receiving disaster unemployment assistance when the program expired in June 2002. 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 13 weeks of assistance to victims of the attack.

LEGISLATIVE HISTORY

Senator Hillary Rodham Clinton introduced S. 2715 on July 9, 2002. The committee reported S. 2715 by voice vote on September 26, 2002.

HEARINGS

The committee held a legislative hearing on related legislation, S. 1622, a bill to extend the disaster unemployment assistance program for 26 weeks. At that hearing on November 1, 2001, testimony was provided by 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. 2715 on September 26, 2002. The committee then agreed to report S. 2715 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. 2715 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, October 25, 2002.

Hon. JAMES M. 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. 2715, a bill to provide an additional extension of 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.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact are Rachel Milberg (for Federal costs), who can be reached at 226–2860, and Susan Seig Tompkins (for State and local impact), who can be reached at 225–3220.

Sincerely,

DAN L. CRIPPEN.

S. 2715, A bill to provide an additional extension of 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 September 26, 2002

Summary

S. 2715 would require the Federal Emergency Management Agency (FEMA) to extend the amount of time from 39 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 \$15 million in fiscal year 2003, assuming appropriation of the necessary amounts. S. 2715 would not affect direct spending or revenues.

S. 2715 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on State, local, or tribal governments.

Estimated Cost to the Federal Government

The estimated budgetary impact of S. 2715 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					
	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	15	0	0	0	0
Estimated Outlays	15	0	0	0	0

Basis of Estimate

For this estimate, CBO assumes that S. 2715 will be enacted by the end of calendar year 2002 and that the necessary funds will be appropriated. Based on information from FEMA and information about prior extensions of Federal unemployment compensation, CBO estimates that extending the period of eligibility for disaster unemployment benefits would cost about \$15 million in fiscal year 2003.

FEMA provided unemployment assistance to those affected by the September 11, 2001, terrorist attacks who did not receive such assistance from the State of New York. Both the FEMA program and the State program expired in June 2002. At the time the programs expired, about 1,200 people were receiving assistance from the FEMA program, and about 21,500 people were receiving assist-

ance from the State program. S. 2715 would extend the FEMA program.

Since there is currently no extension of the State program, CBO expects that FEMA would provide assistance to people who had originally received assistance from that agency as well as to people who had originally received such assistance from the State of New York. Based on information from FEMA, CBO estimates that the total number of disaster unemployment assistance claims under S. 2715 would be about 11,000.

CBO expects that the total number of recipients receiving assistance would decrease each week by 5 percent over the 13-week period of eligibility. We estimate that under this bill the victims would receive an average rate of \$140 a week for an average of about 10 weeks.

Intergovernmental and Private-Sector Impact

S. 2715 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on State, local, or tribal governments.

Previous CBO Estimate

On December 6, 2001, CBO transmitted a cost estimate for 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. And, on March 1, 2002, CBO transmitted a cost estimate for S. 1622 as ordered reported by the House Committee on Transportation and Infrastructure on February 27, 2002. For those estimates, CBO did not assume that the FEMA program would cover people who had received assistance from the State of New York, so the estimated costs were lower.

Estimate Prepared By: Federal Costs: Rachel Milberg; Impact on State, Local, and Tribal Governments: Susan Sieg Tompkins; Impact on the Private Sector: Ralph Smith.

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

CHANGES IN EXISTING LAW

In compliance with section 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows: Existing law proposed to be omitted is enclosed in [black brackets], new matter is printed in *italic*, existing law in which no change is proposed is shown in roman:

[Public Law 107–154]

An Act 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 terrorists attacks of September 11, 2001.

SECTION 1. EXTENSION OF UNEMPLOYMENT ASSISTANCE.

Notwithstanding section 410(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 517(a)), in

the case of any individual eligible to receive unemployment assistance under section 410(a) of that Act as a result of the terrorist attacks of September 11, 2001, the President shall make such assistance available for **[39]** 52 weeks after after the major disaster is declared.

