



National Employment Law Project

States Modernize and Expand Unemployment Insurance Under the American Recovery and Reinvestment Act

Updated April 15, 2009

Since the passage of the American Recovery and Reinvestment Act on February 17th, efforts to modernize the state unemployment insurance programs are well underway with the support of the \$7 billion in federal incentive funding.

Governors Support Unemployment Insurance Stimulus Reforms

Governors in at least sixteen states – both Republicans and Democrats – have expressed their strong support for the unemployment insurance reforms that qualify for federal stimulus funds to address the severe rates of joblessness.

Gov. Mike Beebe (D), Arkansas • Gov. Arnold Schwarzenegger (R), California • Gov. Jodi Rell (R), Connecticut
Gov. Charlie Crist (R), Florida • Gov. Sonny Perdue (R), Georgia • Gov. Chet Culver (D), Iowa • Gov. Jim Gibbons (R),
Nevada • Gov. Brad Henry (D), Oklahoma • Gov. Ted Kulongoski (D), Oregon • Gov. Ed Rendell (D), Pennsylvania • Gov.
Donald Carcieri (R), Rhode Island • Gov. Michael Rounds (R), South Dakota • Gov. Phil Bredesen (D), Tennessee • Gov. Jon
Huntzman (R), Utah • Gov. Jim Douglas (R), Vermont • Gov. Tim Kaine (D), Virginia

Legislative & Campaign Activity

In about forty states, efforts to modernize unemployment programs have progressed at various stages of activity described below. (Nineteen states initially qualified for all or part of their incentive funding with existing laws in place)

Reforms Signed Into Law (6 States)

Six states have adopted qualifying reforms since the passage of the new federal law, including **Arkansas, California, Iowa, Minnesota, New Jersey** and **South Dakota**. With the exception of South Dakota, these states adopted all the reforms necessary to qualify for the full amount of federal incentive funding (South Dakota adopted the “alternative base period,” thus qualifying for one-third of the incentive grant).

Reforms Advancing Through the State Legislatures (13 States)

In four states (**Georgia, Nevada, Oregon, West Virginia**), both houses of the legislature have passed their federal incentive reform bills, and they are expected to be signed by their Governors. (Maryland’s legislature adopted the part-time worker reform, but it has yet to enact the “alternative base period” which is necessary to qualify for the federal incentive funds). In another nine states, the qualifying unemployment insurance reforms have passed one house of the legislature or necessary legislative committees (including **Alabama, Alaska, Colorado, Hawaii, Idaho, Kansas, New Hampshire, Oklahoma, and Texas**).

Reform Legislation Introduced (10 States)

Legislation to qualify for federal unemployment insurance incentive funds has been introduced in Arizona, Florida, Tennessee, Maine, Michigan, New York, Virginia and Washington.

Reform Initiatives Underway (16 States)

In at least sixteen states and the District of Columbia, initiatives are being developed by state officials and other interested groups to adopt the unemployment insurance reforms necessary to qualify for federal incentive funding (Connecticut, Delaware, Illinois, Louisiana, Maine, Massachusetts, Mississippi, Nebraska, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont, and Wisconsin).