

***Citizens to Protect PA Jobs* helps UC cost-containment measure become law**

Thanks in part to action from the citizen -activists of *Citizens to Protect PA Jobs*, a new state law (Act 6 of 2011) extends federal unemployment compensation benefits to 45,000 jobless Pennsylvanians while at the same makes changes that will slow the growth of the state's UC system, which is out of money and operating on nearly \$4 billion borrowed from the federal government.

Pennsylvania is second only to California in the amount owed to the federal government for its UC Trust Fund, due to the liberalization of benefits over the years and made worse when the recession struck.

Action clearly had to be taken to shore up the fund, which was designed to be a safety net to those who lost their job through no fault of their own.

Citizens to Protect PA Jobs supported two UC reform measures under consideration in the General Assembly.

H.B. 916 would have extended federal UC benefits, while tightening eligibility standards and changing benefit formulas to slow the fund's growth and solve the debt crisis. Had it been enacted, this bill would have completely resolved Pennsylvania's UC deficit by 2018 and left the fund with a healthy balance of \$607 million.

With some lawmakers reluctant to take all the difficult steps needed to quickly address solvency concerns, S.B. 1030 became the most viable UC reform option for passage. Thanks to your help in answering our calls to action, this compromise bill was approved by both the state House and Senate, and signed into law by Gov. Tom Corbett on June 17.

Now [Act 6 of 2011](#), it contains many of the commonsense reforms that *Citizens to Protect PA Jobs* has advocated. The law will help control costs by creating a more fair "week of work for week of benefits" provision that changes the old standard of allowing 26 full weeks of benefits after only 18 weeks of work. This will slow the growth of the fund.

The law also requires claimants to prove they're searching for a job during the time they're receiving UC benefits, encouraging a quicker return to the workforce. Additionally, it establishes up to a 40 percent offset for severance pay to prevent some claimants from being able to collect severance pay and UC benefits at the same time. All together, these cost-containment strategies will save the fund up to \$133 million.

Finally, the law allows employers and employees to negotiate reduced hours through work-sharing programs to avoid layoffs and further control UC costs, as 21 other states have done to assist job creators and workers during difficult economic times.

Citizens to Protect PA Jobs recognizes the new law as a good start toward controlling costs that will hopefully help guide future UC discussions, particularly the need that still exists to restore the UC system to solvency and pay off the debt to the federal government.

Citizens to Protect PA Jobs will continue to inform and mobilize its vast grassroots network as we advocate in coming months for changes that will responsibly address Pennsylvania's enormous UC debt and ensure that the system is there for those truly in need.