

Workforce Support and Flexibility Act

Introduced by Senator Carper (D-Del.) and Senator Susan Collins (R-Maine)

July 15, 2021

Background:

Federal expanded unemployment insurance programs have served as a critical lifeline to millions of workers and families throughout the coronavirus pandemic. As we rebuild our economy and expand access to good jobs and higher wages, we should continue to provide support for those in need while incentivizing individuals to safely rejoin the workforce.

One way to achieve this goal is by increasing state-level flexibility regarding federal unemployment insurance benefits. Governors have the clearest view of local economic conditions and labor market dynamics, and this is especially true as states across the country are experiencing drastically different economic recoveries. Unfortunately, states currently face the decision to either opt-in or opt-out of the \$300/week Federal Pandemic Unemployment Compensation (FPUC) program -- but don't have the opportunity to provide partial benefits.

Summary:

Under the *Workforce Support and Flexibility Act*, governors would have the flexibility to decide the dollar amounts (between \$0 and \$300) for weekly benefits provided under the Federal Pandemic Unemployment Compensation (FPUC) program, until the benefit expires in September. Like a light switch, states only have an 'on' or 'off' option right now; this proposal would give them a 'dimmer' switch to meet the unique needs of their state.

For example, if a Governor decides that labor market conditions in the state reflect a need for \$100/week in FPUC benefits rather than \$300, he/she would have the flexibility to direct the state workforce agency to make that change and receive the equivalent reimbursement from the federal government.

This simple but impactful proposal has the potential to strengthen our economic recovery while providing workers with the necessary support as they safely re-enter the workforce.

The legislation is supported by Third Way and the National Restaurant Association.