



Michigan League FOR Human Services

**Testimony on House Bills 4785 and 4786 (UI Modernization)
House Labor Committee
May 6, 2009**

The Michigan League for Human Services supports House Bills 4785 and 4786. If enacted, these bills would allow Michigan to draw \$139 million in federal funds to modernize its unemployment system. We cannot afford to pass up this opportunity with so many in Michigan in need.

In March, we again had the nation's highest unemployment rate at 12.6 percent, and our rate has been the highest in the country for 23 out of the past 24 months.

Michigan's unemployment insurance system has not kept pace with the changing economy and with changing jobs. There are more part-time jobs now and more jobs requiring specialized training. These bills address that.

More than half of the states have already made these reforms and others are considering them.

Also, as we look for ways to stimulate the economy, unemployment benefits give the biggest bang for the buck, according to economist Mark Zandi with Moody's Economy.com. Zandi has testified before Congress that for each dollar spent in unemployment benefits, it generates \$1.65 in economic activity.

The League urges the Legislature to act to modernize our unemployment insurance system, help the unemployed and pull in \$139 million in needed funds.

Attached is a two-page paper on modernizing the Michigan Unemployment Insurance system.