CRFB Responds to Senate Unemployment Insurance Vote
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Today, the Senate passed a procedural vote to advance debate of a three-month extension of Unemployment Insurance benefits, which expired at the end of 2013. This extension, which moved forward with bipartisan support, would give Congress more time to negotiate a sustainable longer-term fix. Unfortunately, the bill includes no offsets for its $6 billion cost, violating the principles of pay-as-you-go budgeting.

"There are certainly many reasons for lawmakers to consider extending these benefits," said Maya MacGuineas, President of the Committee for a Responsible Federal Budget, "but that does not justify returning to the irresponsible policy of charging new spending to the already over-extended national credit card. If something is worth doing, it is worth paying for."

Democrats and Republicans in the House and Senate should work together to find responsible offsets for the cost of extending Unemployment Insurance benefits. A CRFB analysis has identified many options for paying for the three-month extension, including revenue increases and spending cuts. By offsetting the $6 billion dollar cost over a longer period of time, the pay-as-you-go approach would keep the debt from getting worse while accommodating the still weak economic situation.

"Done right, paying for these cuts would be good fiscal policy, good economic policy, and would send a political message that lawmakers' promises about not making the debt worse can be seen as credible."

This is the first of many priorities for Congress, as many programs and provisions are set to expire in early 2014. Legislators will also need to find fiscally responsible compromises for the farm bill, a highway bill, a fix for the Sustainable Growth Rate, and an extension of a number of expiring tax provisions.

"In order to avoid adding to the already unsustainable national debt, lawmakers must abide by their own rules for responsible budgeting as they work to renew expiring provisions," said MacGuineas. "This will be the first test of many, and if Congress backs away from its promises right out of the gate, it will set the stage for another year of punts, broken promises, and kicking the can down the road."