

November 7, 2011

The Honorable Senator Mike Crapo
239 Dirksen Senate Building
Washington, DC 20510

Dear Senator Crapo:

Idaho's unemployed and the businesses they support have survived this recession thanks in part to the payout of more than \$800 million in federally funded unemployment benefits since July 2008. These benefits have helped thousands of Idahoans pay their bills, take care of the mortgage and support local businesses.

I am a strong supporter of the unemployment insurance program and consider it America's most successful social program since its inception 75 years ago. I have supported unemployment insurance - including at least two benefit extensions - for more than 35 years, first as a private and public employment attorney, then as a state senator and, since 1995 as director of the Idaho Department of Labor.

More recently, I've been meeting with business owners, legislators, my staff and others throughout the state. Many tell me they are far less supportive of unemployment insurance than they were a year ago. After listening to these people and engaging in some serious personal reflection, I can no longer support extensions for several reasons:

- I believe the very individuals this program helps both now and in the future are being harmed by endless extensions. Some have been out of the workforce so long their skills and knowledge are beginning to deteriorate and their chances of re-employment are beginning to dim. Ending extended benefits will encourage many to re-enter the workforce where they will have a better chance of finding long-term employment.
- Benefit extensions are having a serious unintended consequence of undermining support for this vital program all across the country and certainly in Idaho. Many states including so-called "Blue States" like Michigan and Illinois lowered state-funded regular unemployment benefits this year. State legislators, including Idaho's, are seriously considering reductions for regular state-funded unemployment benefits and may refuse to accept federally funded extended unemployment benefits, which have been available to thousands of unemployed Idahoans for up to 73 additional weeks.
- Extended unemployment insurance benefits are adding billions of dollars to our national deficit because they are not fully funded. They are borrowed dollars. Moreover, I believe

unemployment insurance has become, in the eyes of many claimants and business owners, an "entitlement" or "welfare" program rather than one based on basic unemployment insurance principles that have served the program well with minimal controversy for decades.

My sense is Idaho's U.S. senators and congressman will vote "no" on more extended benefit proposals, and if Washington, D.C., votes to extend benefits, I am confident Idaho's Legislature and our Governor will refuse to accept them.

Our U.S. Department of Labor partners are doing an outstanding job of administering this very complex program and will no doubt be disappointed in this position. I also realize my opposition to extensions will upset thousands of Idaho citizens, and I am aware many Idahoans will have a tough time meeting their obligations if extended benefits are no longer readily available.

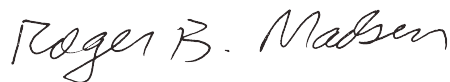
Nearly every area of the state is showing positive signs that our economy is improving. More good jobs are available now than during the severity of the recession, but that is not enough. While many Idaho businesses have healthy balance sheets, the mounting national debt and conflict in DC makes them uncertain about the economy.

If we want to give our Idaho businesses the confidence they need to increase hiring, action needs to be taken to reduce the national deficit, and unemployment insurance extensions must come to an end.

I am grateful and proud to have our agency administer Idaho's unemployment insurance program. Our employees are doing everything in their power to help the unemployed and underemployed upgrade their skills. Many are working with Idaho businesses to put people to work with the help of programs like On-the-Job Training.

Together we will help restore faith and fiscal responsibility in America's best social program.

Sincerely,

A handwritten signature in cursive script that reads "Roger B. Madsen".

Roger B. Madsen
Director

cc: Governor C.L. "Butch" Otter