

EMERGENCY COMPENSATION AND SPECIAL UNEMPLOYMENT ASSISTANCE EXTENSION ACT OF 1975

JUNE 26, 1975.—Ordered to be printed

Mr. ULLMAN, from the committee of conference,  
submitted the following

CONFERENCE REPORT

[To accompany H.R. 6900]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6900) to provide an additional thirteen weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for one year, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendments of the Senate numbered 3 and 4; and agree to the same.

Amendment numbered 1.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

*TITLE I—UNEMPLOYMENT COMPENSATION  
PROGRAMS*

*PART A—EMERGENCY UNEMPLOYMENT COMPENSATION*

*EMERGENCY PERIODS; BENEFIT WEEKS EXTENDED WHEN STATE UNEMPLOYMENT RATE IS HIGH*

*SEC. 101. (a) (1) Section 102(c) (3) (B) (i) of the Emergency Unemployment Compensation Act of 1974 is amended—*

*(A) by inserting "(I)" immediately after "if", and*

*(B) by inserting immediately before the period at the end thereof the following: ", and (II) the rate of insured unemploy-*

ment in such State for the period consisting of such week and the immediately preceding twelve weeks equaled or exceeded 5 per centum”.

(2) Section 102(c)(3)(B)(ii) of such Act is amended to read as follows:

“(ii) For purposes of subparagraph (A), there is a State ‘emergency off’ indicator for a week if the rate of insured unemployment in such State for the period consisting of such week and the immediately preceding twelve weeks is less than 5 per centum.

(b) Section 102(e) of such Act is amended to read as follows:

“(e)(1) Any agreement under this Act with a State shall provide that the State will establish, for each eligible individual who files an application for emergency compensation, an emergency compensation account.

“(2) Subject to the provisions of paragraph (3), the amount established in such account for any individual shall be equal to the lesser of—

“(A) 100 per centum of the total amount of regular compensation (including dependents’ allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation, or

“(B) twenty-six times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

“(3) Notwithstanding paragraph (2), the total amount of emergency compensation payable to any individual for weeks of unemployment which begin in a 5-per centum period (as defined in section 105(5)) shall not exceed the lesser of—

“(A) 50 per centum of the total amount of regular compensation (including dependents’ allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation, or

“(B) thirteen times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

“(4) The amounts determined under paragraphs (2) and (3) with respect to any individual shall each be reduced by the amount of any assistance paid to such individual under title II of the Emergency Jobs and Unemployment Assistance Act of 1974 for any weeks of unemployment in the 65-week period preceding the first week of unemployment with respect to which compensation is payable to such individual under this Act.”.

(c) Section 102(b)(2) of such Act is amended to read as follows:

“(2) for any week of unemployment which—

“(A) begins in—

“(i) an emergency benefit period (as defined in subsection (c)(3)), and

“(ii) the individual’s period of eligibility (as defined in section 105(2)); or

“(B) begins in an individual’s additional eligibility period (as defined in section 105(4)).”.

(d) Section 105 of such Act is amended—

(1) in paragraph (2), by striking out “and” at the end thereof,

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon, and

(3) by inserting after paragraph (3) the following new paragraphs:

“(4) the term ‘additional eligibility period’ means the thirteen-week period following the week in which an emergency benefit period ends in a State, as determined under section 102(c)(3); but no individual shall have an additional eligibility period unless there was payable to him in such State, for the week in which such emergency benefit period ended, either emergency compensation under this Act or extended compensation under the Federal-State Extended Unemployment Compensation Act of 1970;

“(5) the term ‘5-per centum period’ means a period in a State which begins with the third week after the first week in which the rate of insured unemployment in the State for the period consisting of such first week and the immediately preceding twelve weeks is less than 6 per centum and which ends with the second week after the first week in which the rate of insured unemployment in the State for the period consisting of such first week and the immediately preceding twelve weeks equals or exceeds 6 per centum; except that no 5-per centum period shall begin in any State prior to the fourteenth week after the last week in a preceding 5-per centum period in such State;

“(6) the term ‘rate of insured unemployment’ means the percentage arrived at by dividing the average weekly number of individuals filing claims for weeks of unemployment with respect to the specified period (as determined on the basis of the reports made by the State agency to the Secretary) by the average monthly covered employment for the specified period;

“(7) the rate of insured unemployment for any thirteen-week period shall be determined by reference to the average monthly covered employment under the State law for the first four of the most recent six calendar quarters ending before the close of such period; and

“(8) determinations with respect to the rate of insured unemployment in a State shall be made by the State agency in accordance with regulations prescribed by the Secretary.”.

(e) Section 102(c)(3)(A)(ii) of such Act is amended by inserting immediately before the period at the end thereof the following: “, and no emergency benefit period which began prior to January 1, 1976, shall end prior to such date”.

(f) Section 102(e)(3) of such Act is amended by striking out “July 1, 1975” and inserting in lieu thereof “January 1, 1976”.

(g) The amendments made by subsection (a) through (e) of this section shall be effective with respect to weeks of compensation which begin on or after January 1, 1976.

#### EXTENSION OF PROGRAM

SEC. 102. (a) Section 102(f)(2) of the Emergency Unemployment Compensation Act of 1974 is amended by striking out “after—” and all that follows and inserting in lieu thereof “after March 31, 1977.”.

(b) *The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by striking out "December 31, 1976" and inserting in lieu thereof "March 31, 1977".*

#### CONDITIONS OF ELIGIBILITY FOR BENEFITS

*SEC. 103. (a) Section 102 of the Emergency Unemployment Compensation Act of 1974 is amended by adding at the end thereof the following new subsection:*

*"(g) Notwithstanding the preceding provisions of this section, emergency compensation shall not be payable for any week to an individual who is not a participant in a training program which is approved by the Secretary if—*

*"(1) the State determines that there is a need for upgrading or broadening such individual's occupational skills and a program which is approved by the Secretary for such upgrading or broadening is available within a reasonable distance and without charge to the individual for tuition or fees, and*

*"(2) such individual is not an applicant to participate in such a program."*

#### STUDY AND REPORT BY SECRETARY OF LABOR

*SEC. 104. The Secretary of Labor shall conduct a study and review of the program established by the Emergency Unemployment Compensation Act of 1974 and the program established under title II of the Emergency Jobs and Unemployment Assistance Act of 1974 and shall submit to the Congress not later than January 1, 1977, a report on such study and review. Such study and review shall include—*

*(1) the employment, economic, and demographic characteristics of individuals receiving benefits under either such program,*

*(2) the needs of the long-term unemployed for job counseling, testing, referral and placement services, skill and apprenticeship training, career-related education programs, and public service employment opportunities, and*

*(3) an examination of all other benefits to which individuals receiving benefits under either such program are eligible together with an investigation of important factors affecting unemployment, a comparison of the aggregate value of such other benefits plus benefits received under either such program with the amount of compensation received by such individuals in their most recent position of employment.*

#### MODIFICATION OF AGREEMENTS

*SEC. 105. The Secretary of Labor shall, at the earliest practicable date after the date of enactment of this Act, propose to each State with which he has in effect an agreement under section 102 of the Emergency Unemployment Compensation Act of 1974 a modification of such agreement designed to provide for the payment of the emergency compensation benefits allowable under such Act by reason of the amendments made by this part. Notwithstanding any provision of the Emergency Unemployment Compensation Act of 1974, if any State*

fails or refuses, within the three-week period beginning on the date of the enactment of this Act, to enter into such a modification of such agreement, the Secretary of Labor shall terminate such agreement.

#### COORDINATION WITH SPECIAL UNEMPLOYMENT ASSISTANCE

SEC. 106. Section 102(e) of the Emergency Unemployment Compensation Act of 1974 (as in effect on the day before the date of the enactment of this Act) is amended, effective July 1, 1975, by adding at the end thereof the following new paragraph:

"(4) The amount determined under paragraphs (2) and (3) with respect to any individual shall each be reduced by the amount of any assistance paid to such individual under title II of the Emergency Jobs and Unemployment Assistance Act of 1974, for any weeks of unemployment in the 65-week period preceding the first week of unemployment with respect to which compensation is payable to such individual under this Act."

#### PART B—MISCELLANEOUS

##### REPAYMENT OF STATE LOANS

SEC. 110. (a) Section 3302(c)(3) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new sentence: "The provisions of the preceding sentence shall not be applicable with respect to the taxable year beginning January 1, 1975, or any succeeding taxable year which begins before January 1, 1978; and, for purposes of such sentence, January 1, 1978, shall be deemed to be the first January 1 occurring after January 1, 1974, and consecutive taxable years in the period commencing January 1, 1978, shall be determined as if the taxable year which begins on January 1, 1978, were the taxable year immediately succeeding the taxable year which began on January 1, 1974."

(b) (1) The amendment made by subsection (a) shall not be applicable in the case of any State unless the Secretary of Labor finds that such State has studied and taken appropriate action with respect to the financing of its unemployment programs so as substantially to accomplish the purpose of restoring the fiscal soundness of the State's unemployment account in the Unemployment Trust Fund and permitting the repayment within a reasonable time of any advances made to such account under title XII of the Social Security Act. For purposes of the preceding sentence, appropriate action with respect to the financing of a State's unemployment programs means an increase in the State's unemployment tax rate, an increase in the State's unemployment tax base, a change in the experience rating formulas, or a combination thereof.

(2) The Secretary of Labor shall promptly prescribe and publish in the Federal Register regulations setting forth the criteria according to which he will determine the requirements of the preceding paragraph.

(3) Immediately after he makes a determination with respect to any State under paragraph (1), the Secretary of Labor shall publish such

determination, together with his reasons therefor, in the Federal Register.

And the Senate agree to the same.

Amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

## TITLE II—AMENDMENTS OF EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974

### EXTENSION OF SPECIAL UNEMPLOYMENT ASSISTANCE

*SEC. 201. (a) Section 206 of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by striking out so much of the first sentence as precedes "Provided, That" and inserting in lieu thereof the following: "Except as provided by subsection (b), the maximum amount of assistance under this title which an eligible individual shall be entitled to receive during any special unemployment assistance benefit year shall be 150 per centum of the maximum amount that would have been payable to such individual during such benefit year as computed under the provisions of the applicable State unemployment compensation law, but not exceeding thirty-nine times the weekly benefit payable to the individual for a week of total unemployment as determined under subsection (a) of section 205:"*

*(b) Section 208 of such Act is amended—*

*(1) by striking out "March 31, 1976" and inserting in lieu thereof "March 31, 1977"; and*

*(2) by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1976".*

### DENIAL OF SPECIAL UNEMPLOYMENT ASSISTANCE IN CASE OF CERTAIN EMPLOYEES OF EDUCATIONAL INSTITUTIONS

*SEC. 202. Section 203 of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by inserting "(a)" after "SEC. 203." and by adding at the end thereof the following new subsection:*

*"(b) An individual who performs services in an instructional, research, or principal administrative capacity for an educational institution or agency shall not be eligible to receive a payment of assistance or a waiting period credit with respect to any week commencing during the period between two successive academic years (or, when the contract provides instead for a similar period between two regular but not successive terms, during such similar period) if—*

*"(1) such individual performed services in any such capacity for any educational institution or agency in the first of such academic years or terms; and*

*"(2) such individual has a contract to perform services in any such capacity for any educational institution or agency for the later of such academic years or terms."*

## TECHNICAL AND CLARIFYING AMENDMENTS

SEC. 203. (a) Section 210 of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by adding at the end thereof the following new section:

"(c) Employment and wages which are not covered by the State law may be treated, under sections 203(a)(1), 205(a), and 206(a), as though they were covered only if the employment—

"(1) is performed by an employee (as defined in section 3121 (d) of the Internal Revenue Code of 1954), and

"(2) constitutes employment as determined under section 3306 (c) of such Code without regard to paragraphs (1) through (9), (10) (B) (ii), (14), (15), and (17) of such section.

For purposes of paragraph (2), section 3306(c) of such Code shall be applied as if the term 'United States' includes the Virgin Islands."

(b) (1) Section 205 of such Act is amended—

(A) by striking out the last sentence of subsection (b); and

(B) by adding at the end thereof the following new subsections:

"(c) If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statements or representation or of such nondisclosure such individual has received an amount of assistance under this title to which he was not entitled, such individual—

"(1) shall be ineligible for further assistance under this title in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

"(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

"(d) (1) In the case of individuals who have received amounts of assistance under this title to which they were not entitled, the State is authorized to require such individuals to repay the amounts of such assistance to the State agency, except that the State agency may waive such repayment if it determines that—

"(A) the payment of such assistance was without fault on the part of any such individual, and

"(B) such repayment would be contrary to equity and good conscience.

"(2) The State agency may recover the amount to be repaid, or any part thereof, by deductions from any assistance payable under this title or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the three-year period after the date such individuals received the payment of the assistance to which they were not entitled, except that no single deduction may exceed 50 per centum of the weekly benefit amount from which such deduction is made.

"(3) No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an op-

portunity for a fair hearing has been given to the individual, and the determination has become final.

"(e) Any determination by a State agency under subsection (c) or (d) shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent."

(2) Section 210(a) of such Act is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(5) 'State agency' means the agency of the State which administers the program established by this title; and

"(6) 'special unemployment assistance benefit year' means the fifty-two week period beginning with the first week for which an individual files a valid claim for special unemployment assistance."

(c) Section 206 of such Act is amended by inserting "(a)" after "SEC. 206." and by adding at the end thereof the following new subsection:

"(b) In the case of any individual who files a claim for assistance under this title during a benefit year which such individual has established under any State unemployment compensation law, the maximum amount of assistance under this title which such individual shall be entitled to receive during the special unemployment assistance benefit year established pursuant to such claim (as determined under subsection (a) without regard to this subsection) shall be reduced by the amount of any unemployment compensation received during the benefit year established under the State unemployment compensation law."

(d) Paragraph (4) of section 203(a) of such Act (as amended by section 202 of this Act) is amended by striking out "subsection (b)" and inserting in lieu thereof "paragraph (2)".

#### EFFECTIVE DATES

SEC. 204. (a) The Secretary of Labor shall, at the earliest practicable date after the date of the enactment of this Act, propose to each State with which he has in effect an agreement under section 202 of the Emergency Jobs and Unemployment Assistance Act of 1974 a modification of such agreement designed to provide for the payment of the special unemployment assistance allowable under such Act by reason of the amendments made by section 201. Notwithstanding any other provision of law, if any State fails or refuses, within the three-week period beginning on the date of the enactment of this Act, to enter into such a modification of any such agreement, the Secretary of Labor shall terminate such agreement.

(b) Assistance shall be payable to individuals under agreements entered into by States under title II of the Emergency Jobs and Unemployment Assistance Act of 1974, by reason of the amendments made by section 201 of this Act, for weeks of unemployment beginning on or after July 1, 1975.

(c) The amendments made by section 202 and subsections (c) and (d) of section 203 shall apply to weeks of unemployment beginning after the date of the enactment of this Act.



(d) *The amendment made by section 203(a) shall take effect on December 31, 1974.*

(e) *The amendments made by subsections (b) and (c) of section 203 shall take effect on the date of the enactment of this Act.*

And the Senate agree to the same.

AL ULLMAN,  
 JAMES A. BURKE,  
 JAMES C. CORMAN,  
 MARTHA KEYS,  
 H. T. SCHNEEBELI,  
 WILLIAM A. STEIGER,

*Managers on the Part of the House.*

RUSSELL B. LONG,  
 HERMAN E. TALMADGE,  
 VANCE HARTKE,  
 ABRAHAM RIBICOFF,  
 HARRISON WILLIAMS,  
 GAYLORD NELSON,  
 CARL T. CURTIS,  
 PAUL FANNIN,  
 CLIFFORD P. HANSEN,  
 JACOB JAVITS,

*Managers on the Part of the Senate.*

## JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6900) to provide an additional thirteen weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for one year, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

### SENATE AMENDMENT NUMBERED 1

#### EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM

*House bill.*—The House bill extends until July 1, 1976, the provision in the Emergency Unemployment Compensation Act of 1974 which allows individuals to receive up to 26 weeks of emergency benefits. It also provides for the modification of existing agreements under such Act to take account of such extension.

*Senate amendment.*—The Senate amendment numbered 1 contains the following provisions:

#### Part A—Emergency Unemployment Compensation

(1) *Duration of emergency benefit payments.*—The provision in the Emergency Compensation Act of 1974 which allows individuals to receive up to 26 weeks of emergency benefits would be extended until December 31, 1975. Thereafter, the insured unemployment rate in individual States would determine whether emergency benefits could be paid. When the insured unemployment rate in a State is more than 5 percent, but less than 6 percent, workers in that State could be paid up to 13 weeks of emergency benefits; when the rate is 6 percent or more, up to 26 weeks of emergency benefits could be paid. When the insured unemployment rate in a State drops below the 6 percent or 5 percent level, however, unemployed workers in the State who are receiving emergency benefits would continue to receive benefits. Benefits would continue for up to a maximum of 13 additional weeks or, if less, the number of additional weeks of benefits the individual would have qualified for if the insured unemployment rate had not declined.

(2) *Extension of program.*—The emergency unemployment benefit program, which expires December 31, 1976, under both current law and the House bill, under the Senate amendment would continue until March 31, 1977, on a State trigger basis. Also

the provision of present law waiving the requirement that the insured unemployment rate in a State be at least 20 percent higher than in the prior two years for a State to qualify for extended benefits on the basis of the State insured unemployment rate would be continued until March 31, 1977.

(3) *Conditions of eligibility for emergency benefits.*—As a condition of eligibility for emergency unemployment benefits, the Senate amendment requires a recipient of benefits to accept training in a program approved by the Secretary, but only if such a program is available without charge to the recipient and within a reasonable distance and if the State determines that there is a need for upgrading or broadening his occupational skills. If an individual was not participating in a training program, he could not continue to be eligible for emergency benefits if he refused a job offer. However, he could not be required to take a job:

(A) which is vacant solely because of a labor dispute;

(B) if as a condition of being employed the worker would have to join a company union or would have to refrain from joining any bona fide labor organization;

(C) in which the wages or conditions of work are substantially less favorable than those which prevail in the locality for similar work;

(D) which poses an unreasonable threat to the individual's health or safety, taking into account his physical condition;

or

(E) which involves traveling an unreasonable distance to work.

Agreements between the Secretary of Labor and the States for administering the emergency benefits program would have to provide for the referral of applicants for emergency benefits to any jobs which are suitable for them under these special criteria to the extent that such jobs are available.

(4) *Funding of emergency unemployment benefits.*—Beginning July 1, 1975, emergency benefits would be funded from general revenue and would not be repaid ultimately from employer payroll taxes.

(5) *Study of emergency benefits program.*—The Secretary of Labor would be required to conduct a study of the emergency benefits program, with particular emphasis on (A) the economic and demographic characteristics of individuals receiving benefits under the program, and (B) the other kinds of benefits they are eligible for. The report on the study would be due by January 1977.

(6) *Modification of agreements.*—In a provision virtually identical to the provision in the House bill, agreements with the States would be modified to provide for the additional emergency benefits authorized by the bill.

(7) *Conforming amendment.*—The number of weeks of emergency benefits an individual may receive would be reduced by the number of weeks of special unemployment assistance he has received during the 65-week period before the individual filed a claim for emergency benefits.

## Part B—Miscellaneous

*Repayment of State loans.*—Under present law States may obtain advances from the Federal accounts in the Unemployment Trust Fund when their own State accounts have insufficient funds to meet benefits obligations. These advances constitute interest-free loans which must be repaid. If the loans are not repaid within the prescribed period, the Federal unemployment tax rate on employers in the affected State is, in effect, automatically increased each year until the loan has been repaid. The Senate amendment would permit the suspension of the higher tax rate for the three years (1975, 1976, and 1977), but only in States where the Secretary of Labor determines that the State has studied and taken appropriate action with respect to the structure of its unemployment compensation program, including its financing so as to substantially accomplish the purpose of restoring the fiscal soundness of the State's unemployment account and to permit the repayment within a reasonable time of the amount advanced to the State from the Federal account.

*Conference agreement.*—The conference agreement substantially follows the provisions of the Senate amendment except that—

(1) the conference agreement does not include the provision in the Senate amendment which provides that, as a condition of receiving emergency benefits, an individual who is not a participant in a training program must accept any reasonable job offer;

(2) the conference agreement does not include the provision in the Senate amendment which provides for the funding of emergency benefits from general revenues;

(3) the conference agreement includes a provision which combines the study required under the Senate amendment numbered 1 with the study required under Senate amendment numbered 2; and

(4) the conference agreement (A) includes a modification in the Senate provision relating to repayment of State loans requiring the State to take appropriate action with regard specifically to the financing of its unemployment programs to be eligible for the suspension of the higher tax rate contained in the Senate amendment, and (B) requires the Secretary of Labor to publish regulations under which he will make the required determinations and publish each of such determinations in the Federal Register.

It is intended that in establishing the criteria provided for in the conference agreement the Secretary of Labor will permit the States maximum flexibility in the appropriate action they take.

While the conferees anticipate that this study will be of assistance in fashioning future legislation, the conduct of the study should not be taken as an indication that Congress will delay consideration of further amendments—of either a temporary or permanent nature—to the unemployment insurance program until after the study is completed.

During the course of the study conducted under the provision contained in the conference agreement, the managers expect that the Secretary of Labor will provide an opportunity for each member of the Senate Finance Committee, Senate Committee on Labor and Public Welfare, and of the Committee on Ways and Means of the House of Representatives to consult with him or his designee.

## SENATE AMENDMENT NUMBERED 2

### SPECIAL UNEMPLOYMENT ASSISTANCE

Both the House bill and the Senate amendment extend the program of special unemployment assistance through December 31, 1976, and make certain changes in the program. Both—

(1) provide that special unemployment assistance will not be paid to teachers, researchers, or individuals performing services in a principal administrative capacity who are employed by educational institutions during the period between academic years or terms if they have contracts with any educational institution for both of such years or terms;

(2) contain a clarification of what constitutes employment and wages for purposes of special unemployment assistance; and

(3) provide that an individual's entitlement to special unemployment assistance for any benefit year is to be reduced by the amount of regular, extended, or emergency benefits paid to such individual during such benefit year.

The differences between the House bill and the Senate amendment are described below:

#### DURATION OF SPECIAL UNEMPLOYMENT ASSISTANCE

*House bill.*—The House bill provides an increase (from 26 to 39) in the maximum number of weeks of special unemployment assistance and such increase is effective until July 1, 1976.

*Senate amendment.*—The Senate provides for up to 39 weeks of special unemployment assistance benefits for the duration of the Special Unemployment Assistance Program.

*Conference agreement.*—The conference agreement follows the Senate amendment.

#### FRAUD AND ERRONEOUS PAYMENT

The House bill and the Senate amendment both provide that an individual will be ineligible for assistance and subject to criminal prosecution if he knowingly provides false information, or fails to disclose information, and as a result of such false information or nondisclosure receives special unemployment assistance to which he was not entitled.

*House bill.*—The House bill also provides that the amount of any erroneous payment shall be repaid to the State agency administering the special unemployment assistance program, except that the State agency may waive such repayment in cases where the erroneous payment was not the fault of the individual. The State agency would be authorized to collect the amount of any erroneous payment by deductions from other unemployment benefits.

*Senate amendment.*—The Senate amendment contains provisions similar to those in the House bill except that (1) the State is authorized rather than directed to require the repayment of any erroneous payment, (2) the State agency may not require the repayment of any erroneous payment, or make any deduction from other unemployment compensation, until the individual involved has been notified and given an opportunity for a fair hearing and a final determination has been made, and (3) the amount of any deduction from unemployment benefits resulting from an erroneous payment may not exceed 50 percent of the weekly benefit from which it is deducted. The Senate amendment also makes clear that a State's choice to recover part of the overpayment through deductions from other unemployment payments does not preclude the State from requiring repayment of any amounts still owed.

*Conference agreement.*—The conference agreement follows the Senate amendment.

#### BENEFIT YEAR

*House bill.*—The House bill defines "special unemployment assistance benefit year" as the same benefit year as is used by the State in its regular unemployment compensation program.

*Senate amendment.*—The Senate amendment defines "special unemployment assistance benefit year" as the 52-week period beginning the week for which a valid claim is filed for special unemployment assistance.

*Conference agreement.*—The conference agreement follows the Senate amendment.

#### QUALIFYING EMPLOYMENT

*House bill.*—The House bill provides that an individual can not qualify for special unemployment assistance if his only work has been in employment covered under the regular unemployment program.

*Senate amendment.*—Senate amendment numbered 2 does not contain a comparable provision.

*Conference agreement.*—The conference agreement does not contain the provision contained in the House bill. However, the conference agreement does deal with the problem addressed in the House bill by following the provision in Senate amendment numbered 1 which reduces the amount of emergency unemployment benefits payable to an individual by the amount of the special unemployment benefits received by such individual.

#### EFFECTIVE DATE

*House bill.*—The House bill provides that the special unemployment assistance allowable because of the extension of benefits can be paid for any week after the latest of (1) the date when the State modifies its agreement with the Secretary to take into account this Act; (2) the date of enactment; or (3) July 1, 1975.

*Senate amendment.*—Under the Senate amendment, assistance could be paid under State agreements for weeks of unemployment beginning July 1, 1975.

*Conference agreement.*—The conference agreement follows the Senate amendment.

## STUDY

*House bill.*—No provision.

*Senate amendment.*—Under the Senate amendment, the Secretary of Labor is required to submit a report to the Congress on experience under the emergency unemployment compensation and special unemployment assistance programs, including the needs of the long-term unemployed for employment services, training, and public service employment opportunities. An interim report is required by June 30, 1976, and a final report by June 30, 1977.

*Conference agreement.*—The conference agreement combines the study required under this Senate amendment with the study required under Senate amendment numbered 1.

## SENATE AMENDMENT NUMBERED 3

## LOANS TO VIRGIN ISLANDS

*House bill.*—The House bill would authorize appropriations to permit the Secretary of Labor to loan up to \$5 million to the Virgin Islands to enable that jurisdiction to continue meeting its unemployment benefit obligations, with the loan subject to repayment without interest no later than January 1, 1978.

*Senate amendment.*—The Senate amendment contains a similar provision except that the Senate amendment would require that interest be charged on any portion of such a loan which remains on the books after January 1, 1978, and, if the Virgin Islands is ever made a part of the regular Federal-State unemployment insurance system, the loan will at that point be treated as though it had been an advance made under title XII of the Social Security Act.

## TRADE ADJUSTMENT ASSISTANCE

*House bill.*—No provision.

*Senate amendment.*—The Senate amendment would extend by two weeks the period in which a State must enter into an agreement to administer the trade adjustment assistance benefit program under the Trade Act of 1974.

## CONFERENCE AGREEMENT

The House recedes on Senate amendment numbered 3.

## SENATE AMENDMENT NUMBERED 4

## LOWEST PRICE REQUIREMENT FOR HOME PURCHASE TAX CREDIT

*House bill.*—No provision.

*Senate amendment.*—Present law provides a tax credit equal to 5 percent of the purchase price of a new principal residence (up to a maximum of \$2,000) which was either built or in the process of being constructed as of March 25, 1975. However, the credit is available only if the seller certifies that the purchase price is the "lowest price at

which the residence was ever offered for sale". The Senate amendment would instead require that he certify the purchase price to be the "lowest price at which the residence was offered for sale after February 28, 1975".

The Senate amendment also provides that the seller's written certification may be in any form so long as it is signed by the seller and contains the required information on purchase price and date of beginning of construction.

#### CONFERENCE AGREEMENT

The House recedes on Senate amendment numbered 4.

#### SENATE AMENDMENT NUMBERED 5

##### EXTENSION OF DATE CONTAINED IN HOUSING CREDIT

*House bill.*—No provision.

*Senate amendment.*—The Senate amendment extends the housing tax credit to include new principal residences the construction of which began before June 19, 1975 (compared with March 26, 1975, under present law).

#### CONFERENCE AGREEMENT

The Senate recedes on Senate amendment numbered 5.

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