

NATIONAL TURNOFF

Jobless Aid, Toxic Waste Cleanup Stop

By Stephen Barr
and Frank Swoboda
Washington Post Staff Writers

Kansas stopped paying unemployment benefits yesterday, the first time a state has turned away claims in the federal program's 60-year history.

The Environmental Protection Agency sent home 2,400 of its "Superfund" workers and stopped toxic waste cleanup work at 609 sites across the nation, throwing hundreds of contract employees out of work.

Eleven companies, including Blue Cross, are using \$5 million to \$6 million a day of their own money, rather than the government's, to process Medicare claims and pay their employees.

With the holiday season over, the impact of the partial government shutdown came into sharper focus as private sector companies and state agencies struggled with the ripple effects from Washington. It also generated more disgust with Washington's ways.

"We've never been through anything like this before," said Ronald Frank, executive vice president of Ecology and Environment, a Superfund contractor based near Buffalo who will furlough a "couple hundred" workers today. "I don't think this is the way the system ought to work."

Stephen Crickmore, the president of AdminiStar Federal in In
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SHUTDOWN, From A1

dianapolis, administers Medicare claims for the government. He has been paying 650 employees out of company reserves since the shutdown started on Dec. 16.

"If they had their own business, would they run that business this way?" he asked, referring to Congress. For the government to have no plan to ensure that its programs will continue operating, he said, "seems kind of ridiculous."

His company, Crickmore said, is "looking at how long we're going to continue what we're doing at this point, which is subsidizing the federal government." Early next week, he said, the company will have to decide whether to furlough employees.

Other companies, however, have started sending workers home. EPA contractors across the country received "stop work" orders yesterday, the first wave of several that could jeopardize the jobs of up to 10,000 Superfund workers.

In Houston, Peter Arrowsmith, president of NUS, a Superfund contractor, said his company had started laying off employees and would soon have 125 employees, 15 percent of his work force, sent home without pay.

Michael Tilchin, director of Super-

fund programs at CH2M Hill Ltd., said "hundreds of employees" would be furloughed. His company is helping clean up an old manufacturing plant in Hellertown, Pa., where hazardous wastes have contaminated the ground water.

The job is 95 percent complete and may be an "unintended consequence," Tilchin said. "In the event the shutdown persists, the costs of shutting it down and restarting it may be larger than the cost of completing the work," he said.

Like the other EPA contractors, Frank said his New York-based company would furlough "a couple hundred" workers today unless the White House and Congress agreed to end the shutdown.

Administration officials, such as Labor Secretary Robert B. Reich, and Health and Human Services Secretary Donna E. Shalala, have said repeatedly that the shutdown would disrupt services to a wide range of Americans, not just federal employees. But Republicans, such as Sen. Phil Gramm (Tex.), have argued that, if anything, the shutdown would show what little role the government plays in the lives of ordinary citizens. Republicans point out that the agencies now closed kept almost 500,000 employees on the job to provide services while sending a smaller number—280,000—home.

Yesterday, Reich pointed to the closure of the Kansas unemployment offices as an example of the shutdown's fallout, saying "the people who have lost their jobs in Kansas this week are simply out of luck."

The Labor Department estimated that are between 1,900 and 2,600 new claims for unemployment benefits in Kansas each week. Wayne Franklin, state secretary of human resources in Topeka, said the state did not have the \$60,000 a day to keep the unemployment benefits offices open.

Kansas has plenty of money in the unemployment insurance trust fund to pay the benefit claims, but it relies on the federal government to pay the cost of administering the program.

At least 10 other states and the District of Columbia also have exhausted

federal funds to administer their unemployment insurance programs, Reich said. District officials said yesterday that 40,000 furloughed federal employees have filed unemployment claims related to the current shutdown. The city, which usually pays about 35,000 claims a year, could issue its first shutdown checks next week.

Reich said officials do not know how long the District offices can stay open. New Mexico, which has a relatively large federal population, also has run out of federal money. "It is an open question whether they'll be able to continue at all," Reich said.

Alaska will try to stay open until Saturday, while Alabama is also using state money to finance the unemployment program through Friday.



Joseph Rourke of the District makes way to microphone to tell a Capitol Hill news conference about plight of senior citizens who rely on federal services.

BY RAY LUSTIG—THE WASHINGTON POST

In Little Rock, officials with the Arkansas Rehabilitation Services virtually disbanded their state agency for the disabled because the federal money has stopped coming from Washington.

Commissioner Bobby Simpson said he had to furlough 495 of the agency's 1,003 employees, meaning that 17,000 Arkansas residents with physical and mental disabilities will have no office to turn to for help with job training, special vehicles for commuting to work, and other services. The state rehabilitation office, which has an annual budget of \$38 million, receives 76 percent of its funding from the federal government.

"It's ironic because we're in, the

business of putting people to work, of helping to turn tax users into taxpayers," Simpson said. "We held on as long as we could...."

Despite the problems in some states, reports yesterday by Washington Post correspondents showed that other states were coping with the shutdown, keeping their services available even when faced with lapses in federal funding.

Michigan, for example, has been using its own revenue to make up for the cutoff of federal funds in crucial programs such as Aid to Families with Dependent Children (AFDC) and Med-

icaid, said John Truscott, a spokesman for Gov. John Engler (R). "We can't fund them forever, but for the next couple of weeks we're okay," Truscott said.

Wisconsin is preparing to use more of its own funds for those two major programs this week but is counting on an eventual reimbursement from the federal government, said James R. Klausner, the state's secretary of administration. He said AFDC and Medicaid payments range between \$25 million and \$40 million a week in Wisconsin. "We look at it every week," he said. "We're comfortable right now."

California is losing more than \$5 million a day in tourism revenue. Officials of Mariposa County, the home of Yosemite National Park, asked Gov. Pete Wilson (R) to declare the county an economic disaster zone, but Wilson turned down the request, saying it exceeded the scope of his authority.

The shutdown also cut into the pensions of about 150,000 retired railroad workers. The retirees, most over 70 years of age, receive a portion of their pension from appropriated funds and the rest from a retirement trust fund. They will lose about two-thirds of an average \$130 monthly payment that is paid directly from the treasury; the rest of their annuity from the railroad trust fund will not be reduced.

Federal agencies, meanwhile, continue to struggle to provide services.

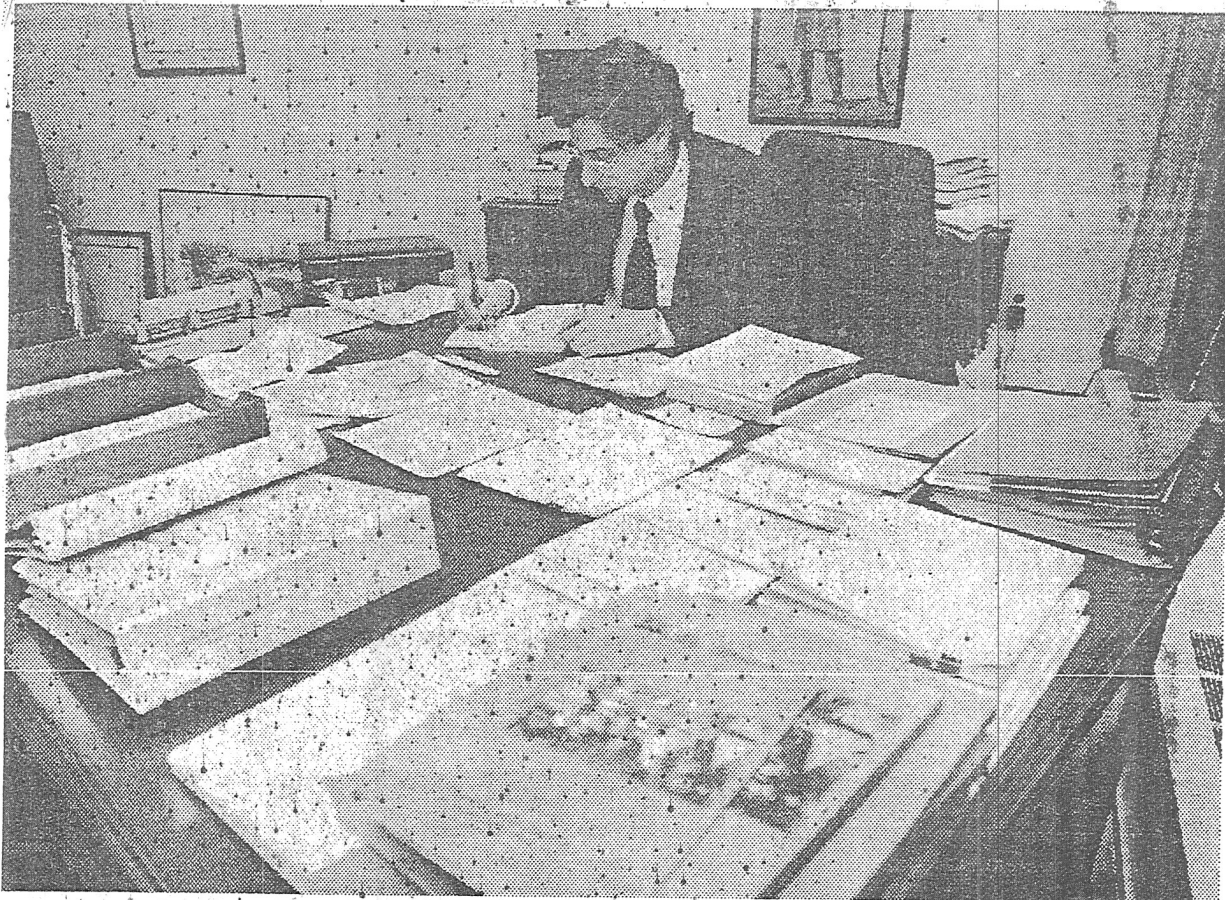
Only two of the 15 employees that the Department of Housing and Urban Development has in Flint, Mich., for example, have been allowed to report to work during the shutdown. That has forced the office to delay opening any bids from families or real estate agents for HUD property. Also, none of the roughly 500 families that have home-purchase loans through the field office have been able to get any help, especially those who are drifting farther into delinquency.

"The sense of emergency is much higher now than before," HUD coordinator Gary LeVine said. "The three-day shutdown before wasn't so bad. Three weeks is. This is no way to treat the public."

Staff writers David Brown, William Claiborne, D'Vera Cohn, Rene Sanchez, Barbara Vebejda, Sue Anne Pressley, Malcolm Gladwell, Ed Walsh and Jennifer Ordonez contributed to this report.

FOR MORE INFORMATION

For a list of government agencies closed by the shutdown, see *Digital Ink*, The Post's on-line service. To learn about *Digital Ink*, call 202-334-4740.



Jon Z. Cannon, general counsel for the Environmental Protection Agency, is one of those federal employees working despite the government shutdown. He is keeping the agency current on all of its court commitments.

BY TYLER MALLORY—THE WASHINGTON POST