

November 16, 2022

The Honorable Charles Schumer
The Honorable Mitch McConnell
The Honorable Patrick Leahy
The Honorable Richard Shelby
The Honorable Patty Murray
The Honorable Roy Blunt
United States Senate
Washington, D.C., 20510

The Honorable Nancy Pelosi
The Honorable Kevin McCarthy
The Honorable Rosa DeLauro
The Honorable Kay Granger
The Honorable Tom Cole
United States House of Representatives
Washington, D.C. 20515

Dear Members of Congress:

During the COVID-19 pandemic, unemployment insurance (UI) provided temporary income support to over [53 million workers who had lost their jobs through no fault of their own and put \\$870 billion back into America's economy](#). It also unveiled severe inefficiencies in state UI systems, with workers suffering inordinately long waits for staff assistance and states struggling to provide federal and state benefits accurately and promptly. In June 2022, the federal [Government Accountability Office \(GAO\) study](#) concluded that when the pandemic began, states “were not well positioned to handle the unprecedented surge in claims volume”. GAO study also reported that “expanded UI and other forms of cash assistance included in the CARES Act had the biggest positive impact on Black and Hispanic or Latinx families’ financial security,” but these gains will be short-lived if Congress does not act to support the core UI program.

Decades of underinvestment in the administration of the program resulted in overburdened and outdated state UI systems without the necessary human and technology resources needed – especially when claims surge. This chronic underfunding is significant and harmful. For example, [between 1999 to 2019, on an inflation adjusted basis, federal funding for state administration of UI declined 30%](#). This large financial gap is exacerbated by the fact that during this time, America’s population and workforce increased dramatically. The lack of federal resources has placed inordinate stress on the state government workers responsible for processing UI claims and related services, and weakened every states’ ability to process claims appropriately, equitably and in a timely manner.

With the lessons from the pandemic still fresh in the mind of Americans, now is the time to reinvest in the core capacity of this critical safety net for unemployed Americans. The President’s [fiscal year 2023 budget has allocated \\$3.185 billion to states for UI, including \\$2.809 billion in UI grants for states to administer unemployed workers claims and benefits](#). This new funding would allow DOL to update the allocation formula to the states to accurately reflect the cost of processing claims and paying staff.

The House of Representatives Labor HHS Appropriations Subcommittee [reported out an FY 23 appropriations bill](#), H.R. 8295, which approved President Biden's request to increase state grants for UI administration by \$208 million from \$2.601 to \$2.809 billion. The [Senate Labor-HHS Appropriations Subcommittee](#) chair Patty Murray (D-WA) introduced a bill, S. 4659, to do the same.

We urge appropriators and the entire Congress to include the full increase in federal administrative funding for unemployment insurance, already endorsed by the governing appropriating subcommittees, into congress' final negotiated FY 2023 appropriations package. We cannot afford to leave our states' unemployment safety net unprepared for the next economic downturn. The failure to act would particularly harm Black workers and other people of color who due to systemic racism in the labor market experience higher rates and longer durations of unemployment, but the impact would be felt by all Americans across occupation, income, race, gender, ideology, and geography.

Sincerely,

A Better Balance
AFL-CIO
African American Health Alliance
AFSCME Council 18
AFSCME Council 31
AFSCME Council 5
AFSCME Council 61
AFSCME Council 65
AFSCME Florida
Alaska State Employees Association (ASEA)
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers
Armenian Relief Society of Western USA, Social Services
Binational Center for the Development of Indigenous Oaxacan Communities (CBDIO)
Campaign for America's Future
Caring Across Generations
CASH Campaign of Maryland
Catholic Labor Network
Center for Disability Rights
Center for Law and Social Policy
Center for Popular Democracy
Center for Worker Justice in Eastern Iowa
Center for Workers' Rights
Charlotte Center for Legal Advocacy
Coalition of Labor Union Women/USW
Coalition on Human Needs
Colorado Fiscal Institute
Common Good Iowa
Communications Workers of America (CWA)

Community Legal Services, Inc.
Consumer Action
COVID Survivors for Change
Digital Benefits Network at the Beeck Center for Social Impact + Innovation at Georgetown University
DRUM - Desis Rising Up & Moving
Duquesne Law School Unemployment Clinic
Economic Opportunity Institute
Economic Policy Institute
Equal Justice Center
Equal Rights Advocates
Every Texan
Florida Policy Institute
Georgia Budget and Policy Institute
Grand Canyon Institute
Greater Hartford Legal Aid
Groundwork Collaborative
Hispanic Federation
IAM District 751
Immigration Research Initiative
Impact Fund
Institute for Women's Policy Research
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
Jobs With Justice
Justice at Work Pennsylvania
Kentucky Center for Economic Policy
Kentucky Equal Justice Center
The Leadership Conference on Civil and Human Rights
League of United Latin American Citizens (LULAC)
Legal Action Chicago
Legal Aid At Work
Legal Aid Justice Center
Main Street Alliance
MANA, A National Latina Organization
Marketing Partners Inc.
Maryland Center on Economic Policy
Metropolitan Washington Council, AFL-CIO
Michigan League for Public Policy
Missouri Asian American Youth Foundation
Missouri Budget Project
Missouri Jobs with Justice
Mixteco Indigena Community Organizing Project (MICOP)
MomsRising
Mon Valley Unemployed Committee
Mountain State Justice, Inc.
NAACP

National Association of Social Workers, CT Chapter
National Center for Law and Economic Justice
National Council of Jewish Women
National Disability Rights Network (NDRN)
National Employment Law Project
National Employment Lawyers Association
National Health Care for the Homeless Council
National Immigration Law Center
National Network to End Domestic Violence
National Organization of Legal Services Workers, UAW Local 2320
National Partnership for Women & Families
National Women's Law Center
NETWORK Lobby for Catholic Social Justice
New Haven Legal Assistance Association
New Jersey Association on Correction
New Mexico Center on Law and Poverty
North Carolina Justice Center
Northwest Workers' Justice Project
Policy Matters Ohio
Poverty Project at the Institute for Policy Studies
Pride at Work
Public Advocacy for Kids (PAK)
Public Citizen
Public Justice Center
Rachel Carson Council
RESULTS
ROC United
Safe Harbor Law LLC
Santa Clara County Wage Theft Coalition
Sciencecorps
SEIU 775
Service Employee International Union
Shriver Center on Poverty Law
Sojourners
Sugar Law Center for Economic and Social Justice
The MADE Institute
The National Education Association
Transport Workers Union of America
Unemployment Law Project
Union for Reform Judaism
United Steelworkers (USW)
Victor Forberger, Esq. (Wisconsin unemployment)
Virginia Poverty Law Center
Washington Federation of State Employees/AFSCME Council 28
Washington State Labor Council, AFL-CIO

We All Rise

West Virginia Center on Budget and Policy

William E. Morris Institute for Justice

Women Employed

Women's Law Project

Workplace Justice Project at Loyola Law Clinic