

Congress of the United States
Washington, DC 20510

July 8, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy,

We write to respectfully request that you provide relief for state Unemployment Insurance (UI) programs to ensure that these programs are able to continue providing support for the millions of American workers who have lost their jobs due to the coronavirus (COVID-19) pandemic. The rapid rise in unemployment claims in Minnesota and across the country is unprecedented and requires renewed attention from Congress as the pandemic continues to have a devastating impact on our economy.

The loss of jobs and income for so many Minnesotans has left many of our constituents unable to support their families in the absence of unemployment insurance. In Minnesota, more workers have filed claims for unemployment insurance over the past two and half a months than in the last four years, with over 800,000 applications filed since March 16.¹ Across the nation, over 47 million workers have filed applications for unemployment insurance since the pandemic began in March, with over 1 million workers filing for unemployment assistance for each of the past 14 weeks.²

This extreme level of unemployment has also placed significant stress on Minnesota's unemployment insurance program—and unemployment insurance programs in states across the country. Given the unprecedented demands on these programs, we urge you to prioritize the following modifications to unemployment insurance programs in the next coronavirus response package:

1. First, we ask that you allow the Federal Government to cover a portion of the upfront UI costs paid by “reimbursing employers”—non-profits and government employers that pay their unemployment taxes by reimbursing the costs of the UI benefits collected by their former employees. While the CARES Act allowed reimbursing employers to cover 50 percent of these unemployment costs, guidance issued by the Department of Labor requires states to collect 100 percent of these costs from employers upfront and to reimburse them at a later date – creating an unnecessary administrative burden and budgetary challenges for employers. By unanimous

¹ <https://mn.gov/deed/data/current-econ-highlights/ui-statistics.jsp>

² <https://www.washingtonpost.com/us-policy/2020/06/25/june-unemployment-insurance/>

consent, the Senate recently passed a bill, cosponsored by Senator Klobuchar and Senator Smith, to resolve this issue. We believe the House should act promptly to pass this measure and the President should sign it into law.

2. We also ask that you provide some relief for state unemployment insurance trust fund accounts to help states avoid the unsustainable debt created to cover the significant increase in the demand for UI benefits.
3. Finally, we ask that you extend the deferral period of the accrual of interest on federal unemployment insurance advances to states beyond the end of this calendar year – when the current deferral period is scheduled to expire.

In light of the unprecedented fiscal challenges facing our economy and state unemployment insurance programs, it is critical that we take steps to provide relief for these programs and to support workers across the country.

Thank you for your time and attention to this important matter. We look forward to working with you to address these issues.

Sincerely,



Amy Klobuchar
United States Senator



Tina Smith
United States Senator



Angie Craig
Member of Congress



Dean Phillips
Member of Congress



Betty McCollum
Member of Congress



Ilhan Omar
Member of Congress