

# United States Senate

May 15, 2020

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, DC 20515

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
Washington, DC 20515

Dear Leaders McConnell and Schumer:

We write to urge that forthcoming legislation in the Senate relating to the COVID-19 pandemic include additional funding for state governments to upgrade their unemployment insurance systems and increase staff to process claims, work on incoming requests, and handle appeals and adjudications. We were pleased to see that the HEROES Act introduced in the House of Representatives included \$925 million to assist states in processing unemployment insurance claims. This level of funding meets the moment, demonstrating Congress's commitment to getting unemployment benefit checks to Americans faster. This investment in new technology will stabilize working families during this difficult time, and put Americans on sounder footing in order to speed an economic recovery.

As state and local governments reopen across the country, many workers may remain unemployed or underemployed for months. The virus continues to spread, and tens of thousands more Americans may contract COVID-19 or may not be able return to work because they or a family member are in a high-risk group. Other workers may have to continue caring for ill or quarantined family members or for children for whom schools and day care facilities remain closed. Moreover, many individuals work for businesses that cannot reopen safely or cannot do so at full capacity, so they will have wait longer before their pre-pandemic wages are restored. There is a high degree of uncertainty for the short- and long-term future of the U.S. workforce.

With this in mind, the CARES Act created vital new federal programs to extend unemployment benefits beyond those traditionally eligible, in addition to expanding the length and size of benefits. For the first time ever, the legislation made the roughly one-third of the U.S. workforce who are gig workers, along with the 9.6 million workers who are self-employed eligible for unemployment benefits. Many of these workers have lost their livelihoods through no fault of their own as a result of the COVID-19 outbreak and the need for most Americans to stay home and slow the spread of the virus. Congress designed the CARES Act to provide these individuals with relief.

Unfortunately, many state unemployment systems are buckling under the weight of responding to the needs of our workers. Over six weeks after passage of the CARES Act, only 31 states are paying unemployment benefits under the Pandemic Unemployment Assistance program, which offers \$600 per week in benefits to self-employed individuals, gig workers, and independent

contractors who cannot work due to the COVID-19 pandemic. More than half of these states only started offering this benefit within the last two weeks. Antiquated legacy IT systems in many cases are to blame, with state agencies having little to no capacity to stand up a new unemployment benefits system in a matter of weeks. Because contract and gig workers traditionally are not eligible for unemployment benefits, states have had to enact entirely new intake and payment systems, upgrade outdated IT systems and software, and gather and synthesize claimant information from a wide range of government sources, depending on each state's individual tax laws, all either technology-dependent or staff-intensive endeavors.

While the Department of Labor (DOL) has offered technical support and guidance, states need additional financial assistance to stand up brand new federal programs while their existing unemployment systems are flooded with claims. The DOL Inspector General agrees, writing in a recent report on implementation of the CARES Act unemployment provisions: "The [Office of the Inspector General] remains concerned that staffing challenges, coupled with the state of legacy systems, will continue to impede the management of UI benefits."<sup>1</sup> [1] Until states can fully address their technology and staffing problems, the delays will continue.

This problem will not go away once the core CARES Act unemployment programs are administered. Even as states reopen, medical experts predict future spikes in viral infections, and it is difficult to predict the economic impact those spikes will have on various sectors of the economy. States may need to cope with multiple waves of unemployment, and Congress may need to respond with new solutions. All states will need to have the resources to ensure that their systems can be nimble and responsive to the changing needs of workers so they can support themselves and their families.

We therefore request that future COVID-19 relief legislation include robust funding to states to help them upgrade their unemployment system IT and hire more personnel in order to process claims more quickly and efficiently and get relief to Americans faster. Congress laid the groundwork for unemployment system expansion in March 2020 when it passed the Families First Coronavirus Response Act (Public Law 116-127), which provided states \$1 billion to meet the challenge of processing large numbers of unemployment claims. However, this legislation did not contemplate the later innovations of the CARES Act, including the Pandemic Unemployment Assistance program for gig workers and independent contractors, nor could Congress have known at the time that the unemployment rate would spike to 14.7 percent, with over 20 million jobs lost in the month of April alone. States need significantly more resources to get relief to working families for whom each day is a struggle.


We have heard our constituents' frustrations over long waits for the benefits they deserve and the relief they urgently need. Whether the problem is legacy IT systems, dated phone systems, or lack of staff, these are fixable problems. The Senate must join the House and quickly pass legislation that will give states the tools they need to provide unemployment relief to workers and families while they weather the ongoing effects of the pandemic. Acting now will send a message that no American will be left behind as our nation comes together to respond to and recover from this crisis.

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<sup>1</sup> <https://www.oig.dol.gov/public/reports/oa/2020/19-20-001-03-315.pdf>

Thank you for your attention to this critically important matter.


Sincerely,


  
Jacky Rosen  
United States Senator


/s/ Kamala D. Harris  
Kamala D. Harris  
United States Senator


  
Kirsten Gillibrand  
United States Senator

/s/ Chris Van Hollen  
Chris Van Hollen  
United States Senator


  
Richard J. Durbin  
United States Senator

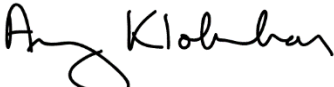
  
Bernard Sanders  
United States Senator


  
Christopher A. Coons  
United States Senator

  
Richard Blumenthal  
United States Senator

/s/ Jack Reed  
Jack Reed  
United States Senator

  
Cory Booker  
United States Senator

  
Amy Klobuchar  
United States Senator

  
Tammy Baldwin  
United States Senator

/s/ Mazie K. Hirono  
Mazie K. Hirono  
United States Senator