

# United States Senate

March 20, 2020

The Honorable Mitch McConnell  
Senate Majority Leader  
U.S. Senate  
317 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Charles Schumer  
Democratic Leader  
U.S. Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

Dear Majority Leader McConnell and Leader Schumer:

In addition to presenting a massive public health challenge, the Coronavirus has caused a severe economic shock. Many workers have seen their hours cut or eliminated entirely, and are now being forced to assess how they will financially weather this crisis.

As this situation has developed, many states have looked to assist these workers with the resources at their disposal. Among other actions, this has included waiving Unemployment Insurance (UI) waiting periods and expanding their administrative capacities so as to process claims quickly. In addition, on March 12, 2020, the Department of Labor (DOL) provided amended guidance on unemployment insurance to states that provided flexibility for states to determine eligibility, authority to waive waiting periods, and the ability to ease work search requirements. While we applaud this guidance from DOL and the actions of states to help impacted workers, Congress must act quickly to make sure that workers have access to the benefits they need to stay afloat and support states as they process an unprecedented increase in claims.

Specifically, employees who have been functionally furloughed and those who are self-employed or independent contractors must be made eligible. If we do not act to expand UI eligibility, we could unintentionally increase unemployment and slow our economic recovery. Some companies have already begun placing employees on a zero-hour schedule as a way to cut payroll while maintaining employee access to health benefits. But employees in many states will not have access to unemployment benefits for the duration of this crisis if they are effectively furloughed, which puts them in an impossible financial position. If companies choose to fire workers who they would otherwise keep so that those workers can access employer-provided benefits, those workers may lose important access to government benefits and will exacerbate long-term increases in the national unemployment rate. For self-employed individuals and independent contractors, tax credits are simply not enough to replace their lost earnings. They too need access to UI benefits in order to survive this economic disruption.

Our UI system is one the most effective mechanisms we have to provide immediate assistance to workers, but it was not designed to respond to a crisis of this magnitude. We must immediately strengthen our UI system with an increase in federal funding and broader eligibility to include furloughed individuals, the self-employed, and independent contractors. We must do whatever we can to support states so that they can:

- Waive waiting periods;
- Provide benefits for a minimum of 26 weeks;
- Waive work search requirements;
- Expand the definition of good cause;
- Provide eligibility for furloughed workers and workers with reduced hours; and
- Provide eligibility for self-employed individuals and independent contractors.

Any actions to address this must include immediate advances to states for the costs of building up their administrative capacities as they begin to see a record numbers of unemployment claims, and additional federal funding to supplement state resources to pay for these essential benefits.

These changes can be made by activating access to the Disaster Unemployment Assistance (DUA) program, as we propose in S. 3476, *the Coronavirus Worker Relief Act*, along with an increase in appropriations to fund DUA payments and support state UI systems. However we accomplish these changes, they are needed right now. During a crisis of this magnitude, it is imperative that we put forward a response that provides for, and empowers, all those who are challenged by this crisis. We urge you to ensure that you include provisions that will comprehensively address this unemployment crisis as you put together future COVID-19 focused supplemental bills.

Sincerely,



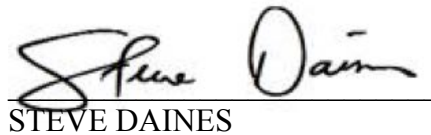
BRIAN SCHATZ  
United States Senator



TODD YOUNG  
United States Senator



GARY C. PETERS  
United States Senator



STEVE DAINES  
United States Senator



MAZIE K. HIRONO  
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MITT ROMNEY  
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