

Congress of the United States

Washington, DC 20515

May 15, 2025

The Hon. Shelley Moore Capito, Chair
Labor, HHS, Education, and
Related Agencies Subcommittee
Senate Committee on Appropriations
Washington, DC 20510

The Hon. Tammy Baldwin, Ranking Member
Labor, HHS, Education, and
Related Agencies Subcommittee
Senate Committee on Appropriations
Washington, DC 20510

The Hon. Robert Aderholt, Chair
Labor, HHS, Education, and
Related Agencies Subcommittee
House Committee on Appropriations
Washington, DC 20515

The Hon. Rosa DeLauro, Ranking Member
Labor, HHS, Education, and
Related Agencies Subcommittee
House Committee on Appropriations
Washington, DC 20515

Dear Chair Capito, Chair Aderholt, Ranking Member Baldwin, and Ranking Member DeLauro:

With President Trump's chaotic economic policies already causing layoffs, decimating Americans' savings accounts, and threatening to push the economy into recession, it is vital that we make sure our Unemployment Insurance (UI) system is prepared. As you consider priorities for the Fiscal Year 2026 (FY2026) Appropriations bill, we urge you to fully fund UI administration so that states can promptly pay workers their earned benefits and protect their systems against fraud, and so that the Department of Labor (DOL) can support timely, accurate payment in all states and territories. Specifically, we request that you appropriate at least \$3,524,958,000 for grants to states for the administration of state UI laws and at least \$50,000,000 for national activities necessary to support UI administration in FY2026.

When the COVID-19 pandemic hit in March 2020, state workforce agencies were overwhelmed by an unprecedented number of UI claims. Millions of workers were forced to wait months for their benefits and couldn't even reach someone from their state agency on the phone to help. Part of the reason states were so unprepared to deal with this surge of claims was decades of underinvestment in UI administration, which forced DOL to allocate funding to states using outdated cost assumptions that don't reflect the actual cost of administering UI.

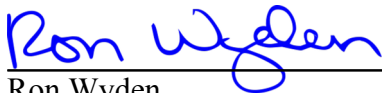
As a result, state workforce agencies are understaffed and reliant on outdated technology and processes, which in turn leaves jobless workers waiting longer for benefits and struggling to obtain assistance from the state agency when they need it. Inadequate administrative funding also leaves the UI program vulnerable to fraud, which surged during the pandemic when organized criminal networks started targeting state UI systems and stealing billions of dollars. Fraud prevention is a crucial part of UI administration, and if states don't have sufficient funding to administer benefits and modernize their technology, fraud prevention efforts will also suffer.

While additional administrative funding for the UI program was provided in the Families First Coronavirus Response Act (FFCRA), the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the American Rescue Plan Act (ARPA), states largely used this temporary funding to address short-term needs associated with the pandemic and make modest, overdue system updates. Furthermore, half of the \$2 billion Democrats provided in the American Rescue Plan was ultimately rescinded, leaving states with even fewer resources to meet their administrative needs. Without strong annual funding for UI administration going forward, state

workforce agencies will be unprepared for the next crisis. We can't expect the UI system to scale up overnight and function well in an economic downturn if we don't provide strong, consistent annual funding.

We strongly urge you to fully fund UI administration. The UI system is not only vital for helping workers keep a roof over their head and food on the table when they lose their job, but it also provides vital economic stimulus that can help the economy recover from a downturn. If Congress doesn't invest now, states will continue to struggle to administer their UI programs, our economy will suffer, and workers who have lost their jobs through no fault of their own will pay the price.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance



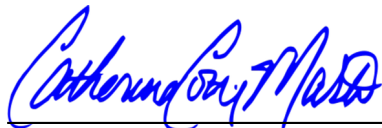
Michael F. Bennet
United States Senator



Jack Reed
United States Senator



Sheldon Whitehouse
United States Senator



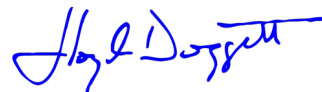
Catherine Cortez Masto
United States Senator



Richard E. Neal
Member of Congress
Ranking Member, Committee
on Ways and Means



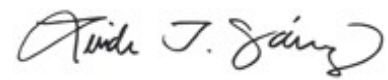
Danny K. Davis
Member of Congress
Ranking Member, Ways and Means
Subcommittee on Worker
and Family Support



Lloyd Doggett
Member of Congress



John B. Larson
Member of Congress



Linda T. Sánchez
Member of Congress



Elizabeth Warren
United States Senator



Bernard Sanders
United States Senator



Tina Smith
United States Senator



Peter Welch
United States Senator



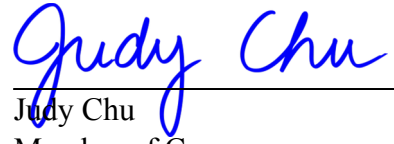
Alex Padilla
United States Senator



Richard J. Durbin
United States Senator



Mazie K. Hirono
United States Senator



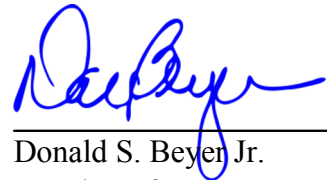
Judy Chu
Member of Congress



Terri A. Sewell
Member of Congress



Gwen S. Moore
Member of Congress



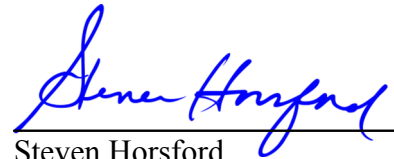
Donald S. Beyer Jr.
Member of Congress



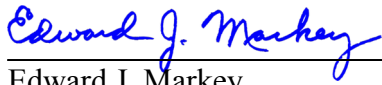
Dwight Evans
Member of Congress



Bradley Scott Schneider
Member of Congress



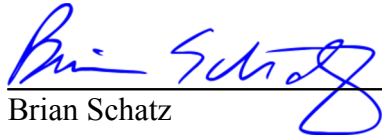
Steven Horsford
Member of Congress



Edward J. Markey
United States Senator



Thomas R. Suozzi
Member of Congress



Brian Schatz
United States Senator



Jacky Rosen
United States Senator



Chris Van Hollen
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United States Senator



Lisa Blunt Rochester
United States Senator