# Letter to Congress re: HR 1163 - UI Reform Provisions

April 14, 2023

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Jason Smith
Chairman, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Ranking Member, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Speaker McCarthy, Minority Leader Jeffries, Chairman Smith, and Ranking Member Neal,

We are writing on behalf of the National Association of State Workforce Agencies (NASWA), a non-profit and non-partisan association, whose membership is comprised of workforce agencies

in all states, the District of Columbia, and U.S. territories (collectively “member states”), in response to HR 1163, the Protecting Taxpayers and Victims of Unemployment Fraud Act. As a collective there are many parts of the bill that we are encouraged by; however, there are also sections of the bill that are extremely concerning.

As the administrators of unemployment insurance programs, NASWA’s member states are in a unique position to provide input on this proposed legislation. We appreciate the inclusion of the following provisions in HR 1163 that would improve the ability to administer the unemployment insurance system and assist to employers and claimants:

- Encouraging further investments in program integrity by permitting states to retain a portion of recovered overpayments and payment of UI taxes collected as a result of an investigation.
- Authorizing extended state staffing flexibility as many states continue to address. administrative challenges, backlogs, and overpayments from the pandemic.
- Extending the statute of limitations to file criminal charges and civil enforcement actions against criminal actors involved in fraudulent unemployment insurance claims.

In addition, NASWA is pleased HR 1163 includes the continuation of the Integrity Data Hub (IDH) and State Information Data Exchange System (SIDES). NASWA is proud to partner with our member states and the U.S. Department of Labor to operate both of these important programs. The IDH provides the ability for member states to crossmatch claims against multiple data sources and identify claims with suspicious characteristics. Even though it is currently a voluntary partnership, all states have signed agreements to participate in the IDH. SIDES provides a secure tool for rapid communication between employers and member state UI agencies. NASWA looks forward to continuing these partnerships as we work to further improve both systems.

However, NASWA also has significant concerns about the impact some of the provisions will have on both administrators and claimants:

- Administrative challenges in recovering overpayments from claimants who were not engaged in fraudulent activity.
- A rescission of unobligated ARPA funding specifically targeted to the Department of Labor for distribution to the States to prevent fraud and strengthen UI systems before the next economic downturn.
- We encourage a bipartisan effort to reform unemployment insurance programming and welcome the opportunity for further discussion as HR 1163 moves through the House.

Sincerely,

Michael Harrington
NASWA Board Chair
Commissioner,
Vermont Department of Labor

Joseph M. Barela
NASWA Board Chair-Elect
Executive Director,
Colorado Department of Labor and Employment

Scott B. Sanders
NASWA President and CEO

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