



United States Senate

July 22, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Capitol
Washington, DC 20510

The Honorable Charles E. Schumer
Democratic Leader
U.S. Capitol
Washington, DC 20510

Dear Leaders McConnell and Schumer:

With more than 32 million Americans still relying on unemployment benefits and the unemployment rate expected to remain at high levels for the foreseeable future, it is critical that Congress extend the CARES Act's expanded benefits. I write to ask that any future pandemic and economic relief legislation extends benefits, and that it do so in a way that can be implemented quickly.

The \$600 per week that the CARES Act provided to unemployed individuals has been a lifeline for tens of millions of Americans, allowing them to pay their bills and continue supporting the economy. As you know, these expanded benefits will expire at the end of this week, which would remove about \$19 billion per week from the economy at a time when the recovery shows signs of faltering due to the recent resurgence in coronavirus cases. The Economic Policy Institute estimates that not extending benefits could cost 5 million jobs, including 836,000 in California.

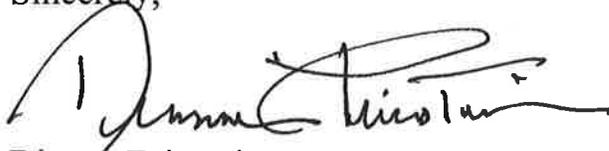
For these reasons, Congress needs to extend additional unemployment benefits. However, from my office's conversations with the California Economic Development Department, I understand that it could take months to implement a new system of unemployment benefits. As you know, many states use outdated computer systems and databases that make it difficult to handle anything more than a flat increase in benefits. For example, one proposal calls for expanded benefits to be tied to an individual's pre-pandemic compensation. While this sounds like a common-sense approach, I am told that implementing such a formula would likely delay benefits payments by several week at minimum. This would be unacceptable in the middle of an economic crisis.

Therefore, I urge you to consider these parameters as Congress extends expanded unemployment benefits:

1. Because the expiration of expanded benefits at the end of this week will cause disruptions to families as well as state unemployment systems, that Congress temporarily extend the CARES Act's existing \$600 per week benefit until Congress enacts a longer-term relief package.
2. That benefits are as simple as practicable for states to distribute.
3. That any formula for expanded unemployment benefits not disadvantage any states' unemployed individuals relative to others. For example, a formula that would result in fewer benefits going to workers in states with outdated unemployment benefit systems would be problematic.
4. That grant funding be provided to help states upgrade their unemployment benefits systems to be more flexible and easier to use, particularly if a new benefits formula requires any immediate changes.

I share your goal in doing everything possible to ensure that the economic recovery is as rapid as possible both to help the tens of millions of Americans affected by the current crisis and to minimize the long-term consequences of the crisis. Extending the CARES Act's expanded unemployment benefits is essential to achieving those goals.

Sincerely,



Dianne Feinstein
United States Senator

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