



INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

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MATTHEW S. BIGGS
President

GAY HENSON
Secretary-Treasurer

May 11, 2023

Dear Representative:

We write to you as the executive officers of the International Federation of Professional and Technical Engineers (IFPTE), a labor union representing upwards of 90,000 employees in the federal sector, state and local government, and the private sector. We ask you to vote against H.R. 1163, the Protecting Taxpayers and Victims of Unemployment Fraud Act, which is scheduled for a floor consideration today. This legislation would weaken state unemployment insurance (UI) systems, hinder states' efforts to modernize UI systems, and removes the requirement that states use merit-based personnel standards for their UI systems for the next 7 years. Ultimately, this bill undermines state UI systems and hurts working people.

Fundamentally, H.R. 1163 fails to live up to its title. This bill deprives states' UI programs of resources that are needed to ensure program integrity, provide responsiveness and quality services for workers, and make sure UI systems can catch errors and fraud. H.R. 1163 removes funds for DOL to support states' efforts to improve their UI administrative systems and implement new anti-fraud measures. Eliminating these funds will slow down the needed modernization of states' UI systems, which have been significantly underfunded and declined by 32% between 2010 and 2019 according to the Government Accountability Office (see GAO-22-105162). While weakening UI fraud detection, H.R. 1163 opens the door for states to send surprise bills to Americans who received an erroneous overpayment of pandemic UI benefits through no fault of the UI recipient. This will harm vulnerable Americans, many of whom are unaware they received an overpayment to an error on the part of their state UI system.

Troublingly, the legislation also allows states to contract out and privatize the staffing for their UI systems for the next seven years, rather than utilizing qualified and experienced public servants for this important work. In doing so, this legislation runs a high risk of repeating the problems that arose during the pandemic after the CARES Act allowed states an exemption from merit-based hiring for UI administrative employees and opened the door for allowing temporary staffing and contractors to perform this work. The CARE Act's UI staffing provision was meant to address the need to provide expanded benefits during a national emergency, but the outsourced staffing created inefficiencies, errors, and overpayments that had to be remedied by public servants with experience and institutional knowledge of the UI system. With unemployment at historic lows, circumventing merit-based hiring and outsourcing UI staffing works against the bill's stated goal of reducing fraud.

UI systems across the U.S. provide jobless workers with critical benefits so they can weather economic hardships and successfully find employment. UI benefits not only support workers, but also their families, communities, and local economies. These benefits and the state-run systems that administer and provide them need well-considered investments and policies.

For these reasons, we ask you to vote no on H.R. 1163 should this bill be considered on the House floor. Thank you for considering our letter. Should you have any questions or concerns, please do not hesitate to contact IFPTE Legislative Director Faraz Khan at 202-239-2892 or fkhan@ifpte.org.

Sincerely,

Matthew S. Biggs
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