



August 19, 2021

Dear Chairman Wyden and Chairman Neal:

We write on behalf of President Biden with an update on the steps our Departments are taking in advance of the expiration of emergency unemployment insurance (UI) programs on September 6, 2021. As you know, these programs were first enacted in the CARES Act, and were extended in the December Omnibus legislation and then again in the American Rescue Plan legislation.

These programs have been a critical lifeline for millions of Americans who were unemployed, through no fault of their own during the COVID pandemic. These benefits made it possible to keep a roof over their heads and put food on the table for their families during this unprecedented public health emergency. The emergency UI programs also played an important role in keeping workers connected to the labor market during their unemployment period. President Biden is proud that he worked with Congress to extend them as part of the American Rescue Plan.

Since Congress began work on the American Rescue Plan, the labor market has seen tremendous progress. More than 4 million jobs have been created, with an average of 832,000 jobs per month created over the last three months. The unemployment rate has fallen from 6.3 percent to 5.4 percent. We still have more work to do, but the trend is clear: thanks to the grit and ingenuity of the American people and with the federal government executing on a plan to bring our economy back, our nation is getting back to work.

The temporary \$300 boost in benefits will expire on September 6th, as planned. As President Biden has said, the boost was always intended to be temporary and it is appropriate for that benefit boost to expire.

In addition, President Biden believes that the conditions exist in many states such that the other emergency UI programs (the extended-length benefits and the coverage of individuals not otherwise within the scope of UI) can end on the date set in the American Rescue Plan. At the same time, even as the economy continues to recover and robust job growth continues, there are some states where it may make sense for unemployed workers to continue receiving additional assistance for a longer period of time, allowing residents of those states more time to find a job in areas where unemployment remains high. The Delta variant may also pose short-term challenges to local economies and labor markets.

The American Rescue Plan allocated \$350 billion to state and local governments to support communities' continuing response to the pandemic, address its economic impacts, and lay the

groundwork for a strong and equitable recovery. Now, in states where a more gradual wind down of income support for unemployed workers makes sense based on local economic conditions, American Rescue Plan funds can be activated to cover the cost of providing assistance to unemployed workers beyond September 6th. Specifically, our Departments are taking the following steps outlined below.

First, the Treasury Department is re-affirming that states can use their allocations of the \$350 billion in American Rescue Plan State and Local Fiscal Relief Funds to provide assistance to unemployed workers, including by continuing to provide additional weeks of income support to workers whose benefits expire on September 6th and to workers outside of regular state UI programs.

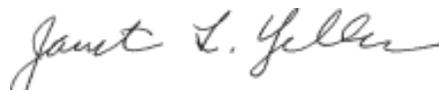
Second, the Department of Labor will communicate to states about how they can use their existing UI infrastructure to support these state-funded benefits using American Rescue Plan funds. This will enable states that choose to do so to more seamlessly provide support to unemployed workers, while complying with existing federal law and regulations.

Third, the Department of Labor is announcing an additional \$47 million in new CAREER grants to support reemployment services for all Americans and provide a pathway back to employment. These grants are on top of the \$43 million in grant funds for reemployment services announced earlier this year, more than \$400 million in funding for proven workforce strategies, and support to workforce development agencies and other entities to ramp up services to connect workers with good jobs. The President is also encouraging states to use their American Rescue Plan state and local funds for this purpose.

Finally, beyond the immediate issue of expiring benefits, President Biden believes that the pandemic has exposed serious problems in our UI system that require immediate reform. Accordingly, he is calling on Congress to take up the issue of long-term UI reform as part of the reconciliation process, when Congress returns from recess. The President has already laid out his principles for such reform: he believes a 21st century UI system should prevent fraud, promote equitable access, ensure timeliness of benefits, provide adequate support to the unemployed, and automatically expand benefits in a recession.

We look forward to working with you and other members of Congress on this critical issue.

Sincerely,



Janet L. Yellen
Secretary of the Treasury



Martin J. Walsh
Secretary of Labor