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Congress of the United States
House of Representatives

COMMITTEE ON WAYS AND MEANS

WASHINGTON, DC 20515

SUBCOMMITTEE ON HUMAN RESOURCES

May 21, 2013

The Honorable Seth Harris
Acting Secretary
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Acting Secretary Harris:

Subtitle D of Title II of Public Law 112-96, *The Middle Class Tax Relief and Job Creation Act of 2012*, was enacted to provide approximately \$100 million in grants to States for the implementation or improved administration of short-time compensation (STC) programs. The legislation also expected the Department of Labor to provide guidance and ongoing assistance to States as they modify or develop their STC programs to conform to federal unemployment compensation law.

We are aware that the State of Michigan is in the midst of this process. Just prior to P.L. 112-96, Michigan had enacted an STC program, but it did not conform to the new federal requirements. After consulting with your department, Michigan enacted a set of amendments based directly on your department's guidance to ensure their STC program fully conformed to federal law.

In January 2013, Michigan submitted their request for grant funds. The Director of the Department of Licensing and Regulatory Affairs (which oversees Michigan's Unemployment Insurance Agency) has repeatedly asked for clarity on the issues preventing approval and has now informed our offices that the matter is still not settled.

While awaiting federal approval of its program, Michigan has been forced to pull back their entire STC program to the disappointment of many. Michigan had created application materials for the program, announced the program, and conducted the necessary IT changes to handle the benefits to be paid. We have been informed that

Michigan has now discontinued all notice of the program and must tell interested participants that the program is suspended pending federal approval.

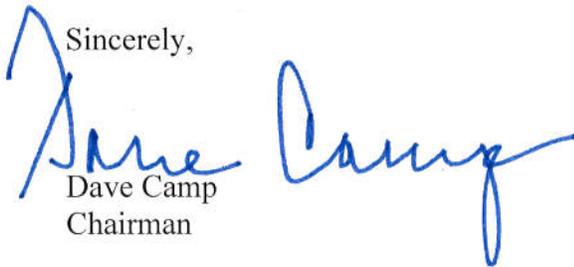
Further, the Governor and the Michigan legislative sponsors have been notified that the State cannot implement the program. This program was highly touted by your Department and achieved great bi-partisan support in Congress. Governor Snyder also called for passage of STC in a special message to the Michigan legislature, which subsequently passed the legislation with overwhelming support.

We encourage your Department's swift consideration of Michigan's federally-compliant STC program so Michigan can fully implement this important tool to help workers and businesses.

We look forward to your response and working together on the shared goal of helping more unemployed Americans quickly return to work.

If you have any questions concerning this matter, please feel free to contact Matt Weidinger at (202) 225-1025 or Nick Gwyn at (202) 225-4021 of the Human Resources Subcommittee staffs.

Sincerely,



Dave Camp
Chairman



Sander Levin
Ranking Member

- cc. Mr. Steve Arwood, Director, Michigan Department of Licensing and Regulatory Affairs
Mr. Bill Rustem, Office of the Governor
Ms. Stephanie Comai, Deputy Director, Michigan Department of Licensing and Regulatory Affairs
Senator Bruce Caswell
Mr. Shaun Thomas, Acting Director, Michigan UIA