

Congress of the United States

Washington, DC 20515

June 9, 2021

Mr. Brian Deese
Director
National Economic Council
1600 Pennsylvania Ave. N.W.
Washington, DC 20500

Dear Director Deese:

We write today to urge the Biden Administration to empower the American people to get back to work. Despite 9.3 million job openings in April, the U.S. labor market only added 266,000 jobs—substantially below the 1 million jobs economists estimated.¹ The May jobs report was similarly disappointing with only 559,000 jobs added—nearly 100,000 fewer than expected.² Enhanced unemployment benefits and public school closures in certain states are weighing down an American economy trying to rebound from the COVID-19 pandemic. It is past time for Americans to get back to normal. It is past time to end the stay-at-home bonus, reopen schools for full in-person instruction, and incentivize Americans to get back to work.

When Congress passed its COVID-relief packages last year, enhanced unemployment benefits from the federal government were intended to help those who lost their jobs, businesses, and livelihoods after state and local governments closed down the economy. Thankfully, Operation Warp Speed (OWS) developed successful vaccines, encouraging governments to reopen businesses, and allowing Americans to safely return to work. Rather than champion OWS's amazing results, Democrats are proposing to permanently extend these enhanced benefits with a corresponding tax hike.³ This would have a devastating effect on our economy, which is already struggling with government-induced inflation.

The average American unemployment recipient receives \$387 from their state in weekly unemployment payments, but with the COVID-19 federal enhancements, the average is \$687.⁴

¹ Eli Rosenberg, *U.S. picked up just 266,000 jobs in April, well below expectations as economy struggles to rebound*, THE WASH. POST (May 7, 2021), <https://www.washingtonpost.com/business/2021/05/07/april-jobs-report-economy-unemployment/>; Press Release, U.S. Bureau of Labor & Statistics, *Job Openings and Labor Turnover* (Jun. 8, 2021), <https://www.bls.gov/news.release/pdf/jolts.pdf>.

² Jonathan Garber, *Jobs report misses estimates with 559,000 jobs added, unemployment rate falls to 5.8%*, FOXBUSINESS (Jun. 4, 2021), <https://www.foxbusiness.com/economy/jobs-nonfarm-payroll-report-may-2021>.

³ Matt Weidinger, *New Senate plan would make pandemic unemployment benefits permanent*, AM. ENTERPRISE INST., (Apr. 22, 2021), <https://www.aei.org/poverty-studies/new-senate-plan-would-make-pandemic-unemployment-benefits-permanent/>.

⁴ Nicholas Reimann, *Florida the Latest State Dropping \$300-A-Week Federal Unemployment Benefits*, FORBES (May 18, 2021), <https://www.forbes.com/sites/nicholasreimann/2021/05/24/florida-the-latest-state-dropping-300-a-week-federal-unemployment-benefits/?sh=7aef09f75730>.

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An estimated 40% of those unemployed now earn more staying at home than working, causing severe labor shortages across the country and impacting numerous industries, including hospitality, retail, construction, and manufacturing.⁵ While claims have dropped somewhat since the height of the pandemic, recent data shows there are still approximately 15 million Americans collecting unemployment benefits—almost eight times the pre-pandemic rate.⁶

In response to the disappointing job numbers from April and May, as of June 7, 2021, 25 states, all led by Republican governors, have elected to opt out of the supplemental federal unemployment benefit programs by June or July, a few months before their September 6 expiration.⁷ Some states are going a step further by giving incentives to people to return to work with financial bonuses.⁸ Additionally, 35 states have reinstated a pre-pandemic requirement that recipients of unemployment benefits actively search for work.⁹ We applaud these governors for their leadership and encourage other governors to follow suit.

The Biden Administration claims these additional unemployment benefits are not stopping people from returning to work. Instead, it claims lack of childcare and fear of contracting COVID-19 are the obstacles.¹⁰ The Administration also claims that unemployed workers are required to take suitable job offers, yet at the same time the Department of Labor (DOL) has told state governments to continue providing unemployment payments all the same. The President issued an executive order in January that directed the DOL to allow workers who refuse a job to receive unemployment insurance.¹¹ In February, President Biden's Labor Department issued guidance telling states that workers receiving unemployment benefits are still eligible for federal pandemic unemployment assistance, even when they had their regular state unemployment benefits' claims denied after they refused to work or accept an offer of work at a worksite.¹²

⁵ *Id.*

⁶ Matt Weidinger, *It's not just the \$300-per-week bonuses that are perpetuating unemployment benefit claims*, AMERICAN ENTERPRISE INST. (May. 28, 2021), <https://www.aei.org/poverty-studies/its-not-just-the-300-per-week-bonuses-that-are-perpetuating-unemployment-benefit-claims/>.

⁷ Alicia Adamczyk, *Ending federal unemployment benefits early will cost states more than \$12 billion, new report finds*, CNBC (Jun. 3, 2021), <https://www.cnbc.com/2021/06/03/ending-federal-unemployment-benefits-early-will-costs-states-billions.html>.

⁸ Shahar Ziz, *3 States Offer \$1000, \$1,200, and \$2,000 Return to Work Bonuses As More End \$300 Unemployment Benefit*, FORBES (May 18, 2021), <https://www.forbes.com/sites/shaharziv/2021/05/18/2-states-offer-1200-and-2000-return-to-work-bonuses-as-more-states-cancel-300-unemployment-benefit/?sh=4181cf71685f>.

⁹ Christopher Rugaber, *More jobless getting aid than in past even as cutoffs loom*, AP NEWS (May 27, 2021) <https://apnews.com/article/pandemics-jobless-claims-coronavirus-pandemic-health-business-a7ea3e65542c137865bd449626b31461>.

¹⁰ Eli Rosenberg, *U.S. picked up just 266,000 jobs in April, well below expectations as economy struggles to rebound*, THE WASH. POST (May 7, 2021), <https://www.washingtonpost.com/business/2021/05/07/april-jobs-report-economy-unemployment/>.

¹¹ Fact Sheet, The White House, President Biden's New Executive Actions Deliver Economic Relief for American Families and Businesses Amid the COVID-19 Crises (Jan. 22, 2021), <https://www.whitehouse.gov/briefing-room/statements-releases/2021/01/22/fact-sheet-president-bidens-new-executive-actions-deliver-economic-relief-for-american-families-and-businesses-amid-the-covid-19-crises/>.

¹² Press Release, U.S. Dep't of Labor, U.S. Department of Labor Guidance to State UI Programs Expands Eligibility for Workers Who Declined Work Due to Pandemic Safety Concerns (Feb. 25, 2021), <https://www.dol.gov/newsroom/releases/eta/eta20210225-0>.

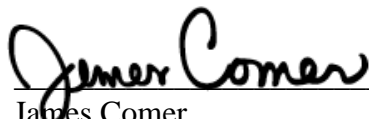
Again, the Administration has contributed to these obstacles rather than tried to remove them. The Administration—and specifically the Centers for Disease Control and Prevention (CDC)—continues to flip-flop and engage in overcautious behavior on outdoor transmission, masking, and youth summer camps.¹³ Democrats continue to ignore sound scientific evidence that the vaccines are working, which is hampering parents’ ability to return to the workforce. Further, thanks to President Trump’s leadership through OWS, vaccines are widely available to all adults and many teenagers in America. If Democrats focused on encouraging trust in the vaccine and showing the American people that the vaccine works, Americans would not live in fear of contracting COVID-19.

To better understand the Biden Administration’s approach to enable the American workforce to return in full, we request the following documents and information no later than June 23, 2021:

1. All communications between state governors and the White House regarding states opting out of enhanced unemployment benefits, including any meetings.
2. All documents and communications between the White House and the Department of Labor regarding states opting out of enhanced federal unemployment benefits.
3. All communications between the White House and American Federation of Teachers (AFT), including documents related to any meetings.
4. All documents related to the Administration’s strategy to ensure all schools are open for full in-person instruction.

The Committee on Oversight and Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,



James Comer
Ranking Member
Committee on Oversight and Reform



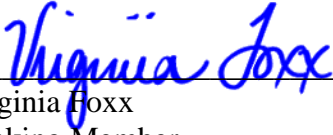
Kevin Brady
Ranking Member
Committee on Ways and Means

¹³ David Leonhardt, *The Morning: A New C.D.C. story*, THE N.Y. TIMES (May 26, 2021), <https://www.nytimes.com/2021/05/26/briefing/CDC-outdoor-covid-risks-guidelines.html>.

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Virginia Foxx
Ranking Member
Committee on Education and Labor



Jason Smith
Ranking Member
Committee on the Budget

cc: The Honorable Carolyn Maloney, Chairwoman
Committee on Oversight and Reform

The Honorable Richard Neal, Chairman
Committee on Ways and Means

The Honorable Robert Scott, Chairman
Committee on Education and Labor

The Honorable John Yarmuth, Chairman
Committee on the Budget