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SUBCOMMITTEE ON WORKER & FAMILY SUPPORT

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April 10, 2020

The Honorable Scott S. Dahl
Inspector General
U.S. Department of Labor
200 Constitution Ave, NW
Washington, DC 20210

Dear Mr. Dahl:

As a Member of Congress representing Florida on the House Ways and Means Committee, which oversees the federal-state unemployment compensation (UC) program, I write to respectfully request that the Office of Inspector General at the U.S. Department of Labor conduct an independent and objective performance audit of how the State of Florida has operated and managed its UC program between 2010 and the present.

As the COVID-19 pandemic has painfully revealed,¹ Florida's UC program is deficient in comparison to the UC programs in other states. This is the result of years of deliberate policy choices by Florida's elected leaders designed to make it difficult for residents to access earned benefits, combined with indifference to the human consequences of those choices.²

The purpose of the audit would be to identify the specific reasons for the program's deficiencies and to help the state swiftly develop a corrective action plan that is in the best interest of Florida workers (who may require UC benefits if they become unemployed) and Florida businesses and American businesses more generally (whose state payroll taxes and federal unemployment taxes help fund Florida's UC program).

¹ See, e.g., Mark Lane, "Florida Unemployment System's Unsurprising Breakdown," *Daytona Beach News-Journal* (April 9, 2020); Graham Brink, "How is Florida's Broken Unemployment System Hurting People? Let Us Count the Ways," *Tampa Bay Times* (April 3, 2020).

² See, e.g., George Wentworth and Claire McKenna, "Ain't No Sunshine: Fewer than One in Eight Unemployed Workers in Florida Is Receiving Unemployment Insurance," *National Employment Law Project* (Sept. 21, 2015); Gary Fineout and Marc Caputo, "'It's a Sh-- Sandwich': Republicans Rage as Florida Becomes a Nightmare for Trump," *Politico* (April 3, 2020); Scott Maxwell, "Laid Off? Bad News: Florida's Unemployment System Was Set Up to Hose You," *Orlando Sentinel* (March 25, 2020).

Between 2010 and 2020, the U.S. Department of Labor provided a total of about \$1.6 billion in congressionally-appropriated funds to the State of Florida to administer its UC program.³ Moreover, in response to the COVID-19 outbreak, Congress recently enacted the *Families First Coronavirus Response Act*, which authorized the U.S. Department of Labor to make emergency administrative grants to help state unemployment offices handle the surge in new unemployment claims. Of this amount, the federal grant to Florida is about \$60 million.⁴ Furthermore, Congress provided major funding through that law and the subsequent *CARES Act* to increase the amount and duration of unemployment benefits in Florida and every other state.

Despite the significant level of federal support that has been provided to Florida's UC program over the years, the program has now collapsed at the precise time it is needed most, causing incalculable economic and emotional harm to Floridians whose lives have been upended by the COVID-19 crisis.

It's bad enough that Florida provides one of the lowest weekly benefits of any state (a maximum of \$275, versus the national average of \$372), for the shortest period of time of any state (up to 12 weeks, whereas most states provide up to 26 weeks). It's even worse that eligible unemployed residents, both before COVID-19 and especially during the crisis, have been unable to apply for and obtain the state and federal UC benefits to which they are legally entitled. This is largely due to the state's online application portal, whose profound flaws were once considered positive features by state leaders intent on establishing barriers to access.

UC is financed in part by federal taxpayers and is subject to federal laws and regulations. Florida's management and operation of its UC program is a waste of federal funding and a disservice to hard-working Floridians who confront dire economic conditions through no fault of their own. For these reasons, I ask you to immediately begin a rigorous performance audit of Florida's UC program, with the goal of helping the state improve the program as soon as possible.

Sincerely,



Stephanie Murphy
Member of Congress

³ See https://oui.doleta.gov/unemploy/futa_receipts.asp. The most recent year for which data is available is 2018. The amounts for 2019 and 2020 are estimated based on 2018 funding.

⁴ See https://wdr.doleta.gov/directives/attach/UIPL/UIPL_13-20_Attachment_I.pdf.