

July 13, 2021

The Honorable JB Pritzker  
Governor, State of Illinois  
207 State House  
Springfield, IL 62706

Dear Governor Pritzker:

During the pandemic, states suspended their work search requirements for those who were unemployed and the federal government supplied an extra \$300 per week in unemployment insurance benefits. This was an understandable reaction given the pandemic. Recognizing that the worst of the pandemic is behind us and at least 56% of Illinoisans 18 years of age or older are fully vaccinated and 72% having received at least one shot, the Illinois economy is now re-opened.

However, Illinois employers of all types and sizes are struggling to attract needed employees resulting in reduced hours and lost sales. Those lost sales directly impact the budgets of the state and units of local government. Before we lose any more economic ground, now is the time to reinstate normal unemployment insurance operations, including work search requirements, and benefit levels.

In Illinois alone, there are tens of thousands of unfilled jobs. Employers are offering substantially higher wages, employment bonuses and taking other steps to encourage people to return to work. The problem is employers cannot compete with the approximate \$35 per hour unemployed workers have received over the last four months as a result of enhanced UI benefits, tax credits, and stimulus payments. Most employers cannot compete with those benefits, which equate to \$35 per hour, no matter how much wishful thinking is applied.

In order to remove the artificial brakes being applied to Illinois' economy, the members of the respective organizations listed below respectfully request the following actions be taken without delay:

- 1. Re-start work search requirement.** Normally, unemployed workers are required to seek employment while receiving unemployment insurance benefits. This was suspended during the pandemic when jobs were not readily available and there was a greater risk of hospitalization or death from the virus. By any measure, that is no longer the case. More than 100,000 jobs are currently listed on the state's own job site and that is far from inclusive of all the jobs available. UI benefits were never intended to be a permanent replacement for gainful employment. Even President Biden stated this should be the case in remarks he made on May 10<sup>th</sup> and subsequently directed USDOL to work with states to re-start the work search requirement. To-date, 47 states have taken this common-sense step. Now is the time for Illinois to do likewise.

2. **End the PUA benefit.** The \$300 federal supplement made sense during the pandemic when jobs were not widely available. As previously noted, tens of thousands of jobs are now widely available.
3. **Restore the UI Trust Fund to solvency.** With \$4.5 - \$5 billion of ARPA funds remaining, Illinois should utilize those funds to return the Illinois Trust Fund to solvency. Without such an action, employers face yet another substantial tax increase and employees a substantial benefit cut. Neither can afford it. It has been estimated that as much as half of all UI benefits nationally were paid fraudulently. We know Illinois was a primary target. Employers and employees should not be required to pay for that fraud and utilization of the ARPA monies is an appropriate and responsible use as it pays down debt, saves the state tens of millions in annual interest payments, and protects employers and employees. Guidance from the U.S Department of the Treasury clearly allows and encourages the use of ARPA monies for this purpose stating as follows “... recipients may make deposits into the state account of the Unemployment Trust Fund up to the level needed to restore the pre-pandemic balances of such account as of January 1, 2020, or to pay back advances received for the payment of benefits between January 27, 2020 and the date that the Interim Final Rule is published”. Importantly, S&P signaled they would look favorably upon Illinois if they utilized the remaining ARPA monies to repay part of the monies borrowed from the federal government for unemployment insurance. Finally, state revenues continue to exceed all expectations. Assuming spending restraint, the combination of ARPA monies and state revenues provide more than enough resources to meaningfully address the UI Trust Fund as well as other debt reductions.

We thank you for the attention we know you will give this request and the timely actions we believe you will take to re-ignite the Illinois economy for the benefit of all.

Sincerely,



Rob Karr, President



Illinois  
Retail Merchants  
Association



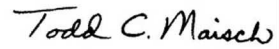
Mark Denzler, President



ILLINOIS  
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Jack Lavin, President  
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Technology & Manufacturing Association



Associated Builders and Contractors Inc.,



Illinois Licensed Beverage Association



Valley Industrial Association



Automotive Parts & Service Association of IL



Midwest-Southeastern Equipment Dealers Association



Illinois Lumber and Material Dealers Association



Illinois Fuel & Retail Association



Chemical Industry Council of Illinois



Midwest Hardware Association



Illinois Hotel & Lodging Association



The Greater Springfield Chamber of Commerce



The Quad Cities Chamber



Southwestern Illinois Employers Association



Naperville Area Chamber of Commerce



Illinois Automobile Dealers  
Association



Joliet Region Chamber of Commerce & Industry



cc: Senate President Don Harmon  
Speaker of the House Emanuel Chris Welch  
Senate Republican Leader Dan McConchie  
House Republican Leader Jim Durkin