



April 30, 2023

Dear Members of the House and Senate Conference Committee on SF3035 (Workforce/Jobs):

The Legal Services Advocacy Project (LSAP) and our partners have been advocating for improved access and equity in the unemployment insurance system this session. While more than a dozen of our proposals are not moving forward, we respectfully request the committee adopt the House language below to instruct DEED to make a plan for reducing fees and interest on people who make mistakes in unemployment insurance

**This language had unanimous, bipartisan endorsement in the House and it's a significant compromise on the part of the advocates.**

We are writing from organizations that care about workers who are often left out of unemployment insurance: women, people of color, low-income parents, victims of violence, people who speak English as a second language, Minnesotans experiencing homelessness, and adults who work through chronic illness and disability.

As we have testified, Minnesota has one of the most harsh penalty schemes in the nation with a 40% fine (higher than 40 states) and 12% interest (17 states have 0% interest).

**Please adopt this House language: SF3035, the 2<sup>nd</sup> unofficial engrossment, Article 4, sec. 26**

Sec. 24. UNEMPLOYMENT INSURANCE FINE REDUCTION AND INTEREST ELIMINATION.

By January 1, 2024, the commissioner of employment and economic development must make recommendations to the legislative committees with jurisdiction over workforce development for how the unemployment insurance system will reduce the fines and interest applied to misrepresentation overpayments. The commissioner must provide a timeline for implementing a reduction of the 40 percent fine to 15 percent and an elimination of the 12 percent interest rate.

Thank you for your consideration.

Sincerely,  
Jessica L. Webster  
Staff Attorney  
Legal Services Advocacy Project

*Joined in support by:*  
Awood Center  
CTUL – Centro De Trabajadores Unidos En La Lucha  
Children's Defense Fund Minnesota  
ISIAAH  
Minnesota Asset Building Coalition  
Minnesota Budget Project  
TakeAction Minnesota