

March 1, 2023

The Honorable Jay Xiong  
Chair, Workforce Development Finance and Policy Committee  
State Office Building, Room 557



Re: House File 784, Unemployment misrepresentation overpayment penalties modification

Dear Chair Xiong and Members of the Committee,

I'm writing on behalf of the 135 members of the Minnesota Asset Building Coalition to urge you to support HF 784, which modifies penalties for overpayments of Unemployment Insurance.

The Minnesota Asset Building Coalition is a statewide coalition of nonprofit organizations supporting asset-building opportunities for low-income individuals and families. About half of our member organizations serve the metro area and half serve Greater Minnesota. We know the opportunity to work, save, and invest in a brighter future creates long-term financial security and independence, and we want to make sure those opportunities are available to every family in Minnesota.

The Minnesota Asset Building Coalition has made Fines and Fees Reform a top legislative priority since 2016. Most of our work in this area has addressed fines and fees in the criminal justice system that criminalize poverty and pile collateral consequences on those who lack the ability to pay. We see a significant parallel between criminal and traffic fines and fees and severely punitive financial penalties for overpayment of UI.

Excessive fines and fees cause disproportionate harm to low-income individuals and families by stripping assets from families for whom a small safety net of savings can make the difference between a financial setback and long-term financial crisis. The current 10-year period for pursuing overpayment debt without an allowance for payback by offset of future benefits can result in years of hardship for families. HF 784 is a well-balanced bill that maintains accountability for UI reporting with right-sized penalties more in line with other states.

We appreciate Representative Noor for taking the lead on this bill, Chair Xiong for prioritizing this issue in the committee schedule, and all the committee members for your work and for your commitment to the financial health and wellbeing of all Minnesotans.

Sincerely,

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