

## **Representative Kevin Brady Testimony**

### ***“Protecting the Safety Net from Waste, Fraud and Abuse”***

**June 3, 2015**

#### **A Good Paying Job the Best Solution to Income Inequality**

Good morning and thank you Chairman Boustany and Ranking Member Doggett for providing me the opportunity to testify today.

A good paying job is the best solution to income inequality and to ensure the ladder of success is open to all Americans willing to get a skill and work hard. A solid education, workforce training programs that actually perform, and better connecting local workers to local jobs are key to that good paying job. That’s even more important as millions of Americans continue to search for full-time jobs in the most disappointing economic recovery in half a century.

#### **Principles for Safety Net Programs**

Given the half-trillion dollar annual deficits our federal government continues to run, and the damage this does to future generations, when it comes to safety net programs our principles should be clear: No federal program should pay more than a job. No programs should trap Americans in poverty. Fund programs that are proven to work, and not a dime to those that don’t.

According to the most recent Census Bureau approximately 17.6 percent of Texans live below the poverty level. Despite a host of federal programs created to end the cycle of poverty, many Americans across the country still live below the poverty line. It’s our job as legislators to protect taxpayer dollars from going towards ineffective programs and redirect them towards programs that do what they were intended to do—which is to help lift individuals out of poverty and into independence. It is also our job to ensure these dollars are not being wasted on improper payments to individuals that don’t qualify for them.

#### **Stop Wasting Precious Unemployment Insurance Dollars**

In the 2014 budget year the Unemployment Insurance program made a stunning \$5.6 billion in improper payments to individuals who don’t qualify for them. That’s more than we spend on our nation’s job training system— money that could have been spent on actually getting people the training needed to get back to work quickly. There are several common-sense solutions Congress should take to help reduce wasteful spending in our unemployment program, help get people back to work, and preserve our tax dollars for those that need them.

#### **Legislation Furloughed Federal Employee Double Dip Elimination Act**

First, stop double dipping of Unemployment benefits by furloughed federal workers.

Under current law unemployed civilian federal employees may be eligible for the Unemployment Compensation for Federal Employees program. During the temporary lapse in appropriations that occurred in October 2013, some federal employees were furloughed and applied for and received unemployment benefits. These federal employees were later provided retroactive pay for this same period of “unemployment.” Instead of recovering the overpayments, some states considered allowing their federal employees to get paid twice for not working. Oregon, for example, had a rule that would permit this type of double dipping. If states failed to recover the unemployment overpayments it could cost taxpayers millions of dollars.

The *Furloughed Federal Employee Double Dip Elimination Act* prevents this wasteful spending by clarifying that if a federal employee receives back pay for the period he or she was furloughed, the federal employee is not eligible for unemployment benefits for that same period and would have to repay any unemployment benefits received. While the Department of Labor listened to congressional concerns and sent out strict guidance to states to collect unemployment benefit overpayments, guidance is not the same as law. We need to guarantee that States will recover future overpayments.

### **Unemployment Should Be a “Drug Free” Zone**

Another problem plaguing America and our unemployment program is illegal substance abuse.

We want Americans to earn paychecks instead of collecting unemployment checks, yet one of the most common reasons individuals cannot return to work is due to the fact that they cannot pass a drug test. In a 2006 report, the Society for Human Resource Management said that 84 percent of private employers conducted pre-employment drug testing. It’s grown larger since, with federal security mandates driving much of the growth. With the majority of employers subjecting job applicants to drug testing, the Federal government should allow states to incorporate drug testing into their UI programs if they believe it will help connect these individuals to full-time employment.

The bottom line is that taxpayers shouldn’t subsidize drug use. If you’re on illegal drugs you are simply not job-ready. In short, the federal unemployment program should be a drug free zone.

To address this problem The *Middle Class Tax Relief and Job Creation Act of 2012*, which was signed by President Obama and supported by many lawmakers on the Ways & Means Committee, included a carefully crafted compromise that, for the first time, allows states to screen and test unemployment recipients for illegal substances. After years of inexcusable delay and roadblocks that ignore the language and intent of the law, the Department of Labor has issued proposed guidance on this provision. However, the proposed guidance is simply unworkable for states that are interested in drug testing their unemployment recipients and getting them the help they need and into a job quickly.

The bottom line is that the states are ready to implement and the Federal government must uphold its promise. My home state of Texas has already been recognized by the White House for their innovative ways to get Texans back to work. But again, the White House needs to apply the law and allow states like Texas to continue that innovation when it comes to getting the unemployed back to work and making good wages rather than collecting benefit checks.

### **Conclusion**

Thank you again for having me here today. I am committed to working with my colleagues on both sides of the aisle to find real solutions to not only creating more jobs and getting Americans back to work in a pro-business environment, but cleaning up our safety-net programs and making them work for both individuals in need and taxpayers.

It is critical we continue to fight to create jobs and reduce the dependence on federal programs without additional government spending, new bureaucracies or crippling debt that will be left to future generations.