

Fixing Florida's Broken Unemployment Insurance Program

HOW WE GOT HERE

Although COVID-19 put Reemployment Assistance (more commonly referred to as Unemployment Insurance or UI) in the spotlight, the program has been broken for years. The program was significantly cut in 2011 by the state legislature, leaving Florida drastically unprepared for an economic crisis. As a result, on almost every indicator of a robust program, Florida's UI program ranks at or near the bottom. This particularly disadvantages Floridians of color, who have an unemployment rate roughly twice that of other workers.

Florida's UI program should be driven by measures that protect unemployed workers and the economy, not by measures that reduce program costs at the expense of workers who are trying to provide for their families.

To permanently address these problems and put Florida workers first, the Legislature should:



Increase payment amounts.

Increase the average value of UI benefits. Florida's UI benefit levels are among the lowest in the country. Florida both limits the amount of UI assistance that unemployed workers can receive to \$275 a week and restricts UI assistance to only 25 percent of the total wages in a worker's base period, not to exceed \$6,325 in a benefit year. But not everyone gets the maximum. On average, most workers in Florida only receive about \$254 a week, which is not enough to pay rent and utilities, much less to meet a family's other basic needs like food, transportation, and childcare while the unemployed person finds another job. Florida should increase its maximum weekly benefit rate to at least the national average (\$333) and reform the formula it uses to restrict the amount of assistance that a worker can receive in a benefit year.

"Please....I'm begging you for help. Please get unemployment increased. 125 weekly is so poor. Please, Governor DeSantis."— Wendy C. in Holly Hill

Reduce the monetary eligibility requirement of \$3,400 total wages in the base period and adopt an "alternative base period," to benefit low-wage and seasonal workers. Workers in Florida must have earned a minimum of \$3,400 in the base period, which is the first four of the last five completed calendar quarters, to be eligible for UI. Allowing workers to use an alternative base period (ABP) that looks at more recent earnings would make sure more workers qualify for the benefits they deserve. Because that \$3,400 must have been earned recently to qualify as a wage credit, claimants who either have been unemployed for a long time or did not make much money are likely ineligible for UI.

Allow benefits to be paid retroactive to the date of job loss. Currently, eligibility for UI benefits is retroactive to the date of application instead of to the date of job loss. This disadvantages workers whose first priority after losing a job is to look for work—instead of to file for benefits—as well as those who are experiencing difficulty applying for benefits.



Increase duration of payments.

Florida should increase the minimum duration of benefits from 12 to 26 weeks and eliminate the formula that ties receipt of benefits to statewide unemployment figures. For decades Florida provided up to 26 weeks of UI assistance for out-of-work Floridians. Then in 2011 the state decreased the duration of benefits to a maximum of 12 weeks of UI. As a result, Florida ranks 40th in the country in the average number of weeks that workers get benefits. Florida should increase the minimum duration of UI to 26 weeks and eliminate the formula tying benefits to unemployment rates.



Increase program reach and impact.

Florida's UI reciprocity rate, which measures the proportion of jobless workers who get benefits, is the worst in the entire country. Florida should increase the percentage of eligible people actually receiving UI benefits (8.9 percent) to ensure that eligible workers are receiving the benefits they deserve. Barriers to receiving benefits, like a broken online system and pointless red tape policies that trip up applicants, must be eliminated.

"The unemployment site sucks. Every time you try to upload proof of wages an ERROR occurs and kicks you off so people are forever stuck with a \$0 monetary status because we can't show proof." – Kaila J. in Sebring

Fix the CONNECT system. Florida's online UI portal, called CONNECT, is antiquated and inadequate for filing claims in times of low unemployment, much less when Florida experiences an economic crisis such as COVID-19. Making CONNECT a system that works in good times and in bad for Floridians should be a priority for the state.

Abolish the requirement that UI recipients contact five employers per week and repeal bi-weekly reporting. Excessive and unnecessary administrative hurdles to receipt of benefits, such as mandating that workers document five employer contacts a week and requesting benefits every two weeks, make it difficult for the state to quickly provide relief to workers during recessions or crises such as the pandemic.

Allow claimants to continue to file claims both electronically and by paper after the pandemic is over. Not all Floridians have access to technology to file UI claims electronically. Florida should ensure access for all claimants, regardless of the barriers they may face to filing for benefits.

Permanently repeal the wait week. Florida forces claimants to wait a week before they are able to start getting UI assistance (called the wait week) and does not pay them for that week, the "wait week," even though they satisfy all requirements for eligibility. Wait weeks are archaic limitations on receipt of assistance that were adopted when states still processed UI claims manually.

Expand the definition of "good cause." Fairness demands flexibility to ensure that Floridians who miss reporting deadlines, or leave or refuse work due to health and safety concerns or to care for a family member or partner, have the ability to claim good cause without suffering loss of benefits.

Level the playing field between different industries. All workers should have the protections offered by UI. Florida should do away with exemptions for employers that puts their workers at a disadvantage.



Fully fund Florida's UI System.

Businesses in Florida pay the lowest unemployment insurance tax per employee, by far. The average nationwide per-employee rate is \$277 per employee, while Florida businesses only pay \$50 on average. In order to buoy unemployed workers and prevent economic catastrophe in times of recession, Florida should fully fund its UI system.

Increase the taxable wage base. The state currently only taxes employers on the first \$7,000 of a worker's wages — the lowest in the nation. The state should increase the taxable wage base to at least \$10,000 to bring the state closer to the national average (\$18,158).

Increase the Unemployment Assistance Tax. Florida's average tax rate is approximately 0.65 percent of taxable wages. To fully fund UI in Florida, the legislature should adopt rates similar to the 9 largest states (excluding Florida) that have an average minimum rate of .56 and the average maximum rate of 7.42.

Fully utilize the funds in the Unemployment Compensation Benefits Trust Fund. The state needs to fully utilize the funds in the UI trust fund, which still had \$1.4 billion as of early October 2020. The Legislature should draw down the trust fund as needed to address the economic needs of Florida's unemployed residents rather than leave funds untouched for political reasons.