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# LESSONS FROM A PANDEMIC: THE NEED FOR STATUTORY REFORM TO MICHIGAN'S UNEMPLOYMENT SYSTEM

**Prepared by**

*Michigan Law Workers'  
Rights Clinic*

**With Support From**

*University of Michigan  
Poverty Solutions*

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# **Lessons From a Pandemic: The Need For Statutory Reform to Michigan's Unemployment System**

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Ann Arbor, Michigan  
March 2021

# AN ACT

*to protect the welfare of the people of  
Michigan, and to provide for their  
protection from the hazards of  
unemployment.*

STATES THAT HAD HIGHER UI SCORES HAD:

10%

*fewer food insecure households*

8%

*decrease in people  
falling behind on rent*

\* Among states that scored one standard  
deviation higher on our UI scorecard.



*Foreword:*

# UNEMPLOYMENT IN A TIME OF CRISIS

The COVID-19 pandemic has shown that unemployment insurance is both a vital economic stabilizer as well as a lifeline for American workers. During times of economic downturn, regardless of cause, these benefits prevent families from complete financial ruin and falling into poverty, from homelessness, from food insecurity, and from other examples of devastation for workers who have lost their job.

For every dollar of unemployment benefits given to workers, studies have shown that it returns nearly two dollars back into the community. That is an extraordinarily high return on investment. When jobless workers can continue to spend while also providing for their necessities, the return on the benefits' investment not only protects the economy but also individuals and families.

When states have strong unemployment programs that choose to cover their jobless workers, they are also better protected against economic downturns. Unfortunately, Michigan's unemployment program is among the weakest in the country. It has not evolved to protect Michigan's workforce. Currently, only about 25% of jobless workers will be entitled to benefits in Michigan - leaving 75% of the workforce without these life-saving funds. Because of this, a worker in Michigan would be denied unemployment benefits, but that same worker would be able to access benefits in nearly every other state. Even looking at other Midwestern states, Michigan lags behind significantly in every category of coverage.

The recent federal expansions to unemployment insurance coverage during the COVID-19 downturn show how the country's workforce has evolved since the program's inception in 1935. Despite the critical importance of unemployment benefits, which is the country's only economic stabilization program in place, unemployment programs are often overlooked until there is a time of crisis.

Michigan also loses out on millions of dollars of federal funds due to its lack of coverage compared to other states. When there is federal funding available, typically in times of crisis like COVID-19, that federal money goes to all states with programs that allow their workers to obtain benefits. Because Michigan excludes about 75% of workers, much of that federal funding will not come into Michigan - but it will go to the other states.

One thing is clear: the pandemic has highlighted how Michigan's unemployment program is working. Thousands of Michigan workers are calling their legislators frustrated about being excluded from this crucial economic stabilizer during a pandemic. Rather than being reactive to the crisis to add temporary fixes, Michigan's Legislature should be proactive to enact meaningful reform to protect and strengthen Michigan's unemployment coverage.

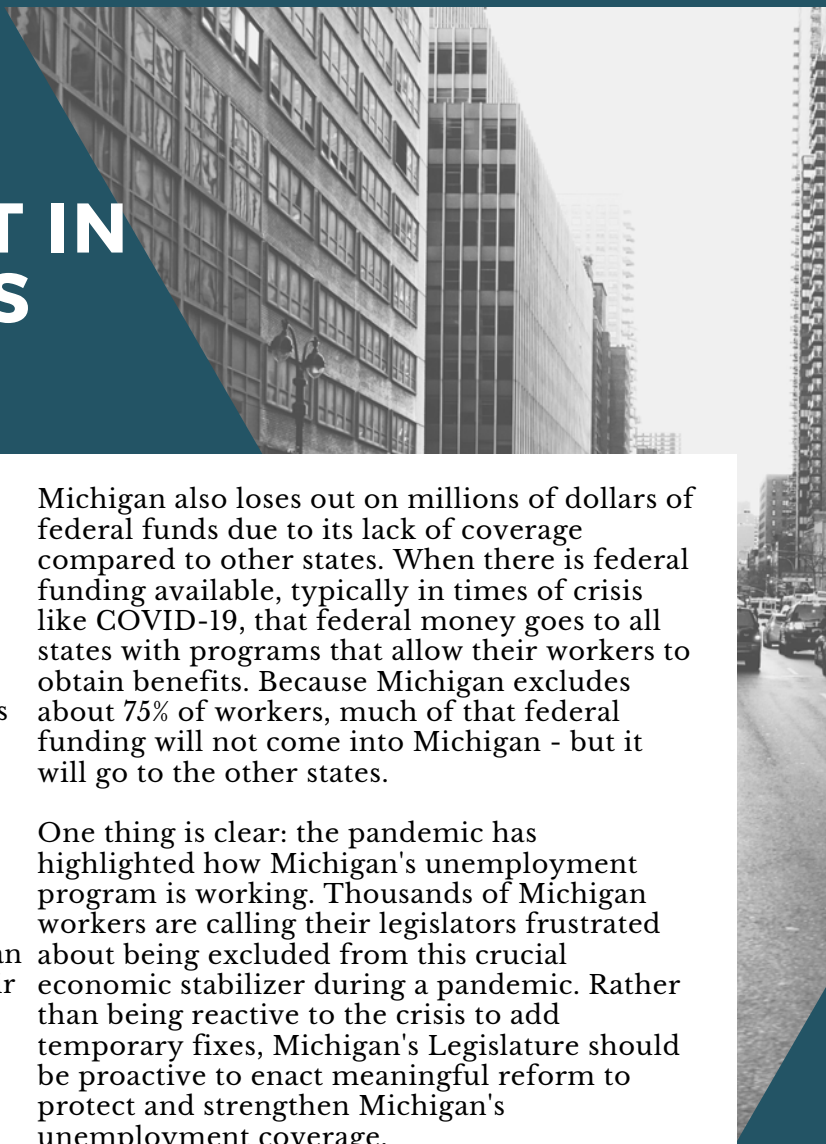
The Workers' Rights Clinic represents hundreds of jobless workers a year navigating the difficulties of Michigan's unemployment insurance program. We work for the people of Michigan because we believe that strong support for jobless workers plays a vital role in our state's economic and social well-being.

This report contextualizes Michigan's unemployment insurance system, highlighting the areas where our state has fallen short while other jurisdictions have stepped up to provide economic support for their jobless workers. It outlines the most pressing areas for reform and shows how strong unemployment insurance coverage leads to better communal financial health and economic stability.

Sincerely,



Rachael Kohl  
Director, Workers' Rights Clinic  
University of Michigan Law School



## **EXECUTIVE SUMMARY**

This report assesses Michigan's Unemployment Insurance (UI) system compared to the rest of the nation. It concludes that Michigan's UI responded to the COVID-19 crisis well compared to many other places, but that this response was hampered by long-term structural weaknesses in the state's system. Many of the changes that helped Michigan weather the worst of the crisis were temporary and highlight a **missed opportunity to provide lasting improvements to a flawed system**.

This report scores jurisdictions across four broad categories of unemployment insurance performance: 1) Essential Factors; 2) Workforce Coverage; 3) Claimant Benefits & Protections; 4) COVID-19 Response and Administration. These factors are chosen to measure various mechanisms through which UI systems can succeed or fail in providing qualified applicants benefits in a timely and fair manner. Higher scores across these measures indicate that a state's UI system is relatively more **claimant-centered**, meaning that the system provides meaningful support to the largest possible range of workers who are out of work through no fault of their own.

Michigan's UI system consistently ranks as one of the weakest UI programs in the country. In reviewing the first 3 categories above about the state's programmatic variables, Michigan was in the bottom 5 jurisdictions. However, Michigan did very well in response to COVID-19. Because Michigan was a leader to respond and to give out benefits at the beginning of the pandemic, Michigan's "Overall" score was near that of the average state's score. However, this masks the fact that Michigan was **in the top 3 states in the more temporary policy measure (COVID-19 response)** but was **second to last in the nation in the longer-term policy measure of essential factors and the bottom third in terms of workforce coverage and claimant benefits & protections**.

- Michigan has serious long-term structural issues in terms of its **essential factors**. These factors include the weekly benefit amount available to claimants, the number of regular weeks of compensation available, the taxable wage base, and rework requirements after a separation. **Michigan was the second-worst jurisdiction across these dimensions.**
- Michigan was in the bottom third in the structural issue of how much of the **workforce is covered**. While Michigan performed well in terms of having a robust workshare program, the UI system is the **second-worst jurisdiction** in terms of covering low-earning workers. Michigan also performed poorly in terms of covering part-time workers and having a well-functioning employer chargeability system.
- Michigan performed poorly in terms of other **claimant benefits & protections**. This factor includes medical leave availability, dependent allowances, how the state handles potential fraud, and how modernized the UI system is.
- Michigan's UI system responded well (**in the top 3**), but with temporary policies, to the **COVID-19 crisis**. Michigan was among the first states to implement PUA and the state's governor was proactive in broadening worker protections. For instance, the governor temporarily expanded benefit weeks from 20 to 26 weeks, waived the work-search requirement, and broadened the reasons for refusing work in light of COVID. While infrastructure issues prevented the state from scoring higher, Michigan made the most out of its structurally-weakened system.

The report provides a brief overview of the economic condition of the various states during the pandemic, highlighting that states that had stronger UI systems handled the crisis better. Next, the report discusses each of the scoring factors in detail, providing additional analysis and explanation of the factors that lead to a well-functioning UI system. The report summarizes these scores in figures and charts throughout, as well as providing a final overview of rankings in the last section. The report concludes with a scorecard grading each state's UI system and highlighting relative strengths and weaknesses.

*Report*

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# PART 1: ECONOMIC INDICATORS

*Econometric Analysis Explained*



## INTRODUCTION

Unemployment insurance has been an essential lifeline for the economy, consumer spending, and workers while they search for their next job. The pandemic has proven how important strong unemployment insurance programs are for economic stabilization. As explained in this report, jurisdictions with stronger unemployment insurance systems were better able to adapt to workers' needs and were better positioned to weather the economic turmoil of the COVID-19 economic decline. **On average, jurisdictions that performed better on this report's UI scorecard had populations that, at a statistically significant rate:**

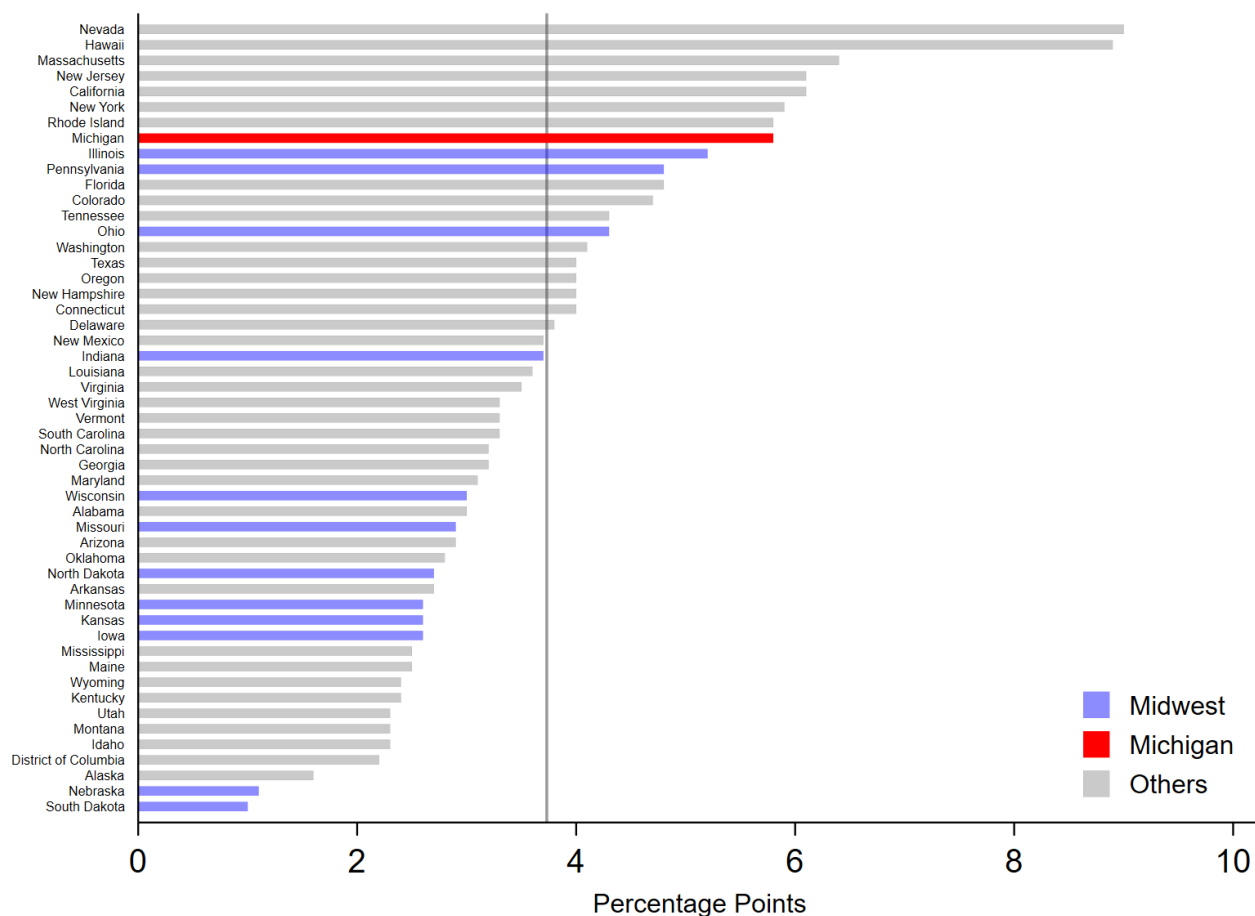
- Were less likely to report being behind on rent
- Had lower foreclosure rates
- Had fewer people who reported experiencing food insecurity (and marginally lower usage of SNAP programs)



## CHANGE IN TOTAL UNEMPLOYMENT

(2019 SUBTRACTED FROM 2020) [1]

### Percentage point change in total unemployment rate 2020-2019



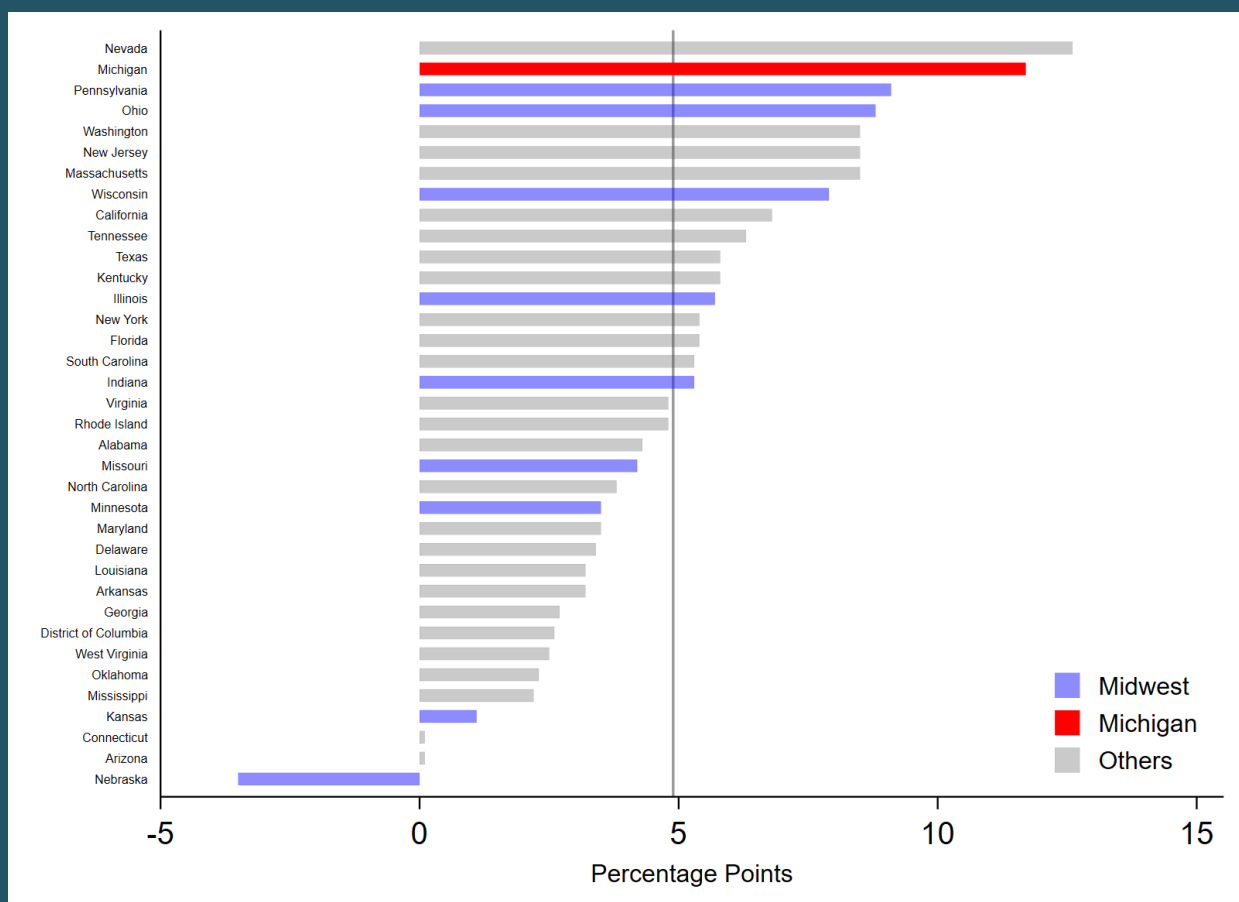
Michigan had one of the largest increases in its unemployment rate of any jurisdiction between 2019 and 2020. In 2020, Michigan's unemployment rate was nearly 6 percentage points higher than in 2019.

The pandemic hit Michigan's labor force in a particularly devastating and unequal way. Of the jurisdictions with available data, the unemployment rate for Black workers in Michigan increased at the second-highest rate in the nation, increasing by 11.7 percentage points. After this increase, Michigan's Black unemployment rate was 19.1%, one of the highest in the country. (See graph on the next page).

## CHANGE IN BLACK UNEMPLOYMENT

(2019 SUBTRACTED FROM 2020) [1]

### Percentage point change in Black unemployment rate 2020-2019

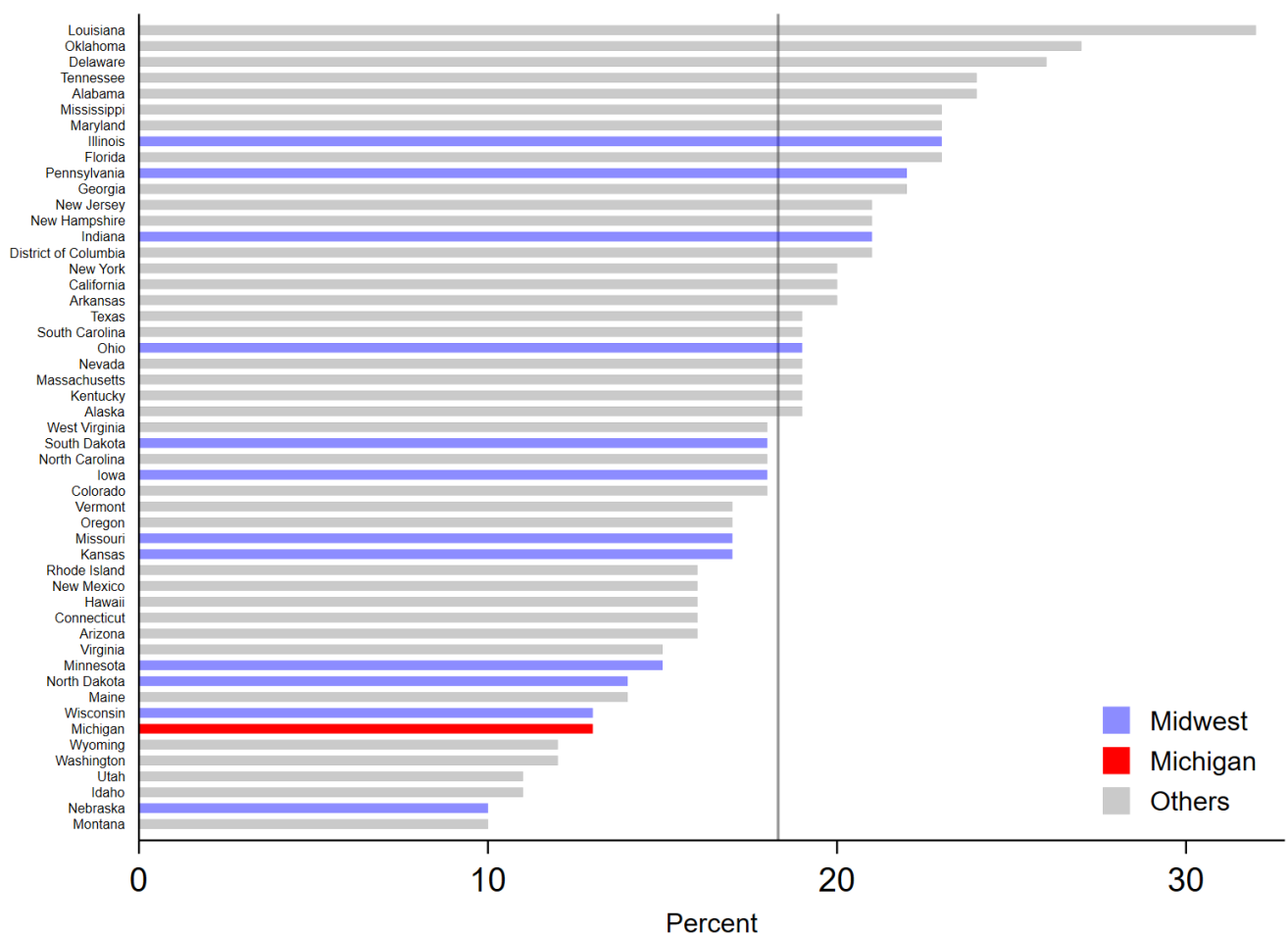


**AFTER THIS INCREASE, MICHIGAN'S  
BLACK UNEMPLOYMENT RATE WAS 19.1,  
THE HIGHEST IN THE COUNTRY.**

## Access to Housing <sup>[2]</sup>

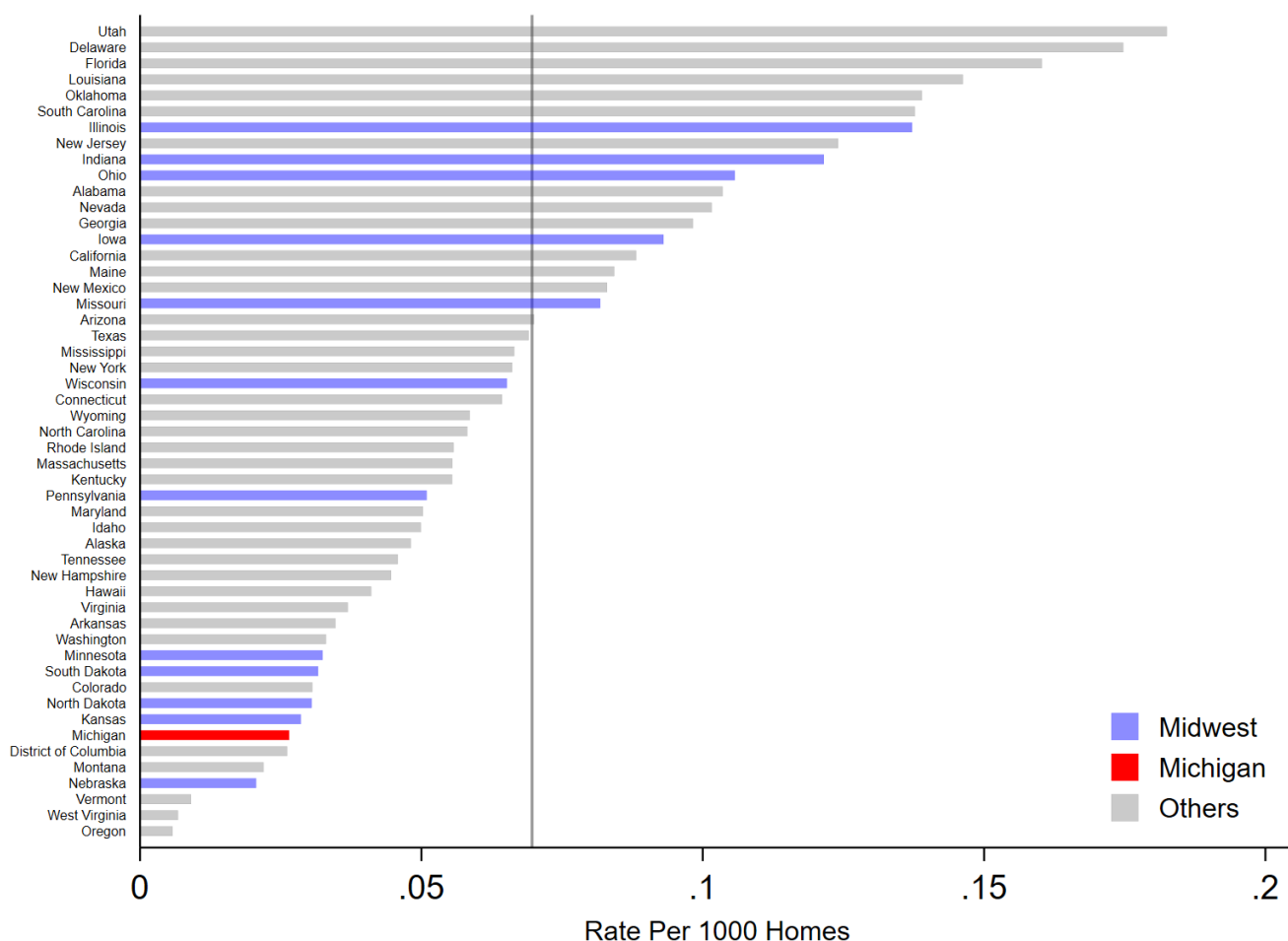
Workers who lose their jobs may be more likely to fall behind on their ability to afford necessity items, like paying for their housing. During the Great Recession, access to more significant unemployment compensation has been shown to help prevent foreclosures and insulate housing prices. [3] During the pandemic, jurisdictions with more claimant-focused unemployment insurance systems had fewer individuals who reported falling behind on rent and fewer foreclosures. While these stronger systems have been associated with more housing security, this has not translated to changes in housing prices, at least as of yet. Michigan's housing market has been particularly resilient. Fewer individuals have reported falling behind on rent and Michigan has had a lower number of foreclosures when compared to most other jurisdictions. Housing prices also do not seem to have been impacted, at least as of the writing of this report.

### Proportion Behind on Rent



*Data on the percent of individuals reporting being behind on rent among adults in rental housing collected between November 25 and December 21, 2020. Only 13% of Michigan household's reported being behind on rent, a lower fraction than most other states.*

## Foreclosures per 1000 homes



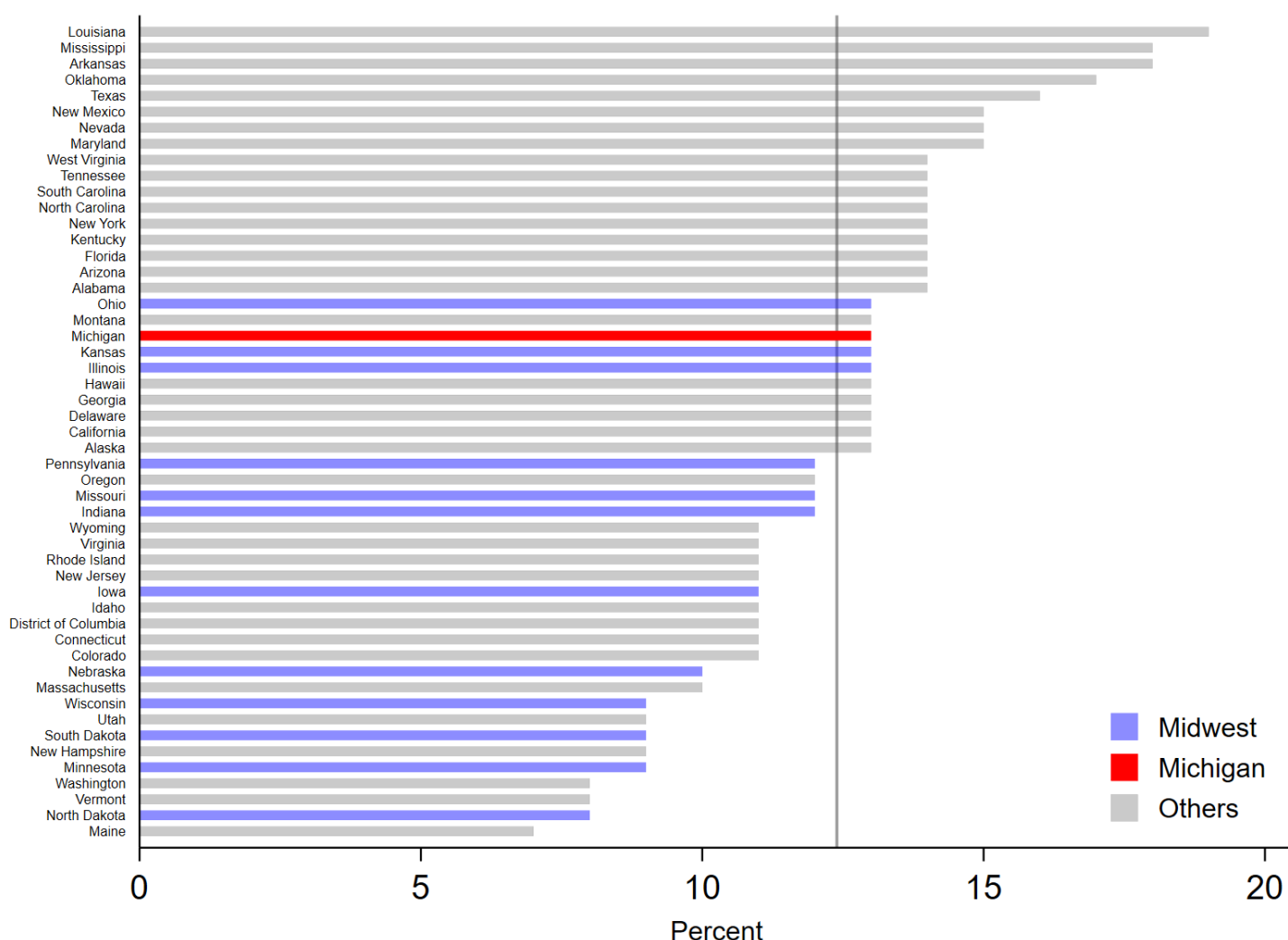
**MICHIGAN HAD ONE OF THE  
LOWEST FORECLOSURE  
RATES OF ANY STATES IN  
DECEMBER 2020.**



## ACCESS TO FOOD<sup>[4]</sup>

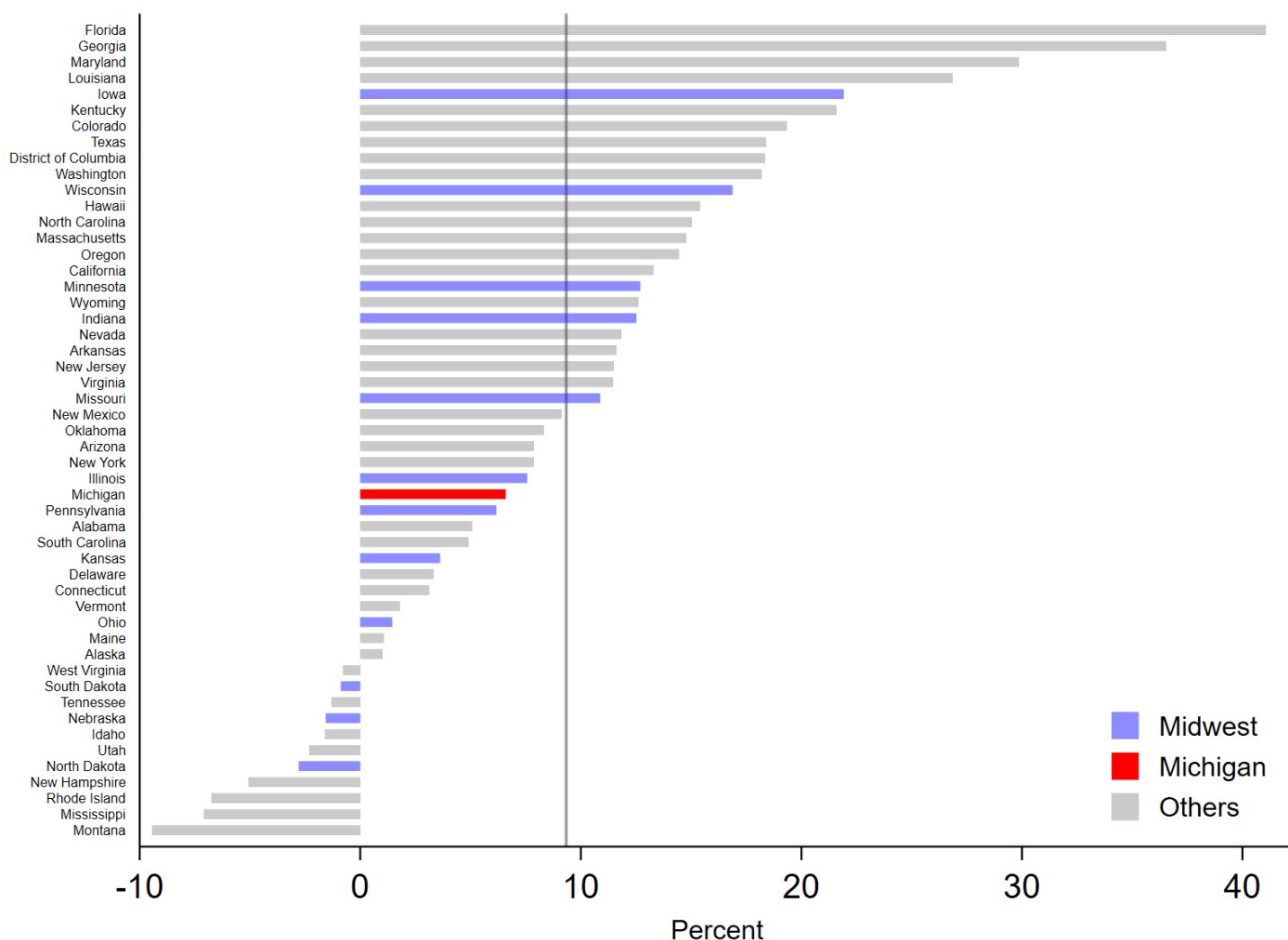
Food insecurity is more likely to increase during recessions and it has emerged as a key issue during this pandemic. As workers lose their jobs and the economy contracts, people go hungry and are less likely to know from where their next meal will come. By providing more resources for unemployed workers, jurisdictions ensure that more people can afford food. Jurisdictions with more worker-focused unemployment insurance programs had fewer people report being food insecure and lower rates of SNAP usage. By both of these measures, Michigan was middle-of-the-pack across the nation.

### Fraction of households reporting food insecurity in November - December 2020



# MICHIGAN WAS IN THE MIDDLE OF THE PACK REGARDING FOOD INSECURITY AND SNAP USAGE

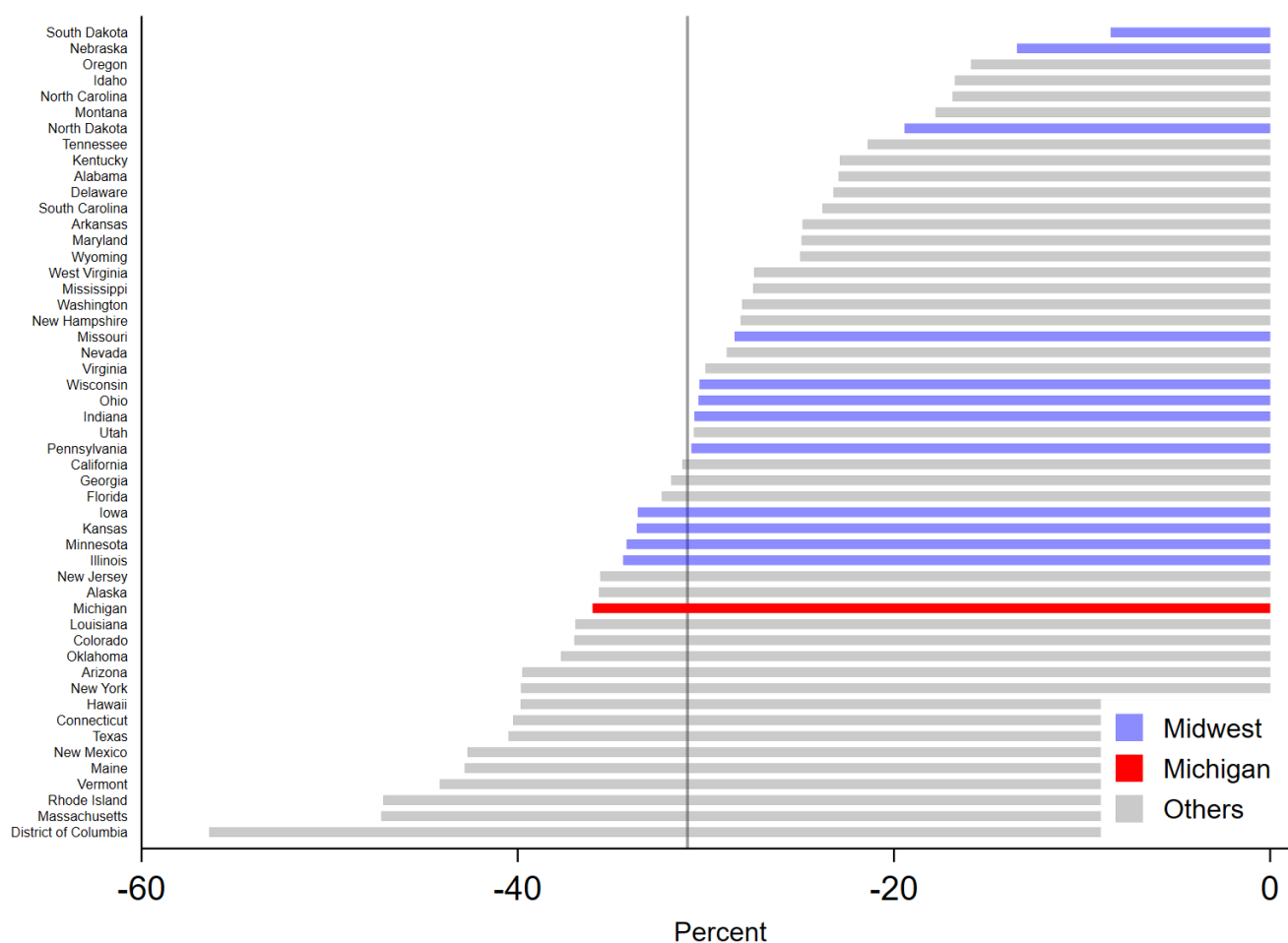
Percent change in SNAP usage, September 2020 vs September 2019



## LOCAL ECONOMIC CONDITIONS<sup>[5]</sup>

More generous unemployment insurance supports local economic activity and provides important macroeconomic activity. Claimants spend significant portions of their benefits quickly, with many studies finding at least half, and potentially up to 80% of benefits dollars quickly outflowing to the local community. [6] During the pandemic, jurisdictions with more claimant-focused unemployment insurance programs had similar changes in small business revenue. [7] Michigan's small businesses were harder hit than many other jurisdictions and compared with all of the other Midwestern states.

**Percent change in small business revenue**  
(DEC 2020 RELATIVE TO JAN 2020)





# COVID-19 RESPONSE

Between April and September of 2020, PUA provided benefits to over 11 million workers who would otherwise have received no form of unemployment insurance support. [3] When PUA and other federal expansion of state unemployment benefits expired on December 26, 2020, economists estimated that 12 million of the 19 million workers receiving unemployment insurance benefits across the country lost coverage. [4]

Implementing this federal program proved difficult for some jurisdictions. Overburdened unemployment insurance systems and outdated software were tasked with processing regular state claims while also building software that could implement and manage these new federal programs. [5] Many jurisdictions' websites crashed repeatedly in the initial weeks of the pandemic. [6]

This report measured how successful a jurisdiction was at implementing and paying out PUA benefits. If a jurisdiction implemented PUA before April 15, it received 75 points. If PUA was implemented between April 16 and April 30, it received 50 points. If a jurisdiction failed to implement PUA until May, over a month after the CARES Act was passed, that jurisdiction received 25 points.

Michigan was one of the first jurisdictions to begin processing and paying out PUA benefits. [7] It began accepting applications on April 13 and dispensing payments around April 20, 2020. For contrast, Illinois and Indiana did not implement PUA until the first week of May. [8] Illinois's method of implementing PUA was notably onerous for workers. It forced workers who were not eligible for state benefits to apply, wait to be rejected, and then re-apply to receive PUA. [9] Kansas experienced significant administrative delays, which led to protests and the eventual resignation of the state's secretary of labor. [10]



# PART 2: COVID-19 RESPONSE

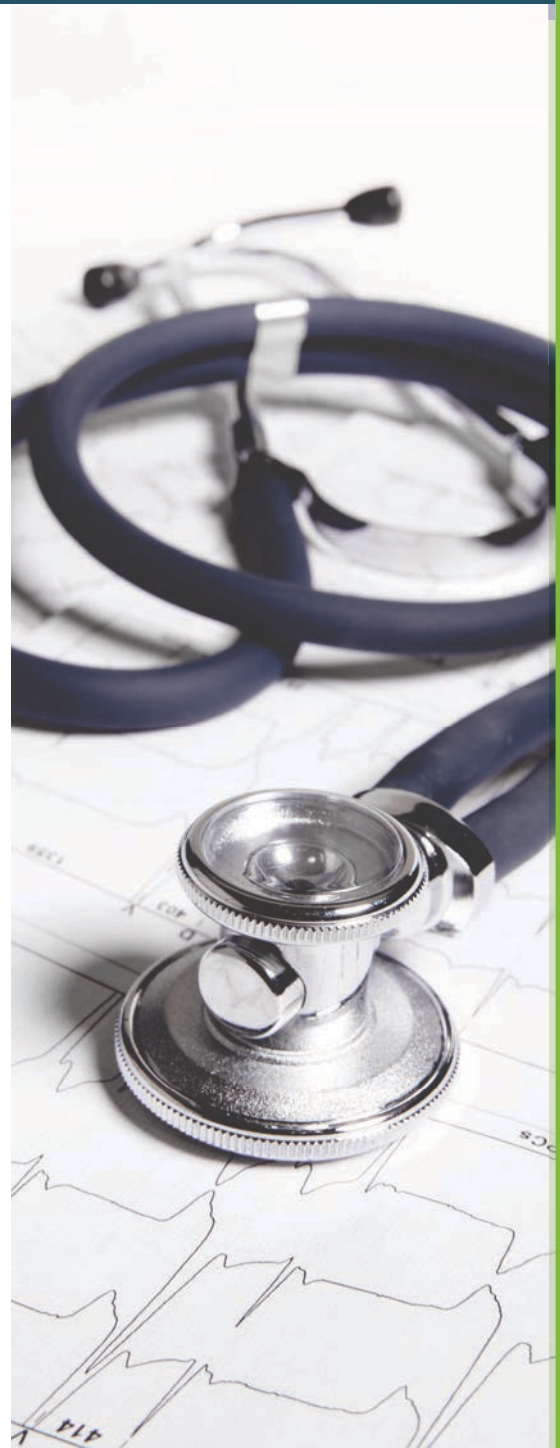


*Federal Programs, Benefit Administration,  
and State Executive Orders*

## INTRODUCTION

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Congress passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES") on March 25, 2021 and it was signed into law on March 27, 2020. [1] This federal legislation expanded unemployment insurance coverage to non-traditional workers such as those who work in the gig economy, are self-employed, or are otherwise ineligible for state unemployment insurance coverage. [2] This program, known as the "Pandemic Unemployment Assistance" program ("PUA"), offered essential economic support to workers who would have otherwise received nothing from their state unemployment insurance systems.



Michigan's ability to quickly and effectively implement PUA payments at the beginning of the pandemic highlights that Michigan's unemployment insurance system can move nimbly during times of crisis. It also demonstrates how soon responsive statutory changes could be implemented into the administration of benefits.

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## ADMINISTRATION

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The quality of Michigan's administrative response to COVID-19 helps us understand how well the jurisdiction is able to respond to unanticipated increases in unemployment insurance claims. To assess the caliber of each jurisdiction's response, the scorecard evaluated several factors:

- How quickly federal programs were implemented within the state (i.e., PUA and the Lost Wage Assistance)
- How the jurisdiction responded to potential fraud in 2020
- Whether infrastructure issues were reported with the jurisdiction's unemployment insurance system
- The issues faced by claimants whose claims had already been processed
- The experience of claimants trying to access benefits in 2020

Michigan was among the first jurisdictions in the country to implement PUA, second only to Virginia, which implemented it three days earlier. [11] Michigan hired additional employees to process the skyrocketing number of claims at the start of the pandemic. [12] Several other jurisdictions, including Minnesota and South Dakota, also hired additional staff to manage the influx of claims. [13]

Michigan experienced significant issues processing existing claimants' benefits and delays in processing new claims. [14] Although claimants experienced delays in many Midwestern jurisdictions, including Illinois, Iowa, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota, no other jurisdiction froze as many accounts as Michigan did while it was investigating possible imposter fraud. It froze over 340,000 claimant accounts while it investigated issues of imposter fraud. [15] The large number of accounts impacted by the search was likely due to MiDAS, Michigan's infamously faulty unemployment insurance computer system, which was over-calibrated to detect fraud. The way the investigation was implemented resulted in eligible claimants, who had provided multiple forms of identification, going unpaid for months.

Preventing and rooting out imposter fraud is an important part of the Agency's work but it should not come at the expense of innocent claimants who rely on these benefits in times of need. While Michigan's PUA implementation was one of the smoothest in the country, its search for imposter fraud resulted in a months-long delay for many eligible claimants.

As COVID-19 has revealed, we can never know exactly when or how an economic downturn will arise. But when they do, claims come quickly, and additional claims examiners are needed right away to avoid the backlogs that plagued many jurisdictions in 2020. Some jurisdictions, notably Washington, successfully activated a small force of National Guard members to help process the large backlog of claims. [16] National Guard members proved quick to train and were efficient claim processors. To help mitigate this type of backlog in the future, we recommend that the Michigan Unemployment Insurance Agency coordinates with the National Guard to study whether having a standing group of members ready to respond to increased claims may be an efficient solution to alleviate the type of backlog experienced in 2020.

## **STATE EXECUTIVE ORDERS**

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At the onset of the pandemic, many jurisdictions were faced with an unprecedented number of claims from workers who needed financial support quickly. However, getting benefits to those who needed them proved difficult because many unemployment insurance statutes have provisions that slow down claims processing. These provisions include requiring jobless workers to wait for a set period of time before applying for benefits and requiring weekly reports on a claimant's work search progress. Both of these requirements were incompatible with the stay-at-home orders that were issued across the country in response to the pandemic. Absent executive intervention, many jurisdictions would have been saddled with onerous statutory provisions incapable of supporting the realities of the workforce at the start of the pandemic. [17]

Some governors not only waived certain registration and work search provisions, they also expanded their jurisdiction's unemployment insurance coverage ahead of federal legislation. Executive actions made it possible for claimants to access benefits at a time when they could not work, either due to health concerns, school closures, or caregiving responsibilities. In Michigan, the executive orders that modified pre-existing unemployment insurance law allowed more workers to access and remain eligible for benefits at a time of uncertainty.

In this report, the executive orders passed by each jurisdiction's governor were catalogued by how responsive a governor was to the needs of their state's workforce. If a governor passed any executive orders addressing the pandemic, their state received 50 points. If a governor passed orders that noticeably protected workers (meaning they temporarily waived a waiting period or work search requirement) the jurisdiction received 100 points. If a governors passed any executive orders that considerably protected workers (meaning it expanded eligibility, charged funds to the state rather than the separating employer, or expedited claims processing), that jurisdiction received 150 points.

In the highest-scoring jurisdictions, governors expanded eligibility to encompass more workers, waived the waiting period and work search requirement, and shifted resources to expedite claims processing. In Maine, the governor and state legislature worked together, passing legislation that waived the work search requirement until October of 2020 and allowed workers who were forced to self-isolate or quarantine to remain eligible for benefits. [18] In the Virgin Islands, the governor temporarily expanded unemployment insurance to all whose work schedules were reduced by twenty hours or more [19] while also waiving the work search requirement and waiting period. [20] He worked with the Virgin Island's Department of Labor to draft and circulate model language that employers could use to inform workers about their eligibility under the expanded unemployment insurance program. [21] In New Mexico, not only did the governor support unemployment insurance guidelines that extended the statutory definition of good cause for leaving a job to cover workers over the age of sixty-five or had documented medical conditions, [22] she also issued a one-time payment of \$750 to all self-employed New Mexicans while the state was implementing PUA. [23]

**IN MICHIGAN, THE EXECUTIVE  
ORDERS THAT MODIFIED PRE-  
EXISTING UNEMPLOYMENT  
INSURANCE LAW ALLOWED MORE  
WORKERS TO ACCESS AND REMAIN  
ELIGIBLE FOR BENEFITS AT A TIME OF  
UNCERTAINTY.**



Governor Whitmer, Michigan's governor, passed a number of executive orders similar to those passed by the highest-scoring jurisdictions. She expanded employers' workshare eligibility requirements and expanded the reasons related to COVID-19 for workers to access unemployment insurance. She also extended the length of time workers had to apply for benefits and waived Michigan's in-person registration requirement. [24] Many of these actions also allowed Michigan to bring additional federal dollars into the state that would have otherwise been given to other states with stronger UI programs. National unemployment insurance experts praised these orders as cutting through some of the normal red-tape requirements that make it difficult for workers to receive benefits even when they are monetarily eligible and have involuntarily lost their job. [25] Additionally, Governor Whitmer issued an executive order that waived Michigan's high rework requirement, which made unemployment insurance accessible to lower-wage workers who otherwise may not have earned enough in the last quarter to satisfy this requirement. [26] These executive orders ensured that hundreds of thousands of workers were able to prioritize the health and safety of their loved ones without sacrificing their job or their economic security.

Though the Michigan Supreme Court held that the 1945 statute empowering the governor to make emergency orders was unconstitutional, many of the unemployment insurance components of these executive orders were subsequently enacted - albeit only temporarily with an end date. [27]

# PART 3: ESSENTIAL FACTORS

*Weekly Benefits, Taxable Wage Base,  
Rework Requirements*



## INTRODUCTION

This section of the report deals with what we have categorized as the essential factors of a jurisdiction's unemployment insurance system. They are:

- Weekly Benefit Amount
- Number of Regular Weeks of Benefits
- Taxable Wage Base
- Rework Requirement

How jurisdictions structure their systems on these elements make a crucial difference in claimants' access to benefits and the effectiveness of those benefits once they receive them.

## WEEKLY BENEFIT AMOUNT

The Weekly Benefit Amount (WBA) is the weekly value of unemployment insurance benefits that each claimant receives per week. This amount is based on the claimant's earnings at their last place of employment. The Federal Advisory Council on Employment Security has recommended establishing a WBA equal to 2/3 of the Statewide Average Weekly Wages ("SAWW") to ensure that workers are able to cover basic living expenses while searching for new employment.

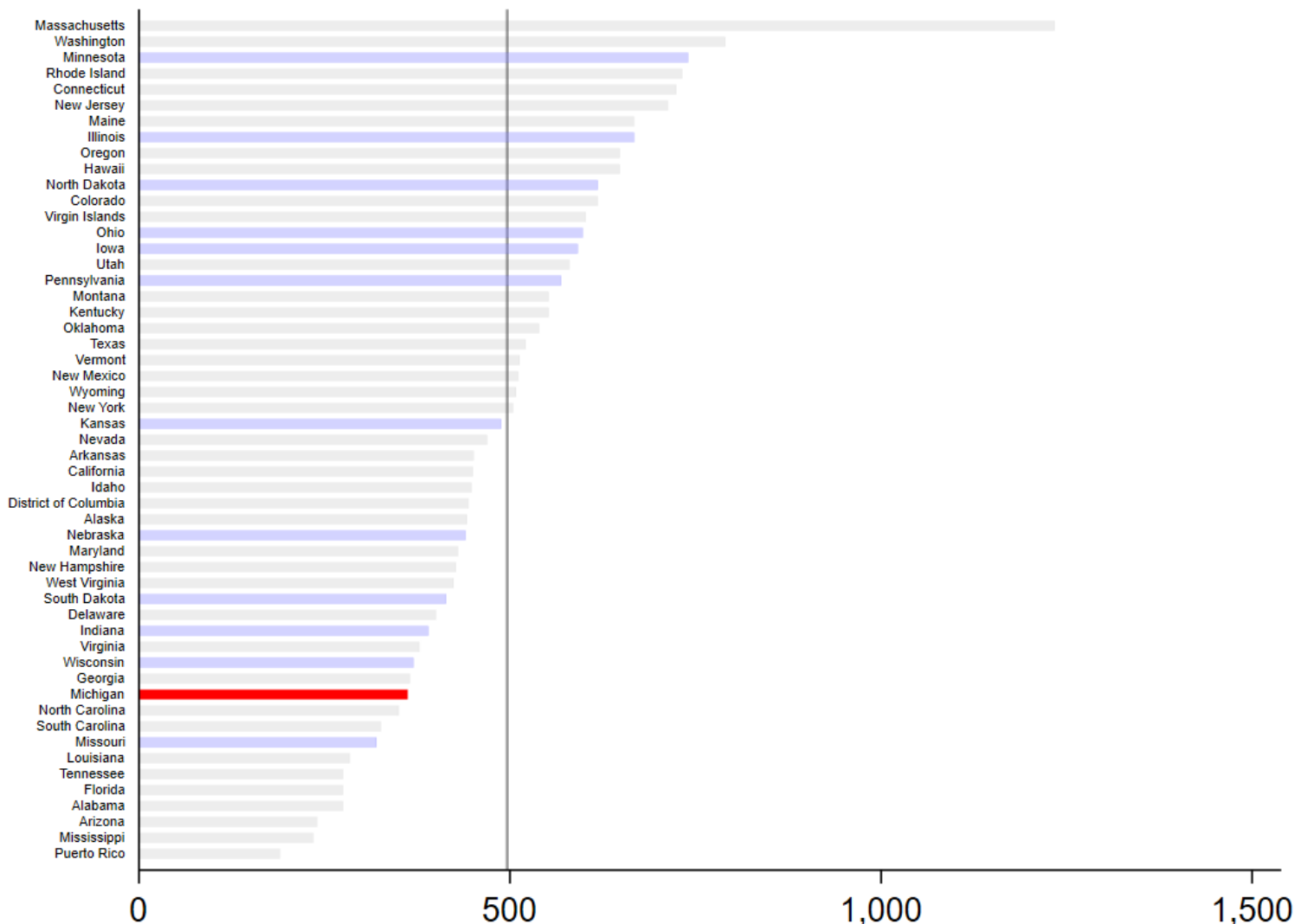
Because of the importance of providing substantive wage replacement, states only received points for benefits in excess of half of the Federal Advisory Council's recommendation of 2/3 of SAWW. For this section of the scorecard, two points were given for every additional percentage point over 34% of the SAWW. Michigan's maximum benefits were below this figure, so it received 0 points for this section. In 2020, the SAWW for Michigan was \$1,037. [1] Michigan's maximum WBA is \$362. [2] This was less than half of the SAWW. The absolute minimum benefit amount is \$81 (150 with traditional separation), or 1/11 of the SAWW. For comparison, North Dakota has a maximum benefit WBA of \$640 while Minnesota's is \$740. Missouri and Michigan were the only Midwestern jurisdictions to have a maximum benefit of less than 35% of their SAWW and consequently received 0 points.

Michigan's WBA is not enough. The average monthly rent for a two-bedroom apartment in Michigan was \$833 as of 2018. [3] This means that, for a single-income household receiving the maximum WBA, most of those benefits will go to housing with a little leftover for the other necessities in life: food, childcare, medical care. Single parents and their children are especially harmed by a low WBA. The Michigan Employment Security Act states that the purpose of unemployment insurance is to "provide for the protection of the people of this state from the hazards of unemployment." [4] Michigan's current WBA does not cover the cost of basic necessities, much less guard against the hazards of unemployment. While almost all jurisdictions fell short of the Federal Advisory Council's recommendation that unemployment insurance should provide 2/3 of the SAWW, thirty-seven jurisdictions provided their citizens with a greater benefit amount relative to that jurisdiction's SAWW than Michigan provided for its jobless workers. Of the midwestern jurisdictions, only Missouri provides a smaller benefit amount than Michigan.

Concerns about more generous benefits increasing the unemployment rate during the pandemic have been refuted by recent academic research. [5] Minnesota, which has a WBA of \$740, serves as a strong example of how higher unemployment insurance benefits do not correspond to a higher rate of unemployment. Minnesota had a lower pre-pandemic rate of unemployment, at 3.3% to Michigan's 4.0%. [6]



# MAX WEEKLY BENEFIT AMOUNT



## Recommendation

Raising Michigan's weekly WBA would help unemployed workers in precarious financial situations provide for their families while finding suitable employment. To ensure that its unemployment compensation provides meaningful support to claimants, the Michigan legislature should amend the Act to increase the maximum WBA so that it meets the Federal Advisory Council's recommendation of  $\frac{2}{3}$  of SAWW. Indexing the WBA is essential as it ties the UI system to the growth of the economy. Doing so would place Michigan in line with states like Pennsylvania and North Carolina. [7] The maximum weekly benefit amount is usually indexed to be more than 50 percent of the average weekly wage. [8] To conserve legislative resources and protect the future generosity of benefits, the legislature should not set the WBA at a fixed amount, but instead set the WBA to be  $\frac{2}{3}$  of Michigan's SAWW so that it can better financially support Michigan workers.



## NUMBER OF REGULAR WEEKS

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The number of regular weeks of benefits is the number of weeks that an unemployment insurance claimant in a particular jurisdiction can collect benefits, absent any temporary extensions that are provided by either executive order or the federal government.

Losing a job is a great financial distress for any family, regardless of the overall health of the economy. This section of the report looked at how many weeks claimants were eligible for unemployment benefits in each jurisdiction under normal economic conditions. Each jurisdiction was awarded five points for every week of benefits their law provides. The vast majority of states allow for up to 26 weeks of benefits and thus were given 130 points.

Since 2011, Michigan has capped the number of weeks that a claimant can receive unemployment benefits at 20.

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### **MICHIGAN IS ONE OF ONLY EIGHT JURISDICTIONS IN THE COUNTRY THAT HAS SET THE MAXIMUM WEEKS BELOW 26 WEEKS.**

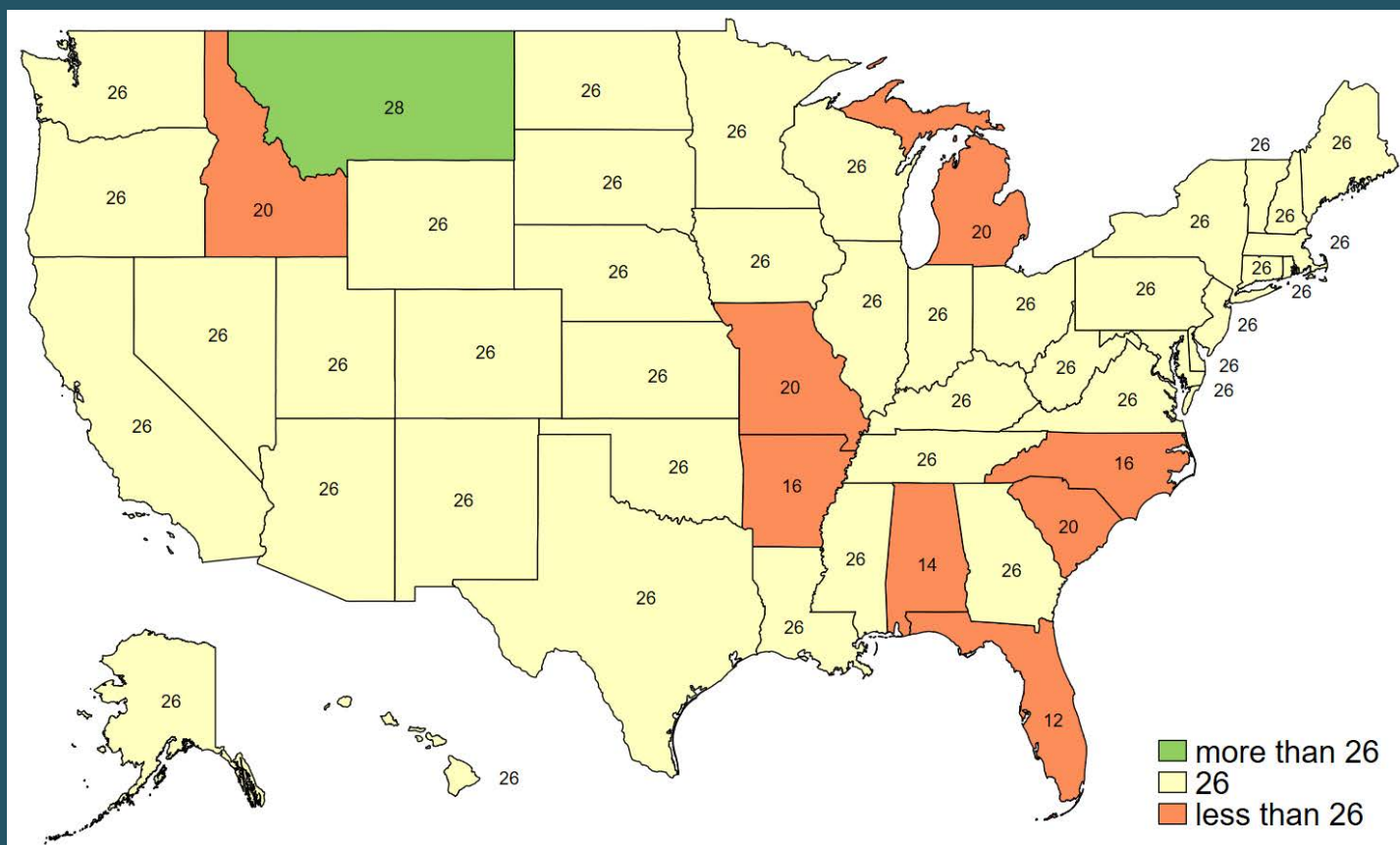
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In the Midwest, only Michigan and Missouri do not allow claimants to collect up to 26 weeks. Again, nearly every other state in the country besides Michigan offers 26 weeks of benefits.

Reducing the number of weeks that claimants can receive unemployment benefits forces unemployed workers to choose between accepting a low-paying job or one they are overqualified for and being without an income from exhausting their benefits. For example, suppose a worker loses a job that pays \$60,000 a year. After a month of searching, they are offered a job for \$30,000. It is not in their long-term interests, nor the interest of the jurisdiction, to accept this employment. Forcing citizens to take lower-paying jobs skews the balance of power heavily in favor of employers, increases wealth inequality, and lowers the income tax base for the Michigan government.

Additionally, the maximum number of regular weeks plays an important role in how much federal funding that jurisdictions are eligible for when there is an economic downturn. Typically, when the federal government offers additional funding to allow jurisdictions to offer additional weeks of benefits, that additional funding is distributed based on the number of weeks a jurisdiction already offers. This is why jurisdictions, like Michigan, that do not normally offer 26 weeks during normal economic conditions extend the number of regular weeks during a recession.

## Max Number of Benefits Weeks



## Recommendation

In order to reap these economic benefits and prevent the need for a temporary extension during the next economic recession, the legislature should permanently increase the number of regular weeks of unemployment benefits from 20 weeks to at least 26 weeks. Permanently lengthening Michigan's weeks of unemployment benefits is not only economically beneficial but a racially equitable move. Shorter periods of unemployment benefits have been shown to disproportionately hurt workers of color. In 2011, the average duration of unemployment for white workers was 19.7 weeks but for Black and Asian workers, the average duration of unemployment was 27.7 weeks. [9] Michigan would do well to extend the number of covered weeks it offers to eligible workers in the wake of a pandemic that has disproportionally impacted communities of color. [10]

## TAXABLE WAGE BASE

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Every jurisdiction's unemployment benefits are paid from an unemployment insurance trust fund. Jurisdictions replenish this trust by levying payroll taxes on workers' earnings; these taxes are generally paid by the employer, which in turn passes the cost of the tax to the workers through lower wages. Jurisdictions only tax wages up to a certain figure. This figure is known as the taxable wage base. The taxable wage base varies drastically between jurisdictions. In California, Tennessee, and Florida, only the first \$7,000 in wages are taxed. [11] In Washington state, the first \$56,500 in wages are taxed. [12] A higher taxable wage base means that a jurisdiction can have more revenue streams for the trust.

For this section of the report, jurisdictions were given one point for every \$500 in wages that were included in the taxable wage base beyond the first \$7,000 in wages. Michigan's taxable wage base has a cut-off at \$9,500. Previously, this figure was \$9,000 but Michigan's trust has a mechanism that automatically increases the taxable wage base after trust levels fall below \$2.5 billion, as they did in June. [13] Consequently, Michigan received 5 points for this section. Nebraska's \$9,000 taxable wage base was the lowest in the Midwest, while Indiana and Michigan's \$9,500 taxable wage bases were tied for the second-lowest score.

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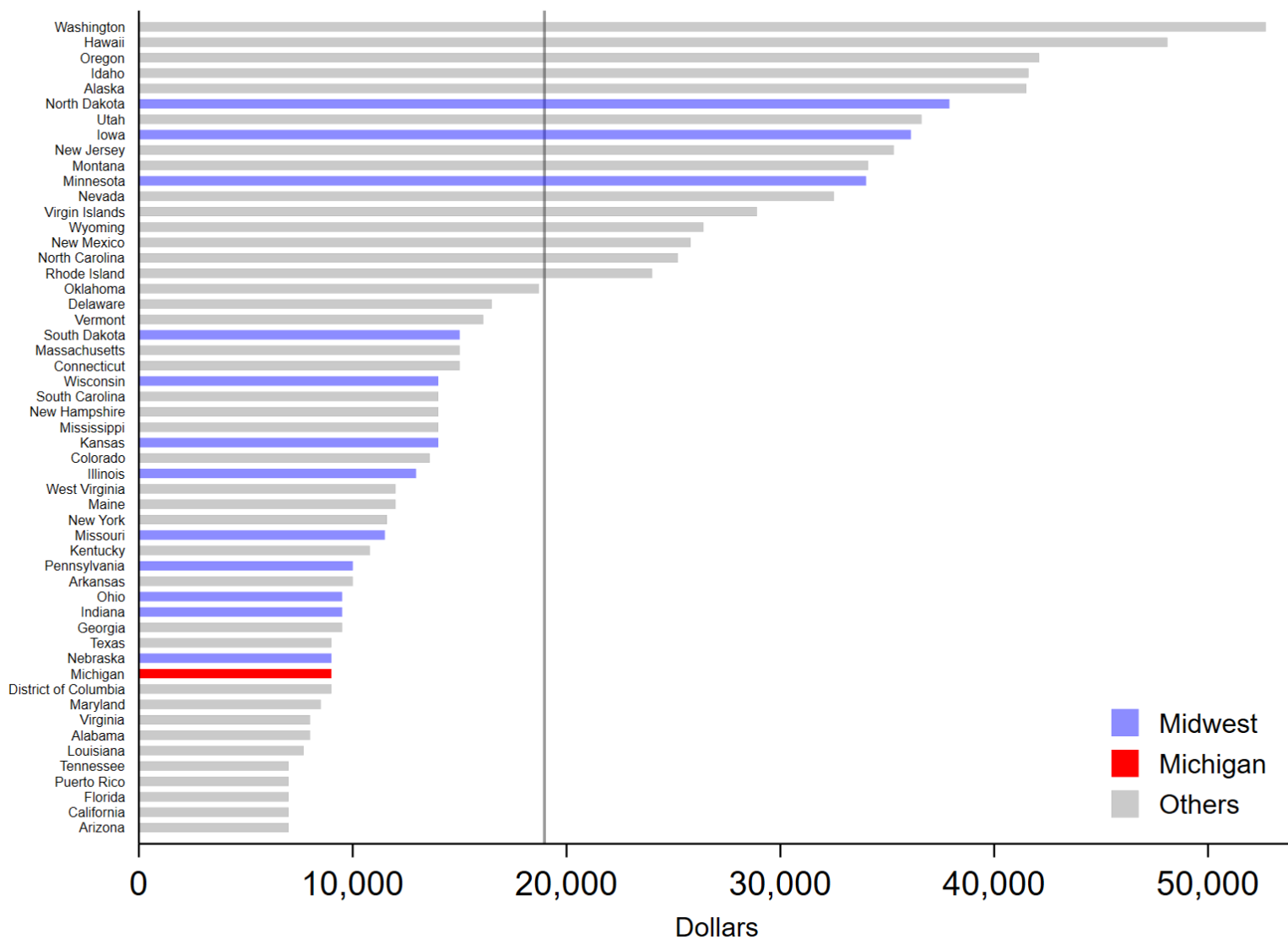
### **EVEN WITH THE RECENT INCREASE IN TAXES, MICHIGAN'S WAGE CUT-OFF IS ONE OF THE LOWEST IN THE COUNTRY.**

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After the pandemic, Michigan's trust, like many other jurisdictions, will be in a financially precarious position and modestly increasing certain taxes will help the trust maintain solvency. Debera Salam, an analyst and Associate Director for Employment Tax at Ernst & Young, argues that, while lowering taxes may make employers happy, failing to raise taxes following the pandemic would have long-term consequences. [14] Salam recommends raising employer taxes earlier will provide both stability for the trust without having harsh financial impacts on some businesses. [15]

Even with the recent increase in taxes, Michigan's wage cut-off is one of the lowest in the country. Only nine states have a taxable wage base below \$9,500 as of 2019. [16] In the Midwest, only Nebraska and Ohio joined Michigan in having taxable wage bases of \$9,500 or lower. Some jurisdictions in the Midwest, like Minnesota and North Dakota, have much higher taxable wage bases, at \$34,000 and \$37,900, respectively. These higher wage bases maintain a healthy trust and allows these jurisdictions to provide higher benefits to their unemployed workers.

## Taxable Wage Base By Jurisdiction 2020



**MICHIGAN HAS A  
LOW MAXIMUM  
TAXABLE WAGE  
BASE**

## Recommendation

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The Michigan legislature should raise the taxable wage base to a greater percentage of employee wages. Currently, only the first \$9,500 in wages are being taxed - and that's only if the trust fund is below \$2 billion. But claimants are not monetarily eligible for benefits if they only earn \$9,500 and it is distributed equally over four quarters - even though their wages have fully paid into the unemployment fund. [17]

An example highlights the inequity of this current funding system. Say Worker A makes \$9,500 over four quarters and Worker B makes \$70,000 over four quarters. Worker A has not earned enough to be monetarily eligible for benefits, but her employer will still pay \$256 (\$9,500 taxed at 2.7%) into the unemployment trust and will consider this tax when determining Worker A's rate of pay. Worker B's employer also pays \$256 into the unemployment trust because only the first \$9,500 of all employee wages are taxed in Michigan. Thus, Worker A's unemployment taxes are subsidizing Worker B's unemployment benefits even though Worker A is not monetarily eligible to receive unemployment benefits. Worker B is not only eligible for benefits, she will collect the maximum of \$362 per week.

It is fundamentally unfair that Worker A is not entitled to benefits while Worker B, whose wages have not been taxed to a greater extent, will receive benefits. Michigan's low taxable wage base places the largest burden of funding its unemployment insurance trust onto low-income workers.

Additionally, it places an unfair burden on the employers of low-wage workers. Employers that hire minimum wage workers also end up subsidizing the unemployment benefits of high wage workers. A small business that pays its workers \$10 an hour is taxed the same as a business with the same number of employees but pays its workers \$80 an hour. Ultimately, this means that to make up for a UI trust deficit, lower-wage employers end up paying more than if high-wage employers paid their fair share.

The Michigan Legislature should remedy this disparity by increasing the taxable wage base in order to more evenly distribute the burden of funding the system across taxpayers. Though any increase in the taxable wage toward the Midwest average would improve Michigan's unemployment system, Michigan should increase its taxable wage base to at least \$35,000. Regardless of the amount, it should be indexed to the SAWW so that the fund can continue to be properly financed as inflation occurs. Additionally indexing the taxable wage base helps to ensure long-term success of the trust fund. This increase would put Michigan roughly at parity with other higher-performing Midwestern states in terms of its taxable wage base, such as North Dakota (\$37,900, index to 70% of SAWW), Iowa (\$36,100 index to 66% of the state AWW, multiplied by 52, or the federal taxable wage base), or Minnesota (\$34,000, indexed to 60% of SAAW).



## REWORK REQUIREMENT

If a claimant is disqualified from receiving benefits, the rework requirement refers to the amount of wages a claimant has to earn at their next position before they are eligible to receive benefits again.

This report scored each jurisdiction's rework requirement relative to the length of the necessary rework period. The rework length is based on a claimant's Weekly Benefit Amount (WBA). This is the amount of benefits the claimant would have received if they had been found eligible.

- If a jurisdiction had no rework requirement, or if it required less than four weeks of rework, it received 50 points.
  - If a jurisdiction required between four and six weeks of rework it received 40 points.
  - Jurisdictions requiring between six and eight weeks of rework received 30 points while jurisdictions with eight to ten weeks of rework received 20 points.
  - Jurisdictions received 10 points if their rework requirement fell between ten and twelve weeks.
  - Finally, jurisdictions requiring more than twelve weeks of rework received 0 points.
- A table summarizing the rework requirements for each state is located at the end of this section.

In Michigan, job separations that are the result of misconduct or the voluntary decision to quit their job disqualify a worker from benefits. The worker must earn enough in wages to satisfy the rework requirement before they become eligible again for unemployment benefits. The rework requirement in Michigan differs in length based on the nature of the worker's separation. If they voluntarily leave their job, they must work until they earn 12 times their WBA. If a worker is discharged because of a finding of misconduct, they must earn 17 times their WBA to become eligible for benefits again. Put practically, this means that if an individual is discharged for misconduct but would have otherwise been eligible for \$362 a week in benefits, this worker now needs to earn \$6,154 at their new job before they are eligible for benefits again. Because Michigan's maximum rework requirement was greater than twelve weeks, it earned 0 points for this section of the report. Michigan and Wisconsin were the only Midwestern jurisdictions whose rework requirement placed such an onerous burden on workers that they received no points.





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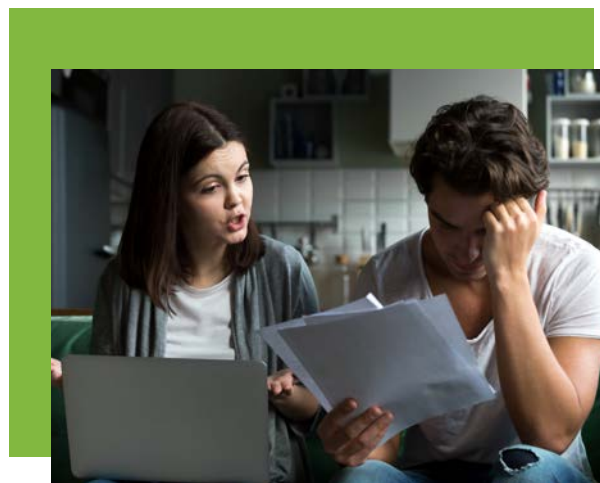
## MICHIGAN'S REWORK REQUIREMENTS ARE THE HARSHTEST IN THE MIDWEST

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The rework requirement disproportionately excludes lower-wage workers from benefit eligibility. Other jurisdictions like Illinois, only require that claimants earn four times their WBA before becoming re-eligible for unemployment benefits. Importantly, most jurisdictions do not differentiate rework requirements based on why a worker's employment ended.

The rework requirement is ostensibly in place to discourage workers from voluntarily quitting or committing misconduct at their job. The rework requirement means that if a worker quits their job and then is laid off from a subsequent employer, they won't be able to claim benefits unless they have hit the rework threshold. What this requirement really does is penalize low-wage workers.

[18] If a claimant must earn a rework amount of \$6,154, a full-time worker making \$25/hour would satisfy this requirement in 6 weeks, or less than two months. In contrast, a full-time worker who makes minimum wage would take 16 weeks, or four months, to earn the same amount. If a lower-wage worker gets laid off from this new position, even if it is through no fault of their own, they will not be eligible for any benefits because they will not have earned enough to satisfy this burdensome requirement and their employer will not have to pay benefits for the unemployment they caused.



The rework requirement functions as an additional burden on the poorest workers and fails to uphold the intent of the Act: to protect Michigan workers from the financial hazards of unemployment when they lose their job through no fault of their own. [19]

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### Recommendation

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The rework requirement serves little practical function and the legislature should undertake reforms to reduce this requirement to be more aligned with the other Midwestern jurisdictions.

Specifically, the legislature should either modify the rework provisions to be a requirement of four weeks for both types of separation or do away with the rework provision entirely.

# SUMMARY OF UI REWORK REQUIREMENTS

*Ordered from lowest to highest rework requirements for discharge*

Midwestern State	Rework for Quit	Rework for Discharge
Kansas	3 x WBA	3 x WBA
Illinois	Wages equal to WBA in each of 4 weeks	Wages equal to WBA in each of 4 weeks
South Dakota	6 weeks in covered work and wages equal to WBA in each week	6 weeks in covered work and wages equal to WBA in each week
Pennsylvania	6 x WBA	6 x WBA
Indiana	Wages in each of 8 weeks and wages $\geq 8 \times$ WBA, reduced by 25%	Wages in each of 8 weeks and wages $\geq 8 \times$ WBA, 25% (only one reduction)
Minnesota	One-half of amount required to establish benefit account	One-half of amount required to establish benefit account
Missouri	8 x WBA	8 x WBA
North Dakota	8 x WBA	10 x WBA
Iowa	10 x WBA	10 x WBA
Ohio	6 weeks in covered work and wages equal to 27.5% of AWW	10 x WBA
Nebraska	4 x WBA, equal	Disqualified for 14 Weeks
Wisconsin	7 weeks and 14 x WBA, Wage credits from employer removed from the claim	7 weeks elapsed and 14 x WBA, Benefit rights based on any work involved canceled
Michigan	12 x WBA	17 x WBA

# PART 4: WORKFORCE COVERAGE

*Workshare, Employer Chargeability,  
Monetary Eligibility, Part-Time Coverage*



## INTRODUCTION

The nature of today's economy necessitates drawing from a diverse and multidimensional workforce. Employers rely on a variety of workers, from part-time to full-time workers, hourly and salaried, and seasonal. In this section of the report, we discuss how well the unemployment insurance system in each state has adapted to the changing nature of work. Discussed are work share or short-time compensation programs, coverage for part-time workers, monetary eligibility requirements, and employer chargeability.

## SHORT-TIME COMPENSATION / WORKSHARE

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**What is STC?** Short-time compensation is a form of unemployment insurance for employers and workers to reduce hours instead of laying off workers. Note that in Michigan, a worker whose wages/hours are cut by more than half will likely qualify as unemployed and be eligible for traditional UI benefits. This program is targeted at cuts to hours in the 15-45% range. Michigan's workshare program is laid out in Michigan Laws 421.28(b)-(m), although it has been expanded during the pandemic. [1] A full explanation of the program is available on the Department of Labor and Economic Opportunity website. [2]

**Employee requirements:** Participating employees must be eligible for regular unemployment benefits (including having sufficient wages) and be full-time employees. They may not be seasonal, temporary, or intermittent employees.

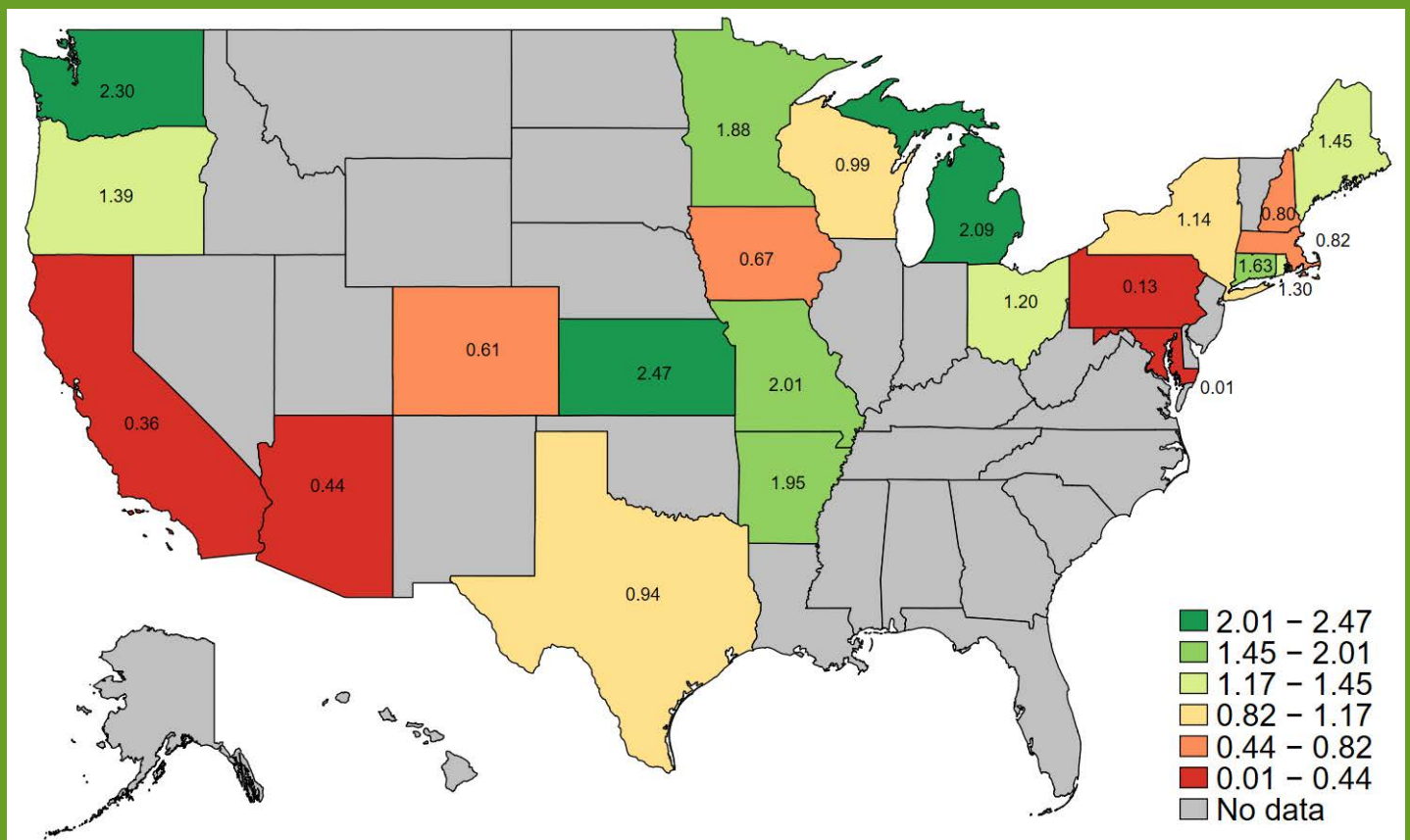
**Employer requirements:** The following restrictions currently apply to the workshare program: the employer cannot hire new employees nor transfer employees into the workshare unit during a plan; cannot reduce the hours of work below the number under a plan (which can be anywhere between 15 and 45%; expanded to between 10 and 60% until March 31, 2021); the employer must agree not to have any layoffs (although plans may be terminated); the employer must maintain fringe benefits; and plans must cover at least two employees. The following requirements are typically in place but were temporarily suspended by Executive Order 2020-24 (this order was in effect through April 22, 2020 and then extended until March 31, 2021 by Public Act 258 of 2020): An employer's unemployment taxes must be current; experience account balance must have a positive reserve; and they must have paid wages for at least the previous 12 quarters. [3]

**Payment:** Employees who are covered by a workshare program receive benefits relative to their work reduction. An employee who receives a 33% cut would receive 33% of the weekly benefit amount they would receive under the standard UI compensation program. The \$600 /wk PUC enacted under CARES or the 300/wk under the PUC extension is also available to workers on workshare programs (in full, not at a prorated amount). Benefits paid by the agency are charged against an employer's UI tax account in the same manner as regular unemployment insurance benefits.

**Interaction with CARES and other federal programs:** Section 2108 of the CARES Act and section 1107 of the extension provides that the federal government will reimburse states 100% of the STC paid under a state's existing workshare program, through December 31, 2020. This was extended to March 14, 2021 by the extension. Between this provision and the \$600 and \$300 PUC, significant federal funds were available for the state and claimants through STC programs. This takes a significant burden off of Michigan's UI trust fund.

**Program usage and call to action:** Statistics on program usage are detailed on the next page. Overall, the number of STC claims is small compared to traditional UI claims. However, this program is a particularly effective way for the state to get federal funds to workers suffering from the COVID-19 pandemic. Michigan received a large increase in STC claims in March compared to most other states, suggesting that Michigan's UIA has done a good job managing the program. In fact, regardless of how one measures each state's use of STC (e.g. the raw number of STC claims, the percent of unemployment insurance compensation new claims that are STC claims, the number of participating employers) Michigan appears to have responded quickly (evaluating performance through March 2020) and compared favorably to other strong users of STC such as Washington. Additionally, Michigan's state government was able to use the STC program to bring additional federal funds into Michigan, protect the state's budget, and maintain jobs. [4]

## **STC AS % OF COVERED IN MAY 2020**



New claims defined as New+Additional Claims; Data from ETA 5159 Claims and Payment Activities:

[https://oui.doleta.gov/dmstree/handbooks/401/i\\_2.pdf](https://oui.doleta.gov/dmstree/handbooks/401/i_2.pdf)

Download data: <https://oui.doleta.gov/unemploy/DataDownloads.asp>



Despite performing well compared to other states on workshare usage, the number of new STC claims was still small (only about 4000 new STC claims in all of March), especially given the potential benefits the program offered during the pandemic. Evidence suggests that targeted information and advertising campaigns can help increase employer usage of the program. [5] Results from studies conducted in Oregon and Iowa can help inform what type of targeted information campaign is most effective at informing employers, which appears to be a major barrier to STC take-up. [6] Previous efforts at increasing awareness of the program, primarily through mailings to employers, increased program usage by 15-30 percentage points. [7]

## Recommendation

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Michigan's STC program is performing well relative to other states but could be further improved by making permanent the temporary expansions of the program and advertising the program's benefits. Michigan can increase STC usage, which will improve outcomes for workers, employers, and the state by informing employers by providing direct mailings to covered employers including a cover letter and a brochure explaining the program. This should be supplemented with direct mailing to employers who receive a notice of initial claims in a quarter, annual emails, and an insert with the annual UI tax rate notice.

## EMPLOYER CHARGEABILITY

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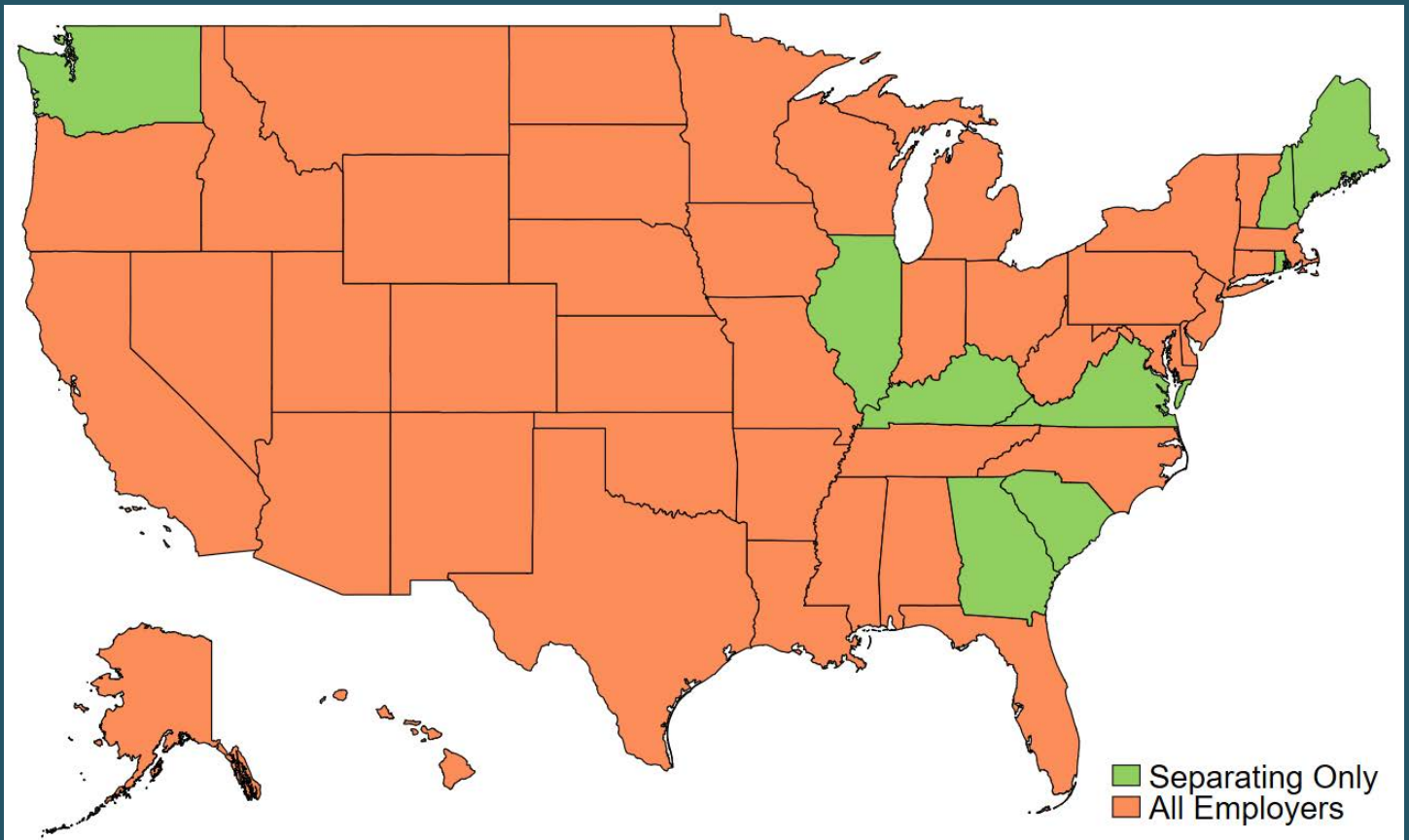
The amount an employer pays into a jurisdiction's unemployment insurance system depends on how many of the employer's former workers claim benefits. The way a jurisdiction structures the relationship between a claimant's receipt of benefits and the payments their former employer must make into the unemployment system impacts whether or not an employer is incentivized to fight a worker's unemployment claims, even if the worker is in fact eligible. Generally, when employers are charged for a claimant's receipt of benefits, this increases the employers' tax burden.

There are a few main arrangements that jurisdictions follow for charging benefits. Some charge the most recent employer, under the theory that the last employer is responsible for the worker's current involuntary unemployment. For instance, in the Midwest, Illinois charges only the most recent employer, with a limited exception for employers who have a very short employment relationship with the claimant. [8]

Other jurisdictions' mechanisms for calculating employer chargeability provide far less worker security. For instance, a small number of jurisdictions charge the employer who paid the largest amount of the base period wages, even when that employer is not the cause of a worker's job separation. Some jurisdictions charge base-period employers in reverse chronological order, with the logic being that the responsibility for unemployment is shared across employers but dissipates over time.



## EMPLOYER CHARGEABILITY



Iowa's charging arrangement is an example of this mechanism. It charges a claimant's benefits to the most recent employer until their contribution to the total wage credits is exhausted. [9]

In this report, jurisdictions are deemed more-claimant friendly if they followed the Illinois model, meaning if only the employer that caused the claimant's job separation (i.e., the "separating employer") is charged. This charge structure is more claimant friendly because it results in fewer challenges to a worker's claim for benefits. It also incentivizes stable employment relationships because employers who fire or lay off workers without good cause will bear more of the burden for the benefits they caused to be paid out.

The vast majority of states charge all base-period employers in proportion to the wages earned by the worker with each employer. The logic for this arrangement is based on the premise that the general condition of the labor market causes a worker's unemployment rather than a given employer's decision to terminate an employer absent good cause. [10] This arrangement however, is antithetical to the purpose of unemployment insurance, because it encourages employers to challenge claimant eligibility and provides less incentive to keep the worker employed.

In Michigan, if a claimant is eligible for benefits, the most recent employer is charged for the first two weeks of benefits. [11] Thereafter, all of the claimant's employers in the base period are charged proportionally with respect to the wages they paid to the claimant. [12] Based on this structure, Michigan falls into two categories: for the first two weeks it only charges the most recent employer—the one responsible for the separation; but after two weeks, Michigan reverts to the more common, but less claimant-friendly, approach by charging all base-period employers a proportion of total wages. While Michigan's current arrangement for employer chargeability places Michigan in a slightly stronger position than the majority of jurisdictions, it is behind other jurisdictions, including Illinois.

## Recommendation

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Michigan's two-week approach is a good first step, but unemployment nearly always lasts longer than two weeks. An arrangement that extended the period that the separating employer is charged would better support the act's goal of supporting stable employment relations while providing benefits to eligible claimants. To improve Michigan's unemployment insurance chargeability structure and encourage Michigan employers to offer stable employment, the state's legislature should amend the Michigan Employment Security Act to adopt an arrangement like the one that operates in Illinois, which only charges the most recent employer in most circumstances. Alternatively, Michigan could expand the two-week period of payment for the separating employer to cover at least the majority of the weeks an unemployed worker is entitled to benefits.

## QUALIFYING BASE PERIOD WAGES

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Michigan's qualifying wage requirement is too strict and is out of line with the rest of the country. Expanding access to Michigan's UI system will encourage economic stability and keep workers off welfare programs and out of poverty. Research has shown that expanding access to UI has more benefits than costs. [13] Workers who do not qualify for UI due to qualifying wage restrictions are significantly more likely to rely on funds through TANF, SNAP, and public medical assistance. [14]

## Monetary Eligibility

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Michigan has one of the most restrictive and complex monetary eligibility requirements of any state. [15] The following rule governs eligibility (see MCLS 421.46):

- Either 1) The worker must have earned 1.5 x highest quarter's covered wage (HCW) income in base period [16] (at least \$5,500 over the year if the worker was at the minimum HCW threshold) and 2) wages in 1 quarter equal to at least \$3,667; [17] OR
- Alternatively base period wages equal to 20 times the state average weekly wage (AWW) and wages in 2 quarters (as of writing this qualifying prong is more rarely used and implies a base period earning of over \$20,000).

The high quarter qualifying wage (HQP) appears to be a major factor restricting program access for those who have applied for benefits. Researchers using Michigan data [18] have documented that of those who had HQP just a few dollars below the cutoff, about 10% qualified for UI, while those who earned just a few dollars more than the threshold were eligible about 60% of the time, an increase of 50 percentage points. [19]

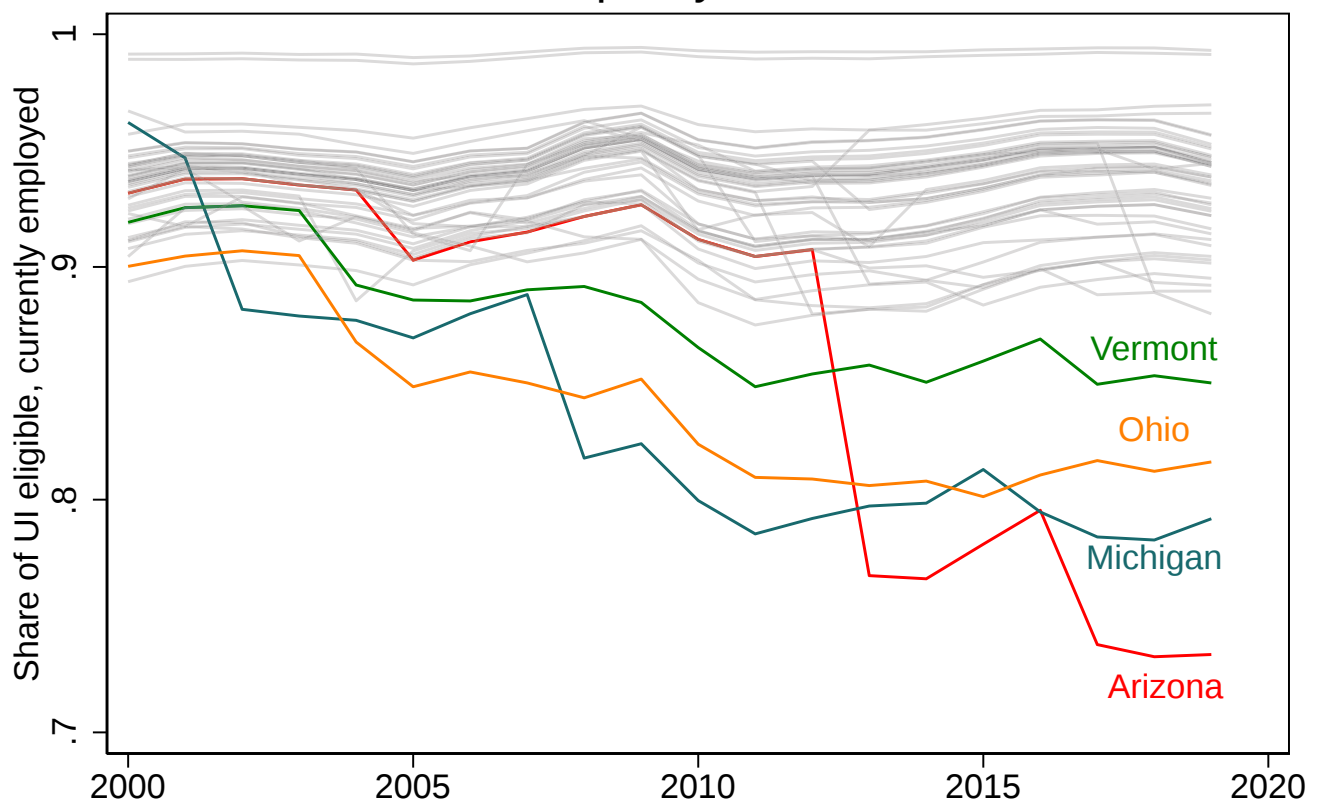
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## MICHIGAN IS OUT OF STEP WITH THE REST OF THE NATION

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The figure below documents how Michigan's monetary eligibility requirements have fallen out of step with much of the country. The figure shows the percentage of those who are currently working and who are at most risk to become unemployed who would pass the monetary eligibility qualification threshold imposed by each state. In the early 2000s, Michigan was one of the more generous states, with about 95% of workers who were at risk of becoming unemployed having earned enough to qualify for state UI benefits. However, over the last decade, **less than 80% of these workers would meet the monetary eligibility threshold in Michigan**. As of 2019, this number currently sits at 79% and is more restrictive than every other state except Arizona. The monetary threshold is keeping a greater share of workers out of the UI program in Michigan than in any state but one. Indeed, most states have policies that would cover more than 90% of the likely unemployed.

## UI Monetary Eligibility Requirements: Hardest to qualify in Mich. & Ariz.



## Recommendation

To increase the share of its working population that will be monetarily eligible for unemployment benefits, particularly those who are poor and most in need of unemployment benefits, the Michigan Legislature should amend the Michigan Employment Security Act to lower and simplify its monetary eligibility requirements. Michigan does not have to start from scratch when enacting reform. Other comparable states can serve as a model: Illinois sets the requirement at earning \$1,600 in the base period with and an amount of \$440 outside HQ. Minnesota sets the requirement at 5.3 percent of state average annual wage rounded to the lower \$100 (in Michigan this would be earning about 2,800 in the base period). Either of these policies would bring Michigan's UI law in-line with the majority of the nation.

## PART-TIME COVERAGE

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Unemployment insurance coverage of part-time workers is important because, as of early 2020, nearly 30 million people work part-time. [20] When it comes to part-time work, the main difference across jurisdictions is in how each one deals with the “work search” and availability for work requirements. Based on these differences, described in further detail below, jurisdictions could score up to 90 points on the scorecard. The full 90 points were awarded to a jurisdiction when part-time work could fulfill the “work search” requirement without qualification, 45 points were awarded when there were qualifiers, and 0 points were awarded if part-time work did not count for “work search” purposes at all.

Jurisdictions vary in whether or not searching for part-time work qualifies the worker for benefits across several dimensions. Some jurisdictions such as Oregon and Virginia, allow part-time positions to count for work search for a broader group of people, regardless of their history of part-time work. [21] A smaller number of states allow for part-time work availability in some situations. These include if the claimant has specific medical conditions if someone in their family has certain medical conditions and requires care if there are concerns of domestic violence, if the claimant is in school, or if a claimant’s family has certain childcare needs that require a caregiver to work only part-time. [22]

However, the most common way in which jurisdictions engage with part-time work within their unemployment insurance system is in the “actively seeking work” requirement. Most states only allow workers with a history of part-time work to remain eligible for unemployment compensation while seeking part-time work. These workers are only eligible if they had a qualifying separation from a part-time job or a history of working part-time. [23] While this type of qualified eligibility is an improvement over not allowing a worker’s part-time “work search” to count at all, it leaves out workers whose life situations have changed. Say, for example, that a worker has a family member that suddenly needs additional care or if the worker’s health no longer allows for full-time work. If these workers do not have a history of part-time employment, they won’t receive benefits even though access to this economic safety net would provide crucial temporary support.

While most of the country allows part-time availability to qualify a claimant for benefits—whether this coverage is universal or just for a subset of particularly vulnerable workers—Michigan is one of the few jurisdictions that does not allow workers to claim benefits if they are only seeking part-time work. Michigan is one of the most restrictive jurisdictions when it comes to the requirements placed upon a worker to maintain eligibility. Under state law, to be eligible to receive unemployment benefits an individual must be available to perform suitable full-time work. [24] This strict law limits claimants from seeking potentially productive employment arrangements. This limitation is antithetical to the purpose of



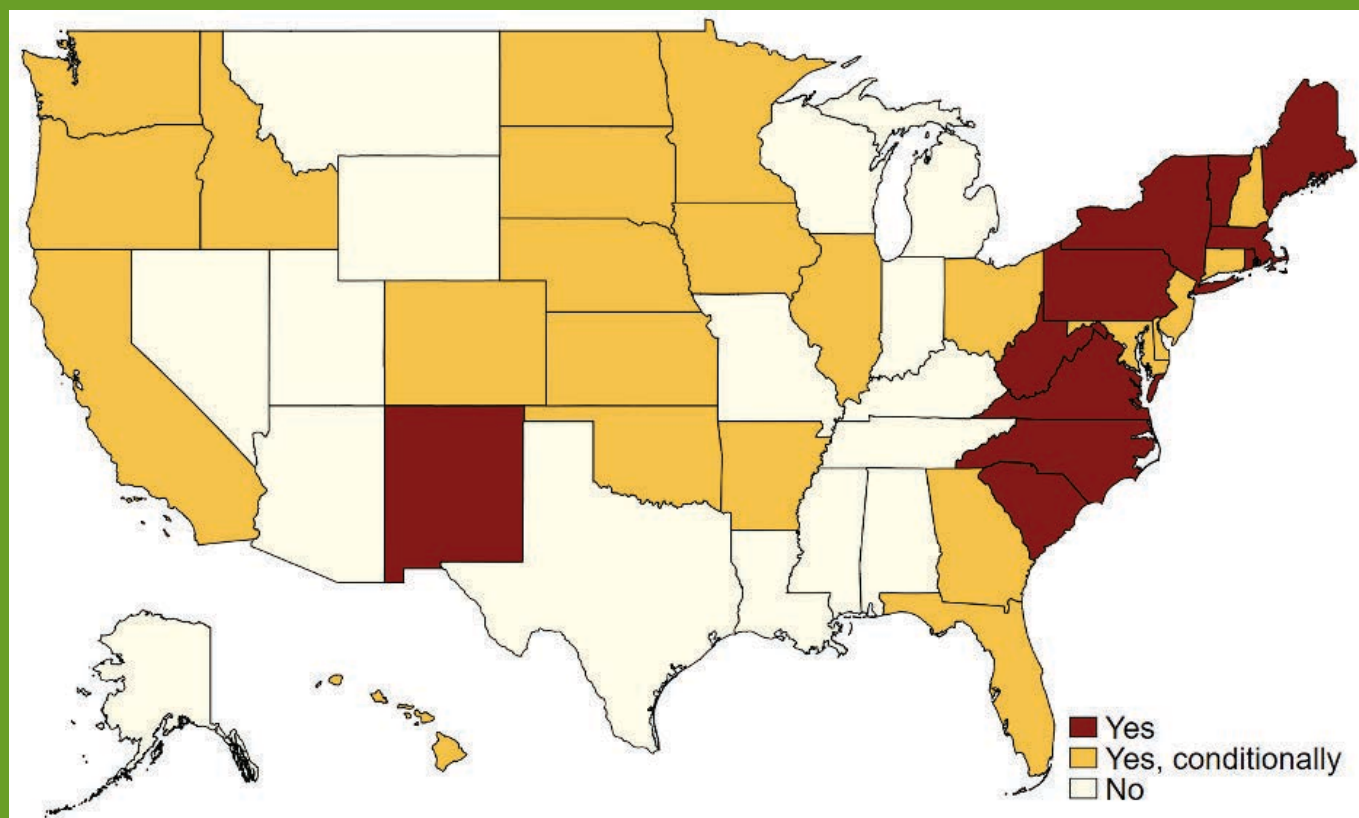
unemployment insurance as it deprives workers who, by definition are unable to earn a full-time wage, from accessing any benefits.

## Recommendation

Michigan should address this gap in its unemployment insurance coverage by joining states like Oregon and Virginia and allowing workers seeking part-time work to qualify as “available for work.” This could easily be changed in the Michigan statute by removing the “full-time” qualifier on the available for work provision.

Even if Michigan doesn’t take the full step of allowing all claimants who apply for part-time positions as part of their job search requirement to qualify as being available for work, significant improvements in coverage could be made by including exceptions under the jurisdiction’s availability requirement for claimants who can demonstrate the existence of childcare, family care, or medical care restrictions that limit a claimant’s ability to work full time.

## Coverage for Part-Time Workers





# PART 5: CLAIMANT BENEFITS & PROTECTIONS

*Medical Leave, Dependent Allowance,  
Treatment of Fraud, Modernization*



## INTRODUCTION

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This section evaluates how jurisdictions respond when jobless workers are in need of additional support or when it seeks to deter fraud. This section covers a jurisdiction's treatment of:

- Medical Leave
- Dependent Allowances
- Fraud
- Incentives to modernize their unemployment insurance systems

The foundational reason that unemployment insurance exists is to support and protect workers and those who depend on them when they are involuntarily unemployed.



## GOOD CAUSE FOR VOLUNTARY LEAVING: MEDICAL LEAVE

A lot can be understood about how a jurisdiction values its citizens and their livelihood based on how a jurisdiction's unemployment insurance system treats its workers when something unanticipated interrupts their employment when they must balance caregiving with paid work, and when mistakes are made about benefit entitlement. A jurisdiction's willingness to update its unemployment insurance system as the workforce changes are similarly indicative of the value a jurisdiction places on its workers and their well-being.

Unemployment insurance is intended to function as an economic safety net, providing security to workers who are involuntarily unemployed. [1] In all jurisdictions, individuals who leave their work voluntarily must have “good cause” in order to not be disqualified from receiving benefits. [2] Forty-five states and territories, including Michigan, have recognized that when a person leaves their job due to illness or out of medical necessity, they have left their employment involuntarily and should still remain eligible for unemployment insurance. [3]

COVID-19 has highlighted how unemployment insurance laws that permit workers to leave their jobs out of medical necessity without losing access to benefits saves lives. But this policy's value to jobless workers existed long before the pandemic. Workers fall ill, suffer an injury, or develop a disability that forces them to choose between continuing to work at a specific job or protecting their health. When a jurisdiction's unemployment insurance statute does not recognize medical necessity as “good cause” for leaving a job, it forces workers to sacrifice their health for a paycheck. The pandemic has demonstrated how the economy and health of a local community will suffer when workers are forced to make this choice.

# CLAIMANT BENEFIT & PROTECTIONS

When a worker chooses their health over remaining at a particular job, unemployment insurance should be there to support them at a time of heightened financial insecurity and unanticipated medical costs. To measure how adequately each jurisdiction's unemployment insurance system supports workers forced to leave work due to medical necessity, each state was assigned a score of 0, 25, or 50 out of 50 total points on the scorecard. Jurisdictions that provided no benefits for workers who left their jobs due to illness received 0 points. States who offered benefits to workers who left their job due to medical necessity but did so conditionally (either requiring the worker to first seek alternative work with the employer, requesting leave, or limiting their benefit eligibility to only cover illnesses that occurred as a result of their employment) received a score of 25. States that did not restrict a jobless worker's eligibility for benefits when an illness or medical condition led to their job separation received 50 points.

## **MICHIGAN IS ONE OF ONLY SIX JURISDICTIONS WHOSE STATUTE EXPLICITLY PLACES AN ADDITIONAL BURDEN ON WORKERS FORCED TO LEAVE WORK DUE TO MEDICAL NECESSITY.**

Twenty-nine jurisdictions, including Indiana, Iowa, Kansas, North Dakota, and South Dakota, cover workers who are forced to leave work due to medical necessity, regardless of what caused their condition. [4] Michigan is one of only six jurisdictions whose statute explicitly places an additional burden on workers forced to leave work due to medical necessity. It requires them to provide medical documentation and to seek alternative work with their employer before they are found qualified to receive benefits. [5]

Michigan's current law on leaving work out of medical necessity has been temporarily expanded in response to COVID-19, but these protections are set to end on April 1, 2021 and are only for workers with COVID-related health issues. [6] Michigan's statute places a high burden on workers, who are already experiencing illness and navigating both job uncertainty and unanticipated medical costs. First, these workers are required to secure a statement from a medical professional that continuing their current job would be harmful to their health, then they need to ask their employer for alternative work and have their employer refuse to provide this work. Finally, they need to exhaust any leave of absence that has been provided by the employer before they are found eligible for benefits.

Notably, the statute does not provide that this leave be paid, so some workers are forced to take unpaid leave, which only exacerbates the economic vulnerability they are experiencing, before they are eligible for benefits. Michigan's law, therefore, leaves a sizable gap in unemployment insurance coverage because it does not currently cover workers who develop chronic health conditions that render them unable to return to their prior position, even though they are still able to work in other capacities. [7] Because these statutory requirements are often only discovered after a worker has been forced to leave their job and been denied benefits, only a small fraction of workers may actually receive benefits even though Michigan's law recognizes that a worker is still eligible for benefits when they leave a job as the result of medical necessity.

This statutory limitation on who can receive benefits when they leave work due to medical necessity disproportionately affects older Michiganders because the likelihood of developing a chronic medical condition increases with age. This group of vulnerable workers will only grow. In 2019, the U.S. Census data showed that twenty-one of Michigan's eighty-three counties have a median age of fifty years old or older. [8] Workers over fifty-five now constitute more than a fifth of Michigan's workforce. [9] More than 265,000 Michiganders sixty-five years old and older were in the labor force in 2018 and this number is predicted to increase in the near future. [10] Older workers are also more likely to be unemployed for longer. In March 2012, the average period of unemployment for older job seekers (fifty-five and up) was 55.7 weeks, compared to 37.3 weeks for younger workers. [11]

## Recommendation

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Twenty-nine jurisdictions have found it unnecessary to restrict access to unemployment insurance in the way that Michigan currently does. Michigan should follow the lead of the majority of jurisdictions in the country and remove the current restrictions concerning medical leave from its statute. Freeing Michigan workers from this statutory burden would allow more workers to be financially supported when an illness or medical issue forces them to leave a specific job. Such a statutory expansion would protect workers from having to choose between their health and a paycheck.

## DEPENDENT ALLOWANCE

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Dependent allowances increase the amount of money a jobless worker can receive based on their caregiving responsibilities. This allowance can help cover childcare and family expenses. Granting these additional benefits recognizes that the weight of unemployment falls on *all* members of a worker's family, not just on the unemployed worker.



In this report, jurisdictions that offered any dependent allowance received 20 points on the scorecard and an additional 15 points if the dependent allowance was large enough to be considered substantial support. If jurisdictions had a robust dependent allowance, they received up to 35 possible points.

## **OF ALL THE JURISDICTIONS THAT DO GRANT DEPENDENT ALLOWANCES, MICHIGAN'S ALLOWANCE IS NEXT TO LAST.**

Only 13 out of 53 jurisdictions that have an unemployment insurance program in the United States offer dependent allowances. After reviewing the allowances for each jurisdiction, we determined that only one state, Illinois, provides an allowance that grants substantial support for a claimant's dependents. Illinois' maximum dependent allowance is \$185 per week for a child (\$26 minimum) and \$93 for a dependent spouse (\$15 minimum). [12] Compared to other jurisdictions, the only significant problem with Illinois' allowance system is that this additional benefit is limited to one dependent child while other jurisdictions provide an allowance for multiple children.

Of all the jurisdictions that do grant dependent allowances, Michigan's allowance is the second-lowest. The only dependent allowance on offer that is worse than Michigan's is Pennsylvania's, which only comes to a maximum of \$8 per week. To understand just how much dependent allowances in Michigan fall short, imagine yourself in the position of a newly unemployed worker. You have just been laid off and are worried you will have to choose between paying rent and buying enough food for your family that month. When you are applying for benefits, you learn Michigan will give you some additional money to pay for food for your two children. You breathe a sigh of relief as you put down two dependents on your benefits application. But that relief is short-lived once you receive your first benefit check. The allowance you were relying on is only \$6 per week for each of your children, not even enough to buy groceries for a healthy meal. [13]

To make matters worse, unemployed workers who qualify for the maximum weekly benefit amount of \$362 do not qualify to receive a dependent allowance at all. At up to 5 dependents, Michigan is in the upper half of jurisdictions, when it comes to how many dependents may be covered, but it ends up mattering little because of how small the allowance is. At Michigan's most generous, it provides at most, a maximum of \$30 for five children. For context on how inadequate \$6 a week is to support one dependent in Michigan, the U.S. Department of Agriculture estimates that married couples in the urban Midwest who make under \$59,700/year spent an average of \$23.46 per week on one child between the ages of 0 to 2. [14]



## Dependent Allowances in the United States

State	Max number of dependents	Max amount per dependent	Max total dependent allowance
Alaska	3	24	72
Connecticut	5	15	Lesser of WBA or 75
Illinois	1	93	178
Iowa	4	19	112
Maine	n/a	10	0.5 x WBA
Maryland	5	8	40
Massachusetts	5	25	0.5 x WBA
Michigan	2	6	30
		7% WBA - 1st dep; 4% WBA - next 2	7% WBA - 1st dep; 4% WBA - next 2
New Jersey	2		Lesser of 0.5 x WBA or
New Mexico	2	25	50
Ohio	3	106	174
Pennsylvania	2	5	8
		\$15 or 5% of WBA up to 5 dependents	Greater of \$50 or 25% of WBA
Rhode Island	5		

When jurisdictions fail to provide a meaningful dependent allowance, this decision places a disproportionate burden on working parents, particularly working mothers. Women have disproportionately suffered pandemic-related job losses: since February 2020, women have lost nearly 5.8 million net jobs, accounting for 53.9% of overall net job loss since the start of the crisis. [15] The Center for American Progress has estimated that the risk of mothers leaving the labor force or reducing their work hours because of care-taking responsibilities during the pandemic amounts to \$64.5 billion per year in lost wages and economic activity. [16] Economists have shown us that unemployment insurance benefits can help alleviate some of this lost economic activity. A jurisdiction's failure to provide an adequate dependent allowance will compound the challenges a family faces when they have to navigate both uncertain employment and significant care responsibilities. [17]

## Recommendations

Michigan needs to increase its dependent allowance so that it provides substantial support for the children, dependent spouses, and other individuals who depend on an unemployed worker. Because the allowance is set by law, the Michigan legislature will need to amend the Michigan Employment Security Act to increase it.

The Michigan Legislature should:

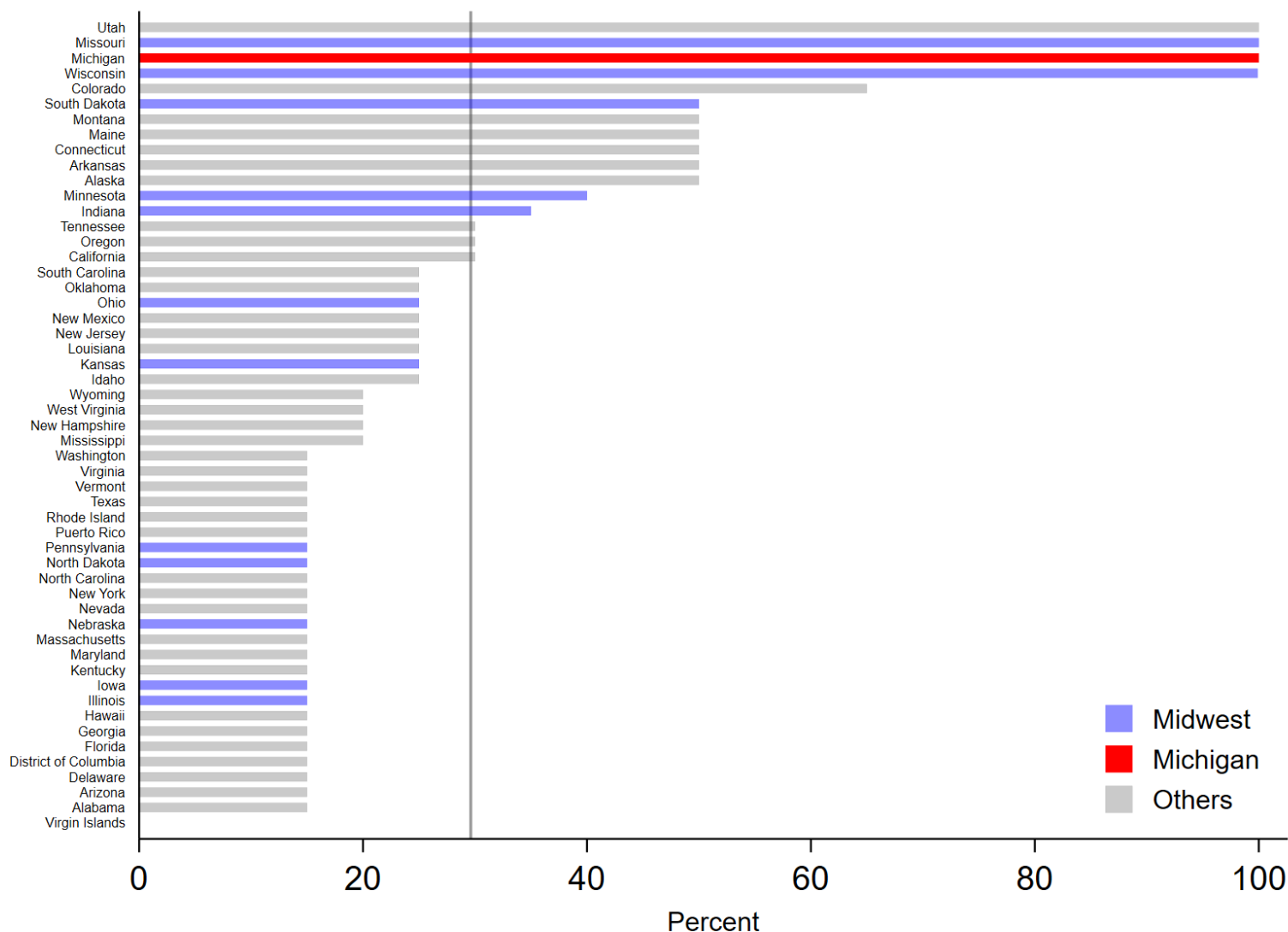
- Amend the Act to provide that unemployed workers may receive a dependent allowance of at least \$50 per week for each dependent.
- Allow unemployed workers receiving a dependent allowance to exceed the maximum weekly benefit amount.
- Index the dependent allowance to inflation so that it will continue to provide adequate support in the future.

## TREATMENT OF FRAUD

“Intentional misrepresentation,” or “fraud,” in the unemployment context is when a claimant misrepresents earnings, conceals information, or presents false information to a jurisdiction’s unemployment insurance agency in order to obtain benefits. While detecting and preventing unemployment insurance fraud is important to maintaining the unemployment insurance fund for future needy claimants, it is also important to remember that the unemployment benefits system is supposed to be navigated by non-lawyers who often find themselves confused by the bureaucratic language used by a jurisdiction’s agency.

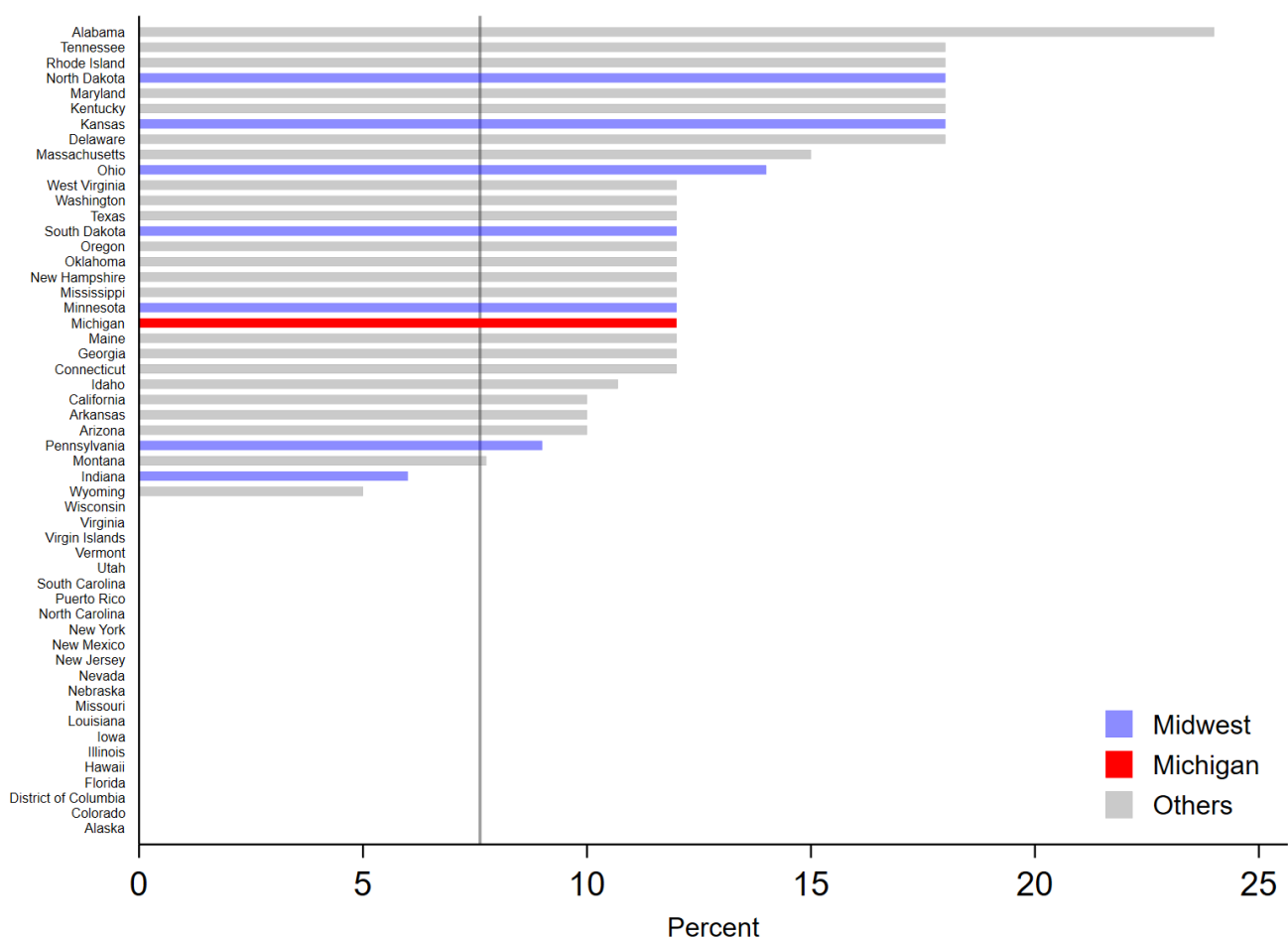
This confusion frequently leads to claimants answering questions incorrectly or accidentally misrepresenting information, all of which can lead to an accusation of fraud even when no one had any intention of getting benefits they were not entitled to. For many claimants, even an accusation of fraud can be financially devastating as their benefit payments are stopped until they can appeal and rebut the fraud determination. [18] This appeals process can take months.

## OVERPAYMENT FINES (% OF OVERPAYMENT)



Though fraud has always been a concern for social insurance programs, modern technology has rendered the cure worse than the illness. Fraud detection and risk assessment have been part of recent pushes to modernize unemployment insurance systems. [19] These tools aggregate and analyze data from different cross-matched sources but researchers have found that the “scores” generated by these automated tools are often unreliable and fail to accurately distinguish real fraud from what is simply honest user error. [20]

## OVERPAYMENT INTEREST (% ANNUAL RATE)

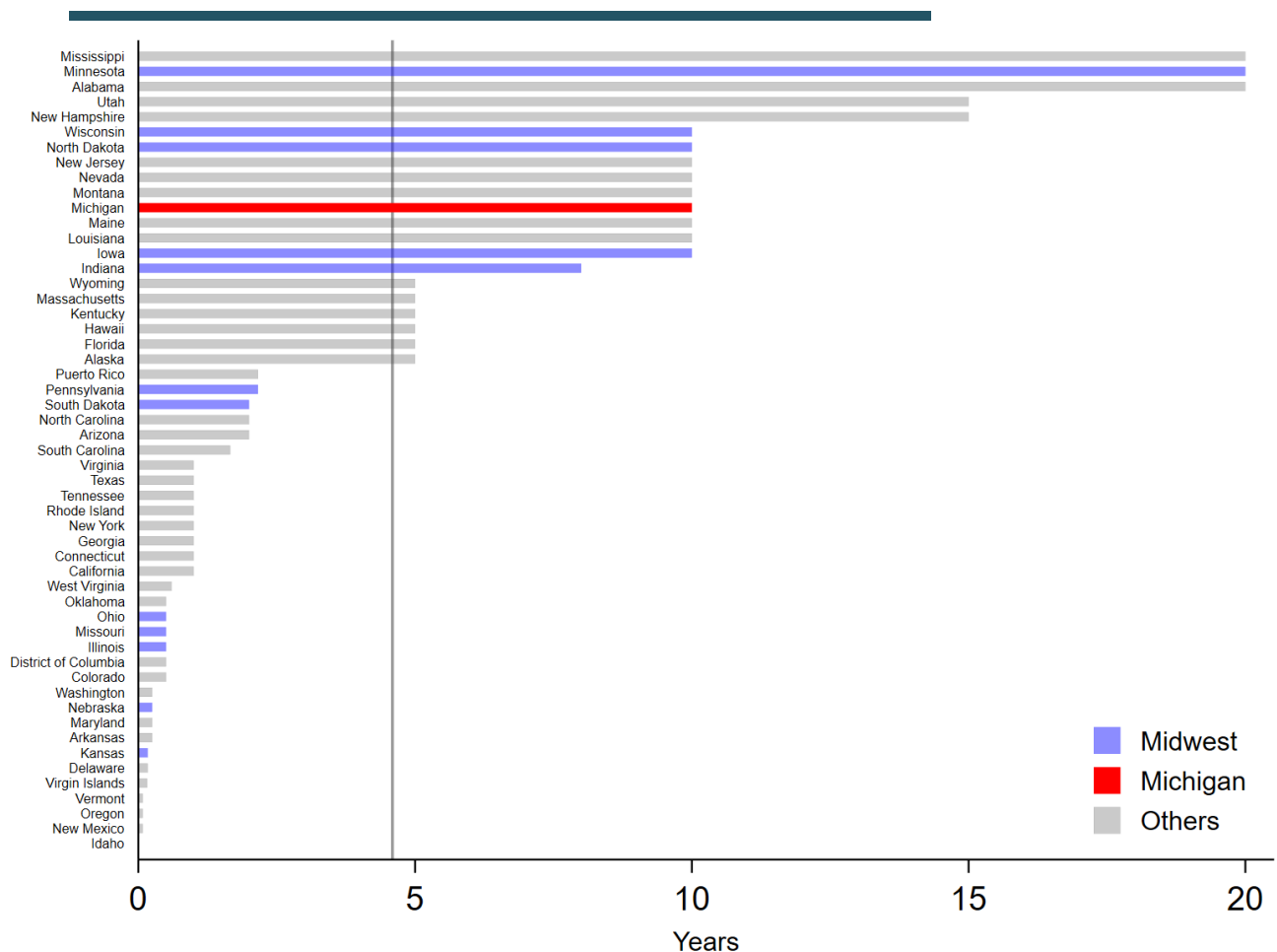


Michigan’s own experience with automated fraud-detection software provides the most salient example of the harm these new systems can cause. Michigan’s unemployment insurance system, known as “MiDAS,” is an automated claim review software program that was privately developed and purchased by Michigan to increase the efficiency of its claim review process. In reviewing claims from the 2008 recession, MiDAS falsely accused upward of 40,000 Michiganders of fraud, causing jobless workers financial hardships for years to come. [21] These hardships were compounded by Michigan’s punishments for fraud, which can only be described as extreme when compared to other jurisdictions.

On the scorecard, jurisdictions with less harsh penalties scored higher. Those with the harshest penalties scored the lowest. A jurisdiction could score up to 50 points on the scorecard depending on the severity of its penalties. 20 of the 50 possible points were based on the percentage of the amount of overpayment due to fraud that claimants are expected to pay back in fines. Because of the burden and disruption that each additional collection method places upon claimants, each jurisdiction also began with an automatic 20 points, 5 points of which were subtracted for each method available (seizing future benefits, tax returns, wage garnishment, and other collection methods). The final 10 points were allocated to give 5 points if no interest charges applied to the overpayment and another 5 points if the maximum prison sentence was less than 1 year.

Despite ongoing concerns about its automated fraud detection system, Michigan still treats fraud more harshly than almost any other state. It is tied for the highest monetary penalty at 100% of the overpayment amount along with Missouri and Utah. [22] While this is much better than the 400% penalties levied on claimants before 2019, even a 100% penalty is exorbitantly higher than most jurisdictions. 24 U.S. jurisdictions set their penalty at only 15% of the amount of overpayment a claimant received and all but 5 jurisdictions set the fine at 50% or less.

### MAXIMUM PRISON SENTENCE(YEARS)



Michigan's method of calculating interest places an additional burden on claimants. At a rate of 1% per month (compounding daily) [23], Michigan's interest rate on overpayments is tied with twelve other jurisdictions for the 5th highest in the country. Notably, 22 U.S. jurisdictions charge no interest on overpayments at all. Michigan's criminal penalties for unemployment fraud are similarly extreme. Michigan, along with 9 other jurisdictions, is tied for the third harshest criminal penalties in the country, with a maximum sentence of ten years. [24] Lastly, Michigan employs many possible means of collecting overpayments. These include seizing future benefits, tax returns, garnishing wages, and others.

## Recommendations

In light of Michigan's history of false fraud accusations and the continuing concerns from claimant advocates about MiDAS, the legislature should amend the Michigan Employment Security Act to decrease the penalties for claimants who commit intentional misrepresentation.

- Michigan should join the plurality of U.S. jurisdictions by amending the Act to decrease the monetary penalties for intentional misrepresentation to 15% of the overpayment.
- Michigan should join the plurality of U.S. jurisdictions by amending the Act to fully eliminate interest payments on overpayments.
- Michigan should join the majority of U.S. jurisdictions by amending the Act to decrease the maximum imprisonment for intentional misrepresentation to 1 year or less.

## ARRA MODERNIZATION

Just as unemployment insurance has played a major role in supporting American workers and businesses during the economic downturn caused by COVID-19, it was also crucial support for America's economy during the 2008 Recession. As part of that relief effort, Congress passed the American Recovery and Reinvestment Act (ARRA) in 2009, which included economic incentives for jurisdictions to modernize their unemployment insurance systems.

On the scorecard, jurisdictions could earn up to 40 points for each of the ARRA unemployment modernization provisions that the jurisdiction had adopted. The expansion of benefits for workers seeking part-time work or dependent allowances were excluded from earning points in this section because they each have their own sections elsewhere on the scorecard. The remaining four optional unemployment-related provisions for which the federal government provided incentives were:

1. **Total Unemployment Rate trigger** – In exchange for 100% federal funding of its extended benefits program, jurisdictions can convert to the more generous total unemployment rate (TUR) or insured unemployment rate (IUR) trigger for when extended benefits would begin due to high unemployment. By adopting one of these alternative triggers, extended benefits



would kick in more quickly than under the traditional trigger and enable a quicker response to economic downturns.

2. **Alternative Base Period** – An alternative to the traditional base period of the first four of the last five completed calendar quarters, the alternative base period takes advantage of increased efficiency in wage reporting to include the most recently completed quarter. Using the alternative base period allows more claimants to qualify for benefits who otherwise would be excluded by the traditional base period.

3. **Compelling Family Reasons** – This provision allows individuals who must leave their jobs to (1) take care of an ill or disabled immediate family member; (2) follow a spouse who is relocating due to a change in the location of the spouse's employment, when commuting without relocation is impractical; or (3) because domestic violence causes the individual to believe that continued employment would jeopardize the individual or their immediate family to still qualify for unemployment insurance. Notably, this provision does not charge the separating employer's account or raise their taxes because funds are paid out through a separate state-funded account.

4. **Training for UI Exhaustees** – This provision extends unemployment benefits by 26 weeks to individuals who are making satisfactory progress in an approved training program to acquire new employment. Extending benefits for workers acquiring new skills allows them to expand their opportunities and become competitive for higher-paying jobs.

Michigan implemented the two most popular ARRA action items, the TUR trigger and the alternative base period. Though Michigan received points for implementing the TUR trigger, it is important to note that when the trigger was passed into law the legislature attached a "sunset" provision that automatically repealed its adoption of the TUR trigger in 2013 when the 100% federal funding expired. The alternative base period provision was also adopted and is still in effect. The alternative base period has led to thousands of additional claimants being able to receive benefits based on the wages they have already earned.

## Recommendations

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The foundational reason that unemployment insurance exists is to support and protect workers and those who depend on them when they lose their job involuntarily. In furtherance of this long-standing public policy obligation and the accompanying economic benefits, Michigan's Legislature should amend the Act to incorporate the Compelling Family Reasons provisions of the ARRA into the jurisdiction's unemployment insurance system along with others it may deem appropriate.

Indeed, through executive orders and by implementing federal programs such as the Pandemic Unemployment Assistance (PUA), Michigan has already seen great successes in covering claimants who need to take care of sick relatives during COVID-19. As the state's recovery continues, Michigan should carry the lessons learned during the crisis forward by recognizing that the need to support workers who must care for their loved ones exists regardless of a pandemic. Similarly, Michigan should extend benefit coverage to claimants who move with their family when their spouse's job location changes.

Adoption of the ARRA's Compelling Family Reasons criteria, particularly the provision that recognizes a need to leave a job because of domestic violence does not disqualify a worker from receiving benefits, would support many vulnerable Michigan workers during this ongoing crisis. Experts report that, with shelter-in-place measures and widespread organizational closures related to COVID-19 likely to continue for an extended period of time, stress and associated risk factors for family violence such as unemployment, reduced income, limited resources, and limited social support are likely to be further compounded. [25] Michigan shelters have already reported a substantial increase in domestic violence calls to law enforcement [26] and enacting this provision could provide critical unemployment support for some of Michigan's most vulnerable workers.

# PART 6: UI SCORECARDS



## INTRODUCTION

This section presents numerical scores of jurisdictions' unemployment insurance system performance. These were computed by our researchers following their analysis of publicly available information on each jurisdiction's unemployment insurance system. Scores for each jurisdiction were determined by the metrics and scoring methodology discussed previously in this report.

At the beginning of this section are tables that summarize and discuss Michigan's relative scores compared to other U.S. jurisdictions. The first table shows rankings based on jurisdictions' overall score and institutional score followed by a table showing the rankings for each individual subscore.

Following the tables, you will find presented UI Scorecards assessing complete unemployment system health, including COVID-19 response. These are available for select jurisdictions including Michigan and other Midwestern states. Also included are Scorecards for Maine and New Mexico as examples of particularly healthy unemployment systems.





## Unemployment Insurance Scorecard Rankings (Total Score)

This table displays jurisdictions' scores on our UI Scorecard rank-ordered by their total score, including COVID-19 response factors. Included in the Essential Factors subscore are the scores for the following metrics:

- Essential Factors (410 possible points)
- Workforce Coverage (315 possible points)
- Claimant Benefits & Protections (175 possible points)
- Non-COVID Response Total Possible Points: 900
- COVID Response Total Possible Points: 500

State	UI Scorecard Total Score	Essential Factors Subscore	Workforce Coverage Subscore	Claimant Benefits & Protections Subscore	COVID-19 Response and Administration
Washington	1041.7	319.4	247.3	85	390
Maine	954.5	288	276.5	90	320
New Mexico	943	243.5	139.5	110	450
Virginia	899.5	172	197.5	80	450
New Hampshire	896	186	235	75	400
Minnesota	877	300	172	45	360
Rhode Island	855.2	228.2	227	120	280
Alaska	847	201	131	125	390
Pennsylvania	811.5	206	190.5	75	340
Oregon	804.6	305.4	126.2	83	290
West Virginia	798.9	202.9	151	95	350
Massachusetts	794	210.8	213.2	130	240
North Dakota	793	277	106	80	330
Colorado	788	190	163	85	350
Texas	777.4	211.4	111	95	360
California	776	180	156	90	350
Hawaii	768.2	324	109.2	95	240
Washington, D.C.	765.5	144	151.5	90	380
Georgia	760.5	155	180.5	75	350
South Dakota	734	212	107	85	330
Montana	727	301	61	85	280
Vermont	726.2	229.7	126.5	70	300
Delaware	703	169	179	115	240
Michigan	689.5	107	97.5	65	420
North Carolina	683.5	156	102.5	65	360
Maryland	677.5	139	153.5	95	290
Illinois	674	238	181	125	130
Virgin Islands	671	265	61	45	300
Kansas	638	214	179	105	140
South Carolina	625	146	219	60	200
Iowa	620	252	148	130	90
Nevada	601	213	63	115	210
New York	597.5	139	148.5	110	200
Connecticut	585	226.5	178.5	90	90
Wyoming	568.6	239	59.6	70	200
Utah	561.5	287.6	58.9	65	150
Oklahoma	561	217	104	90	150
Missouri	559	129	130	70	230
Kentucky	557	207	95	65	190
Arizona	545	160	55	80	250
Nebraska	538.5	148	95.5	45	250
Idaho	536.2	211	95.2	90	140
Ohio	536	185	131	60	160
Puerto Rico	522.5	154	146.5	112	110
Tennessee	521	150	61	60	250
Wisconsin	518.5	156	107.5	55	200
Alabama	505.5	112	58.5	85	250
New Jersey	471	209	92	120	50
Florida	464.5	60	104.5	100	200
Indiana	461.5	145	56.5	70	190
Mississippi	447	174	61	52	160
Arkansas	430	119	166	95	50
Louisiana	377	151	61	15	150



## Unemployment Insurance Scorecard Rankings (Institutional Score)

This table displays jurisdictions' scores on our UI Scorecard rank-ordered by their total score, not including COVID-19 response factors - what we call the institutional score. A jurisdiction's institutional score represents the health of its UI system without taking into account temporary changes due to COVID-19.

Michigan's place in the overall rankings drops from the top performing half of jurisdictions (24th) to being the fourth worst in the country. Partly, this shows how well Michigan responded to the challenge of COVID-19 in terms of its UI system. But it also reveals the hard truth that Michigan's UI infrastructure is sorely out of step.

State	UI Scorecard Total Score	Essential Factors Subscore	Workforce Coverage Subscore	Claimant Benefits & Protections Subscore
Washington	651.7	319.4	247.3	85
Maine	634.5	268	276.5	90
Rhode Island	575.2	228.2	227	120
Massachusetts	554	210.8	213.2	130
Illinois	544	238	181	125
Iowa	530	252	148	130
Hawaii	528.2	324	109.2	95
Minnesota	517	300	172	45
Oregon	514.6	305.4	126.2	83
Kansas	498	214	179	105
New Hampshire	496	186	235	75
Connecticut	495	226.5	178.5	90
New Mexico	493	243.5	139.5	110
Pennsylvania	471.5	206	190.5	75
North Dakota	463	277	106	80
Delaware	463	169	179	115
Alaska	457	201	131	125
Virginia	449.5	172	197.5	80
West Virginia	448.9	202.9	151	95
Montana	447	301	61	85
Colorado	438	190	163	85
Vermont	426.2	229.7	126.5	70
California	426	180	156	90
South Carolina	425	146	219	60
New Jersey	421	209	92	120
Texas	417.4	211.4	111	95
Puerto Rico	412.5	154	146.5	112
Utah	411.5	287.6	58.9	65
Oklahoma	411	217	104	90
Georgia	410.5	155	180.5	75
South Dakota	404	212	107	85
New York	397.5	139	148.5	110
Idaho	396.2	211	95.2	90
Nevada	391	213	63	115
Maryland	387.5	139	153.5	95
Washington, D.C.	385.5	144	151.5	90
Arkansas	380	119	166	95
Ohio	376	185	131	60
Virgin Islands	371	265	61	45
Wyoming	368.6	239	59.6	70
Kentucky	367	207	95	65
Missouri	329	129	130	70
North Carolina	323.5	156	102.5	65
Wisconsin	318.5	156	107.5	55
Arizona	295	160	55	80
Nebraska	288.5	148	95.5	45
Mississippi	287	174	61	52
Indiana	271.5	145	56.5	70
Tennessee	271	150	61	60
Michigan	269.5	107	97.5	65
Florida	264.5	60	104.5	100
Alabama	255.5	112	58.5	85
Louisiana	227	151	61	15





## UI Scorecard Rankings (Essential Factors Subscore)

This table displays jurisdictions' scores on our UI Scorecard rank-ordered by their score on the Essential Factors subscore. Included in the Essential Factors subscore are the scores for the following metrics:

- Weekly Benefit Amount (130 possible points)
- Number of Regular Weeks (130 possible points)
- Taxable Wage Base (100 possible points)
- Rework Requirement (50 possible points)
- Essential Factors Subscore Total  
Possible Points: 410

State	UI Scorecard Total Score	Essential Factors Subscore	Workforce Coverage Subscore	Claimant Benefits & Protections Subscore	COVID-19 Response and Administration
Hawaii	768.2	324	109.2	95	240
Washington	1041.7	319.4	247.3	85	390
Oregon	804.6	305.4	126.2	83	290
Montana	727	301	61	85	280
Minnesota	877	300	172	45	360
Utah	561.5	287.6	58.9	65	150
North Dakota	793	277	106	80	330
Maine	954.5	268	276.5	90	320
Virgin Islands	671	265	61	45	300
Iowa	620	252	148	130	90
New Mexico	943	243.5	139.5	110	450
Wyoming	568.6	239	59.6	70	200
Illinois	674	238	181	125	130
Vermont	726.2	229.7	126.5	70	300
Rhode Island	855.2	228.2	227	120	280
Connecticut	585	226.5	178.5	90	90
Oklahoma	561	217	104	90	150
Kansas	638	214	179	105	140
Nevada	601	213	63	115	210
South Dakota	734	212	107	85	330
Texas	777.4	211.4	111	95	360
Idaho	536.2	211	95.2	90	140
Massachusetts	794	210.8	213.2	130	240
New Jersey	471	209	92	120	50
Kentucky	557	207	95	65	190
Pennsylvania	811.5	206	190.5	75	340
West Virginia	798.9	202.9	151	95	350
Alaska	847	201	131	125	390
Colorado	788	190	163	85	350
New Hampshire	896	186	235	75	400
Ohio	536	185	131	60	160
California	776	180	156	90	350
Mississippi	447	174	61	52	160
Virginia	899.5	172	197.5	80	450
Delaware	703	169	179	115	240
Arizona	545	160	55	80	250
North Carolina	683.5	156	102.5	65	360
Wisconsin	518.5	156	107.5	55	200
Georgia	760.5	155	180.5	75	350
Puerto Rico	522.5	154	146.5	112	110
Louisiana	377	151	61	15	150
Tennessee	521	150	61	60	250
Nebraska	538.5	148	95.5	45	250
South Carolina	625	146	219	60	200
Indiana	461.5	145	56.5	70	190
Washington, D.C.	765.5	144	151.5	90	380
Maryland	677.5	139	153.5	95	290
New York	597.5	139	148.5	110	200
Missouri	559	129	130	70	230
Arkansas	430	119	166	95	50
Alabama	505.5	112	58.5	85	250
Michigan	689.5	107	97.5	65	420
Florida	464.5	60	104.5	100	200



## UI Scorecard Rankings (Workforce Coverage Subscore)

This table displays jurisdictions' scores on our UI Scorecard rank-ordered by their score on the Workforce Coverage subscore. Included in the Workforce Coverage subscore are the scores for the following metrics:

- Workshare Coverage (75 possible points)
- Employer Chargeability (75 possible points)
- Simulated Monetary Eligibility (75 possible points)
- Part-Time Coverage (90 possible points)
- Workforce Coverage Subscore Total  
Possible Points: 315

State	UI Scorecard Total Score	Essential Factors Subscore	Workforce Coverage Subscore	Claimant Benefits & Protections Subscore	COVID-19 Response and Administration
Maine	954.5	268	276.5	90	320
Washington	1041.7	319.4	247.3	85	390
New Hampshire	896	186	235	75	400
Rhode Island	855.2	228.2	227	120	280
South Carolina	625	146	219	60	200
Massachusetts	794	210.8	213.2	130	240
Virginia	899.5	172	197.5	80	450
Pennsylvania	811.5	206	190.5	75	340
Illinois	674	238	181	125	130
Georgia	760.5	155	180.5	75	350
Delaware	703	169	179	115	240
Kansas	638	214	179	105	140
Connecticut	585	228.5	178.5	90	90
Minnesota	877	300	172	45	360
Arkansas	430	119	166	95	50
Colorado	788	190	163	85	350
California	776	180	156	90	350
Maryland	677.5	139	153.5	95	290
Washington, D.C.	765.5	144	151.5	90	380
West Virginia	798.9	202.9	151	95	350
New York	597.5	139	148.5	110	200
Iowa	620	252	148	130	90
Puerto Rico	522.5	154	146.5	112	110
New Mexico	943	243.5	139.5	110	450
Alaska	847	201	131	125	390
Ohio	536	185	131	60	160
Missouri	559	129	130	70	230
Vermont	726.2	229.7	126.5	70	300
Oregon	804.6	305.4	126.2	83	290
Texas	777.4	211.4	111	95	360
Hawaii	768.2	324	109.2	95	240
Wisconsin	518.5	156	107.5	55	200
South Dakota	734	212	107	85	330
North Dakota	793	277	106	80	330
Florida	464.5	60	104.5	100	200
Oklahoma	561	217	104	90	150
North Carolina	683.5	156	102.5	65	360
Michigan	689.5	107	97.5	65	420
Nebraska	538.5	148	95.5	45	250
Idaho	536.2	211	95.2	90	140
Kentucky	557	207	95	65	190
New Jersey	471	209	92	120	50
Nevada	601	213	63	115	210
Montana	727	301	61	85	280
Virgin Islands	671	265	61	45	300
Tennessee	521	150	61	60	250
Mississippi	447	174	61	52	160
Louisiana	377	151	61	15	150
Wyoming	568.6	239	59.6	70	200
Utah	561.5	287.6	58.9	65	150
Alabama	505.5	112	58.5	85	250
Indiana	461.5	145	58.5	70	190
Arizona	545	160	55	80	250



## UI Scorecard Rankings (Claimant Benefits & Protections Subscore)

This table displays jurisdictions' scores on our UI Scorecard rank-ordered by their score on the Claimant Benefits & Protections subscore. Included in the Claimant Benefits & Protections subscore are the scores for the following metrics:

- Medical Leave Availability (50 possible points)
- Dependent Allowance (35 possible points)
- Treatment of Fraud (50 possible points)
- ARRA Modernization (40 possible points)
- Claimant Benefits & Protections Subscore  
Total Possible Points: 175

State	UI Scorecard Total Score	Essential Factors Subscore	Workforce Coverage Subscore	Claimant Benefits & Protections Subscore	COVID-19 Response and Administration
Massachusetts	794	210.8	213.2	130	240
Iowa	620	252	148	130	90
Alaska	847	201	131	125	390
Illinois	674	238	181	125	130
Rhode Island	855.2	228.2	227	120	280
New Jersey	471	209	92	120	50
Delaware	703	189	179	115	240
Nevada	601	213	63	115	210
Puerto Rico	522.5	154	148.5	112	110
New Mexico	943	243.5	139.5	110	450
New York	597.5	139	148.5	110	200
Kansas	638	214	179	105	140
Florida	464.5	80	104.5	100	200
West Virginia	798.9	202.9	151	95	350
Texas	777.4	211.4	111	95	360
Hawaii	768.2	324	109.2	95	240
Maryland	677.5	139	153.5	95	290
Arkansas	430	119	166	95	50
Maine	954.5	288	276.5	90	320
California	776	180	156	90	350
Washington, D.C.	765.5	144	151.5	90	380
Connecticut	585	226.5	178.5	90	90
Oklahoma	561	217	104	90	150
Idaho	536.2	211	95.2	90	140
Washington	1041.7	319.4	247.3	85	390
Colorado	788	190	163	85	350
South Dakota	734	212	107	85	330
Montana	727	301	61	85	280
Alabama	505.5	112	58.5	85	250
Oregon	804.6	305.4	126.2	83	290
Virginia	899.5	172	197.5	80	450
North Dakota	793	277	106	80	330
Arizona	545	160	55	80	250
New Hampshire	896	186	235	75	400
Pennsylvania	811.5	206	190.5	75	340
Georgia	760.5	155	180.5	75	350
Vermont	726.2	229.7	126.5	70	300
Wyoming	568.6	239	59.6	70	200
Missouri	559	129	130	70	230
Indiana	461.5	145	58.5	70	190
Michigan	689.5	107	97.5	65	420
North Carolina	683.5	156	102.5	65	360
Utah	561.5	287.6	58.9	65	150
Kentucky	557	207	95	65	190
South Carolina	625	146	219	60	200
Ohio	536	185	131	60	160
Tennessee	521	150	61	60	250
Wisconsin	518.5	156	107.5	55	200
Mississippi	447	174	61	52	160
Minnesota	877	300	172	45	360
Virgin Islands	671	285	61	45	300
Nebraska	538.5	148	95.5	45	250
Louisiana	377	151	61	15	150



## UI Scorecard Rankings (COVID-19 Response & Administration)

This table displays jurisdictions' scores on our UI Scorecard rank-ordered by their score on the COVID-19 Response and Administration subscore. The COVID-19 subscore was determined based on the following metrics:

- Executive Orders (300 possible points)
  - considerably protects workers (300 points)
  - noticeably protects workers (200 points)
  - any relevant order (100 points)
- PUA Implementation (150 possible points)
  - Before April 15 (150 points)
  - April 16 - 30 (100 points)
  - May or later (50 points)
- If state hired additional employees to help process claims or if state otherwise implemented changes to address backlog: +50 points
- If documented infrastructure failure leading to months-long delays: -40 points
- If wrongly suspected fraud causing delays: -40 points
- If reports of state having low process times: -20 points
- COVID-19 Response and Administration Total Possible Points: 500

State	UI Scorecard Total Score	Essential Factors Subscore	Workforce Coverage Subscore	Claimant Benefits & Protections Subscore	COVID-19 Response and Administration
New Mexico	943	243.5	139.5	110	450
Virginia	899.5	172	197.5	80	450
Michigan	689.5	107	97.5	65	420
New Hampshire	896	186	235	75	400
Washington	1041.7	319.4	247.3	85	390
Alaska	847	201	131	125	390
Washington, D.C.	765.5	144	151.5	90	380
Minnesota	877	300	172	45	360
Texas	777.4	211.4	111	95	360
North Carolina	683.5	156	102.5	65	360
West Virginia	798.9	202.9	151	95	350
Colorado	788	190	163	85	350
California	776	180	156	90	350
Georgia	760.5	155	180.5	75	350
Pennsylvania	811.5	206	190.5	75	340
North Dakota	793	277	106	80	330
South Dakota	734	212	107	85	330
Maine	954.5	288	278.5	90	320
Vermont	726.2	229.7	128.5	70	300
Virgin Islands	671	265	61	45	300
Oregon	804.6	305.4	128.2	83	290
Maryland	677.5	139	153.5	95	290
Rhode Island	855.2	228.2	227	120	280
Montana	727	301	61	85	280
Arizona	545	160	55	80	250
Nebraska	538.5	148	95.5	45	250
Tennessee	521	150	61	60	250
Alabama	505.5	112	58.5	85	250
Massachusetts	794	210.8	213.2	130	240
Hawaii	768.2	324	109.2	95	240
Delaware	703	169	179	115	240
Missouri	559	129	130	70	230
Nevada	601	213	63	115	210
South Carolina	625	146	219	60	200
New York	597.5	139	148.5	110	200
Wyoming	568.6	239	59.6	70	200
Wisconsin	518.5	156	107.5	55	200
Florida	464.5	60	104.5	100	200
Kentucky	557	207	95	65	190
Indiana	461.5	145	56.5	70	190
Ohio	536	185	131	60	160
Mississippi	447	174	61	52	160
Utah	561.5	287.6	58.9	65	150
Oklahoma	561	217	104	90	150
Louisiana	377	151	61	15	150
Kansas	638	214	179	105	140
Idaho	536.2	211	95.2	90	140
Illinois	674	238	181	125	130
Puerto Rico	522.5	154	148.5	112	110
Iowa	620	252	148	130	90
Connecticut	585	226.5	178.5	90	90
New Jersey	471	209	92	120	50
Arkansas	430	119	166	95	50



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# UNEMPLOYMENT INSURANCE SCORECARDS

Selected Jurisdictions  
(includes COVID-19 response assessment)

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The following pages contain "UI Scorecards" for Michigan and other selected jurisdictions. The institutional score for each jurisdiction on all metrics can be found at the top-left corner of each Scorecard. Totals for each of the subscores, including for the jurisdiction's COVID-19 response, are located at the bottom of each subsection. Totals and subtotals represent the full points awarded on all metrics included in this report, even those not highlighted on the scorecards themselves.



# ILLINOIS

## Institutional Score: 544/900

\* Does not include COVID-19 Response Score



### Summary

Illinois scored high among many fields. Its forgiving requalification requirements, its relatively inclusive eligibility requirements and the way in which the state charges employers for benefits scored the state a big chunk of points. Improvements can be made in covering more part-time workers than just those who are forced to work part-time due to illness or disability.

### Essential Factors

- **Maximum Weekly Benefit Amount:** Illinois' WBA is \$667, placing Illinois 8 out of 53 states and territories. However, its WBA is only 58% of its statewide average weekly wage, and thus, it received 48 out of 130 points.
  - **Maximum Number of Weeks Offered:** 26 weeks, which is in line with the vast majority of all other states and territories and thus received the 130 maximum points.
  - **Rework Requirement:** If a claimant is disqualified for benefits, Illinois requires the claimant to earn wages that are greater than or equal to her WBA in at least four calendar weeks before she can file for benefits again. Compared to other states and territories, this is a relaxed requalification requirement, and thus, Illinois received 50 maximum points.
- Total:** Illinois earned 238 out of 410 points possible for the essential factors category.

### COVID Response

- The state implemented PUA on May 11, 2020, which was relatively late compared to other states that implemented the federal program in mid April.
  - UI Agency employees reported an "insurmountable workload" calling for the government to hire additional employees for processing claims. Indeed, there were less UI employees in Illinois compared to other states with similar populations, and less UI employees during the COVID pandemic when compared to the Great Recession.
  - There are also numerous reports of frequent and long delays, but this was typical among most states.
- Total:** Illinois earned 130 points out of 500 for its COVID response.

### Claimant Benefits & Protections

- **Dependent Allowance:** Illinois allows claimants to claim dependents, thereby increasing their WBA anywhere from \$15 to \$93. For being only one of 13 states that has a dependent allowance, Illinois received 35 points. Having a relatively high allowance earned it another 15 points.
- **Medical Leave:** Illinois counts a claimant's illness as good cause for leaving work, but only if that illness or injury is work related. 32 states do not have a work-related limitation, and thus, Illinois received 25 points out of 50.

**Total:** Illinois earned 125 out of 175 points here

### Workforce Coverage

- **Part-Time Coverage:** Illinois allows workers to establish a claim based on part-time employment only if they have an illness or disability or for circumstances outside their control. For allowing this part-time coverage exception, Illinois received 45 points.
  - **Eligibility Requirements:** Illinois' website states that in order to be eligible for UI, claimants must "generally" earn at least \$1,600 in their base period year, including \$400 outside their highest paid quarter. If you were to select a random U.S. worker who is at risk for unemployment, 96% of the time that worker would be eligible for UI in Illinois, earning the state 61 out of 75 points.
  - **Employer Chargeability:** Illinois only charges the most recent separating employer when a worker claims benefits rather than charge every employer in the workers' base period year. This reduces the incentive for previous employers to fight against the worker collecting benefits, and thus, Illinois received 50 out of 50 points.
- Total:** Illinois' workforce coverage earned it 181 points out of 315 possible points.

# INDIANA

Institutional Score: 271.5/900

\* Does not include COVID-19 Response Score



## Summary

Indiana scored low across a lot of measures, most notably regarding its low WBA and its lack of coverage for part-time workers. The state's monetary eligibility requirements are also relatively more stringent than many other states. The state's COVID-19 response was fair, with its expediency in processing claims standing out as the state's strength.

## Essential Factors

- **Maximum Weekly Benefit Amount:** Indiana's WBA is \$390, which is low compared to other states and territories. It ranks 38 out of 53. Its WBA is also only 33% of its statewide average weekly wages, and thus, received 0 points.
  - **Maximum Number of Weeks Offered:** Indiana allows 26 benefit weeks, which is in line with the vast majority of other states or territories. The state thus received the maximum 130 points.
  - **Rework Requirement:** If a claimant in Indiana is disqualified from UI, she must wait 8 weeks and she must earn 8 times her WBA before she can again file for benefits. This is a stringent requalification requirement compared to other states. Thus, the state earned 10 out of 50 points.
- Total:** Indiana earned 145 out of 410 points possible for the essential factors category.

## COVID Response

- Indiana seemingly processed its claims at a speedy pace, even when claim numbers soared. An estimated 80% of new claims are processed every three weeks.
  - Indiana also implemented PUA relatively early, around mid-April, receiving 50 points.
  - However, there have been some administrative hiccups recorded. There are reports of claimants waiting upwards of 3 months before ever hearing anything about their claim. There have also been reports of the state conducting large-scale fraud investigations, which results in the state department of labor freezing large numbers of claimants' accounts, even when they're not guilty of fraud.
- Total:** Indiana earned 190 points out of 500.

## Claimant Benefits & Protections

- **Dependent Allowance:** Indiana is one of 40 other states or territories that does not increase a claimant's WBA if she has dependents, garnering the state 0 points.
- **Medical Leave:** Indiana counts illness as good cause for leaving employment, and thus, the state receives the maximum 50 points.

**Total:** Indiana earned 70 out of 175 points here.

## Workforce Coverage

- **Part-Time Coverage:** Indiana does not accept part-time work for the purposes of the work-search requirement. Therefore, Indiana receives 0 points for part-time coverage.
  - **Eligibility Requirements:** In order to be eligible for benefits in Indiana, claimants must have: (1) at least \$4,200 in their base period year; and (2) they must have \$2,500 in the last six months of their base period; and (3) their total wages in their base period year must be at least 1.5 times the amount in their highest quarter. Nevertheless, if you were to select a random U.S. worker who is at risk for unemployment, 94.7% of the time that worker would be eligible for UI in Indiana, earning the state 56.5 out of 75 points.
  - **Employer Chargeability:** Indiana charges benefits against all base-period employers in proportion to the wages earned by the worker with each employer, which creates an incentive for the employer to fight the claimant's eligibility. Therefore, Indiana receives 0 points.
- Total:** Indiana's workforce coverage earned it 56.5 points out of 315 possible points.

# IOWA

Institutional Score: 530/900

\* Does not include COVID-19 Response Score



## Summary

Iowa's UI bright spots include a high WBA, its coverage of part-time workers, and the fact it considers personal illness or injury good cause for leaving employment. Its eligibility requirements make it relatively less inclusive than a substantial number of Midwestern states.

## Essential Factors

- **Maximum Weekly Benefit Amount:** Iowa's max WBA is \$493. Only 4 states in the Midwest rank higher. Iowa's WBA is about 56% of its statewide average weekly wages, earning the state 44 points.
  - **Maximum Number of Weeks Offered:** Iowa allows 26 benefit weeks, which is in line with the vast majority of other states or territories. The state thus received the maximum 130 points.
  - **Rework Requirement:** If a claimant is disqualified for benefits, Iowa requires the claimant to earn 10 times her WBA before she can file for benefits again. This is a typical requirement among the states and territories, although many states in the Midwest have a less stringent requalification requirement. The state earns 20 out of 50 points here.
- Total:** Iowa earned 252 out of 410 points possible for the essential factors category.

### COVID Response

- Iowa's governor passed several executive orders, such as waiving the work-search requirement, earning 50 points.
  - Iowa implemented PUA on April 13, 2020, which was early compared to many other Midwestern states. Here, Iowa earns 75 points.
  - However, there have been many reports of months-long delays in claimants receiving benefits. The UI website is also reported to be out of date and sluggish.
  - There have also been reports of Iowa residents being demanded to pay back benefits if they did not feel comfortable returning to work due to COVID, even in the spring of 2020.
- Total:** Iowa earned 90 points out of 500 here.

### Claimant Benefits & Protections

- **Dependent Allowance:** Iowa allows claimants to claim dependents. However, its max dependent allowance is for up to 4 dependents (\$112). Divided between the dependents, that is a max of \$28 in allowance. For being only one of 13 states that has a dependent allowance, it received 10 points. But having an allowance that decreases with more dependents unjustly penalizes claimants, and thus, Iowa did not garner an additional 15 points.
- **Medical Leave:** Iowa counts illness as good cause for leaving employment. The state receives the max 50 points.

**Total:** Iowa earned 130 out of 175 points here

## Workforce Coverage

- **Part-Time Coverage:** Iowa considers part-time work sufficient for the purposes of the work-search requirement, provided the worker had a history of part-time employment: 45 points for Iowa's uninclusive coverage.
  - **Eligibility Requirements:** To be eligible for benefits in Iowa, claimants: (1) must be paid wages in at least 2 quarters of the base period; (2) their total base period wages equal at least 1.25 times the wages earned in the highest quarter; and (3) they have wages of at least \$1700 in 1 quarter and at least \$850 in a different quarter. A random U.S. worker at risk for unemployment would be eligible for UI in Iowa 93.7% of the time, earning Iowa 53 out of 75 points.
  - **Employer Chargeability:** Iowa charges benefits against all base-period employers in proportion to the wages earned by the worker. Iowa receives 0 points here.
- Total:** Iowa's workforce coverage earned it 148 points out of 315 possible points.

# KANSAS

Institutional Score: 498/900

\* Does not include COVID-19 Response Score



## Summary

Kansas did well in its policies involving medical leave, its work share program and its coverage for part-time workers. The number of benefit weeks it offers claimants was in line with most other states. However, improvements can be made in its maximum WBA, its eligibility requirements and its employer chargeability. Last, its COVID response was relatively sluggish compared to other states.

## Essential Factors

- **Maximum Weekly Benefit Amount:** Kansas has a max WBA of \$488. This is slightly above the nation's mean WBA of \$482. Kansas' WBA is 55% of its statewide average weekly wages, and receives 40 out of 130 points.

- **Maximum Number of Weeks Offered:** 26 weeks, which is in line with the majority of states and territories. Only 2 other states give more weeks. Kansas gets the max 130 points.

- **Rework Requirement:** If a claimant is disqualified for benefits, Kansas requires the claimant to earn 3 times her WBA before she can file for benefits again, unless it is determined that the claimant committed "gross misconduct," which then requires the claimant to earn 8 times her WBA before she becomes eligible for benefits again.

**Total:** Kansas earned 214 out of 410 points here.

## COVID Response

- At the time of this report, the work-search requirement remains suspended. Additionally, in June of 2020 the Kansas governor ordered an overhaul of and improvements to the state's UI website.

- The state implemented PUA on May 12, 2020, nearly a month and a half after the CARES Act was passed, which was late compared to other states.

- In June, duplicate payments were made to more than 4500 PUA claimants for a total of about \$7 million. KDOL began attempting to reverse the duplicate payments in a process known as a "clawback," which caused some PUA recipients' bank accounts to be overdrawn. This led to the resignation of Kansas' Labor Secretary.

**Total:** Kansas earned 140 points out of 500 here.

## Claimant Benefits & Protections

- **Dependent Allowance:** Kansas is one of 40 other states or territories that does not increase a claimant's WBA if she has dependents, garnering the state 0 points.

- **Medical Leave:** Kansas counts illness as good cause for leaving employment, and thus, the state receives the maximum 50 points.

**Total:** Kansas earned 105 out of 175 points here.

## Workforce Coverage

- **Part-Time Coverage:** Kansas considers part-time work sufficient for the purposes of the work-search requirement, provided the worker had a history of part-time employment. Due to its uninclusive coverage, the state earns 45 points.

- **Eligibility Requirements:** Kansas requires claimants to have earnings in at least two quarters of their base period year and that the total base period earnings equal at least 35 times the claimant's WBA. If you were to select a random U.S. worker who is at risk for unemployment, 95.5% of the time that worker would be eligible for UI in Kansas. The state received 59 out of 75 points here.

- **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. This creates an incentive for employers to fight a worker's benefit eligibility; thus, Kansas receives 0 points.

**Total:** Kansas' workforce coverage earned it 179 points out of 315 possible points.



# MAINE

## Institutional Score: 634.5/900

\* Does not include COVID-19 Response Score



### Summary

Maine's strengths include its liberal coverage of part-time workers, its high WBA, as well as its employer chargeability policy that mitigates disincentives for employers to fight their employees from receiving benefits. The state could make its eligibility requirements to cover more workers. Last, Maine's COVID-19 response was solid, but not necessarily a standout.

### Essential Factors

- **Maximum Weekly Benefit Amount:** Maine has a maximum WBA of \$693. Its WBA is a whopping 77.9% of its statewide average weekly wages, which earns the state 88 out of 130 points.
  - **Maximum Number of Weeks Offered:** The state offers 26 maximum weeks, in line with the majority of other states, earning the state the maximum 130 points here.
  - **Rework Requirement:** If a claimant is disqualified for benefits due to a voluntary quit, she must only earn at least 4 times her WBA amount. If a claimant is found to have committed misconduct, she must earn at least 8 times her WBA. Thus, due to this relatively large range, the state receives 40 out of 50 points here.
- Total:** Maine earned 268 out of 410 points for the essential factors category.

### COVID Response

- Maine implemented PUA in early May, which is a relatively delayed response.
  - The state did, however, expand call-in times for claimants as well as implement a work-search waiver, although this waiver expired in October.
  - When the work-search requirement was reinstated, the terms was modified to require only one search per week.
  - Despite the fact the state expanded call-in hours and that it waived the one-week waiting period, there are reports of large-scale delays in claims processing and receiving benefits
- Total:** Maine earned 320 points out of 500 here.

### Claimant Benefits & Protections

- **Dependent Allowance:** Maine allows claimants to claim dependents. For being only one of 13 states that has a dependent allowance, the state received 20 points.
- **Medical Leave:** Maine counts a claimant's illness as good cause for leaving work, but only if that illness or injury is work related. 32 states do not have a work-related limitation, and thus, the state receives 25 points out of 50.

**Total:** Maine earned 90 out of 175 points here.

### Workforce Coverage

- **Part-Time Coverage:** Maine considers part-time work sufficient for the purposes of the work-search requirement, even if the worker did not have a history of part-time employment. Thus, the state earns 90 points.
  - **Eligibility Requirements:** Maine does not have relatively inclusive eligibility requirements, especially when considering the fact the state has other areas where its policies are more liberal. If you were to select a random U.S. worker who is at risk for unemployment, 93.3% of the time that worker would be eligible for UI in Maine. The state receives 51.5 out of 75 points here.
  - **Employer Chargeability:** Maine only charges the most recent separating employer when a worker claims benefits rather than charge every employer in the workers' base period year. This reduces the incentive for previous employers to fight against the worker collecting benefits, and thus, Maine received 50 out of 50 points.
- Total:** Maine's workforce coverage earned it 276.5 points out of 315.



# MICHIGAN

## Institutional Score: 269.5/900

\* Does not include COVID-19 Response Score



### Summary

Michigan scored low among most fields. The state's eligibility requirements are remarkably stringent, and its WBA was very low compared to states in the same geographic area. The state also took significant hits due to its strict requalification requirement and lack of coverage for part-time workers. Last, the state's COVID response has failed countless workers, although the governor did act proactively in trying to expand protections.

### Essential Factors

- **Maximum Weekly Benefit Amount:** Michigan's max WBA is \$362/week, which is the second lowest in the Midwest. Its WBA is also 35% of its statewide average weekly wages, earning the state 2 out of 130 points.
  - **Maximum Number of Weeks Offered:** Michigan only offers 20 weeks, making it one of only eight states that offers a maximum number of weeks less than 26. Michigan received 100 out of 130 points here.
  - **Rework Requirement:** If a claimant is disqualified for benefits, Michigan requires the claimant to earn 12 times her WBA before she can file for benefits again if she was found to have voluntarily quit, and 17 times her WBA if she was found to have committed misconduct. These are unusually stringent requalification requirements, especially compared to other states in the same region. As such, the state receives 0 points here.
- Total:** Michigan earned 107 out of 410 points.

### COVID Response

- Michigan was one of the earliest states to implement PUA and the state's governor was proactive in broadening worker protections. For instance, the governor temporarily expanded benefit weeks from 20 to 26 weeks, waived the work-search requirement, and broadened the reasons for refusing work in light of COVID.
  - Michigan was one of the fastest to implement federal programs but experienced some infrastructure and processing issues that were common to other states, which resulted in claimants experiencing various delays in receiving their payments.
- Total:** Michigan earned 420 points out of 500 here.

### Claimant Benefits & Protections

- **Dependent Allowance:** Michigan allows claimants to claim dependents. However, it only allots \$6/dependent, up to 5 dependents. For being only one of 13 states that has a dependent allowance, it received 20 points. But having a very low allowance did not garner it the additional 15 points like those states with higher allowances.
- **Medical Leave:** Michigan counts a claimant's illness as good cause for leaving work, but only if that illness or injury is work related. 32 states do not have a work-related limitation, and thus, Michigan receives 25 points out of 50.

**Total:** Michigan earned 65 out of 175 points here.

### Workforce Coverage

- **Part-Time Coverage:** Michigan does not allow part-time work to count for the work-search requirement, earning it 0 points.
  - **Eligibility Requirements:** Michigan not only requires that a claimant have earnings in at least two quarters in her base period, but that her highest quarterly earnings totals at least \$3,598. If you were to select a random U.S. worker who is at risk for unemployment, 84.7% of the time that worker would be eligible for UI in Michigan. The state receives a dismal 22.5 out of 75 points here.
  - **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. This creates an incentive for employers to fight a worker's benefit eligibility; thus, Michigan receives 0 points.
- Total:** Michigan's workforce coverage earned it 97.5 points out of 315 possible points.

# MINNESOTA

Institutional Score: 517/900

\* Does not include COVID-19 Response Score



## Summary

Minnesota scored very well among certain fields due to its inclusivity. Its policies regarding part-time workers and its inclusive eligibility requirements earned the state a large chunk of points. Its very high WBA and its fast-acting COVID response also earned it an impressive point total. However, the state could improve by increasing claimants' WBA if they have dependents, as well as allowing injury or illness to count as good cause for voluntary leaving purposes.

## Essential Factors

- **Maximum Weekly Benefit Amount:** Minnesota's max WBA is \$740, which places it 3rd out of 53 states and territories. Minnesota's max WBA is also 65% of its statewide average weekly wages, which garners the state 66 out of 130 points.
  - **Maximum Number of Weeks Offered:** The state also offers a maximum 26 benefit weeks, in line with the majority of states and earning the state 130 maximum points here.
  - **Rework Requirement:** Minnesota's requalification requirement is more forgiving than other states. If a claimant is disqualified from benefits, Minnesota requires that claimants make 2.65% of the statewide average weekly wages before file for benefits again. For having a forgiving requirement, the state earns a maximum 50 points here.
- Total:** Minnesota earned 300 out of 410 points possible for the essential factors category.

## COVID Response

- Minnesota's governor passed a relatively high number of executive orders to protect workers, such as an order that included quitting work due to a health risk as a form of good cause for the purposes of "voluntary quit."
  - The state also quickly enacted federal programs. Minnesota implemented PUA less than a month after the CARES Act was passed.
  - While there were reports of infrastructure failures, which led to long delays, these are common among the states. More notably, Minnesota hired additional UI staff to process claims and there are reports that the state more quickly distributed benefits compared to other states.
- Total:** Minnesota earned 360 points out of 500 here.

## Claimant Benefits & Protections

- **Dependent Allowance:** Minnesota is one of 40 other states or territories that does not increase a claimant's WBA if she has dependents, garnering the state 0 points.
- **Medical Leave:** Minnesota does not count illness or injury as good cause for leaving employment; thus, the state receives 0 points here.

**Total:** Minnesota earned 45 out of 175 points here.

## Workforce Coverage

- **Part-Time Coverage:** Minnesota considers part-time work sufficient for the purposes of the work-search requirement, provided the worker had a history of part-time employment. Thus, the state earns 45 points here.
  - **Eligibility Requirements:** Minnesota requires that claimants only have earned wages at least 5.3% of the statewide average weekly wages. If you were to select a random U.S. worker who is at risk for unemployment, 97.7% of the time that worker would be eligible for UI in Minnesota. The state receives 67 out of 75 points here.
  - **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. This creates an incentive for employers to fight a worker's benefit eligibility; thus, Minnesota receives 0 points.
- Total:** Minnesota's workforce coverage earned it 172 points out of 315 possible points.

# MISSOURI

Institutional Score: 329/900

\* Does not include COVID-19 Response Score



## Summary

Missouri's most obvious need for improvement lies in its very low maximum WBA, its low amount of maximum benefit weeks offered, its lack of dependent allowances, and its lack of part-time worker coverage. Both its eligibility requirements and its requalification requirements are solidly middle of the road.

## Essential Factors

- **Maximum Weekly Benefit Amount:** Missouri offers a max WBA of \$320. This is the lowest WBA out of all the Midwestern states and puts the state 46 out of 53 states and territories. Its WBA is also merely 33% of its statewide average weekly wages, earning the state 0 points here.
  - **Maximum Number of Weeks Offered:** Missouri only offers a max 20 benefit weeks, making it one of only eight states that offers a maximum number of weeks less than 26. Missouri received 100 out of 130 points here.
  - **Rework Requirement:** If a claimant is disqualified for benefits, Missouri requires the claimant to earn 10 times her WBA before she can file for benefits again. This is a typical requirement among the states and territories, although many states in the Midwest have a less stringent requalification requirement. The state earns 20 out of 50 points here.
- Total:** Missouri earned 129 out of 410 points possible for the essential factors category.

## COVID Response

- The Missouri governor did pass executive orders aimed at expediting claims processing, earning the state 50 points. PUA was implemented on April 21, 2020. This was a moderately speedy implementation, earning the state 50 points.
  - Similar to many other states, there are reports of very long wait times for claimants, frequent UI site crashes and an inability to contact UI agency personnel.
  - There are also reports that the state's UI agency issued PUA overpayments to many claimants and are now requesting claimants to pay the agency back.
- Total:** Missouri earned 230 points out of 500 for its COVID response.

## Claimant Benefits & Protections

- **Dependent Allowance:** Missouri is one of 40 other states or territories that does not increase a claimant's WBA if she has dependents, garnering the state 0 points.
- **Medical Leave:** Missouri counts illness as good cause for leaving employment, and thus, the state receives the maximum 50 points.

**Total:** Missouri earned 70 out of 175 points here.

## Workforce Coverage

- **Part-Time Coverage:** Missouri does not allow part-time work to count for the purposes of the work-search requirement, earning it 0 points.
  - **Eligibility Requirements:** To be eligible for benefits in Missouri, claimants must earn at least \$1,500 during one quarter and have at least \$750 across the remainder of their base period year. If you were to select a random U.S. worker who is at risk for unemployment, 94.3% of the time that worker would be eligible for UI in Missouri. Out of 12 Midwestern states, only 4 others rank lower than Missouri in eligibility coverage. The state receives 55 out of 75 points here.
  - **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. Thus, Missouri receives 0 points.
- Total:** Missouri's workforce coverage earned it 130 points out of 315 possible points.

# NEBRASKA

Institutional Score: 288.5/900

\* Does not include COVID-19 Response Score



## Summary

Overall, Nebraska stayed slightly below the curve in many of the fields. Its WBA could use increasing, and its eligibility requirements could be much more inclusive. The state's biggest gaps are its lack of dependent allowances, its lack of work-share program, and its failure to consider personal illness or injury sufficient cause for quitting work.

## Essential Factors

- **Maximum Weekly Benefit Amount:** Nebraska has a max WBA of \$440, which is only 36.6% of the statewide average weekly wage. Nebraska receives only 4 out of 130 points here.
  - **Maximum Number of Weeks Offered:** Nebraska is in line with the vast majority of states and territories with 26 weeks, earning the state 130 points.
  - **Rework Requirement:** If a claimant is disqualified for benefits due to a voluntary quit, Nebraska requires the claimant to earn 4 times her WBA before she can file for benefits again. However, if she is disqualified for misconduct, she must wait 14 weeks before applying again, which is a very long waiting period compared to other states. The harsh requirement for a misconduct disqualification reduced Nebraska's points here to 10 points out of 50.
- Total:** Nebraska earned 148 out of 410 points for the essential factors category.

## COVID Response

- Nebraska implemented PUA on April 30, nearly a month after the CARES Act was passed. Overall, this was a moderately timely implementation of the program compared to other states.
  - There were also reports of long delays, many of which were caused by software glitches. However, such delays were common among the states and territories.
  - There were also reports that over 1,500 Nebraskans were wrongfully flagged for fraud, causing further delays.
- Total:** Nebraska earned 250 points out of 500 for its COVID response.

## Claimant Benefits & Protections

- **Dependent Allowance:** Nebraska is one of 40 other states or territories that does not increase a claimant's WBA if she has dependents, garnering the state 0 points.
- **Medical Leave:** Nebraska does not count illness or injury as good cause for leaving employment; thus, the state receives 0 points here.

**Total:** Nebraska earned 45 out of 175 points here.

## Workforce Coverage

- **Part-Time Coverage:** Nebraska allows workers to establish a claim based on part-time employment only if they have an illness or disability, or if the worker has circumstances outside control. For allowing this part-time coverage exception, Nebraska received 45 points.
  - **Eligibility Requirements:** To be eligible for benefits in Nebraska, claimants must: (1) have at least \$4,324 among their base period year; (2) have at least \$1,850 in one quarter, and (3) have \$800 in another quarter. If you were to select a random U.S. worker who is at risk for unemployment, 92.8% of the time that worker would be eligible for UI in Nebraska. The state receives 50.5 out of 75 points here.
  - **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. This creates an incentive for employers to fight a worker's benefit eligibility; thus, Nebraska receives 0 points.
- Total:** Nebraska's workforce coverage earned it 95.5 points out of 315 possible points.



# NEW MEXICO

## Institutional Score: 493/900

\* Does not include COVID-19 Response Score



### Summary

New Mexico had an exceptional response to COVID-19. It also provides very liberal coverage of part-time workers. Apart from these highlights, the state also has a forgiving requalification requirement and liberal medical leave policies. Areas for improvement include making more inclusive its eligibility requirements as well as reforming its employer chargeability policy.

### Essential Factors

- **Maximum Weekly Benefit Amount:** New Mexico has a maximum WBA of \$442. Its WBA is about 53% of its statewide average weekly wages, which earns the state 36.6 out of 130 points.
  - **Maximum Number of Weeks Offered:** The state offers 26 maximum weeks, in line with the majority of other states, earning the state the maximum 130 points here.
  - **Rework Requirement:** New Mexico's requalification requirements are relaxed compared to other states. If a claimant is disqualified for benefits, she must only earn at least 5 times her WBA amount. For having a relatively less stringent requalification requirement, the state receives 40 out of 50 points here.
- Total:** New Mexico earned 243.5 out of 410 points for the essential factors category.

### COVID Response

- New Mexico had a very strong COVID response. The state expanded benefits by granting many claimants additional funds outside of those that came from standard amount and those from the federal government. It also implemented a work-search waiver.
  - The state also deemed it good cause not to return to work if the worker is 65, or if the worker has a documented medical condition that puts either them or someone they care for at a high risk for COVID.
  - New Mexico moved quickly to implement federal programs. While there were some delays in paying out benefits, the administration seems responsive to claimant concerns.
- Total:** New Mexico earned 450 points out of 500 here.

### Claimant Benefits & Protections

- **Dependent Allowance:** New Mexico allows claimants to claim dependents, increasing their WBA \$25 per each dependent, but only up to two.. For being only one of 13 states that has a dependent allowance, the state received 20 points. But having a low allowance did not garner it the additional 15 points like those states with higher allowances.
- **Medical Leave:** New Mexico counts illness as good cause for leaving employment, and thus, the state receives the maximum 50 points.

**Total:** New Mexico earned 110 out of 175 points here.

### Workforce Coverage

- **Part-Time Coverage:** New Mexico considers part-time work sufficient for the purposes of the work-search requirement, even if the worker did not have a history of part-time employment. Thus, the state earns 90 points.
  - **Eligibility Requirements:** New Mexico does not have relatively inclusive eligibility requirements, especially when considering the fact the state has other areas where its policies are more liberal. If you were to select a random U.S. worker who is at risk for unemployment, 92.7% of the time that worker would be eligible for UI in New Mexico. The state receives 49.5 out of 75 points here.
  - **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. This creates an incentive for employers to fight a worker's benefit eligibility; thus, New Mexico receives 0 points.
- Total:** New Mexico's workforce coverage earned it 139.5 points out of 315.



# NORTH DAKOTA

Institutional Score: 463/900

\* Does not include COVID-19 Response Score



## Summary

North Dakota had the highest overall score out of all the Midwestern states. Its high WBA, inclusive eligibility requirements, coverage of part-time workers, and proactive COVID response earned the state a large share of points. Improvements can be made in enacting a dependent allowance and a work share program.

## Essential Factors

- **Maximum Weekly Benefit Amount:** North Dakota offers a max WBA of \$640. Only 2 other Midwestern states, Illinois and Minnesota, offer a higher max WBA. North Dakota's max WBA is about 62% of its statewide average weekly wages, earning it 56 points.
  - **Maximum Number of Weeks Offered:** The state offers 26 maximum benefit weeks, in line with most other states.
  - **Rework Requirement:** If a claimant is disqualified for benefits, North Dakota requires the claimant to earn 8 times her WBA before she can file for benefits again. This is a relatively less stringent requirement than other Midwestern states, and thus, North Dakota picks up 30 out of 50 points.
- Total:** North Dakota earned 277 out of 410 points for the essential factors category.

### COVID Response

- The state implemented PUA on April 30, 2020, which places it behind the curve compared to a lot of other Midwestern states. North Dakota gets 50 points here.
  - The governor did a good job in proactively expanding protections for workers by issuing executive orders. For example, the governor lowered the voluntary leaving restrictions related to when a worker leaves work due to COVID. The governor's actions earned the state an additional 150 points here.
  - However, there have been reports of technical issues resulting in delayed processing and payments. Nevertheless, there are also reports of the state having a user-friendly UI Agency website.
- Total:** North Dakota earned 330 points out of 500 for its COVID response.

### Claimant Benefits & Protections

- **Dependent Allowance:** The state is one of 40 other states or territories that does not increase a claimant's WBA if she has dependents, garnering the state 0 points.
- **Medical Leave:** North Dakota counts illness as good cause for leaving employment, and thus, the state receives the maximum 50 points.

**Total:** North Dakota earned 80 out of 175 points here.

## Workforce Coverage

- **Part-Time Coverage:** North Dakota considers part-time work sufficient for the purposes of the work-search requirement, provided the worker had a history of part-time employment. Thus, the state earns 45 points here.
  - **Eligibility Requirements:** To be eligible for benefits in the state, the sum of a claimant's 2.5 highest quarters must equal at least \$2,795. If you were to select a random U.S. worker who is at risk for unemployment, 96% of the time that worker would be eligible for UI in North Dakota. Only 3 other Midwestern states have more inclusive requirements. The state receives 61 out of 75 points here.
  - **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. This creates an incentive for employers to fight a worker's benefit eligibility; thus, North Dakota receives 0 points.
- Total:** North Dakota's workforce coverage earned 106 points out of 315 possible points.

# OHIO

## Institutional Score: 376/900

\* Does not include COVID-19 Response Score



### Summary

Ohio could do much better in a lot of fields. Its eligibility requirements are exclusive compared to other states and its requalification requirements are similarly stringent. Its WBA is low compared to its statewide average weekly wages. Ohio scored the most points for its coverage of part-time employees, its dependent allowance, and its work share program.

### Essential Factors

- **Maximum Weekly Benefit Amount:** Ohio has a max WBA of \$498, placing it 24 out of 53 states and territories. However, its WBA is just shy of 50% of its statewide average weekly wages, giving the state 30 out of 130 points.
  - **Maximum Number of Weeks Offered:** Ohio gives claimants 26 maximum weeks, in line with most other states and territories.
  - **Rework Requirement:** If a claimant is disqualified for benefits due to misconduct or a voluntary quit, Ohio requires the claimant to attain covered work for at least 6 weeks and make wages equal to 27.5% of the statewide average weekly wages. The required 6-weeks wait time is relatively long, but paired with the additional earnings requirement, Ohio's rework requirement is especially stringent. Thus, the state receives 20 out of 50 points.
- Total:** Ohio earned 185 out of 410 points for the essential factors category.

### COVID Response

- Ohio implemented PUA on April 24, 2020, which was relatively early compared to other states.
  - Like most other states, there are many reports of claimants not able to communicate with Ohio's UI Agency.
  - There have also been recorded infrastructure failures. For example, claimants cannot open electronic messages letters. They are also receiving letters with deadlines to respond that are far passed the day they receive the letter.
- Total:** Ohio earned 160 points out of 500 for its COVID response.

### Claimant Benefits & Protections

- **Dependent Allowance:** Ohio allows claimants to claim dependents, thereby increasing their WBA anywhere from \$1 to \$174, depending on the claimant's wages made during her base period year. For being only one of 13 states that has this allowance, Ohio received 20 points.
- **Medical Leave:** Ohio does not count illness or injury as good cause for leaving employment; thus, the state receives 0 points here.

**Total:** Ohio earned 60 out of 175 points here.

### Workforce Coverage

- **Part-Time Coverage:** Ohio considers part-time work sufficient for the purposes of the work-search requirement, provided the worker had a history of part-time employment. Thus, the state earns 45 points.
  - **Eligibility Requirements:** To be eligible for benefits in Ohio, claimants must have worked at least 20 weeks, and their average weekly wages must be at least \$261 during their base period year. If you were to select a random U.S. worker who is at risk for unemployment, 86% of the time that worker would be eligible for UI in Ohio, which is on the low end. The state receives 26 out of 75 points here.
  - **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. Ohio thus receives 0 points.
- Total:** Ohio's workforce coverage earned it 131 points out of 315 possible points.

# PENNSYLVANIA



## Institutional Score: 471.5/900

\* Does not include COVID-19 Response Score

### Summary

Pennsylvania performed well in its relatively high WBA amount. The state was a standout in its very generous coverage for part-time workers. When compared to other states, PA emerges as having one of the most inclusive coverage for part-time workers. Its requalification requirement was also relatively lax. However, there is definite room for improvement regarding its eligibility requirements and its employer chargeability.

### Essential Factors

- **Maximum Weekly Benefit Amount:** PA has a maximum WBA of \$572. Its WBA is also about 49% of its statewide average weekly wages, which earns the state 30 out of 130 points.
  - **Maximum Number of Weeks Offered:** The state offers 26 maximum weeks, in line with the majority of other states, earning the state the maximum 130 points here.
  - **Rework Requirement:** Pennsylvania's requalification requirements are relatively relaxed compared to other states. If a claimant is disqualified for benefits, she must earn at least 6 times her WBA amount. For having a relatively less stringent requalification requirement, the state receives 40 out of 50 points here.
- Total:** Pennsylvania earned 206 out of 410 points for the essential factors category.

### COVID Response

- PA has waived the work-search requirement as well as the one week waiting period. Additionally, the state has extended state benefits for three additional weeks for folks who have exhausted their benefit weeks.
  - The state did hire around 330 additional staff members to help process claims.
  - While there have not been wide-spread reports of any infrastructure failures, there have been reports that the state's unemployment agency's website did not meet accessibility standards and performed very poorly on claimants' cell phones.
  - Last, there are many reports of very long delays in receiving benefits after claimants filed for benefits.
- Total:** Pennsylvania earned 340 points out of 500 here.

### Claimant Benefits & Protections

- **Dependent Allowance:** Pennsylvania allows claimants to claim dependents. For being only one of 13 states that has a dependent allowance, the state received 20 points.
- **Medical Leave:** Pennsylvania counts a claimant's illness as good cause for leaving work, but only if that illness or injury is work related. 32 states do not have a work-related limitation, and thus, the state receives 25 points out of 50.

**Total:** Pennsylvania earned 75 out of 175 points here.

### Workforce Coverage

- **Part-Time Coverage:** PA considers part-time work sufficient for the purposes of the work-search requirement, even if the worker did not have a history of part-time employment. Thus, the state earns 90 points.
  - **Eligibility Requirements:** To be eligible for benefits in Pennsylvania, claimants must have worked 18 weeks, and 37% of the claimant's base period must have been earned outside her highest earning quarter. If you were to select a random U.S. worker who is at risk for unemployment, 93% of the time that worker would be eligible for UI in PA. The state receives 50.5 out of 75 points here.
  - **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. This creates an incentive for employers to fight a worker's benefit eligibility; thus, PA receives 0 points.
- Total:** Pennsylvania's workforce coverage earned it 190.5 points out of 315.

# SOUTH DAKOTA

Institutional Score: 404/900

\* Does not include COVID-19 Response Score



## Summary

South Dakota did moderately well compared to other Midwestern states. Its bright spots include its inclusive eligibility requirements, its coverage of part-time workers, and the fact it counts illness or injury as good cause for leaving employment. Improvements can be made by increasing its WBA, providing a dependent allowance and establishing a work share program.

## Essential Factors

- **Maximum Weekly Benefit Amount:** South Dakota's max WBA is \$428. That is about 47% of its statewide average weekly wages, earning the state 26 points.
  - **Maximum Number of Weeks Offered:** South Dakota gives claimants 26 maximum weeks, in line with the vast majority of other states and territories.
  - **Rework Requirement:** South Dakota's requalification requirements are relatively relaxed compared to other states. If a claimant is disqualified for benefits, she must work at least 6 weeks in covered employment and earn wages equal to at least her WBA each of those weeks. South Dakota receives 40 out of 50 points here.
- Total:** South Dakota earned 212 out of 410 points for the essential factors category.

## COVID Response

- South Dakota implemented PUA on April 17, 2020, which was relatively early, and thus, the state picked up 50 points here.
  - The governor also passed a few orders helping expand protections for workers.
  - The state also hired additional UI staff to help process claims and established additional phone lines.
  - However, there were reports that indicated about 1/4 of all claims were unduly delayed, and that there were about 250 claims/week that were fraudulent.
- Total:** South Dakota earned 330 points out of 500 for its COVID response.

## Claimant Benefits & Protections

- **Dependent Allowance:** The state is one of 40 other states or territories that does not increase a claimant's WBA if she has dependents, garnering the state 0 points.
- **Medical Leave:** South Dakota counts illness as good cause for leaving employment, and thus, the state receives the maximum 50 points.

**Total:** South Dakota earned 85 out of 175 points here.

## Workforce Coverage

- **Part-Time Coverage:** South Dakota considers part-time work sufficient for the purposes of the work-search requirement, provided the worker had a history of part-time employment. Thus, the state earns 45 points here.
  - **Eligibility Requirements:** To be monetarily eligible for benefits, South Dakota requires a claimant's highest quarter to be at least 20 times her WBA, and that quarter must also be at least \$728. If you were to select a random U.S. worker who is at risk for unemployment, 96.2% of the time that worker would be eligible for UI in South Dakota, which garners the state 62 out of 75 points here.
  - **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. South Dakota thus receives 0 points.
- Total:** South Dakota's workforce coverage earned it 107 points out of 315 possible points.



# WISCONSIN

Institutional Score: 318.5/900

\* Does not include COVID-19 Response Score



## Summary

Wisconsin needs considerable improvements. The state does not have a dependent allowance, does not cover part-time workers, and does not count personal injury or illness as good cause for leaving employment. It also has a very stringent requalification requirement and it has one of the lowest WBA's in the Midwest. The only (relatively) positive spots include its semi-inclusive eligibility requirements and its lukewarm COVID response.

## Essential Factors

- **Maximum Weekly Benefit Amount:** Wisconsin has a maximum WBA of \$370, which places it 40 out of 53 states and territories. Its WBA is also only 40% of Wisconsin's statewide average weekly wages, which earns the state 12 out of 130 points.
  - **Maximum Number of Weeks Offered:** The state offers 26 maximum weeks, in line with the majority of other states.
  - **Rework Requirement:** Wisconsin has incredibly strict requalification requirements. If a claimant is found disqualified for benefits due to either voluntarily leaving work or committing misconduct, she must wait at least 7 weeks and earn 14 times her WBA before becoming eligible to apply for benefits again. This is possibly one of the most strict requirements out of the Midwest states. The state earns 0 out of 50 points.
- Total:** Wisconsin earned 156 out of 410 points for the essential factors category.

## COVID Response

- The state has been falling behind in processing claims, having only paid out 42.5% of claims between March 2020 and August 2020.
  - Wisconsin implemented PUA on April 21, 2020, which was moderately speedy, although a few other states in the Midwest implemented it earlier.
  - The governor passed executive orders protecting workers, such as implementing a work-search waiver and relaxed the able/available for work requirement to protect those who are at a heightened risk due to COVID.
  - Reports of thousands of claimants waiting for months to hear updates on their claims after the UI system in Wisconsin "buckled."
- Total:** Wisconsin earned 200 points out of 500 here.

## Claimant Benefits & Protections

- **Dependent Allowance:** Wisconsin is one of 40 other states or territories that does not increase a claimant's WBA if she has dependents, garnering the state 0 points.
- **Medical Leave:** Wisconsin does not count illness or injury as good cause for leaving employment; thus, the state receives 0 points here.

**Total:** Wisconsin earned 55 out of 175 points here.

## Workforce Coverage

- **Part-Time Coverage:** Wisconsin does not allow for part-time work to count for the work search requirement, earning 0 points.
  - **Eligibility Requirements:** To be eligible for benefits in Wisconsin, claimants must have earnings in at least two quarters and a high quarter of at least \$1,350. If you were to select a random U.S. worker who is at risk for unemployment, 94% of the time that worker would be eligible for UI in Wisconsin. The state receives 57.5 out of 75 points here.
  - **Employer Chargeability:** Every employer from a worker's base period year is charged if that worker collects benefits, depending on the proportion of wages paid to the worker. This creates an incentive for employers to fight a worker's benefit eligibility; thus, Wisconsin receives 0 points.
- Total:** Wisconsin's workforce coverage earned it 107.5 points out of 315 possible points.



# ENDNOTES

## Section 1. Economic Indicators

1. Data is from the Bureau of Labor Statistics and is available at <https://www.bls.gov/lau/ex14tables.htm>. Rates are averaged over the calendar year and 2020 data is preliminary.
2. Data on the percent of individuals reporting being behind on rent among adults in rental housing collected between November 25 and December 21, 2020 by the Census Pulse and calculated by the CBPP available at <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>. Data on foreclosure activity is per 1000 units tracked by ATTOM and Realtytrac, available at <https://www.realtytrac.com/statsandtrends/foreclosureretrends/>. Data on house prices is from the all-transaction index estimated using sales prices and appraisal data, provided by the Federal Housing Finance Agency at <https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index-Datasets.aspx#qpo>.
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## Section 4: Workforce Coverage

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16. A base period is defined as the first four quarters of the last five completed calendar quarters, note that Michigan also has an alternative base period which allows for some flexibility here.
17. This number is calculated as 388.06 times the state's minimum wage. See MCLS § 421.46.
18. The Leung and O'Leary supra note 13 study examines all Michigan claimants who filed between 2005 and 2010.
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# ENDNOTES

## Section 5: Claimant Benefit and Protections

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