



Date: December 5, 2024

To: Chair Cherry and Members of the Senate Labor Committee

From: Monique Stanton, President & CEO

Subject: Support for SB 40 (Wojno) & HB 5827 (Whitsett)—Increasing Maximum Number of UI Benefit Weeks

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The League is pleased to support Senate Bill 40, sponsored by Sen. Paul Wojno, and House Bill 5827, sponsored by Rep. Karen Whitsett, which would increase the maximum number of unemployment insurance benefit weeks from 20 to 26, aligning Michigan with most other states in the nation and all of our neighboring states.

For those of you who are not yet familiar, the League is a nonpartisan research and advocacy organization that promotes economic opportunity for all and analyzes the impact of public policy and budget decisions on the lives of Michiganders who have been historically and systemically left out of prosperity. The League is also the state's Kids Count organization, working as a part of a national effort to measure the well-being of children at the state and local levels and to shape efforts that improve the lives of Michigan children.

The federal-state Unemployment Insurance program provides vital support for people who have lost their jobs by providing temporary replacement of part of their wages. However, Michigan's program has fallen behind. Senate Bill 40 and House Bill 5827 would begin to modernize Michigan's Unemployment Insurance program, bringing it in line with our neighboring states and helping support Michigan families during times of need.

Let's be clear, no one wants to be unemployed. Prior to the pandemic, unemployed Michiganders only utilized an average of 12 weeks of Unemployment Insurance benefits out of the maximum 20 weeks. At the height of the pandemic, when the maximum unemployment benefit duration was temporarily increased to 26 weeks, the average duration utilized only increased to 14 weeks. These numbers tell us people do not stay on unemployment by choice. People often get back into the workforce as soon as possible.

While the average duration utilized may be far under the current maximum benefit, there are those who do reach the maximum duration of benefits. This is especially true in communities where there are fewer job opportunities. When benefits run out it often means workers are forced to take whatever job is available even if it offers lower pay and fewer benefits than their previous position. This can mean permanent budget cuts in a household and families that are ultimately worse off than they were before. By extending the maximum benefit duration to 26

weeks, Senate Bill 40 and House Bill 5827 provide a lifeline to individuals who are desperately trying to find a good job that adequately meets the needs of their family.

Going beyond the maximum number of weeks, the state could also provide stronger support for unemployed persons by raising our weekly benefit amount. Michigan currently pays the lowest maximum benefit in the Midwest. The maximum benefit provided under Michigan's current program does not provide enough to make housing affordable during a period of unemployment. In Washtenaw County, a fair market two-bedroom apartment rental would cost over 89% of an individual's monthly unemployment benefit. In Kent County, it would be 94% of an individual's monthly benefit. It is difficult to imagine how a single parent who lost their job through no fault of their own is supposed to keep their family afloat on just unemployment insurance alone.

We thank the committee for their work on this important issue and urge support of Senate Bill 40 and House Bill 5827.