

Responding to the Needs of Unemployed Families Resulting From Hurricane Harvey

The devastation caused by Hurricane Harvey, like Hurricanes Katrina, Rita, Ike and Sandy before it, provides a stark reminder of how vulnerable our communities are to natural and man-made disasters, and the absolutely vital role that unemployment benefits play in providing economic security to shore up workers, families, and businesses hard hit by disasters. In times of severe economic downturns and unemployment, which are all too often caused by major disasters, working families rely on state unemployment insurance (UI) and a federal program called Disaster Unemployment Assistance (DUA) to get back on their feet while they rebuild their communities.

What is Disaster Unemployment Assistance (DUA)?

- DUA is a program of financial assistance available to workers (including the self-employed) in those counties declared as disaster areas by the president if they are continuously unemployed as a direct result of a disaster.
- Unemployed workers may not receive DUA if they qualify for state UI benefits.
- DUA benefits can last up to a maximum of 26 weeks (unless they are extended by Congress).
- The minimum DUA benefit is set at half the average UI benefit provided by the state. In Texas, the minimum weekly DUA benefit is \$202.17. (As of August 29, 2017, a major disaster declaration had not been issued for storm-affected areas in Louisiana; so no DUA benefits – only state UI benefits – are available in the state.)
- Federal rules require workers to file for DUA within 30 days from when the availability of DUA is announced by the state (unless the workers have “good cause” for filing late), and they must provide information substantiating their earnings and employment history within 21 days after filing for benefits. (The U.S. Department of Labor has the authority to extend these deadlines, which it has done in response to prior disasters).

What UI Benefits Are Provided in Texas and Louisiana in Response to Hurricane Harvey?

- The UI eligibility standards and benefits levels vary significantly across the states.
- The average Texas worker receives about \$404 a week in UI benefits, compared to just \$217 a week in Louisiana (the national average is \$354).

- Only 13 percent of unemployed workers in Louisiana collect state UI benefits, compared to 27 percent in Texas (the national average is 27 percent, which is a historically low level).

What Additional Steps Should Be Taken at the State and Federal Levels to Better Protect Unemployed Workers and Businesses Hard-Hit by Hurricane Harvey?

Key DUA Reforms

After cost-cutting reforms to the DUA program adopted in 1988, the program was restricted to those workers who do not qualify for regular state jobless benefits, mostly including the self-employed and those who have exhausted regular state UI benefits. By shifting the responsibility from federal FEMA funding to the individual state UI programs, jobless families are often left with extremely limited support when they need the help most. At the same time, employers and the disaster states are left paying the extra costs of the program when they can least afford to do so.

Congress should reform the DUA program as follows:

- Remove the federal restriction requiring unemployed families from disaster areas who qualify to collect limited state unemployment benefits rather than federally-funded DUA;
- Establish a minimum DUA benefit that is 1.5 times the national average state UI benefit (or \$531), thus eliminating the extreme arbitrariness resulting from the current law, where DUA benefit levels are determined by the states;
- Extend the maximum period of DUA benefits from 26 weeks under the current law to 52 weeks to account for the especially severe economic hardship caused by today's disasters.

Key State UI Reforms

Both Texas and Louisiana are in position to take several immediate steps to shore-up their UI programs to be more responsive in the face of major disasters like Hurricane Harvey:

- **Suspend the “Waiting Week”:** Texas and Louisiana have in place a “waiting week” requirement that prevents qualified workers from receiving their weekly benefits during their first week of unemployment. Texas and Louisiana should suspend the “waiting week” requirement to support workers who find themselves unemployed as a result of the hurricane and other natural disasters and unanticipated job-loss events (8 states do not have waiting week requirements, and as many as six states lift the requirement in the event of a disaster).
- **Relax the “Work Search” Requirement:** For workers to collect regular state UI benefits, both Texas and Louisiana impose strict mandates requiring workers to actively seek new work. Given the difficult realities and limitations facing those seeking work in a disaster area, Texas and Louisiana should significantly relax or suspend their work-search mandates.
- **Increase UI Benefit Levels:** Workers and families suffering from unemployment resulting from Hurricane Harvey face living expenses that will often far exceed the amount they are eligible to collect in UI. Thus, the states should take steps to boost their UI benefits for people collecting benefits as a result of the hurricane, especially in Louisiana (where the average weekly UI benefit of \$217 ranks lowest in the nation).