Appendix A

Time to rebound: State unemployment rate as trigger to UC cuts is a poor measure; will harm regions most in need of help

HB 394 proposes a sliding scale to set maximum duration of UC benefits. The maximum number of weeks available to claimants would depend on the statewide unemployment rate. Under the model, Ohioans currently would be limited to 12 weeks of unemployment benefits because the state’s unemployment rate has been low. As discussed in the report, some communities and regions have been left behind during the recovery. Making cuts based on the statewide unemployment rate will create disparate policy impacts around the state, with the regions most in need of spending support and transition assistance losing out.

The map below shows the maximum number of weeks each county would currently have under the proposed sliding scale if the cuts were based on the county unemployment rate, rather than the state unemployment rate. Fifty-two counties would have a maximum duration above the proposed 12-week limit. Thirty-five would have 15 weeks or more. Ten counties – Adams, Belmont, Jackson, Jefferson, Meigs, Monroe, Morgan, Noble, Ottawa, and Scioto – would have the maximum allowed under the HB 394, 20 weeks. However, the Ohio proposal does not provide residents of these counties with that extended assistance, they would be limited to just 12-weeks.

People living in Appalachian counties and those areas around our industrial centers in the north would be most negatively impacted by proposed limits to UC weeks. Limiting UC duration to what the statewide unemployment rate dictates will mean more jobseekers and their families will run out of UC support before they find work, due to no fault of their own. The location of an employer or worker should not lead to such a disparate impact, yet HB 394 and imposing limits to UC weeks will do just that. Ohio should not punish jobseekers because they happen to live in distressed economies.
Sliding scale and cuts to weeks disproportionately impacts hard-hit regions
UC maximum duration, by county, calculated based on HB 394 proposal, using county UC rates.

Source: ODJFS, UC Claims and Benefit Statistics available at http://ohiolmi.com/uc/UCReports.htm, calculation by Policy Matters Ohio, based on sliding scale proposed in HB 394, using unemployment rate calculated by averaging the non-seasonally adjusted rates by county for January, February, and March 2016. HB 394 calculates the sliding scale based on seasonally adjusted rates, however, seasonally adjusted rates for counties are not available.