

## HB 4 Talking Points

1. HB 4 cuts maximum available weeks a worker can claim benefits up to 54%.
2. Ky and 41 other states are currently able to collect 26 weeks of unemployment benefits.
3. If this plan were currently in place, claimants would only be able to claim 14 weeks of available benefits-a 46% cut. This is because the state's unemployment rate is 5.1%.
4. If HB 4 were in place during the beginning of the pandemic, were the state's unemployment rate skyrocketed to 16.9%, workers would have only been eligible for 12 weeks of benefits. That is because the average unemployment rate from July through September 2019 was 4.1%. The second half of 2020 would not have been any better for unemployed Kentuckians. They would only have been eligible for 12 weeks of benefits because the state's average unemployment rate was 4.2% from January through March 2020.
5. There can be a big difference in average unemployment rates from 1 end of the state to the other. As of December 2021, the average unemployment rates in McCracken Co. were 3.7%, Daviess Co. 3.0%, Jefferson Co. 3.4% and Fayette Co. 2.6%. While the average unemployment rates in Magoffin Co. were 10.3%, Harlin Co. 6.5%, Lewis Co. 6.2% and Martin Co 7.0%. We all know we are in some good economic times right now or those numbers would not even be that good. This seems to be a one size fits all Bill and we know that is not the case in Ky.
6. An argument at the core of the proposal is that restricting the length of time unemployment benefits are available to claimants will increase our labor force participation rate. In reality, the opposite is the case. Among the 10 states with the highest labor force participation rate, only one has maximum duration below 26 weeks, whereas 5 of the 10 states with the lowest labor force participation rate have maximum durations below 26 weeks.
7. Unemployment benefits are a stopgap for the broader economy in that they replace some of the lost wages and prevent the economy from falling even further.
8. In severe downturns, The Federal government will add "Extended Benefits" to the number of weeks a state offers of the lesser of either 13 weeks or half of the state's maximum duration of benefits. By reducing the number of weeks of state benefits available, Ky will be tuning down federal money when jobs are particularly scarce. Were the state to cap duration to 14 weeks, for example, unemployed Ky workers would then only receive an additional 7 weeks of benefits, leaving 6 weeks on the table at a time they are greatly needed.
9. HB 4 would require claimants to increase work search activities from 1 to 5 per week and after 6 weeks a claimant must take the first job that is offered if it pays 20% more than their current modest benefit amount and is 30 miles from where they live and the worker is able and qualified to perform the work regardless of whether or not, they have related experience or training. For example, a factory worker makes \$25 per hour and loses their job after a plant closes. They would have to take a job after 6 weeks even if it paid just \$13.50 per hour.
10. The state is currently taking RFPs to replace the antiquated unemployment system we have today. If HB 4 were to pass, it would likely result in bidders pulling out of the process, because of the enormous amount of detail the Bill would require of the system, further delaying what will already be a multi-year process of completing a new system.
11. Ky. Employers are paying less as a share to total wages on contributions to the UI trust fund now than they have at any point in the program's 84 year history.

12. There is a part of HB 4 we can support. The Bill includes a work sharing proposal which is badly needed. It is a useful alternative to laying workers off that allows a managed reduction in hours for some or all the employees at a business for a predetermined amount of time, with unemployment insurance paying some of the wages lost through the hourly reduction. It is good for employers because it means they get to keep an experience workforce. And it is good for employees who get to keep their jobs, lose less income, and keep their benefits such as health insurance and retirement.
13. HB 4 is bad for Ky. Workers!