



# INDIANA COMMUNITY ACTION POVERTY INSTITUTE

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## Research and Public Policy

### Testimony before the Senate Pensions & Labor Committee

1/15/2025

SB 123

Greetings Chairman Rogers and Members of the Committee.

My name is Erin Macey and I'm Director of the Indiana Community Action Poverty Institute. We are a research and advocacy program of the Indiana Community Action Association which provides a wide range of programs and services to families experience financial hardship, including housing, energy assistance and weatherization, Head Start, and financial coaching.

I also help to facilitate the Indiana Skills2Compete Coalition, where we facilitate discussion and thinking about how to connect workers to training to fill in-demand jobs and improve their economic prospects – but am speaking on our organization's behalf as we have not discussed or reached consensus on this bill.

In both of these roles, I actively support strategies to connect Hoosiers with skills training and supports that can get them into a better jobs. Increasingly, jobs require a credential beyond high school, and with the rapid pace of technological advancement, digital skills that a person will need to continue to develop over their lifetime. However, we worry that the bill in its current form will increase financial hardship through more stringent limits on access to unemployment.

Unemployment insurance serves individuals who experienced a job loss through no fault of their own – a determination made by the DWD. Recipients are those whose have seen their wages reduced to pay for this insurance and worked enough to qualify for the benefit. In other words, this is money they have paid into a system so that in the event a job loss, this support will be there to prevent them from falling into poverty.

UI already has mechanisms built in to connect workers to training opportunities. At 4 weeks, individuals are connected to Reemployment Services and Eligibility Assessment (and benefits can be suspended for failure to comply – this includes coaching and further check in. If a goal here is to better support connection to training, it may be helpful to study how this existing system is functioning and ways it can be improved.

I also want to address ways in which increasing adequacy of benefits may be able to better support reconnection to the workforce. At a maximum of \$390 per week, or roughly \$1,600 per month, an unemployed person will struggle to maintain the foundations needed to successfully pursue training and reemployment.

- Fair market rent – 2 bedroom (Delaware): \$982 / Mortgage is \$900
- Average used car payment: \$525/month
- \$97 left for everything else
- Childcare, Health Insurance, Food, Other Necessities

*Ray loses housing and car, harder to get back into the workforce – “I think they’ll find it’s a huge mistake”*

- Housing Choice Vouchers waiting list is long
- Rising utility costs, energy assistance benefits have been cut and waiting list

There are also a number of situations where a training requirement may result in unnecessary costs to the state or be difficult to meet, so if this concept moves forward, it may be prudent to consider a waiver process:

- Individuals who have a hire date within 60 days
- Skilled individuals who:
  - live in an area where a natural disaster has caused significant job loss
  - or where mass layoffs have create intense competition for jobs / training programs
- Individuals who lack access to childcare
- Lack of suitable training options in their area
- Cases where a worker is highly skilled, but struggling to find placement

For those who could benefit from training, I wonder how will a worker persist in training if only two additional weeks are provided?

Lastly, if the goal is strategies to avoid unemployment

- Staff have been research WARNs - Worker Adjustment and Retraining Notification
- The more notice workers have of a layoff, the more likely they are to be reemployed quickly
- There may be ways to improve upon WARNs by connecting workers to supports at the time of notice

Because we share the goal of setting Hoosier workers and their families up for success, we are eager to work with you on strategies to do this. Thank you for your time and consideration.