

Unemployed workers flounder as state benefits fall short

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Laurie Yadoff's clients — more than 60 of them — are beside themselves. They're trying to file for unemployment benefits through the state's Byzantine benefits application system. Nearly penniless, they can't quite make it over the hump.

"It's really what I'm doing all day every day since March," Yadoff, a legal aid lawyer, said of her efforts to help, "I've been talking to a lot of people. Every day I get more people. A lot of what's happening is a mystery to me.

"I don't know what the process is that the [Department Economic Opportunity] is following. There is no one I can talk to. Those people don't know the answer if I can reach them."

It's a narrative that's been repeated time and again since the coronavirus pandemic struck the nation earlier this year, forcing both government and business to shut down operations, [laying off more than 35 million](#) nationally and well over a million statewide.

Yadoff, a lawyer who directs the Economic Advocacy and Community Health VALOR Project at Coast to Coast [Legal Aid](#) of South Florida, suggests many of her clients won't be among those participating in the [economic reopening](#) that Florida and national political and business leaders are so eager to undertake. None of her clients has been paid [unemployment since March](#).

"They're also people who don't have a safety net," she said. "They don't have money saved up. Some of them are right before retirement age. They're older. They don't have computer experience. They have a lot of problems."

They are, in short, running out of time as savings dry up and landlords await the day that moratoriums on evictions are lifted so they can evict tenants who are behind on their rents and mortgages.

It's a frustration that grips many out-of-work Floridians seeking unemployment benefits, as well as business owners who have relied on government programs that were designed to help them, only to fall short of the goal.

For any area, a snapback of COVID-19 could generate new financial crises that no one can sustain.

Out of reach

Under a Florida law passed during the terms of then-Gov. Rick Scott in 2011, the maximum amount of money an unemployed person can receive is \$275 a week for not more than 12 weeks when the jobless rate is below 5%.

It's one of the lowest amounts in the nation and the shortest benefit period, the same as North Carolina. But as the unemployment rate grows, the benefits can expand by a week for up to 23 weeks for each 0.5% increase in the rate.

Next week, the U.S. Department of Labor is expected to publish state unemployment rates that could easily see Florida's rate for April approach the national rate of 14.7%. But whatever the number, it won't mean any more money for the unemployed, said State Sen. Jose Javier Rodriguez of Miami, a Democrat. The benefit period won't increase until January, based on conditions in the third quarter of the year, Rodriguez said Friday, "which means we have to wait until July or August" to see what the rate is.

"It's almost perfectly designed to not match this pandemic," he said of the unemployment benefits law. Rodriguez agrees with a group of congressional Democrats who conducted a news conference Friday in Washington to blast [Gov. Ron DeSantis](#) and the DEO over its slow handling of claims and benefits.

As of Thursday, the DEO has paid 741,997 people over \$1.86 billion.

"As of yesterday, slightly less than half of those who applied since March 15 have received anything at all and some of them have gotten one check for one week," Rodriguez said. "That's just completely unacceptable."

DeSantis on Friday placed much of the problem at the doorsteps of the people applying for benefits, saying most don't complete their applications properly. If they do supply the information required and they are eligible, he said, they'll be paid "99.9% of the time."

The governor's statement is exaggerated, based on the state's own data. According to the DEO, a total of 1.2 million claims have been processed but only about 742,000 paid.

Most of the money paid out thus far since mid-March has come from federal funding, according to the DEO's own numbers. More than \$1.17 billion came from Washington; the state supplied nearly \$669.2 million.

In late March, the federal government stepped in to help through a \$2.2 trillion coronavirus relief act, passed by Congress and signed by President Trump. The law provides a \$600-per-week payment that can be paid on top of the state unemployment. The act also provides for an extra 13 weeks of benefits at state-level amounts.

But the federal \$600 benefit runs out July 31. And it's unclear how the state, which must distribute the federal funds, intends to treat the 13 weeks of additional benefits. The DEO did not respond to an emailed question on the matter, among others.

At the Washington news conference, U.S. Rep. Debbie Wasserman Schultz noted that a proposed \$3 trillion follow-up relief law advanced by Democrats in the House of Representatives contains an extension of the \$600 payments. But Republicans have been reluctant to entertain a second huge relief bill, saying they want to see what kind of effect the first round of help will have on the economy.

She acknowledged a lot of negotiating lies ahead.

Payroll Protection

One key element of the act for businesses is a so-called Payroll Protection Program, which critics have assaulted as too confusing for any business owner to accept, .

Among other things, the Small Business Administration program was designed to [keep people employed](#) by allowing small businesses to borrow money to fund payroll and expenses such as rent and utilities. If they did so, the loans, which last eight weeks, could be forgiven. If they didn't, they'd have to pay them back at a modest interest rate.

Andy Alan, a director at Marcum, a national accounting and advisory firm, said there does not appear to be a requirement to retain all employees beyond the eight-week period.

"This will become an issue as businesses exhaust their PPP funding and they are forced to make decisions if the new normal is not supportive of previous operations," he said.

He added that there are still funds available from the second round of funding for the PPP.

"It's possible any third round of coronavirus relief options may look different than what is currently available depending on how reopening of states progresses and if there is any related outbreak," he said.

J.C. de Ona, Southeast Florida division president at Centennial Bank, called the loans a "saving grace for many small businesses."

"It was something they really needed to get them by," he said. "Some businesses if they weren't going to close their doors it allowed them to have a little bit of cushion."

He acknowledged "there are a lot of different variables" facing businesses and there may be a need to extend the eight-week loan periods.

Some businesses — particularly restaurants — find themselves uncomfortable using the money because capacity restrictions imposed for reopenings don't allow them to cover their costs.

Mario Padrino, owner of [Padrino's Cuban Cuisine](#), said that while the loan program "was definitely a great idea," and while he's grateful for the money he got from Centennial, the provisions are a burden. He can't open all six of his restaurants in Broward, Palm Beach and Orange counties all at once as the business doesn't exist to support all 210 of his employees. He now employs 50 at four of the outlets.

"You need to use it in the first eight weeks and use it toward employment," he said. "We've reduced our staff by a large percentage and there's no work for anyone frankly beyond what staff we currently have."

But Barry Hill, CEO of AMG Healthcare in Doral, provider of medical staffing for the Defense Department and private clients around the country, said a loan helped him keep between 280 and 300 people employed.

"Everyone from our standpoint — corporate and out in the field — has been retained," Hill said. "We were able to pay these individuals and keep them working whether they had childcare issues or were around patients that had COVID-19."

"For us, it was definitely a benefit, no doubt," he added.

Asked if the eight-week loan period is enough for the company to sustain operations at current levels, he said it is.

“I say that now,” he said. “In two weeks, I may feel different.”

Self-Sufficiency

There are businesses that have endured largely on their own.

Heather Safrit, who owns eight franchised hair salons with the national Sola Salon Studios chain in Palm Beach, Martin and Indian River continues, found herself as a benefactor for multiple salon professionals who were forced out of work. For two months, she says she didn't charge anyone any rent.

A technicality in the coronavirus relief act precluded her business from being eligible for a payroll protection loan.

“Most of our salon owners are a one-person ship,” she said. “They are independent and the primary bread winners in their families. There was no way to be able to pay us. We made the decision as a brand to waive rent during the mandated closure. We have had no income at all since we were forced to close down.”

Neither did the [salon operators](#), who met the same fate as thousands of other Floridians who sought to collect unemployment benefits. “A lot of them had not gotten unemployment,” Safrit said. “A lot of them were rejected as independent contractors and the self-employed.”

“Most of them seem to be in good shape,” she added. “If we had not waived the rent the majority of them would not be able to reopen.”

Now they have reopened. And customers — old ones as well as new ones — are filtering in. But Safrit is not looking for any replays.

“We feel like we're getting back on track,” she said. “One of our biggest fears is a second shutdown and what that would mean. A second shutdown would be very, very tough to weather.”