



HB 253- Unemployment Insurance – Federal Extended Benefits for Long–Term Unemployment
House Economic Matters Committee
February 8, 2022
SUPPORT

Chair Wilson, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 253. This bill will add permanent protections for people experiencing unemployment during serious economic downturns.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program ‘VITA’, offering free financial education and coaching, and engaging in policy research and advocacy. Almost 4,000 of CASH’s tax preparation clients earn less than \$10,000 annually. **More than half earn less than \$20,000.**

In Maryland, individuals can receive 26 weeks of regular unemployment insurance (UI) benefits. This gives claimants time to search for employment while avoiding financial crisis. However, when the unemployment rate is extremely high, it takes more time to secure employment. The purpose of extended benefits for UI is to ensure that during times of serious economic downturns, unemployed workers can have additional time to find employment. There are times when the federal government will fully fund a state’s access to extended benefits. However, some states, including Maryland, do not accurately assess the state of the economy, which leads to delays in triggering extended benefits. **When Maryland does not properly activate extended benefits, it leads to Maryland missing out on federal funding, which leaves Maryland families vulnerable.**

HB 253 will provide a critical safety net for Marylanders by allowing for extended benefits to start when the unemployment rate is high, and the federal government is fully funding the program. It will allow the state to use the Total Unemployment Rate (TUR) versus using the Insured Unemployment Rate (IUR). This will give a more accurate view of the current state of employment. Switching to TUR will give the most accurate assessment of the state of the economy.

It is crucial that extended benefits are appropriately triggered because UI benefits protect families from financial crisis due to economic trends. When families lose UI benefits too soon, it weakens their connection to the workforce, lowers children's academic performance, and leaves families in a financial crisis that will take years to overcome.

The Maryland General Assembly recognized the needs of Maryland families in the aftermath of The Great Recession. Maryland sought to protect unemployed families and take advantage of federal funding by passing similar and temporary legislation in 2011, [HB 1228](#). HB 252 provides another opportunity to continue to protect unemployed families.

For these reasons, we encourage a favorable report on HB 253.

Creating Assets, Savings and Hope