

To Protect the Baltimore Region's Economy, Support Displaced Port Workers

Position Statement in Support of Senate Bill 1188

Given before the Senate Finance Committee

The Maryland Center on Economic Policy applauds the Moore administration and the Maryland General Assembly for taking swift action to limit the economic damage from the tragic collapse of the Francis Scott Key Bridge and subsequent closure of the Port of Baltimore. Senate Bill 1188 provides much-needed support to workers displaced by the port's closure who are excluded from traditional unemployment insurance, as well as support to affected businesses for the purpose of maintaining their current workforce. **For these reasons, the Maryland Center on Economic Policy supports Senate Bill 1188.**

The assistance program for displaced workers is particularly vital because the traditional unemployment insurance system excludes more workers than it covers. As of February 2024, only 29% of unemployed workers in Maryland (those who are actively seeking a job but unable to find one) were eligible for unemployment insurance – below the national average.ⁱ Partly due to this hole in our unemployment insurance system, 57% of Maryland adults who recently lost job-related income (due to job loss or reduced hours or wages) reported difficulty keeping up with household expenses this February.ⁱⁱ Moreover, families experiencing financial distress are the most likely to cycle any income assistance back into the local economy.

Lawmakers and the Moore administration should consider several improvements to Senate Bill 1188:

- Displaced workers should be exempt from the bill's clawback provisions (Paragraphs (e)(2)–(e)(3)), as families recovering from a job loss may struggle to repay benefits that have already gone toward groceries, rent, or other necessities.
- The assistance program for businesses diverted to another regional port (Subsection (d)) should be required to use the relief to maintain their workforce at the same hours, rates of pay, and benefits in effect before the closure of the port, similar to those receiving assistance under Subsection (c).
- While the bill's funding flexibility is appropriate for responding to an evolving crisis, this flexibility should come with oversight. The administration should report to the General Assembly on the extent to which businesses receiving relief maintain their workforce at the same hours, rates of pay, and benefits in effect before the closure of the port.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Senate Finance Committee make a favorable report on Senate Bill 1188.

Equity Impact Analysis: Senate Bill 1188

Bill summary

Senate Bill 1188 creates assistance programs for workers and businesses affected by the closure of the Port of Baltimore and authorizes the governor to transfer reserve funds for that purpose.

Background

On March 26, 2024, a major section of the 12 Francis Scott Key Bridge collapsed into the Patapsco River after the a container ship collided with one of the bridge's primary support pillars. Because of the bridge collapse, the Port of Baltimore is closed for an indefinite period.

The Port accounts for approximately \$3.3 billion in annual personal income for individuals, with approximately 15,300 jobs in Maryland directly generated by Port activity and approximately 140,000 total jobs linked to Port activity.

Equity Implications

- Only 29% of unemployed workers in Maryland were eligible for unemployment insurance in February 2024. Partly due to inadequate coverage, 57% of workers who recently experienced a loss of employment income report difficulty keeping up with household expenses. Senate Bill 1188 would provide support for workers displaced by the port closure who are not eligible for traditional unemployment insurance.
- According to the Economic Policy Institute, Black, Latinx, and Asian workers are less likely to receive unemployment benefits than their white counterparts, and are therefore more likely to need to protection Senate Bill 1188 provides.

Impact

Senate Bill 1188 would likely **improve racial and economic equity** in Maryland.

ⁱ Unemployment Insurance Chartbook Table A13, U.S. Department of Labor, <https://oui.doleta.gov/unemploy/chartbook.asp>

ⁱⁱ MDCEP analysis of U.S. Census Bureau Household Pulse Survey data, Phase 4.0 Cycle 02, Spending Table 1, <https://www.census.gov/data/tables/2024/demo/hhp/cycle02.html>