

**SB 871 - WLCMD - FAV.pdf**

Uploaded by: Catherine OMalley

Position: FAV

BILL NO: Senate Bill 871  
TITLE: Maryland Unemployment Insurance – Disqualification – Stoppage of Work  
Caused by Labor Dispute  
COMMITTEE: Finance  
HEARING DATE: March 5, 2024  
POSITION: **SUPPORT**

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Currently, with very few exceptions, Maryland workers who are not working due to a labor dispute are disqualified from receiving unemployment benefits. Senate Bill 0871 seeks to limit this disqualification to a time period of fourteen (14) days.

Unions have played an essential role in improving employee pay and benefits. A recent report by the U.S. Department of the Treasury found that unions not only raise the wages and improve the benefits of unions members, but these improvements spill over into non-unionized workplaces and contribute to the growth of the U.S. economy. Unions promote egalitarian wage-setting practices and studies have shown that unions have closed race and gender gaps in wages.<sup>1</sup>

A work stoppage is very extreme, albeit effective, tool used by unions bargaining with employers. Work stoppages of over 14-days do not represent the majority of strikes by union workers. The bulk of work stoppages in recent years have been less than 10-days in duration. In Maryland, there were only 15 strikes in 2021 and 2022 combined, and of these approximately 5 were of more than 10-days in duration. The top two demands for which a work stoppage occurred during bargaining were related to worker pay and health and safety.<sup>2</sup>

Women are under-represented in management positions and for women of color the number is much smaller.<sup>3</sup> Women are more likely to be in non-management positions and thus more likely to be in the group of workers for whom unions are bargaining. Women would also be economically harmed by going without any income for more than 14-days. This bill will support women and their families in Maryland and as such, the Women's Law Center of Maryland, Inc. urges a favorable report on Senate Bill 0871.

**The Women's Law Center of Maryland is a non-profit legal services organization whose mission is to ensure the physical safety, economic security, and bodily autonomy of women in Maryland. Our mission is advanced through direct legal services, information and referral hotlines, and statewide advocacy.**

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<sup>1</sup> "Labor Unions and the Middle Class," U.S. Dept. of the Treasury, August 2023. <https://home.treasury.gov/system/files/136/Labor-Unions-And-The-Middle-Class.pdf>

<sup>2</sup> Cornell University, School of Industrial and Labor Relations (ILR) Labor Action Tracker 2022. <https://www.ilr.cornell.edu/faculty-and-research/labor-action-tracker-2022>

<sup>3</sup> "Women in the Workplace 2023," McKinsey & Company and LeanIn.org. <https://leanin.org/women-in-the-workplace#key-findings-2023>

### **3.4.2024 MSEA Senate Bill 871 Testimony\_FAV.pdf**

Uploaded by: Christian Gobel

Position: FAV

**FAVORABLE  
Senate Bill 871  
Unemployment Insurance – Disqualification – Stoppage of Work Caused by  
Labor Dispute**

**Senate Finance Committee  
March 5, 2024**

**Christian Gobel  
Government Relations**

The Maryland State Education Association supports Senate Bill 871. Senate Bill 871 establishes that the general disqualification from receiving unemployment insurance benefits due to a strike does not apply for any week beginning after the first fourteen days of an individual's unemployment resulting from the stoppage of work, provided that other eligibility conditions remain applicable.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our almost 900,000 students so they can pursue their dreams. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

Currently, public school employees in Maryland do not have the right to strike. However, MSEA stands in solidarity with workers in the private sector who strike for better pay, benefits, and working conditions that ultimately lead to a better way of life for working families and build a more fair economy. MSEA believes that withholding one's labor is a basic right, whether in the public or private sector.

The decision to strike is a method of last resort in a labor-management dispute, after all other avenues have been exhausted. Workers who strike may lose their paychecks, employee benefits, and in many cases, may be permanently replaced and lose their



jobs altogether from strike-breakers.<sup>1</sup> Despite significant risks workers face when they strike, many nonetheless do so because a strike is an effective tool for workers to counter-balance the power of their employers.

Unemployment insurance can provide a financial lifeline to striking workers as they advocate for fair negotiations and a final contract with their employer. Several states have introduced legislation to extend unemployment insurance benefits to striking workers, and two states, New York and New Jersey, currently provide unemployment insurance benefits to striking workers. MSEA believes this legislation will incentivize the peaceful settlement of disputes between management and labor during negotiations, yet provide critical financial assistance to workers, if necessary.

**We urge the committee to issue a Favorable Report on Senate Bill 871.**

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<sup>1</sup> Daniel Perez, *Extending unemployment insurance to striking workers would cost little and encourage fair negotiations*, Economic Policy Institute (January 29, 2024), <https://www.epi.org/blog/extending-unemployment-insurance-to-striking-workers-would-cost-little-and-encourage-fair-negotiations/#:~:text=As%20shown%20in%20Table%201,a%2014%2Dday%20waiting%20period>

# **SB 871 - Unemployment Insurance - Disqualification**

Uploaded by: Donna Edwards

Position: FAV



# MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Balto. (410) 269-1940 • Fax (410) 280-2956

*President*

**Donna S. Edwards**

*Secretary-Treasurer*

**Gerald W. Jackson**

**SB 871 - Unemployment Insurance - Disqualification - Stoppage of Work  
Caused by Labor Dispute  
Senate Finance Committee  
March 5, 2024**

**SUPPORT**

**Donna S. Edwards  
President**

**Maryland State and DC AFL-CIO**

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 871. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

SB 871 amends the unemployment insurance benefits disqualification for labor disputes and work stoppages to remove disqualifications for strikes lasting longer than 14 days. This change permits workers to collect unemployment insurance after the 14th day of a strike. When companies fail to bargain in good faith, workers can be forced to take action and walk off the job. Strikes are the final resort but an important right of workers, protected by the National Labor Relations Act.

New York and New Jersey already permit workers on strike to collect unemployment benefits. Similar bills to SB 871 are being considered in Washington, Pennsylvania, California, Massachusetts, and Connecticut. At the federal level, Representative Adam Schiff (D-CA) introduced the Empowering Striking Workers Act of 2023, which had 36 co-sponsors and the support of over 20 international unions. It also made workers eligible for unemployment insurance after 14 days on strike. AFL-CIO National President Liz Shuler, commended the proposal, stating, "When corporations attempt to starve workers during a strike or lockout lasting longer than fourteen days, workers should qualify for much-needed assistance that will keep food on the table and a roof over their heads as they fight for a fair deal on the job." James T. Callahan, General President of the International Union of Operating Engineers, added, "The problem with current law is that it assumes workers choose to go out on strike. Let's be clear. Workers don't want to withhold their labor; employers force workers into exercising their right to strike. Denying workers the unemployment insurance they have earned turns the logic of the whole program on its head. It also puts a government thumb on the scale in favor of employers. If the right to strike is, in fact, a basic, fundamental right, we should not deny workers a benefit they've earned to starve them into submission."

Workers already make tremendous sacrifices when going on strike, providing unemployment insurance could prevent them from losing their homes while fighting for fair contracts. We urge a favorable report on SB 871.



# Written Testimony SB871.pdf

Uploaded by: Matthew Girardi

Position: FAV



## Statement of the Amalgamated Transit Union (ATU) Local 689

SB 871 - Protecting Workers From Captive Audience Meetings Act

March 5th, 2024

**TO: The Honorable Pamela Beidle and Members of the Finance Committee**

**FROM: Matthew Girardi, Political and Communications Director, ATU Local 689**

ATU Local 689 strongly supports SB 871 and urges this Committee to issue a favorable report. This bill is a necessary measure to secure workers' rights and give power to working class people in Maryland.

At Local 689, we represent over 15,000 transit workers and retirees throughout the Washington DC Metro Area. performing many skilled transportation crafts for the Washington Metropolitan Area Transit Authority (WMATA), MetroAccess, DASH, and DC Streetcar among others. Our union helped turn low-wage, exploitative transit jobs into transit careers. We became an engine for the middle-class of this region.

Throughout our union's history, we have unfortunately had to fight tooth and nail to get fairness for our members. Be it a living wage, a secure retirement system, quality health insurance, or stable hours, Local 689 has been on the front lines of the fights to bring a decent quality of life to blue-collar workers. However, we know all too well that companies will play dirty tricks like using captive audience meetings to scare workers into supporting their agenda. This must stop.

SB 871, the Protecting Workers From Captive Audience Meetings Act, is an incredible vehicle for us to do so. It would make sure that workers are not forced to attend these meetings where company political, religious, or labor management views are forced on them and are able to leave without fear of reprisal. We know that democracy is not just a philosophy, it is an action. Workers who have their own beliefs, be them political, religious, or about whether to join with their coworkers to collectively bargain, should not be forced to sit idly by and accept those of their employers.

Sadly, the Union knows that this is all too common. In fact, according to a 2015 survey, one in four workers had been directly contacted by their employer on political matters. Of those, 20% had been directly threatened with changes to wages, hours, or even employment status<sup>1</sup>. Additionally, these forced meetings are used to coerce employees into voting against Unions. The NLRB found that captive audience meetings are used in response to 89% of unionization drives and have had a profoundly chilling effect on the results of these efforts to unionize<sup>2</sup>. Likewise, these meetings can be used to target particularly vulnerable workers, including Black, brown, immigrant, disabled, young, and LGBTQ+ individuals.

At Local 689 we represent people from all backgrounds, religions, races, sexual orientations, and political views. One shouldn't have to adhere to one political ideology or religion to work in transit. In fact, it is better that one does not. Serving the riding public means serving everyone who walks onto your van, shuttle, bus, or train. Workers should not be beholden to management's political, religious, or labor management views, because

<sup>1</sup> Alexander Hertel-Fernandez, "How Employers Recruit Their Workers into Politics—and Why Political Scientists Should Care," *Perspectives on Politics* 14, no. 2 (June 2016): 410–21, <https://doi.org/10.1017/s1537592716000098>.

<sup>2</sup> *NO HOLDS BARRED: The Intensification of Employer Opposition to Organizing* (Washington, DC: Economic Policy Institute, 2009).

frankly, that is not their job.

The Union thanks Senator Kramer for introducing this worthy measure and urges the committee to issue a favorable report.

# **SB 871 UI Work Stoppage 2024.pdf**

Uploaded by: Tom Clark

Position: FAV



## International Brotherhood of Electrical Workers

JOSEPH F. DABBS: Business Manager • THOMAS C. MYERS: President • RICHARD D. WILKINSON: Vice President  
CHRISTOPHER M. CASH: Financial Secretary • RICHARD G. MURPHY: Recording Secretary • PAULO C. HENRIQUES: Treasurer



### TESTIMONY IN SUPPORT OF SENATE BILL 871 UNEMPLOYMENT INSURANCE-DISQUALIFICATION-STOPPAGE OF WORK CAUSED BY LABOR DISPUTE

**TO: Chair Beidle, Vice Chair Klausmeier and members of the Senate Finance Committee**  
**FROM: Tom Clark, Political Director, International Brotherhood of Electrical Workers Local 26**

Madam Chair, Madam Vice Chair, and distinguished members of the Senate Finance Committee. Please join me in enthusiastic **support of SB 871**. A bill designed to protect hard-working Marylanders caught up in a labor dispute, whether the work stoppage is caused by management, labor, or both.

As you can see by this letterhead and for those who know me as a proud member of the International Brotherhood of Electrical Workers Local 26, I am union through and through. I would like to make you aware that IBEW 26 has a **no strike/no lockout** clause in our contract. Different from many unions, IBEW 26 and our Contractors believe that a work stoppage of any kind, is not beneficial to either side. History will show that both parties have prospered from this clause. However, outside the construction industry, work stoppages happen, and quite often, individual members are caught up in this war of leverage. Like any loss of employment, and like any insurance program, sometimes individuals deserve to receive the benefits that they pay into. Being a part of collective bargaining should not disqualify a person from receiving benefits.

Remember, this bill does not apply to me or the 11,000 members I represent, I am just looking to help others. I simply ask you to allow members that participate in the collective bargaining process, to receive benefits that are allowed to every other working person, during a work stoppage. Please **support SB 871** and support the Maryland worker. Thank you!



**SB 871 - UNF - MHLA.pdf**

Uploaded by: Amy Rohrer

Position: UNF

# MHLA

## Maryland Hotel Lodging Association

### Testimony on behalf of the Maryland Hotel Lodging Association

#### In Opposition of SB 871

Unemployment Insurance - Disqualification - Stoppage of Work Caused by Labor Dispute

March 5, 2024

Senate Finance Committee

The Maryland Hotel Lodging Association (MHLA) serves as the sole statewide trade association dedicated to advocacy for Maryland's 750+ hotels. Our industry provides the state with \$1 billion in state and local taxes, \$5 billion in total wages and salaries, and \$9 billion in total gross domestic product.

SB 871 would extend unemployment insurance benefits to individuals involved in a labor dispute extending beyond 14 days.

Employers pay into the Maryland Unemployment Insurance Trust Fund, which aims to "pay benefits to displaced employees who are seeking work and are unemployed through no fault of their own".<sup>1</sup> Being unemployed through "no fault of one's own" is categorically different than an employed worker who temporarily chooses not to work as a negotiating tactic. Unlike employees who are unfortunately laid off, strikers are still employed and may return to a paying job when they choose to do so. Expanding UI benefits to support striking workers would encourage more and potentially longer strikes, with frustrations unfairly extended upon Maryland consumers and added costs unduly borne by one negotiating party (employers).

According to the chart on p. 63 of the [2023 US Department of Labor Trust Fund Solvency Report](#), Maryland has a state trust fund solvency level of .92, which is already below the recommended minimum adequate solvency level of 1. In a letter dated September 30, 2023, Governor Newsom vetoed similar legislation in California, stating, "Any expansion of eligibility for UI benefits could increase California's outstanding federal UI debt projected to be nearly \$20 billion by the end of the year and could jeopardize California's Benefit Cost Ratio add-on waiver application, significantly increasing taxes on employers."

Expanding UI benefits to striking workers in Maryland would constitute an inappropriate use of the UI Trust Fund and would ultimately burden the very employers responsible for paying into the fund and creating jobs in our state.

For these reasons, we urge you to reject SB 871 with an Unfavorable Report.

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<sup>1</sup> [empguide.pdf \(maryland.gov\)](#)

# **SB 0871 - Unemployment Insurance - Disqualificatio**

Uploaded by: Danna Blum

Position: UNF



February 7, 2024

Senate Finance Committee  
Senator Pamela Beidle  
3 East  
Miller Senate Office Building  
Annapolis, Maryland 21401

Dear Senator Beidle:

**RE: SB 0871 - Unemployment Insurance - Disqualification - Stoppage of Work Caused by Labor Dispute - Oppose**

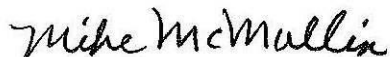
Dear Delegate Wilson:

SB 0871 will remove the disqualification from receiving unemployment insurance benefits due to a stoppage of work if that stoppage continues beyond the first 14 days. This will apply to a situation that exists because of a labor dispute at the premises where the individual was last employed.

Forcing all Maryland employers (and taxpayers) to pay for the circumstances of a unionized employer involved in a labor dispute should be out of bounds. Each year the Maryland General Assembly puts forth numerous bills that make it more and more difficult to do business in Maryland. This bill will only contribute to that difficulty in a very unfair and expensive manner.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, opposes this bill and therefore requests that you give it an unfavorable report.

Sincerely,



Mike McMullin  
President  
Carroll County Chamber of Commerce

CC: Senator Justin Ready  
Delegate April Rose

# **SB 871\_MDCC\_UI\_Disqualification\_Stoppage of Work\_**

Uploaded by: Hannah Allen

Position: UNF



**MARYLAND**  
Chamber of Commerce

**LEGISLATIVE POSITION:**

**Unfavorable**

**Senate Bill 871**

**Unemployment Insurance – Disqualification – Stoppage of Work Caused by Labor Dispute**

**Seante Finance Committee**

**Tuesday, March 5, 2024**

Dear Chairwoman Beidle and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

SB 871 would allow employees who are not working because of their voluntary participation in a strike causing a stoppage of work to begin collecting unemployment insurance benefits 14 days after the stoppage of work began.

It is important to draw a distinction between reasons an individual may file for unemployment insurance benefits. While an individual is entitled to UI benefits when they've lost employment through no fault of their own, someone voluntarily walking away from their work because of an unresolved dispute between an employer and a labor union (which the employee is voluntarily participating in), does not constitute an appropriate use of unemployment insurance benefits. Further, workers are already entitled to benefits during a "lock-out" (employer caused work stoppage), allowing workers to claim benefits during an employee-caused work stoppage is clear double dipping of the UI program.

Finally, as the Committee debates other large-scale changes to Maryland's unemployment insurance program with the goal of ensuring long-term trust fund solvency, creating additional situations to draw benefits from the fund would be counterintuitive.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report** on **SB 871**.

**MDCHAMBER.ORG**

60 West Street, Suite 100, Annapolis 21401 | 410-269-0642

**SB 871\_MTBMA\_UNF.pdf**

Uploaded by: Michael Sakata

Position: UNF



March 5<sup>th</sup>, 2024

Senator Pam Beidle, Chair  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

**RE: SB 871 – UNFAVORABLE – Unemployment Insurance – Disqualification – Stoppage of Work Caused by Labor Dispute**

Dear Chair Beidle and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 871 seeks to amend the provisions regarding the disqualification from receiving unemployment insurance benefits due to a stoppage or work caused by a labor dispute. The bill specifies the disqualification does not apply for any week beginning after the first 14 days of an individual’s unemployment due to the stoppage of work.

MTBMA opposes this legislation because it would disincentivize workers from resolving disputes in a timely manner and returning to work. While our organization understands the intent of this legislation, prolonged labor disputes could exacerbate labor shortages and hinder our industry’s ability to meet demand for critical infrastructure projects. MTBMA encourages a more collaborative approach that promotes dialogue and resolution in labor disputes while ensuring the continued strength and vitality of our economy.

We appreciate you taking the time to consider our request for an **UNFAVORABLE** report on Senate Bill 871.

Thank you,

Michael Sakata  
President and CEO  
Maryland Transportation Builders and Materials Association

**SB871\_MRA\_UNF.pdf**

Uploaded by: Sarah Price

Position: UNF

# MARYLAND RETAILERS ALLIANCE

*The Voice of Retailing in Maryland*



**SB871 Unemployment Insurance - Disqualification - Stoppage of Work Caused by  
Labor Dispute  
Finance Committee  
March 5<sup>th</sup>, 2024**

**Position:** Unfavorable

**Background:** SB871 would remove the prohibition on filing for unemployment insurance if an individual's stoppage of work is caused by a labor dispute.

**Comments:** The Maryland Retailers Alliance has concerns about the impact that SB871 Unemployment Insurance - Disqualification - Stoppage of Work Caused by Labor Dispute would have on business operations in Maryland. Maryland has a record-low unemployment rate at this time, and the Office of the Comptroller's inaugural State of the Economy reported in January that there are 3.1 job openings for every job seeker in Maryland. This tight labor market has resulted in increased wages and expanded benefits in many industries, and many retail businesses are already offering higher than the State minimum wage. Our members would find it very difficult to support policies that could exacerbate existing labor issues or result in extended work stoppages.

It is our understanding that the Department of Labor has not expressed support for SB871. For this and the above reasons, we would respectfully urge an unfavorable report on this proposal. Thank you for your consideration.

**SB 871\_MAA\_UNF.pdf**

Uploaded by: Tim Smith

Position: UNF



CHAIRMAN:  
Jeff Graf  
VICE CHAIRMAN  
David Slaughter

**MARYLAND ASPHALT ASSOCIATION**



TREASURER:  
Paul Bramble  
SECRETARY:  
Curtis Hall  
PRESIDENT:  
Tim Smith

March 5<sup>th</sup>, 2024

Senator Pam Beidle, Chair  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

**RE: SB 871 – UNFAVORABLE – Unemployment Insurance – Disqualification – Stoppage of Work Caused by Labor Dispute**

Dear Chair Beidle and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 871 seeks to amend the provisions regarding the disqualification from receiving unemployment insurance benefits due to a stoppage or work caused by a labor dispute. The bill specifies the disqualification does not apply for any week beginning after the first 14 days of an individual's unemployment due to the stoppage of work.

MAA opposes this legislation because it would disincentivize workers from resolving disputes in a timely manner and returning to work. While our organization understands the intent of this legislation, prolonged labor disputes could exacerbate labor shortages and hinder our industry's ability to meet demand for critical infrastructure projects. MAA encourages a more collaborative approach that promotes dialogue and resolution in labor disputes while ensuring the continued strength and vitality of our economy.

We appreciate you taking the time to consider our request for an **UNFAVORABLE** report on Senate Bill 871.

Sincerely,

A handwritten signature in black ink that reads "Tim Smith". The signature is written in a cursive, flowing style.

Tim Smith, P.E.  
President  
Maryland Asphalt Association

**Letter of Information - SB 871 (2024).docx.pdf**

Uploaded by: Alexis Braun

Position: INFO

## Senate Bill 871

Date: March 5, 2024  
Committee: Senate Finance Committee  
Bill Title: Unemployment Insurance - Disqualification - Stoppage of Work Caused by Labor Dispute  
Re: Letter of Information

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Senate Bill 871 (hereinafter “S.B. 871” or “the Bill”), limiting the disqualification period for unemployment insurance (“UI”) benefit eligibility for individuals whose unemployment has resulted from a stoppage of work caused by a labor dispute, would make striking workers eligible for UI benefits after a strike has lasted at least two weeks. Under current law, striking works are ineligible for UI benefits. The Bill would have significant operational impacts on the Maryland Department of Labor’s Division of Unemployment Insurance (“the Division”) and the Department’s Board of Appeals (“the Board”). It would also have fiscal impacts on the Division that are difficult to estimate.

Pursuant to Labor & Employment Article §§ 8-806(b)(1)(i) and 8-5A-09(a)(1), claims involving a disqualification based on a labor dispute are referred to the Board of Appeals (“the Board”) for determination. Currently, if the Board determines that claimants’ unemployment results from a lockout, the claimants are eligible for UI benefits, and if the Board determines that unemployment results from a stoppage of work that is *not* a lockout, claimants are ineligible for UI benefits. The Bill does not nullify the need for the Board to complete the full process described in the State Agency Explanation of Impact for the Bill, although it would change the effect of the written decision. The Board would still be required to complete the lengthy process in order to determine whether a two-week penalty should be applied to claimants whose unemployment has resulted from a strike, rather than a lockout. While it is difficult to predict the length of time required for the Board to issue its written decision of its findings on whether the labor dispute at issue is a lockout or strike, it is almost entirely certain that the process would take longer than two weeks (at which time the individual would be eligible for benefits according to S.B. 871). If this legislation is enacted and the ultimate determination of the cause of claimants’ unemployment results simply in a two-week disqualification or waiting period, it would cause the Board to expend a disproportionate amount of resources.

Pursuant to § 303(a)(12) of the Social Security Act (42 U.S.C. § 503(a)(12)) and Labor & Employment Article § 8-903(a)(1), an individual must be able to work and available for work and actively seeking work in order to be eligible for UI benefits. S.B. 871 would make striking workers eligible for UI benefits after two weeks; however, striking workers would still have to be “able and available” to be eligible for UI benefits at the expiration of the two-week period. It is possible that workers on strike may not be able and

available, creating an adjudication and eligibility issue at the Division level, which may result in the individual being deemed ineligible for UI benefits. In addition, if striking workers did not actively seek work in a particular week, they could be denied benefits. It is unclear whether a striking worker may violate any union rules by actively seeking work during a strike.

Workers on strike are often paid strike benefits, which may be \$200-400 per week. It is unclear if unions would continue to provide strike benefits if their striking workers become eligible for UI benefits after two weeks. However, if workers were paid strike benefits, their claims may be affected. Those strike benefits are considered to be compensation for personal services and would constitute wages. UI claimants would have to report these wages on their weekly certifications for benefits, and the wages exceeding the income disregard of Labor & Employment Article § 8-803(d)(iii) (currently \$50) would be deducted from their weekly benefit allotments. This may result in some striking workers not receiving any UI benefits.

S.B. 871 would make workers out on strike for at least two weeks eligible for UI benefits and would require the Division to charge the benefits to the employer against whom the strike is aimed. This would have the effect of increasing tax rates for those employers.

It is difficult to anticipate the effect S.B. 871 would have on revenues (contributions collected) or expenditures (benefits paid out) because the number of employees affected by a work stoppage other than a lockout is difficult to count for past years and to estimate for future years. The Board could have increased expenditures relating to the labor dispute process, and the Division may incur some expenses relating to coding and testing programming changes necessary to change whether a labor dispute issue would hold payment, but it is not anticipated to be a great expense should it be necessary.

In summary, the Department has questions about implementing the legislation as written and how it may interact with other provisions in Maryland's UI law and federal requirements. The Department respectfully requests that the Committee consider this information.