

Unemployment Insurance - Earned Rating Record - Charging of Benefits HB1105

Economic Matters Committee
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Position: Support

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The Arc Maryland is one of Maryland's largest grassroots advocacy organizations for the rights of individuals with intellectual/and or Developmental Disabilities, and families. As such the organizations that provide community-based support are critical to the thousands of men, women, and children with intellectual and developmental disabilities who reside in Maryland.

From our understanding on the matter, these related pieces of legislation would waive the benefit charges and/or effect the experience ratings for unemployment benefits during the period of the health crisis to prevent damaging effects and costs related to this benefit being put upon employers who were forced to lay off and reduce staff during the pandemic. We support this legislation from an organizational standpoint because the fund for these benefits has been nearly depleted, and legislative action is needed to address the shortfall. Furthermore, providers of services to those with intellectual, and or developmental disabilities have experienced unprecedented amounts of unemployment insurance claims due to a variety of pandemic-related factors. These factors include, but are not limited to, necessary closures of day programs at the beginning of the pandemic, elimination of transportation services once offered by the programs to bring individuals into the group program sites from their homes/group homes, and the over-arching fact that provider organizations such as the local Arc organizations, have not been able to provide many of the in-person and group services provided pre-pandemic due to the obvious risks to individuals with intellectual and developmental disabilities who are more vulnerable to serious complications from COVID-19.

Moreover, there are over 1200 individuals with disabilities in the state who are served through the Maryland developmental disabilities administration's self-directed services option. Under this service model the individual receiving the service is the employer of record. Part of the service agreements, entered into by these individuals with the fiscal management service (FMS) agencies, is that a portion of the administrative fee that is paid to the FMS is to cover employment insurance claims. There is no additional funding from the Developmental Disabilities Administration to be able to pay this cost. Unless the legislature is willing to provide extra funding for all people served by DDA to pay these benefits, potentially individuals in self-direction would have to cut back on needed hours of support to cover additional benefit charges.

This legislation is the right thing to do for many nonprofit providers within our state, many of whom also self-insure unemployment benefits, who are providing much needed critical support during this unprecedented health crisis.

Should you have any questions please contact.

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