



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 1002 EMERGENCY BILL — UNEMPLOYMENT INSURANCE — REVISIONS AND
REQUIRED STUDY

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN

FEBRUARY 23, 2021

Chair Davis, Vice Chair Dumais and Members of the Economic Matters Committee,

According to the most recent data from the US Bureau of Labor Statistics, the state of Maryland currently has 212,000 (6.7% of total) constituents unemployed, with an overwhelming majority as a direct result of the COVID-19 pandemic.¹ In a perfect world, unemployment insurance (UI) would provide temporary income to individuals who are unemployed through no fault of their own, and who are able and available to work. This benefit has traditionally helped to provide a crucial safety net for families and individuals as they struggle to make ends meet while also looking for work. UI is also a crucial countercyclical macroeconomic tool, which stabilizes a contracting economy, thus supporting the economic health of the entire state.

However, the experience of many unemployed Marylanders during the pandemic has been anything but helpful as they struggle to access these benefits.

I am sure that each of you has been overwhelmed by contacts from your constituents desperately trying to navigate an unemployment insurance system that has simply not been able to meet the demands during the pandemic. Let me give you a few examples of the stories I have heard, and my office has been trying to help resolve.

- A man who initially contacted us in September after the DOL Claim Center misunderstood his situation as a gig worker, thinking he was a teacher instead. His case manager eventually stopped responding to his inquiries, and we intervened several times. To date, it is still unresolved, although DOL now tells us this case has been “escalated”.
- A woman who filed in November, and whose case was listed as “escalated for an interview” early this month. She is a high risk heart patient unable to fill the prescriptions she desperately needs, and is in danger of losing her housing, her car, and possibly even her marriage due to the stress of their financial situation.
- A woman who applied for benefits in June, after leaving her job due to the lack of child care. While the case was working its way through the system, bills for rent, utilities, and the

internet (for a school age child engaged in virtual learning), piled up, forcing her to give up her apartment and move in with a friend. During this time, the woman's mother died in another country, and the family received help from friends to travel for the burial. Now that she is abroad, she is unable to file claims. She had been expecting to get the benefits that have been long overdue, and does not have the money to return to Maryland.

- A woman who filed in October, and has encountered much confusion between “pandemic” unemployment benefits and “regular” unemployment benefits, and has not been able to reach anyone by phone or email, and no one responds to written inquiries.

These stories, like the ones you have, are heartbreaking and infuriating.

A recent article in *Maryland Matters*, acknowledges that Maryland, like other states, has experienced an unprecedented spike in UI claims during the pandemic. While the Department of Labor has added staff and contractors, many thousands of claims are still pending. Maryland has received 937,606 unemployment insurance claims since the pandemic began. While, according to the Governor's Office, 95% have been resolved, that still leaves more than 43,000 individuals whose claims are listed as “pending”.²

In December, an analysis by Stateline, a news site funded by the Pew Charitable Trusts, found Maryland had one of the lowest claim-processing rates in the country. The standard created by the federal government, which partners with states on unemployment insurance, is to have 87% of first-time jobless claims processed within three weeks. Only 27.9% of Maryland's claims met that standard, ahead of only South Dakota and Kentucky. According to the latest numbers, only 37.5% of Maryland's claims are processed within three weeks.²

Clearly, in the depths of this pandemic-induced recession, too many people have struggled with accessing unemployment assistance. HB 1002 will ensure:

- Callers have adequate and timely access to language and interpretive services.
- Adequate staffing for the Department and plans for surge capacity.
- A call center that is adequately staffed so callers can reach a person, leave a message if necessary, and be assured that the call will be returned. Voicemail messages will include clear instructions for next steps, including a call-back number that is not the general office number.
- Call-backs from the agency have Caller ID, so persons who are screening their calls will know when someone from the Department is trying to reach them.
- People can receive their unemployment benefits through direct deposit if they wish, and the process for receiving a paper check rather than a debit card will be simplified.
- Greater transparency and revision of all public-facing modes of communication, including the website. Information should be communicated to the public in clear terms as understood at a 7th grade reading level.
- Systems, processes, and procedures that let an individual track the status of a claim.
- Standards are established for timely processing, completion of claims, resolution of appeals, and accountability for those standards.
- The Department will establish and maintain a plan for ongoing investment in technology.
- The implementation of a system that will link individuals filing claims with access to health insurance benefits. From December 9 – December 21, 2020, 69,000 UI recipients were

uninsured. They made up 28% of all uninsured Maryland adults, according to this survey.³

Unemployment insurance provides a safety net for families and individuals, and acts as a countercyclical stimulus to prevent our State's economy from sinking into a deeper recession. The current systems and processes have failed our constituents. Marylanders deserve better. HB 1002 will help us get there.

I respectfully request a favorable report on HB1002.

Sources:

¹ US Bureau of Labor Statistics - Date Accessed: 1/13/2021 - Link: <https://www.bls.gov/regions/mid-atlantic/maryland.htm#eag>

² DePuty, Bruce, Senate, House Democrats Push Measures to Speed Unemployment Benefits, *Maryland Matters*, February 4, 2021

³ US Census Bureau - Date Accessed: 1/13/2021 - Link: https://www2.census.gov/programs-surveys/demo/tables/hhp/2020/wk21/health3_week21.xlsx