



Testimony in Support of Senate Bill 818 (Senator Klausmeier)
Unemployment Insurance – Maryland Department of labor – Accountability and Oversight
FAVORABLE

March 2, 2021

To Chair Davis and Members of the Finance Committee:

On behalf of Strong Future Maryland, we write in strong support of Senate Bill 818. Strong Future Maryland works to advance bold, progressive policy changes to address systemic inequality and promote a sustainable, just and prosperous economic future for all Marylanders.

Although a number of states have struggled to cope with the large increase in unemployment insurance claims since the onset of the pandemic, a [study](#) conducted by the Pew Research Center, found that **Maryland ranks third to last in terms of timeliness in processing unemployment benefit claims.** For reference, in neighboring states such as Virginia and West Virginia, between 60 and 86 percent of those applying for unemployment insurance received benefits within three weeks of their initial application. By contrast, only 27.9 percent of those applying for unemployment insurance benefits in Maryland were able to receive financial assistance. These untimely payments are unacceptable, especially during a pandemic, which is why reforms are needed to address this issue.

Currently, due to staffing shortages and other difficulties such as procedural barriers, many claims are left in limbo and as a result have negatively affected thousands of families who are struggling to make ends meet and have to endure the difficult situation of having to cope for extended periods of time with limited income and without any financial assistance. HB 1138 will address this issue by increasing accountability in the unemployment insurance system and, in the event of a disaster, will require the Maryland Department of Labor to submit regular reports to the Assistant Secretary for the Division of Unemployment Insurance as well as to the Senate Finance Committee and the House Economic Matters Committee. These reports will serve a supervisory purpose and will help to increase accountability and ensure that unemployment benefits are processed and made available to families in a timely manner.

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Due to the regularity with which these reports are required to be submitted to the General Assembly under this bill, problems will be able to be addressed in real time, which means that any issues that arise can be resolved quickly and effectively. Once this bill becomes law, it will help to facilitate faster response times and ensure that everyone eligible receives unemployment benefits in a timely manner, even in the event of a significant increase in claims such as during a disaster. This is a problem that cannot wait and the passage of SB818 will help to reduce the amount of time it takes to process unemployment claims, increase accountability and oversight of the system, and ensure that families are able to receive these benefits when they need them the most.

We respectfully urge a favorable report.

On behalf of Strong Future Maryland,

John B. King

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