

SB 790_FAV_MML.pdf

Uploaded by: Bailey, Angelica

Position: FAV



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

March 2, 2021

Committee: Senate Finance

Bill: SB 790 Unemployment Insurance – Reimbursing Employers – Deferral of Payment During a State of Emergency for COVID-19

Position: Support

Reason for Position:

The Maryland Municipal League supports Senate Bill 790, which extends the time an employer has to make a reimbursement payment to the Unemployment Insurance Fund. The typical due date for reimbursement payments is 30 days from receipt by the employer, but this bill would allow an employer up to 1 year after the COVID-19 State of Emergency ends.

Local governments are facing significant financial instability as a result of the COVID-19 pandemic, and have received very little federal support. However, they are managing to retain most of their employees and so making payments into the Unemployment Insurance Fund is uncommon. Allowing payment deferrals will not be abused, but provides a valuable tool to local governments who need flexibility and additional resources in these challenging times.

For these reasons, the Maryland Municipal League supports Senate Bill 790 and respectfully requests a favorable committee report.

FOR MORE INFORMATION CONTACT:

Scott A. Hancock	Executive Director
Angelica Bailey	Director, Government Relations
Bill Jorch	Director, Research and Policy Analysis
Justin Fiore	Manager, Government Relations

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SB 790_ACS CAN_FAV.pdf

Uploaded by: Collins, Jocelyn

Position: FAV



March 2, 2021

TO: The Honorable Delores G. Kelley, Chair
The Honorable Brian J. Feldman, Vice Chair
Members of the Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

FROM: Jocelyn Collins, Maryland & Washington, D.C. Government Relations Director
American Cancer Society Cancer Action Network
555 11th St. NW, Suite 300
Washington, DC 20004
jocelyn.collins@cancer.org
(301) 254-0072 (cell)

SUBJECT: SB 790 Unemployment Insurance – Reimbursing Employers – Deferral of Payment During a State of Emergency for COVID–19

POSITION: SUPPORT

Dear Chair Kelley and Members of the Senate Finance Committee,

We thank you for the opportunity to provide comments in **SUPPORT** of **SB 790 Unemployment Insurance – Reimbursing Employers – Deferral of Payment During a State of Emergency for COVID–19**.

We write to you as a representative of a nonprofit charitable organization, the American Cancer Society (ACS), who is doing whatever it takes to serve, provide support services, and to give guidance to cancer patients and families 24 hours a day, seven days a week via our free helpline (1-800-ACS-2345) and website, where individuals can access a number of helpful resources.

Additionally, at a time when many health systems are turning to community partners for support, ACS has stepped in to offer free housing at its Hope Lodges across the U.S. for health care staff during the COVID-19 pandemic. ACS is adapting to keep pace with the escalating impact of the COVID-19 pandemic and now has room to provide temporary respite for health care workers during the crisis.

In March 2020, ACS made the heartbreaking decision to suspend the program that offers housing to cancer patients at more than 30 Hope Lodge facilities across the country, including Baltimore Hope Lodge. After consultation with medical experts and CDC guidelines, ACS recognized it was no longer able to ensure patient safety as the coronavirus continued to rapidly spread across the country. As rooms sat empty, ACS recognized a need that could be filled by offering its Hope Lodges for free to health care workers during the crisis.

In Baltimore, ACS is partnering with the University of Maryland Medical Center (UMMC) to provide rooms for its health care workers to stay overnight or rest in between shifts when it is impractical to go



home. Baltimore Hope Lodge features 26 guest rooms, a great room, full kitchen and laundry facilities and is located at 636 West Lexington Street, next to the UMMC downtown campus.

As evidenced, our organization is not only a critical service provider, but we are also Maryland employers who is facing significant financial strain due to COVID-19 at a time when our services are needed the most.

A governmental entity (Federal, State, County, Municipal government employers) or a 501(C)(3) nonprofit organization can choose to be a direct reimbursement employer, in that it may choose not to pay quarterly unemployment contributions, but instead pay, on a dollar-for-dollar basis, all of the reimbursement employer based on the size and stability of their workforce and regular fluctuation of economic conditions. This pandemic is unprecedented — no one could have foreseen an instance where a significant number of an organization's workforce was laid off at once at a time when their services are needed the most.

To be able to continue to provide services, SB 790 would provide much needed relief by delaying reimbursement to the Unemployment Insurance Fund to within thirty (30) days or within one (1) year after the date on which the state of emergency declared by the Governor due to the COVID-19 pandemic ends.

Additionally, we would support Sponsor amendments to bring the legislation in line with the provisions approved for smaller reimbursing employers in Senate Bill 496. To the extent that federal assistance is continued past its expiration later this month, the Trust Fund would continue to receive partial payments of these liabilities. At least ten other states provided full relief from these Covid-19 costs for all reimbursing nonprofits during 2020.

Community-based charitable organizations like ours have long been on the front lines supporting Maryland individuals and families. However, the necessary actions of canceled school days, closed restaurants and prohibited gatherings have impacted the ability of our organization to raise money to fulfill our mission. The need for our services and programs do not stop and our organization cannot stop either.

We appreciate everything you are doing to curb the impact of the coronavirus pandemic across the state and thank you for your consideration of our input and ask for a **FAVORABLE report** on SB 790.

Sincerely,



Jocelyn I. Collins





March 2, 2021

TO: The Honorable Delores G. Kelley, Chair
The Honorable Brian J. Feldman, Vice Chair
Members of the Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

FROM: Jocelyn Collins, Maryland & Washington, D.C. Government Relations Director
American Cancer Society Cancer Action Network
jocelyn.collins@cancer.org
(301) 254-0072 (cell)

Laura Hale, Maryland Government Relations Director
American Heart Association
laura.hale@heart.org
(336)480-4829 (cell)

SUBJECT: SB 790 Unemployment Insurance – Reimbursing Employers – Deferral of Payment During a State of Emergency for COVID–19

POSITION: SUPPORT

We thank you for the opportunity to provide comments in **SUPPORT** of **SB 790 Unemployment Insurance – Reimbursing Employers – Deferral of Payment During a State of Emergency for COVID–19**.

We write to you as representatives of nonprofits and nonprofit charitable organizations, all of which are doing whatever it takes to serve those in need: supporting those who have been diagnosed with serious illness, providing access to critical health care services, feeding those who are hungry, providing quality education, caring for young children, the elderly, and those with disabilities, and more. Our organizations are not only critical service providers, but we are also Maryland employers who are facing significant financial strain due to COVID-19 at a time when our services are needed the most.

A governmental entity (Federal, State, County, Municipal government employers) or a 501(C)(3) nonprofit organization can choose to be a direct reimbursement employer, in that it may choose not to pay quarterly unemployment contributions, but instead pay, on a dollar-for-dollar basis, all of the unemployment benefits awarded to a former worker. Nonprofits make an actuarial decision to be a direct reimbursement employer based on the size and stability of their workforce and regular fluctuation of economic conditions. This pandemic is unprecedented — no one could have foreseen an

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We appreciate everything you are doing to curb the impact of the coronavirus pandemic across the state and thank you for your consideration of our input and ask for a **FAVORABLE report** on SB 790.

Testimony Unemployment Relief ACS CAN and AHA_SB 7

Uploaded by: Hale, Laura

Position: FAV



March 2, 2021

TO: The Honorable Delores G. Kelley, Chair
The Honorable Brian J. Feldman, Vice Chair
Members of the Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

FROM: Jocelyn Collins, Maryland & Washington, D.C. Government Relations Director
American Cancer Society Cancer Action Network
jocelyn.collins@cancer.org
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Laura Hale, Maryland Government Relations Director
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laura.hale@heart.org
(336)480-4829 (cell)

SUBJECT: SB 790 Unemployment Insurance – Reimbursing Employers – Deferral of Payment During a State of Emergency for COVID–19

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Additionally, we would support Sponsor amendments to bring the legislation in line with the provisions approved for smaller reimbursing employers in Senate Bill 496. To the extent that federal assistance is continued past its expiration later this month, the Trust Fund would continue to receive partial payments of these liabilities. At least ten other states provided full relief from these Covid-19 costs for all reimbursing nonprofits during 2020.

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We appreciate everything you are doing to curb the impact of the coronavirus pandemic across the state and thank you for your consideration of our input and ask for a **FAVORABLE report** on SB 790.

SB0790-FIN_MACo_SUP.pdf

Uploaded by: Jabin, Drew

Position: FAV



MARYLAND
Association of
COUNTIES

Senate Bill 790

Unemployment Insurance - Reimbursing Employers - Deferral of Payment During a State of Emergency for COVID-19

MACo Position: **SUPPORT**

To: Finance Committee

Date: March 2, 2021

From: Drew Jabin

The Maryland Association of Counties (MACo) **SUPPORTS** SB 790. As the COVID-19 pandemic continues to impact employers across the state, this bill provides a tool for county governments, as reimbursable employers, to delay their remittances by a year during a COVID-19 state of emergency.

Under current law, a nonprofit organization or governmental entity is required to pay their quarterly billing within 30 days after the Secretary mails it. SB 790 adds a provision allowing for these amounts to be paid within one year after the date on which the state of emergency was declared by the Governor due to the COVID-19 pandemic, simply giving reimbursing employers a comparable cushion as to what rate-paying employers are already allowed for COVID-related layoffs.

It is worth noting that there is language in the RELIEF bill for reimbursing employers, but only those with fewer than 50 employees, therefore excluding county government as an employer. SB 790 is a welcome “tool in the toolbox” for county governments to be included as reimbursable employers and to allow for the deferral of liabilities during the COVID-19 pandemic. Accordingly, MACo **SUPPORTS** SB 790 and requests a **FAVORABLE** report.

SB 790 - Sponsor Testimony

Uploaded by: Kagan, Cheryl

Position: FAV

CHERYL C. KAGAN
Legislative District 17
Montgomery County

Vice Chair
Education, Health, and
Environmental Affairs Committee

Joint Audit Committee
Joint Committee on Federal Relations



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**SB790: Unemployment Insurance – Reimbursing Employers – Deferral of Payment
During a State of Emergency for COVID–19 Testimony
Tuesday, March 2, 2021 at 1pm | Senate Finance Committee**

Nonprofit organizations (those exempt under section 501(c)(3) of the federal tax code) usually self-insure rather than make payments into Maryland’s Unemployment Trust Fund. Like nonprofits, local governments tend to be “reimbursing employers” as opposed to “rate-payers.” Normally, there isn’t high staff turnover, so they can save money for their community-oriented work.

The Coronavirus pandemic has forced some nonprofit organizations and local governments to lay off employees. The R.E.L.I.E.F. Act ([SB496](#)) allowed nonprofit organizations and local governments with fewer than 50 employees to defer unemployment insurance payments until January 2022. [SB790](#) (as amended) would strike “that employs fewer than 50 individuals,” allowing **any** nonprofit or local government struggling because of pandemic-related losses to delay these cumbersome payments until January 2022. By then, COVID-19 will hopefully be behind us.

The disastrous economic impact of the pandemic has been unprecedented. Nonprofit organizations and local governments are on the front line of providing access to health care, disability assistance, food distribution, senior care, and other services critical to the health and safety of Marylanders. Annual nonprofit fundraising events that raise significant funds have been canceled. SB790, as amended, will ensure that these organizations have time to recover from the financial hit they have taken.

I urge a “favorable with amendment” report on SB790.



SB0790/243126/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

26 FEB 21
10:11:07

BY: Senator Kagan
(To be offered in the Finance Committee)

AMENDMENTS TO SENATE BILL 790
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “**Reimbursing Employers –**”; in lines 2 and 3, strike “**Payment During a State of Emergency for COVID-19**” and substitute “**Reimbursement Payments and Contribution and Employment Reports – Application**”; strike beginning with “extending” in line 4 down through “paid;” in line 6 and substitute “altering the nonprofit organizations and governmental entities that may elect to defer payments of reimbursement bills for a certain calendar year; altering the nonprofit organizations and governmental entities that may be authorized by the Secretary of Labor to defer paying a reimbursement bill in a certain calendar year; altering the employing units that may elect to defer submitting certain contribution and employment reports for certain calendar quarters; altering the employing units that maybe be authorized by the Secretary to defer submitting a certain contribution and employment report for certain calendar quarters;”; in line 7, strike “construction” and substitute “application”; in line 8, strike “providing for the termination of this Act;”; in the same line, strike “repayment” and substitute “deferrals”; in line 9, strike “benefits by reimbursing employers” and substitute “reimbursement payments and contribution and employment reports”; in line 12, strike “8-601(a), (b), and (d) and”; in line 17, after “8-620(a)” insert “and 8-626(a)”; and after line 19, insert:

“(As enacted by Chapter 39 of the Acts of the General Assembly of 2021)”.

AMENDMENT NO. 2

On pages 1 and 2, strike in their entirety the lines beginning with line 23 on page 1 through line 4 on page 2, inclusive.

On page 2, strike in their entirety lines 8 through 21, inclusive, and substitute:

(Over)

“(2) Except as provided in paragraphs (3) and (4) of this subsection, unless there is an application for review and redetermination of a bill under § 8–621 of this subtitle, a nonprofit organization or governmental entity shall pay the bill under this section within 30 days after the Secretary mailed the bill to the last known address of the nonprofit organization or governmental entity or otherwise delivered the bill to it.

(3) (i) For calendar year 2021, a nonprofit organization or governmental entity [that employs fewer than 50 individuals] may elect to defer payment of the bills under this section for the calendar quarters ending on March 31, June 30, and September 30.

(ii) A nonprofit organization or governmental entity that elects to defer the payment of a bill as authorized under subparagraph (i) of this paragraph:

1. shall submit the payment on or before the date on which the payment for the calendar quarter ending December 31, 2021, is due;

2. may not be required by the Secretary to file for an extension;

3. notwithstanding § 8–622 of this subtitle, may not be considered delinquent in making the payment during the period for which the payment is deferred; and

4. may not be assessed interest that accrues under § 8–628 of this subtitle for the period for which the payment is deferred.

(4) (i) For calendar year 2022, the Secretary may authorize a nonprofit organization or governmental entity [that employs fewer than 50 individuals] to defer paying a bill.

(ii) If the Secretary authorizes a nonprofit organization or governmental entity to defer paying a bill in accordance with subparagraph (i) of this paragraph:

1. the Secretary shall establish the date on which the payment is due;
2. the nonprofit organization or governmental entity may not be required by the Secretary to file for an extension;
3. notwithstanding § 8–622 of this subtitle, the nonprofit organization or governmental entity may not be considered delinquent in making the payment during the period for which the payment is deferred; and
4. the nonprofit organization or governmental entity may not be assessed interest that accrues under § 8–628 of this subtitle for the period for which the payment is deferred.”;

and after line 31, insert:

“8–626.

(a) (1) Subject to paragraphs (2) and (3) of this subsection, for each calendar quarter, each employing unit shall submit to the Secretary a contribution and employment report on or before the date that the Secretary sets.

(2) (i) For calendar year 2021, an employing unit [that employs fewer than 50 individuals] may elect to defer submitting contribution and employment reports for the calendar quarters ending on March 31, June 30, and September 30.

(ii) An employing unit that elects to defer the submission of a contribution and employment report as authorized under subparagraph (i) of this paragraph:

1. shall submit the report on or before the date on which the report for the calendar quarter ending December 31, 2021, is due;
2. may not be required by the Secretary to file for an extension; and

(Over)

3. may not be assessed interest that accrues under § 8–628 of this subtitle for the period for which the submission is deferred.

(3) (i) For calendar year 2022, the Secretary may authorize an employing unit [that employs fewer than 50 individuals] to defer submitting a contribution and employment report due in accordance with this section.

(ii) If the Secretary authorizes an employing unit to defer submitting a contribution and employment report in accordance with subparagraph (i) of this paragraph:

1. the Secretary shall establish the date on which the contribution and employment report is due;

2. the employing unit may not be required to file for an extension; and

3. the employing unit may not be assessed interest that accrues under § 8–628 of this subtitle for the period for which the submission is deferred.”.

On pages 2 and 3, strike in their entirety the lines beginning with line 32 on page 2 through line 2 on page 3, inclusive, and substitute:

“SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively to bills for reimbursement or contributions and employment reports due on or after the effective date of this Act.”.

On page 3, strike beginning with “It” in line 7 down through “effect.” in line 11.

SB 790 to FIN FAV March 2.pdf

Uploaded by: Bogdan, Henry

Position: FWA

March 2, 2021

Testimony on Senate Bill 790
Unemployment Insurance – Reimbursing Employers – Deferral of Payment
During a State of Emergency for COVID–19
Senate Finance Committee

Position: Support

Maryland Nonprofits is a statewide association of more than 1200 nonprofit organizations and institutions. We are urging you to support Senate Bill 790 with the sponsor's amendments to provide important relief to hundreds of nonprofits with 50 or more employees who reimburse the State's Trust Fund for their unemployment liabilities. The Bill would also include reimbursing local government entities.

The important relief you have already provided in Senate Bill 496 freezes the experience rating for all rate-paying employers, and allows all smaller employers, including those nonprofits with fewer than 50 staff who reimburse, to defer payments until at least next year.

But for most of the larger nonprofits that reimburse liabilities on an ongoing basis, these costs continue to challenge their financial stability and reduce their capacity to serve our communities. In many cases these same organizations have also been denied access to most other federal Covid-19 relief.

The pandemic has impacted nonprofits and their operations in most of the same ways as it has the rest of the nation's economy. [As of January 2021](#), the national nonprofit workforce remained down by nearly 958,000 jobs compared to February 2020 levels, representing a 7.7% decline from its pre-pandemic level estimated at 12.5 million. These lost jobs include 36.3% of all workers in nonprofit arts and entertainment organizations; 16% of nonprofit education workers; 11% of all workers in nonprofit religious, grant-making, and civic associations; over 8% of workers in nonprofit social service institutions; and more than 3% of nonprofit health care workers. Our own October survey in Maryland found that a third of organizations had furloughed or laid off staff.

The amendments put forward by the sponsor would simplify the bill and bring it in line with the provisions you have already approved for smaller reimbursing employers in Senate Bill 496. To the extent that federal assistance is continued past its expiration later this month, the Trust Fund would continue to receive partial payments of these liabilities. At least ten other states provided full relief from these Covid-19 costs for all reimbursing nonprofits during 2020.

We urge you to give Senate Bill 790 a favorable report with Senator Kagan's amendments.

Henry Bogdan
Policy Director
hbogdan@mdnonprofit.org

SB790_INF_MRA.pdf

Uploaded by: Price, Sarah

Position: INFO

MARYLAND RETAILERS ASSOCIATION

The Voice of Retailing in Maryland



SB771, SB790, SB811, SB814, SB816, SB817, SB818

Finance Committee

March 2, 2021

Position: Informational (SB790)

Background: A variety of bills have been filed to address the structure and solvency of the state's Unemployment Insurance Trust Fund (UITF). The Maryland Retailers Association (MRA) serves on the State's Joint Committee on Unemployment Insurance that meets to review and discuss bills to try to find consensus on changes to the law. Unfortunately, the Committee has not been able to meet yet this year due to the unusual nature of the 2021 Session. Stakeholder involvement is critical to be sensitive to many concerns.

Comments: Due to the business closures and economic burdens caused by the COVID-19 pandemic, the UTIF balance is currently shrinking at the fastest rate that we have experienced in the last century. According to the Issue Papers developed by the Department of Legislative Services, claimants received \$1.4 billion in benefits from the UTIF between March and September 2020.

Employers in Maryland are responsible for paying into the State UTIF, and their unemployment insurance tax rates are based in part on the solvency of the UTIF. As this Committee is considering a variety of bills that have been proposed regarding this issue, MRA has concerns that some proposals, including those to increase the income disregard amount for weekly benefits, could have an adverse effect on small businesses by drastically increasing the unemployment insurance tax rates for businesses. We urge the committee to be sensitive to the financial challenges that are not resolved for many businesses who could be crushed by such a massive, immediate increase.

MRA would respectfully recommend that this body move measures such as those proposed in SB811, which was modeled after legislation passed in New Jersey. This proposal would create a phase-in system for employers so they do not go from table F to table A overnight. Mitigating these increases would more appropriately balance providing for the solvency of UTIF with protecting small businesses from high tax rates.

MRA also supports proposals like those included in SB814 and SB816, which would help to ease the burdens on small businesses that are still recovering from the shut-downs imposed due to the pandemic. Additionally, MRA supports efforts to study the current UTIF system, like those proposed in SB817. MRA would be happy to review and work with proponents on SB771, SB790, and SB818.

Thank you for your consideration. We look forward to working with the Committee on this important issue.