



**Testimony in Support of House Bill 907 (Delegate Carey)
Unemployment Insurance – Study on System Reforms
FAVORABLE**

February 23, 2021

To Chair Davis and Members of the Economic Matters Committee:

On behalf of Strong Future Maryland, we write in strong support of House Bill 907. 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.

According to the Maryland Department of Labor, more than 120,000 of the 760,954 claims processed since the onset of the pandemic have been denied due to eligibility issues. In addition, as of February 2021 almost 40,000 people had not yet received their benefits despite filing their claims last year. The current state of affairs is due in part to staff shortages but it should also be noted that the lack of attention paid to the program and the needlessly complicated and outdated procedures in place are also factors contributing to the Department's failure to evaluate and process claims in a timely manner.

Under the current system, thousands of families are struggling to make ends meet and are confronted with the difficult situation of having to cope for extended periods of time without any financial assistance. HB 907 aims to address this issue by requiring the Maryland Department of Labor with the assistance of the Department of Legislative Services to carry out a study in order to identify and make recommendations on possible corrective policy interventions that may be undertaken to address these issues. The study will also help to determine ways to increase the amount of money that households are eligible to receive for dependents, which will help to provide additional assistance for families who have lost their jobs and are struggling to put food on the table and pay their rent or mortgage payments. Unemployment benefits are essential to ensuring continued access to basic necessities such as food and shelter and play a crucial role in helping those who have recently been laid off to maintain a basic standard of living until they have successfully secured another job.

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We believe that the findings of this study will be invaluable in helping the legislature to identify the best and most effective way to expand the program and increase eligibility and extend unemployment benefits to workers who had previously been ineligible for assistance. In addition, the study will also allow us to explore and determine how to increase the amount of benefits available to claimants and the ways in which the payment system can be restructured to offset the rising cost of living and inflation. This is a problem that cannot wait and the passage of HB907 will be a step in the right direction in terms of expanding eligibility and ensuring that those who have recently been laid off are able to receive unemployment benefits in a timely manner.

We respectfully urge a favorable report.

On behalf of Strong Future Maryland,

John B. King
Founder & Board Chair

Alice Wilkerson
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