



David Rodwin, Attorney  
Public Justice Center  
201 North Charles Street, Suite 1200  
Baltimore, Maryland 21201  
410-5815-9409, ext. 249  
rodwind@publicjustice.org

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**SB 655 - Unemployment Insurance - Federal Extended Benefits for Long-Term Unemployment**  
*Senate Finance Committee, March 15, 2022*

**Position: SUPPORT**

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization that seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. **The PJC supports SB 655, which will correct a problem with the way Maryland measures its eligibility for 100% federally funded extended unemployment benefits, which are available only during prolonged periods of high unemployment.**

**The “Extended Benefits” program provides additional unemployment benefits during prolonged periods of high unemployment.**

- The Extended Benefits program is a permanent federal program that provides 13 additional weeks of benefits to states only during periods of high unemployment, beyond the 26 weeks of benefits otherwise available.
- Historically, the cost of these benefits has been split 50-50 between the federal government and states. Recognizing that Extended Benefits are a lifeline for states during especially difficult times, Congress has in the last two recessions provided *full federal reimbursement* for the program.
- However, Maryland law does not currently allow the state to fully tap into this federal funding.

**The metric Maryland uses to determine when the state’s economy is bad enough to trigger Extended Benefits is outdated and causes Maryland to lose out on 100% federally funded benefits.**

- The metric that Maryland uses to determine when unemployment is high enough to allow for Extended Benefits – the “Insured Unemployment Rate” – is based only on the ratio of Marylanders *currently receiving regular unemployment benefits* as compared to the total number of employed people who are covered by unemployment insurance if they become unemployed through no fault of their own.
- This metric is very difficult to meet even during a recession because it excludes huge numbers of workers, such as gig workers ineligible for regular unemployment benefits. As the percentage of workers who are gig workers continues to increase, the Insured Unemployment Rate no longer reflects the true state of Maryland’s economy.

- As a result, Maryland will lose out on 100% federally funded benefits even when the economy is bad, unemployment is high, and jobs are scarce.

**SB 655 will correct this problem, allowing Maryland to access these federal benefits.**

- SB 655 would use a second metric that is offered under federal law and used in many other states – the “Total Unemployment Rate” – to calculate Maryland’s eligibility for Extended Benefits.
- The Total Unemployment Rate is based on a ratio of all those actively seeking work divided by the size of the labor force and is the standard rate published by the Bureau of Labor Statistics each month. Because it is not solely based on the number of workers receiving unemployment benefits, it more accurately shows the state of the Maryland economy.
- SB 655 will allow Maryland to access full federal funding for the Extended Benefits program when the current, outdated metric would prevent it.
- The Extended Benefits program can be a powerful tool to help families in extreme economic circumstances meet their basic needs, but only if Maryland takes action. SB 655 would enable Maryland to tap into this federally funded safety net and would protect workers when future recessions hit.

For these reasons, the Public Justice Center **SUPPORTS SB 655** and requests a **FAVORABLE** report.