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NATIONAL EMPLOYMENT LAW PROJECT

TESTIMONY | March 2022

Testimony of Jenna Gerry

National Employment Law Project

In Support of Maryland SB 655: Unemployment Insurance – Federal Extended Benefits for Long-Term Unemployment

Hearing before the Maryland Senate

Senate Finance Committee

March 15, 2022

Jenna Gerry
Senior Staff Attorney

National Employment Law Project
2030 Addison St.
Berkeley, CA 94704

202-640-6515

jgerry@nelp.org

Chair Kelley and Members of the Committee:

Thank you for this opportunity to submit written testimony in support of Senate Bill 655 – Unemployment Insurance – Federal Extended Benefits for Long-Term Unemployment. My name is Jenna Gerry, and I am a Senior Staff Attorney for the National Employment Law Project (NELP). As explained below, SB 655 is common sense way for Maryland to leverage federal funds to support workers and their families, particularly workers of color, while also providing an economic boost for Maryland businesses.

NELP is a non-profit research, policy, and capacity building organization that for more than 50 years has sought to strengthen protections and build power for workers in the U.S., including people who are unemployed. For decades, NELP has researched and advocated for policies that create good jobs, expand access to work, and strengthen protections and support for underpaid and jobless workers both in the workplace and when they are displaced from work. Our primary goals are to build worker power, dismantle structural racism, and ensure economic security for all.

Adopted in 1970, Extended Benefits (EB) were created to replace temporary unemployment insurance extensions that Congress had used during economic recessions beginning in the late 1950s. Generally, EB benefits are split 50/50 with half of the costs being covered by the federal government and half through the state unemployment insurance trust fund.[1] The purpose of the program is to automatically provide for additional weeks of benefits (13 or 20 weeks) during times of high unemployment, as defined by certain "triggers." There is an automatic trigger that applies to all states and an optional trigger states may adopt. Under the automatic trigger, if the state's Insured Unemployment Rate (IUR) exceeds 5.0%, EB benefits will trigger on and provide for an additional 13 weeks of benefits. The IUR is the number of workers receiving state unemployment benefits in the past 13 weeks divided by the total number of employed workers. The optional trigger, on the other hand, utilizes the Total Unemployment Rate (TUR), which is the standard unemployment rate published by the Bureau of Labor Statistics every month. Under the optional trigger, if the state's TUR exceeds 6.5%, EB benefits will trigger on and provide for an additional 13 weeks (20 weeks if TUR exceeds 8%).

It is far more difficult for a state to trigger on EB benefits under the IUR rule than the TUR because the IUR requires a large percentage of unemployed workers to actually be collecting benefits, which is not the case in many states. Indeed, going into the pandemic, Maryland's recipiency rate (the share of unemployed workers receiving UI benefits) was only 24.4%[2] with the national average only slightly higher at 28%.[3] Given the state's low recipiency rate, relying on the IUR as an effective trigger is insufficient.

SB 655 remedies this inefficiency by adopting the optional trigger allowing EB to turn on in the state based on the TUR. By adopting this TUR trigger, Maryland will be able to

[1] It is common during national recessions for the federal government to cover 100% of the costs, including during the most recent pandemic-induced recession.
[2] https://oui.doleta.gov/unemploy/data_summary/DataSummTable.asp
[3] https://oui.doleta.gov/unemploy/Chartbook/a12.asp

automatically provide for additional weeks when necessary. 24 states have already adopted this trigger and reaped its benefits.[4] It's time for Maryland to join them.

Ensuring workers have automatic access to additional weeks of benefits during times of high unemployment is particularly important for Black workers who, due to systemic racism, tend to experience longer durations of unemployment.[5] Similarly, benefit cliffs—the abrupt reduction or loss of a public benefit—lead to higher rates of food and housing insecurity, disproportionately affecting families of color than most. Thus, it is imperative Maryland take advantage of every opportunity to provide for additional weeks of UI benefits for workers, particularly during times of high unemployment.

Ensuring EB triggers on during times of high employment also supports Maryland's local economy. That is, by partially replacing unemployed workers' earnings, UI benefits help alleviate the inherent reduction in consumption and economic activity that results when there is a drastic increase in unemployment. Economists maintain that UI benefits produce at least $1.61 of economic stimulus for every dollar of benefits paid.[6] Indeed, one economist found that during the Great Recession, every dollar of UI benefits produced about two dollars of economic impact.[7] Thus, having EB trigger on during times of high unemployment is a win win for employees and employers.

For all these reasons, I urge your support for SB 655.

Sincerely,

Jenna Gerry
Senior Staff Attorney

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[4] https://oui.doleta.gov/unemploy/pdf/uilawcompar/2021/complete.pdf
[5] *See* Last Hired, First Fired: Black, Latinx Workers and the Fight for Jobs (New America), https://www.newamerica.org/pit/reports/unpacking-inequities-unemployment-insurance/last-hired-first-fired-black-latinx-workers-and-the-fight-for-jobs/
[6] Mark Zandi, *The Economic Impact of the American Recovery and Reinvestment Act* (January 21, 2009), *available at* http://billbessette.com/Economic_Stimulus_House_Plan_012109.pdf.
[7] Wayne Vroman, *Role of Unemployment Insurances an Automatic Stabilizer During a Recession* (July 2010), *available at* https://wdr.doleta.gov/research/FullText_Documents/ETAOP2010-10.pdf.

SB0655_Long–Term_Unemployment_MLC_FAV.pdf
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MARYLAND LEGISLATIVE COALITION

TESTIMONY FOR SB0655
Unemployment Insurance – Federal Extended Benefits for Long–Term Unemployment

Bill Sponsor: Senator Klausmeier
Committee: Finance
Organization Submitting: Maryland Legislative Coalition
Person Submitting: Cecilia Plante, co-chair
Position: FAVORABLE

I am submitting this testimony in favor of SB0655 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state with well over 30,000 members.

The pandemic has upended the lives of so many Marylanders. Many have been unemployed for a long time, and although unemployment benefits are available, they expire in 26 weeks. Given the duration of the pandemic, the federal government extended unemployment benefits another 13 to 20 weeks.

Maryland is not positioned to offer extended benefits to the unemployed as we lack a key trigger in state law. We do not count the total unemployment trigger for the extended benefits. This bill will position Maryland to trigger all of the federal monies to pay for extended benefits in the future, which will help our unemployed residents.

We support this bill and recommend a **FAVORABLE** report in committee.

PJC testimony - fav - SB 655.pdf
Uploaded by: David Rodwin
Position: FAV

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

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.

SB655_MD Center on Economic Policy_FAv.pdf
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Maryland's Unemployment Insurance System Is in Urgent Need of Repair

Position Statement in Support of Senate Bill 655

Given before the Senate Finance Committee

Unemployment insurance is an essential lifeline to ensure that workers who lose their job through no fault of their own can keep up with basic expenses like food and rent. Unemployment insurance is also among the fastest, most effective tools to support the economy in a downturn. However, the COVID-19 pandemic has exposed deep cracks in Maryland's unemployment insurance system. **The Maryland Center on Economic Policy supports Senate Bill 655 because it would bring the state into line with improved federal rules regarding extended unemployment benefits**.

Maryland's current unemployment insurance system is failing out-of-work Marylanders in multiple ways:[i]

- In 2019, unemployment benefits averaged $357 per week, equivalent to $18,553 per year. This is far below the amount needed to maintain a basic living standard anywhere in Maryland.
- Even with the expanded benefits federal pandemic relief legislation provided, Marylanders who use unemployment benefits to make ends meet still faced considerable hardship during summer 2021. Nearly half reported having difficulty paying for usual household expenses; one in five said they didn't always get enough to eat; one in nine were behind on their most recent mortgage or rent payment; and one-third weren't sure they can make their next housing payment.
- Before the coronavirus pandemic hit, only 23.5% of unemployed workers in Maryland received unemployment benefits, a smaller share than in 28 other states. Unemployed workers in all four of Maryland's neighboring states were more likely to receive unemployment benefits. In New Jersey, 59.0% of unemployed workers received benefits.
- Federal pandemic relief legislation created several supplemental programs to cover workers left out by traditional unemployment insurance, such as app-based workers, self-employed workers, and long-term unemployed workers. The vast majority of Marylanders receiving unemployment benefits in summer 2021 were covered by these supplemental programs. With the expiration of these programs on Labor Day 2021, these workers are now left without any assistance.

Senate Bill 655 would make several improvements to Maryland's unemployment insurance system, driven by improvements in federal law:

- The bill eliminates an arbitrary 13-week "off" period that under current law can prevent the state from offering extended benefits during some periods of high unemployment. This provision takes effect only during periods when the federal government covers 100% of benefit payments.

- The bill slightly eases the restrictions on when the state can offer extended benefits. Importantly, the bill links extended benefits to a significant increase in the actual unemployment rate, rather than the "rate of insured unemployment," which is biased downward by archaic eligibility rules.
- The bill increases caps on extended benefits during periods of very high unemployment.

An effective unemployment insurance system benefits all workers, the businesses where they spend their money, and the communities they live in. It is especially important for workers who face structural barriers built through centuries of racist policy choices:[ii]

- Between 2015 and 2020, Black workers in Maryland were on average slightly more than twice as likely as white workers to be unemployed – meaning they were actively looking for a job but unable to find one – at any given time. This means that downturns such as the one caused by the COVID-19 pandemic hit Black workers especially hard.
- While higher levels of education do improve a person's prospects in the labor market, even highly educated workers of color often face barriers. For example, between 2015 and 2019 in Maryland, the average unemployment rate among Latinx women with a four-year degree was 4.3%, compared to 2.3% among white women with a four-year degree.
- These are not isolated cases. During the same period, Black and multiracial men with a four-year degree, as well as essentially all women of color with a four-year degree, faced higher unemployment rates than white men with the same level of education.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee make a favorable report on Senate Bill 655.

Equity Impact Analysis: Senate Bill 655

Bill summary

Senate Bill 655 reforms the rules governing extended unemployment benefits to match changes in federal legislation passed in 2020 and 2021. The bill under some circumstances eliminates a 13-week "off" period that under current law can prevent the state from offering extended benefits during some periods of high unemployment. The bill slightly eases the restrictions on when the state can offer extended benefits, linking extended benefits to the actual unemployment rate rather than only the rate of insured unemployment. And the bill increases caps on extended unemployment benefits during periods of very high unemployment.

Background

Maryland's unemployment rate increased sharply at the onset of the COVID-19 pandemic, increasing from an average of 3.5% during 2019 to a high of 9.0% in spring 2020.[iii] Unemployment has since fallen gradually, reaching 5.0% in December 2021.

In 2019, unemployment benefits in Maryland averaged $357 per week, equivalent to $18,553 per year.[iv] Even with the expanded benefits federal pandemic relief legislation provided, Marylanders who use unemployment benefits to make ends meet still faced considerable hardship during summer 2021. Nearly half reported having difficulty paying for usual household expenses; one in five said they didn't always get enough to eat; one in nine were behind on their most recent mortgage or rent payment; and one-third weren't sure they can make their next housing payment.

Before the coronavirus pandemic, only 23.5% of unemployed workers in Maryland received unemployment benefits, a smaller share than in 28 other states.

The state's Division of Unemployment Insurance entered the COVID-19 pandemic with 480 full-time equivalent staff (internal and contractual positions), down from a high of 702 in FY 2013. Between FY 2003 and FY 2015, the division never had less than 590 full-time equivalent staff. As unemployment surged during the pandemic, the division struggled to keep up with applications, leading to exceptionally long wait times.

Equity Implications

Structural barriers in our labor market, which were built through centuries of racist policy choices, put Black workers and other workers of color at greater risk of being unemployed – actively seeking a job but unable to find one. For this reason, ineffective or overly restrictive unemployment insurance policies disproportionately harm workers of color.

- Between 2015 and 2020, Black workers in Maryland were on average slightly more than twice as likely as white workers to be unemployed – meaning they were actively looking for a job but unable to find one – at any given time. This means that downturns such as the one caused by the COVID-19 pandemic hit Black workers especially hard.
- While higher levels of education do improve a person's prospects in the labor market, even highly educated workers of color often face barriers. For example, between 2015 and 2019 in Maryland, the average unemployment rate among Latinx women with a four-year degree was 4.3%, compared to 2.3% among white women with a four-year degree.
- These are not isolated cases. During the same period, Black and multiracial men with a four-year degree, as well as essentially all women of color with a four-year degree, faced higher unemployment rates than white men with the same level of education.

Impact

Senate Bill 655 would likely **improve racial and economic equity** in Maryland.

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[i] See discussion in Christopher Meyer, "Budgeting for Opportunity: Maryland's Workforce Development Policy Can Be a Tool to Remove Barriers and Expand Opportunity," Maryland Center on Economic Policy, 2021, http://www.mdeconomy.org/budgeting-for-opportunity-workforc

[ii] Meyer, 2021.

[iii] BLS Local Area Unemployment Statistics.

[iv] See Meyer, 2021.

SB655_FAV_KlausmeierSponsor.pdf
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Position: FAV

Katherine Klausmeier
Legislative District 8
Baltimore County

President Pro Tem Emeritus

Finance Committee

Chair
Baltimore County Senate Delegation

Annapolis Office
James Senate Office Building
11 Bladen Street, Room 123
Annapolis, Maryland 21401
410-841-3620 · 301-858-3620
800-492-7122 *Ext.* 3620
Fax 410-841-3085 · 301-858-3085
Katherine.Klausmeier@senate.state.md.us

The Senate of Maryland

Annapolis, Maryland 21401

Sponsor Testimony

FAV for SB 655 - Unemployment Insurance - Federal Extended Benefits for Long-Term Unemployment

Good afternoon, Chair Kelley and members of the committee,

Senate Bill 655 is model legislation from the U.S. Department of Labor and the federal Advisory Council on Unemployment Compensation. This bill will help ensure that unemployed Marylanders receive additional weeks of benefits when unemployment is especially bad and the extended benefits are fully paid for by the federal government. This legislation is about future-proofing the state against future recessions should the federal government pay for extended benefits, as they have twice in the past decade.

As the committee knows, unemployment benefits in Maryland last for up to 26 weeks. Federal law, however, allows for an additional 13 or 20 weeks of "Extended Benefits" to be provided in a state when unemployment is extraordinarily high and persistent in that state. Those benefits are provided through the "Extended Benefits" program, which is a joint federal-state program that exists in all 50 states and has been around since the 1970s. It is a permanent program that is not to be confused with the temporary pandemic programs that Congress created in 2020.

Under federal law, there are two main "triggers" that activate the Extended Benefits program in a state. The first "trigger", which is based on the state's insured unemployment rate, is mandated by federal law – accordingly, Maryland and every other state have enacted it. But that trigger that is fairly difficult to flip on. So the federal government allows states to adopt a second trigger that isn't as hard to turn on, and is instead based on the state's total unemployment rate, which is calculated by the U.S. Department of Labor every week. Senate Bill 655 would adopt that second trigger, but make it conditional to when the federal government is paying for 100% of the cost of extended benefits.

This bill is structured in a way that protects businesses in terms of their experience rating, since the federal government does not require the charging of benefits that are paid through the Extended Benefits program. It also helps maximize federal reimbursement for our UI program when federal funding is made available in future recessions.

Twenty-five states, red and blue alike, have enacted the trigger proposed in this bill. In fact, Maryland enacted comparable legislation in 2011. That law, however, was tied to a specific federal law that expired, and consequently that state statute sunsetted.

This bill also helps fix an issue that came up about a year ago. Maryland's lack of the trigger in this bill had real world implications during the pandemic, where we actually lost out on some federal money.

At the end of May 2020, Maryland's existing Extended Benefits triggered on because our insured unemployment rate eclipsed 5%. This was the first time since 1982 that Maryland qualified for extended benefits using the first trigger. Extended benefits automatically turned off in mid-December 2020 as our insured unemployment rate fell below the statutory rate. Maryland's total unemployment rate, however, was high enough for another four months (into April 2021), to continue to warrant extended benefits, if we had the second trigger in state law. This lapse in federal funding set Maryland back compared to other states, because in states that had enacted the second trigger, those states continued to receive full reimbursement by the federal government for funds paid out through the Extended Benefits program.

Senate Bill 655 will help prevent future interruptions of federal extended benefits and will help the state maximize the flow of federal money into our UI Trust Fund in future recessions. I ask the committee for a favorable report.

Sincerely,

Kathy Klausmeier

Senator Katherine Klausmeier

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Position: FAV

NISKANEN
CENTER

Date: March 15th, 2022
Bill Number: SB 655
Committee: Finance
Title: Unemployment Insurance – Federal Extended Benefits for Long-Term Unemployment
Position: Favorable

Dear Chair and Members of the Finance Committee,

Thank you for this opportunity to submit written testimony today in support of Senate Bill 655 — Unemployment Insurance – Federal Extended Benefits for Long-Term Unemployment.

My name is Will Raderman. I am an Employment Policy Analyst for the Niskanen Center, a pro-market and pro-government non-partisan think tank. My comments today focus on the Extended Benefits (EB) program, supplemental weeks of unemployment insurance activated in states when labor market conditions are bad, and how Maryland can make simple changes now to better help workers when the next crisis arrives.

Like other economic downturns, the pandemic has underscored the importance of sufficient income supports. Workers struggle to obtain new jobs during recessions. Additional weeks of unemployment insurance help families keep their heads above water while simultaneously supporting local business and the larger economy.

During economic crises, Congress often acts to help states provide additional weeks of unemployment insurance. In 2020 and again in 2021, Congress temporarily expanded the eligibility, duration, and size of unemployment benefits. Full federal funding was provided for state Extended Benefits. Typically, the federal government splits the cost of EB with states.

There are a few metrics that can be used to "trigger" on EB and initiate federal contributions.[1] I have detailed how those metrics function in recent analyses[2] and will explain what's at stake for Maryland. Every state applies an activation trigger based on the Insured Unemployment Rate (IUR), which focuses on how many workers are receiving regular state unemployment insurance. However, this measure tends to underestimate the severity of the downturn. The percentage of unemployed workers receiving state unemployment insurance is generally low, meaning it can be very difficult to meet the necessary program activation threshold.

[1] https://oui.doleta.gov/unemploy/pdf/uilawcompar/2020/special.pdf
[2] https://www.niskanencenter.org/federal-ui-hid-the-shortcomings-of-state-extended-benefits/

Applying the Total Unemployment Rate (TUR) metric, the proportion of unemployed workers to the state's overall labor force, improves program performance. As a result, a state's Extended Benefits can activate when the three-month average Total Unemployment Rate is at or above 6.5%, bringing in federal dollars to support workers during downturns. SB 655 would allow Maryland to utilize the TUR metric to trigger on Extended Benefits, but only when the federal government covers all costs.

Not all states utilize the TUR trigger, leading to detectable variation in the economic environment that programs shut off. States not using the TUR trigger had their EB programs deactivate despite high rates of unemployment, shortchanging their workers of support. For example, Maryland's EB program turned off in December 2020 while the TUR level was still above 6.5%. With the federal government covering 100% of the costs, Maryland's Extended Benefits could have stayed active until April 2021 if SB 655 was codified in state law.

Notably, the federal government covering all the costs of Extended Benefits does not guarantee state program activation. After the Great Recession hit, full federal coverage for Extended Benefits lasted through 2013,[3] but the program only remained active in Maryland until April 2012, when the metric conditions necessary for activation were no longer met.[4] Likewise, the 100% federal funding offered to states during the pandemic lasted until September 2021, though Maryland's Extended Benefits program would have deactivated under the TUR trigger in April 2021. At present, the federal government only pays half of the cost of EB. Even if SB 655 were enacted, the TUR trigger would only take effect should Congress extend full support during another crisis.

What SB 655 does is implement very modest additions to Maryland's unemployment protections for workers. When unemployment is elevated, searching for jobs is hard. Making Extended Benefits available in more scenarios with high unemployment provides workers better economic security and stimulates the economy. For the above reasons, I urge the committee for a favorable report.

Sincerely,

Will Raderman
Employment Policy Analyst
Niskanen Center

[3] https://www.dol.gov/sites/dolgov/files/OASP/legacy/files/UCP_State_Decisions_to_Adopt.pdf
[4] https://oui.doleta.gov/unemploy/trigger/2012/trig_042212.html

SB 655_MDL_Letter of Information.docx.pdf
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Maryland
DEPARTMENT OF LABOR

LEGISLATIVE OFFICE
45 Calvert Street
Annapolis, Maryland 21401
443-401-5129

Senate Bill 655

Date: March 15, 2022
Committee: Senate Finance Committee
Bill Title: Unemployment Insurance - Federal Extended Benefits for Long-Term Unemployment
Re: Letter of Information

There are two rates that can be used to determine whether a state has triggered onto an extended benefit (EB) period: a state's Insured Unemployment Rate (IUR), which is the share of people receiving UI relative to the number of workers covered by the UI system; or, the state's Total Unemployment Rate (TUR), which is the share of a state's labor force that is unemployed. States may not unilaterally provide EB to claimants. The U.S. Department of Labor (USDOL) determines if a state has met these requirements.

In the case of a TUR trigger, a state would trigger onto EB when its three-month TUR exceeds 6.5 percent and is 10 percent higher than the same time period in either of the previous two years. The TUR trigger has historically been an easier threshold to meet than the IUR trigger. The American Recovery and Reinvestment Act of 2009 (ARRA), like the CARES Act, increased federal funding of EB to 100% after the Great Recession and gave states an incentive to use the TUR trigger. Many states like Maryland passed temporary, ARRA-specific TUR triggers. Currently, Maryland does not have the optional TUR trigger in its UI law.

Senate Bill 655 (S.B. 655) proposes amending Labor and Employment Article, § 8-1103, Annotated Code of Maryland, to add this TUR trigger: an EB period would begin upon triggering for weeks of unemployment after June 1, 2022, for which 100% federal sharing is available and for which waiver of the "waiting period" requirement is authorized under federal law. S.B. 655 also adds a new "off" trigger for this new "on" trigger. It is important to note that the new optional TUR "on" trigger of S.B. 655 would only start an EB period for weeks of unemployment after June 1, 2022, and for which 100% federal sharing is available.

S.B. 655 would also provide an extra trigger for EB benefits during a "high unemployment period," defined in the bill as any period during which the new TUR trigger is "on" and, in addition, the state's TUR is above 8 percent for the most recent three months for which data is published. In other words, when a high unemployment period overlaps with the new "on" trigger described in the bill, the total amount of EB payable to an eligible individual for the applicable benefit year may not be less than the lesser of: 80% of the total amount of regular benefits (including allowances for dependents) payable to the individual during the benefit year, 20 times the average weekly benefit amount of the individual (including allowances for dependents), or 46

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443-401-5129

times the average weekly extended benefit amount reduced by the regular benefits (not including dependents' allowances) paid or deemed paid to the individual during that benefit year.

S.B. 655 would also allow the Secretary of Labor to suspend the payment of EB during the high unemployment period if needed to ensure that otherwise eligible individuals are not denied emergency UI benefits and to ensure that the State receives the maximum reimbursement from the federal government for the payment of the emergency benefits, as long as doing so is authorized by federal law.

Because S.B. 655 might trigger EB during a time in which current law would not, it might require the Maryland Department of Labor to invest an estimated $50,000 to ensure that the BEACON 2.0 system would be programmed to implement EB when the conditions of the new "on" trigger are met.

The Department respectfully asks the Committee to consider this information.