



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

House Bill 724

Unemployment Insurance Modernization Act of 2023

House Economic Matters Committee

Hearing on February 21, 2023

Position: FAVORABLE

Maryland Legal Aid (MLA) submits its written and oral testimony on HB 724 at the request of bill sponsor Delegate Charkoudian.

MLA is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our 12 offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters, including unemployment benefits which help Marylanders contribute to their families and communities.

MLA asks that the Committee report **favorably** on HB 724 **without amendments**. The Maryland unemployment statute's calculation of benefits process is antiquated. It requires updating to ensure that the Unemployment Trust Fund remains secure during recessions, and that the maximum and minimum weekly benefits reflect current economics. HB 724 reflects the comprehensive report required by the Legislature in 2021, which required a study of the current UI system and a report of the recommended changes to bring the Maryland unemployment program into sustainability and modern parity.

Unemployment benefits ensure that workers who lose their job at no fault of their own, maintain some income to provide food and shelter for their families. The current statute's taxable wage base has not been updated since 1992. The current statute's income disregard discourages part-time work, which destabilizes communities and Maryland's economy. It has a dependent allowance that was last updated in 1988 and pays an allowance of only \$8 per week for each dependent in a claimant's family. Since a claimant is only allowed 5 dependents, this means that a weekly benefit pays a \$40 maximum for 5 dependents under age 16 in the household of an out-of-work parent. A claimant with 2 dependents receives \$16, and so on. HB 724 remediates this dated calculation of benefits which would be hard put to permit a family to buy a hamburger meal while the out-of-work claimant is looking for a job. The cost of goods and services has increased over the past 31 years. It is time for the statutory scheme to be updated. HB 724 protects both the Fund and Maryland workers.

MLA supports HB 724 bill without amendment and **urges the Committee to issue a FAVORABLE Report**. If you have any questions, please contact Cornelia Bright Gordon, Director of Advocacy, (410) 951-7728, cbgordon@mdlab.org.

