

**FAVORABLE**  
**Senate Bill 104**  
**Unemployment Insurance Modernization Act of 2024**

**Senate Finance Committee**  
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The Maryland State Education Association supports Senate Bill 104. Senate Bill 104 brings much needed modernization to Maryland's unemployment insurance system. The legislation indexes the taxable wage base to twenty-five percent of the average weekly wage, which will be phased in from passage of the legislation through 2027. The taxable wage base was last updated in 1992 and was set at \$8,500. The legislation will also peg the maximum weekly benefit to two-thirds the average weekly wage, a practice currently followed by twenty-six states. Similarly, the minimum weekly benefit would be set at fifteen percent of the average weekly wage. The current maximum and minimum weekly benefit amounts were last set in 2010 and were not indexed to inflation. The current maximum and minimum weekly benefit amounts are \$430 and \$50, respectively. Finally, the legislation sets the dependent allowance to \$25 and indexes the allowance to inflation. The dependent allowance was last updated in 1988 when it was set to a meager \$8. This legislation is crucial to make certain Marylanders experiencing financial hardship due to unemployment can provide for their families while searching for employment.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our almost 900,000 students so they can pursue their dreams. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

MSEA believes sufficient unemployment insurance should be provided to Marylanders to ensure working families are financially supported while they search for



employment. MSEA values collaboration and partnership with the labor movement and community groups to make certain policymakers work to build a fair unemployment insurance system for working families.

Across the state, certain school systems are proposing to layoff public school employees and eliminate job positions.<sup>1</sup> At the end of this coming school year, many dedicated, hard-working public school employees will be facing a summer without an assurance that they will be re-employed and welcoming students back to school in the fall of 2024.

The loss of a job may bring emotional anxiety, fear of uncertainty, and significant financial hardship upon a family. Unemployment insurance was designed to keep working families afloat while they actively search for employment after experiencing job loss. Unemployment insurance should work as it was designed to do: keep working families out of poverty while they search for their next job. Maryland's current unemployment insurance system will be dramatically improved to better serve working families with the passage of Senate Bill 104.

**We urge the committee to issue a Favorable Report on Senate Bill 104.**

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<sup>1</sup> See, e.g., Matt Hubbard, *CCPS anticipates cutting 184.5 positions, numerous programs in FY25*, Cecil Whig (January 26, 2024) [https://www.cecildaily.com/news/ccps-anticipates-cutting-184-5-positions-numerous-programs-in-fy25/article\\_7548f0f4-bbc9-11ee-bc79-53a5b52240bc.html](https://www.cecildaily.com/news/ccps-anticipates-cutting-184-5-positions-numerous-programs-in-fy25/article_7548f0f4-bbc9-11ee-bc79-53a5b52240bc.html); Thomas Goodwin Smith, *Howard County class sizes to increase by 2, as at least 348 staff positions are cut*, The Baltimore Sun (January 22, 2024), <https://www.baltimoresun.com/2024/01/19/howard-county-class-sizes-to-increase-by-2-as-at-least-348-staff-positions-are-cut/>.