3.4.2024 MSEA Senate Bill 104 Testimony_FAV.pdf
Uploaded by: Christian Gobel
Position: FAV

MARYLAND STATE EDUCATION ASSOCIATION

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FAVORABLE
Senate Bill 104
Unemployment Insurance Modernization Act of 2024

Senate Finance Committee
March 5, 2024

Christian Gobel
Government Relations

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.[1] 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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[1] *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; 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/.

SB 104 - Unemployment Insurance Modernization Act
Uploaded by: Donna Edwards
Position: FAV

MARYLAND STATE & D.C. AFL-CIO
AFFILIATED WITH NATIONAL AFL-CIO
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President
Donna S. Edwards

Secretary-Treasurer
Gerald W. Jackson

SB 104 - Unemployment Insurance Modernization Act of 2024
Senate Finance Committee
March 5, 2024

SUPPORT

Donna S. Edwards
President
Maryland State and DC AFL-CIO

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 104. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

SB 104 adopts best practices and recommendations presented in the Upjohn Institute report to the Maryland Department of Labor in 2022. We are in a period of historically low unemployment, around 1.9% in December 2023, making this an ideal time for reforms without major disruptions. SB 104 expands maximum and minimum unemployment insurance weekly benefit amounts to indexes that will change with economic conditions over time. This removes the need for the General Assembly to modify benefit amounts directly, which last occurred in 2010. This approach is shared by 26 other states.

SB 104 increases funding for the Unemployment Insurance Trust Fund by raising the taxable wage base to 25% of the average annual wage in Maryland, further eliminating the need for General Assembly updating. Unemployment insurance provides a safety net for workers to prevent them from total financial ruin if they lose their job. Modernization proposals like SB 104 stabilize Maryland's unemployment system to be available for workers when they need it most and safeguard its future against excessively low benefit amounts or funding shortfalls.

The stability of our unemployment insurance program depends on having enough revenue to fund and sustain benefits during economic downturns. Maryland's unemployment insurance system is currently funded only on worker and employer contributions on the first $8500 of annual income. This amount has been fixed since 1992. The bill expands and indexes this to 25% of the average annual wage in Maryland. This change brings in enough new revenue to maintain an "average high cost multiple" (AHCM) of 1.0, which was the stated goal of the Upjohn report. This AHCM ratio allows the state to borrow interest free from the federal government. Even with these changes there would be more than 20 states that still had larger taxable wage bases than Maryland.

The bill creates an income disregard, ending unemployment insurance rules that penalized workers with two jobs. Under the current system, if you lose one of your jobs and you file for unemployment insurance on that position, the income from your second or third job decreases your weekly benefit amounts. Additionally SB 104 creates a dependent allowance, updating the amount for the first time in 36 years.

SB 104 strengthens the unemployment system for employers by changing the number of years used for calculating employer experience ratings to five years. This prevents temporary economic downturns from penalizing employers with worse ratings by spreading it out over 5 years instead of 3 years. SB 104 also cushions employers from recessions by limiting the number of downgrades from table to table that they can withstand in one year to two changes. Additional changes are rolled out over subsequent years. This helps insulate employers from challenging business years with high turnover or layoffs.

We strongly support strengthening benefits and funding for Maryland's unemployment system, but will never support any efforts to require workers to pay into the Unemployment Insurance Trust Fund. After the Great Depression, a social contract was reached that recognized the need for employers and states to contribute and manage unemployment insurance systems. Penalizing employers for discarding at-will workers and rehiring cheap labor helped stabilize employment overall. Workers need expanded benefits and the UI system needs a larger tax base, but we will not renegotiate that social contract that has served this country for nearly a century.

We urge the committee to issue a favorable report to SB 104 as written.

Appendix 1 - 2024 SUI Taxable Wage Bases Prepared by Ernst & Young

Final As of January 16, 2024

Published by Ernst & Young LLP, Andrea Ben-Yosef, Legal Editor.

EY - SUI taxable wage bases as of January 16, 2024			
Rank	**State**	**2024**	**2024 Employee Contribution Rates**
1	Washington	$68,500	
2	Hawaii	$59,100	
3	Idaho	$53,500	
4	Oregon	$52,800	
5	Alaska	$49,700	For 2024, employee SUI withholding rate is 0.50% (down from 0.51% in 2023 and 0.56% in 2022) on wages up to $49,700
6	Utah	$47,000	
7	North Dakota	$43,800	
8	Montana	$43,000	
9	New Jersey**	$42,300	Employee SUI withholding rate is 0.425% on wages up to $42,300
10	Minnesota	$42,000	
11	Nevada	$40,600	
12	Iowa	$38,200	
13	New Mexico	$31,500	
14	North Carolina	$31,400 (per rate notice)	
15	Virgin Islands	$31,000	
16	Wyoming	$30,900	
17	Rhode Island**	$29,200/30,700	
18	Oklahoma	$27,000	
19	Connecticut**	$25,000	
20	Colorado**	$23,800	
21	South Dakota	$15,000	
22	Massachusetts	$15,000*	
23	Vermont	$14,300	
24	Kansas	$14,000*	
25	Mississippi	$14,000*	
26	New Hampshire	$14,000*	
27	Wisconsin	$14,000*	

28	South Carolina	$14,000	
29	Illinois	$13,590	
30	New York**	$12,500	
31	Maine	$12,000*	
32	Kentucky**	$11,400	
33	Delaware**	$10,500	
34	Missouri	$10,000	
35	Pennsylvania	$10,000*	Employee SUI withholding is 0.07% on total wages, an increase from 0.06% in prior years
36	West Virginia**	$9,521	
37	Georgia	9,500*	
38	Indiana	9,500*	
39	Michigan**	$9,500	
40	Nebraska**	$9,000/24,000*	
41	District of Columbia	$9,000*	
42	Ohio**	$9,000*	
43	Texas	$9,000*	
44	Maryland	$8,500*	
45	Alabama	$8,000*	
46	Arizona**	$8,000*	
47	Virginia	$8,000*	
48	Louisiana**	$7,700	
49	Arkansas**	$7,000	
50	Puerto Rico**	$7,000	
51	Tennessee**	$7,000	
52	California	$7,000*	
53	Florida	$7,000*	
NA	FUTA	$7,000*	

Appendix 2 - Equifax Report on Benefits & Wage Base

EQUIFAX

WORKFORCE SOLUTIONS

2024 Unemployment Weekly Benefit Amount and Taxable Wage Base Information

January 29, 2024

State	Min. WBA	Max WBA	Wage Base	Min. Rate	Max. Rate
AK	56-128	370-442	49,700	1.0000	5.4000
AL	45	275	8,000	0.2000	5.4000
AR	81	451	7,000	TBD	TBD
AZ	60	320	8,000	0.0500	14.0300
CA	40	450	7,000	1.6000	6.2000
CO	25	781	23,800	0.8100	12.3400
CT	15-30	721-796	25,000	1.1000	7.8000
DC	50	444	9,000	2.1000	7.6000
DE	20	450	10,500	TBD	TBD
FL	32	275	7,000	0.1000	5.4000
GA	55	365	9,500	0.0400	8.1000
HI	5	796	59,100	TBD	TBD
IA	86-105	582-714	38, 200	0.0000	7.0000
ID	72	568	53,500	0.3520	5.4000
IL	51-77	593-808	13,590	0.8500	8.6500
IN	50	390	9,500	0.5000	7.4000
KS	147	589	14,000	0.1600	6.0000
KY	39	665	11,400	0.3000	9.0000
LA	35	275	7,700	0.0900	6.2000
MA	37-55	1033	15,000	1.0790	15.6550
MD	50	430	8,500	0.3000	7.5000
ME	94-164	538-941	12,000	0.2800	6.0300
MI	81-111	362	9,500	0.0600	10.3000
MN	33	890	42,000	0.2000	9.1000
MO	48	320	10,000	0.0000	6.7500
MS	30	235	14,000	TBD	TBD
MT	169	698	43,000	0.1300	6.3000

State	Min. WBA	Max WBA	Wage Base	Min. Rate	Max. Rate
NC	46	350	31,400	0.0600	5.7600
ND	43	748	43,800	0.0800	9.6800
NE1	70	546	9,000 24,000	0.0000	5.4000
NH	32	427	14,000	0.1000	7.5000
NJ	100-115	854	42,300	1.2000	7.0000
NM	107	577	31,700	0.3300	6.4000
NV	16	585	40,600	0.3000	5.4000
NY	104	504	12,500	TBD	TBD
OH	140	583-787	9,000	0.9000	10.6000
OK	16	519	27,000	0.3000	9.2000
OR	190	813	52,800	0.9000	5.4000
PA	68	605-613	10,000	1.1419	10.3734
PR	33	190	7,000	3.5000	5.4000
RI1	62	705-881	29,200 30,700	1.1000	9.7000
SC	42	326	14,000	0.0600	5.4600
SD	28	514	15,000	0.0000	9.3500
TN	30	275	7,000	0.0100	10.0000
TX	73	577	9,000	0.2500	6.2500
UT	44	746	47,000	0.3000	7.3000
VA	60	378	8,000	0.1000	6.2000
VI	33	645	31,000	TBD	TBD
VT	80	705	14,300	0.4000	5.4000
WA	323	1019	68,500	0.2700	6.0300
WI	54	370	14,000	0.0000	12.0000
WV	24	662	9,521	1.5000	8.5000
WY	43	595	30,900	0.0000	8.5000
FUTA	NA	NA	7,000	NA	NA

1 The higher taxable wage base only applies to maximum rated employers

Yellow highlighted items indicate recent update

SB 104_MD Center on Economic Policy_FAV.pdf
Uploaded by: Kali Schumitz
Position: FAV

MDCEP
MARYLAND CENTER ON ECONOMIC POLICY

MARCH 5, 2024

Improving Maryland's Unemployment Insurance System Will Strengthen our Economy

Position Statement in Support of Senate Bill 104

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, our current unemployment insurance system does too little to support unemployed workers and has no mechanism to keep up with changing economic realities. **The Maryland Center on Economic Policy supports Senate Bill 104** because it would better enable unemployed workers to afford necessities and put the Unemployment Insurance Trust Fund on a stronger footing.

Our current unemployment insurance system is failing out-of-work Marylanders. Unemployment benefits for Maryland workers averaged $390 per week in late 2023,[i] far below the amount needed to maintain a basic living standard anywhere in the state. In early 2024, one in three unemployed Marylanders struggled to afford food, compared to only 8% of employed Marylanders.[ii]

Senate Bill 104 would make several improvements to Maryland's unemployment insurance system:

- Increases the deeply inadequate minimum and maximum benefit levels and sets them to keep up with future wage growth rather than falling further behind each year.
- Increases dependent benefits to ensure unemployed workers can afford to feed and house their families.
- Increases the amount workers are allowed to earn before losing benefits, ensuring that our unemployment system supports workers who lose a significant portion of their work income.
- Updates the rules governing unemployment payroll contributions to put the trust fund on a strong footing to pay benefits, including collateral requirements for private equity funds.

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. In late 2023, Asian workers were more likely to be unemployed than their white counterparts – meaning that they were actively looking for a job but unable to find one – and Black and Latinx workers were more than twice as likely as white workers to be unemployed.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee make a favorable report on Senate Bill 104.

Equity Impact Analysis: Senate Bill 104

Bill summary

Senate Bill 104 updates several components of Maryland's unemployment insurance system:

- Increases the minimum weekly benefit from a flat $50 to 15% of the state average weekly wage.
- Increases the maximum weekly benefit from a flat $430 to two-thirds of the state average weekly wage.
- Increases the dependent benefit and earnings disregard used in calculating benefit amounts.
- Increases the wage base subject to payroll contributions to support the Unemployment Insurance Trust Fund and modifies the rules governing contribution rates.

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] While Maryland's unemployment rate has now reached historically low levels, more than 65,000 Marylanders were unemployed as of December 2023.

In the fourth quarter of 2023, unemployment benefits in Maryland averaged only $390 per week.

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:

- In late 2023, Asian workers were more likely to be unemployed than their white counterparts – meaning that they were actively looking for a job but unable to find one – and Black and Latinx workers were more than twice as likely as white workers to be unemployed.
- 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, 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.[iv]

Impact

Senate Bill 104 would likely **improve racial and economic equity** in Maryland.

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[i] U.S. Department of Labor Unemployment Insurance Benefits Paid data for 2023 Q4, https://oui.doleta.gov/unemploy/data_summary/DataSum.asp

[ii] MDCEP analysis of U.S. Census Bureau Household Pulse Survey Phase 4.0 Cycle 1, 1/9/24 to 2/5/24, https://www.census.gov/data/tables/2024/demo/hhp/cycle01.html
"Unemployed" here refers to adults 18+ who reported that they were not employed because they were laid off or furloughed, or their employer closed temporarily or went out of business. Not all employed Marylanders receive unemployment benefits.

[iii] BLS Local Area Unemployment Statistics.

[iv] 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

03.04 - SB 104 - Unemployment Insurance Modernizat
Uploaded by: Lonia Muckle
Position: FAV

CASH CAMPAIGN OF MARYLAND

SB 104 - Unemployment Insurance Modernization Act of 2024
Finance Committee
March 5, 2024
<u>SUPPORT</u>

Chair Beidle, Vice-Chair Klausmeier and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 104. This bill will ensure that Maryland's Unemployment Insurance System (UI) will be adequate to support unemployed Marylanders until they are reconnected to the workforce.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than $10,000 annually. More than half earn less than $20,000.**

UI is a basic and essential safety net for workers who are temporarily unemployed through no fault of their own. It can be difficult for people to reconnect to the workforce once disconnected. UI is a critical safety net for unemployed people because it helps to combat some of the barriers to finding employment. These barriers include affording food, housing, and transportation. Having a robust safety net protects workers from excessive debt or falling behind in paying their debts. This ensures that once they find employment, they will not be as financially strained.

SB 104 will strengthen Maryland's UI system by increasing the Weekly Benefit Amount (WBA). Maryland's Average Weekly Wage (AWW) in 2021 was $1,338. Currently, the WBA in Maryland ranges from a minimum of $50 to a maximum of $430. If a claimant is making the AWW then they would be receiving only 1/3 (33%) of their previous income. This is not sufficient to supplement a claimant's income until they can find work. HB 205 will set the maximum weekly benefit to 2/3 (66%) of the AWW and the minimum weekly benefit to 15% of the AWW. This means that UI will consistently provide adequate benefits even as the AWW changes in the future.

The bill also accounts for the increased cost of the program by adjusting the tax structure and increasing the taxable wage base. These changes ensure that the cost of the program is spread fairly between employers and employees and it ensures that the program will be able to fund the increase of WBA.

<u>Thus, we encourage you to return a favorable report for SB 104.</u>

Creating Assets, Savings and Hope

575 S. CHARLES STREET SUITE 500 BALTIMORE, MD 21201 TEL: 443-692-9487 FAX: 410-234-8929 CASHMD.ORG

SB104 - PJC - FAV.pdf
Uploaded by: Lucy Zhou
Position: FAV

Lucy Zhou, Attorney
Public Justice Center
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Baltimore, Maryland 21201
410-625-9409, ext. 245
zhoul@publicjustice.org

SB 104: Unemployment Insurance Modernization Act of 2024

Hearing of the Senate Finance Committee, March 5, 2024

Position: Favorable

The Public Justice Center ("PJC") is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce the right of low-wage workers to receive an honest day's pay for an honest day's work. The PJC **supports SB 104**, which would modernize and strengthen Maryland's unemployment insurance ("UI") system by updating benefit amounts and shoring up the system's finances.

SB 104 would update the maximum and minimum benefit amounts: When workers lose their jobs through no fault of their own, it can have a devastating impact on them and their families. Maryland's average weekly UI benefit is just $358, representing a wage replacement rate of just 37%[1] and making it extremely difficult for unemployed Marylanders to pay for food, rent, and other essentials. SB 104 would expand the minimum and maximum weekly benefit amounts to be, at a minimum, 15% of the average weekly wage, and at a maximum, 2/3 (66.6%) of the average weekly wage—better ensuring that the benefits meet unemployed Marylanders' basic needs.

SB 104 would update the dependent allowance: The dependent allowance has been only $8 per dependent, up to a maximum of 5 dependents, since 1988. Households with children are much more likely to face food and housing insecurity when someone in the household loses a job. SB 104 would increase the dependent allowance to $25 per dependent and index the amount to inflation.

SB 104 would index the taxable wage base: Maryland's UI system is currently funded based on employer and worker contributions on the first $8,500 of annual income, a fixed amount that was set in 1992. This bill would amend the taxable wage base to be 25% of the average annual wage, strengthening the financial integrity of the trust fund over the long term.

For the foregoing reasons, the PJC **SUPPORTS SB 104** and urges a **FAVORABLE** report. Should you have any questions, please call Lucy Zhou at 410-625-9409 ext. 245.

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[1] *Unemployment Insurance Dashboard*, The Century Foundation, https://tcf.org/content/data/unemployment-insurance-data-dashboard/.

SB104 Support.pdf
Uploaded by: Rico Albacarys
Position: FAV

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS – LOCAL UNION No. 24

AFFILIATED WITH:
Baltimore-D.C. Metro Building Trades Council -AFL-CIO
Baltimore Port Council
Baltimore Metro Council -AFL-CIO
Central MD Labor Council -AFL-CIO
Del-Mar-Va Labor Council-AFL-CIO
Maryland State - D.C. -AFL-CIO
National Safety Council

AFL-CIO-CLC
BALTIMORE, MARYLAND 21230

C SAMUEL CURRERI, President
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FAX: 410-536-4338

Written Testimony of

Rico Albacarys, Assistant Business Agent, IBEW LOCAL 24

Before the Senate Finance Committee On

SB 104 Unemployment Insurance Modernization Act of 2024

Support

March 4, 2024

Chairman Wilson and Committee Members,

I am writing to express my strong **support** for **SB 104**. When workers who were gainfully employed lose their job through no fault of their own, it can have a devastating effect on them and their families. The current unemployment payments are equal to less than the Maryland State minimum wage, and these payments are not enough for recently unemployed workers to meet their basic needs.

An increase in unemployment payments would help families meet these needs, pay bills, and put food on the table. Studies have shown that providing sufficient financial resources to individuals in need can help them find new employment and boost the overall economy. Additionally, the UI fund needs a readjustment to remain solvent. It makes sense to pass a comprehensive legislative solution, which considers the needs of employers and MD Workers.

SB 104 is that comprehensive solution, which is why I urge you to vote **favorably**.

Sincerely,

Rico Albacarys

Assistant Business Agent IBEW Local 24

SB 104_MDCC_UI Modernization Act of 2024_UNFAV.pdf
Uploaded by: Andrew Griffin
Position: UNF

MARYLAND
Chamber of Commerce

LEGISLATIVE POSITION:
Unfavorable
Senate Bill 104
Unemployment Insurance Modernization Act of 2024
Senate Finance Committee
Tuesday, March 5, 2024

Dear Chairwoman Beidle and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

As introduced, SB 104 would make four primary changes to Maryland's unemployment insurance program:

1. Raising the taxable wage base used to determine employment contributions into the Unemployment Insurance Trust Fund from $8,500 to 25% of the average annual wage (~18,000).
2. Raising the maximum and minimum weekly benefit amounts and attaching an annual increase in the maximum benefit to inflation.
3. Preventing the shifting of the table of rates to no more than two tables in one year.
4. Extending the lookback period for the purpose of calculating an employer's experience rating.

The proposals in SB 104 make significant changes to the state's unemployment insurance program and businesses are rightfully concerned by those leading to increased costs on employers. To put some of the proposals in context, the required **increase in employer contributions would roughly double the UI tax burden on businesses** by 2027, double the state's weekly benefit amount and quadruple the minimum weekly benefit amount. Further, the maximum weekly benefit would be attached to an annual adjustment for inflation, which is more concerning as inflation remains stubbornly above the Federal Reserve's target rate of 2%. It is not hard to understand why Maryland businesses are concerned.

Contemplating such a large-scale change requires a deeper conversation with all stakeholders and goes beyond the work that can be done in the remaining time of the legislative session.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on **SB 104** but looks forward to continuing the conversation regarding the UI program.

2024 GBCC SB 104 UI Oppose.pdf
Uploaded by: Ashlie Bagwell
Position: UNF

Testimony on behalf of the Greater Bethesda Chamber of Commerce

In Opposition to
Senate Bill 104—Unemployment Insurance Modernization Act of 2024

March 5, 2024
Senate Finance Committee

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 570 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on Senate Bill 104—Unemployment Insurance Modernization Act of 2024.

Senate Bill 104 expands the overall size of the State's unemployment insurance program by increasing employee benefits and increasing employer taxable wages. We have a lot of concern about this as it stands to have an enormous impact on our small business members and on small businesses across the State. In fact, the fiscal note for Senate Bill 104 states, "small businesses pay significantly higher State UI taxes beginning in fiscal 2025 due to the increased taxable wage base. Going forward, enhanced UI benefits may also increase some employer benefit ratios, which will further increase UI taxes for those employers." If it is determined that the unemployment insurance system in Maryland needs modernizing, all voices—employers and employees—need to be at the table to determine the best course forward. In addition, we would hope more time and study would be given to such a discussion, especially since it has such a significant impact on employers' tax liability.

For these reasons, we would respectfully request an unfavorable vote on Senate Bill 104. Thank you for the opportunity to provide written comments.

MML-SB 104 - OPP.pdf
Uploaded by: Bill Jorch
Position: UNF

Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

March 5, 2024

Committee: Senate Finance

Bill: SB 104 - Unemployment Insurance Modernization Act of 2024

Position: Unfavorable

Reason for Position:

The Maryland Municipal League (MML) opposes Senate Bill 104, which makes major alterations to the manner in which unemployment benefits are calculated resulting in a significant increase in costs to employers.

As a result of the changes proposed in this bill unemployment insurance claims stand to double on both the low and the high end. While this is clearly a benefit to unemployed individuals this is a hard hit to all employers and would signal a consequential shift in the labor market. While the intent of the bill may be genuine, the outcome for employers is harsh.

Local governments are somewhat atypical in that most are "reimbursing employers," meaning that they only pay into the Unemployment Insurance Fund when a former employee makes a claim through the State and is granted an award. This is different from most businesses that have a portion of their tax payments go directly to the Fund. As such, local governments stand to see a sizable increase in reimbursements to the Fund as a result.

The provisions of SB 104 are significant, detailed, and would result in a significant cost increase to local governments as a result of higher unemployment insurance claims. For this reason, the League respectfully requests that the committee provide Senate Bill 104 with an unfavorable report.

FOR MORE INFORMATION CONTACT:

Theresa Kuhns	Chief Executive Officer
Angelica Bailey Thupari, Esq.	Director, Advocacy & Public Affairs
Bill Jorch	Director, Public Policy & Research
Justin Fiore	Deputy Director, Advocacy & Public Affairs

SB0104 -- Unemployment Insurance Modernization Act
Uploaded by: Brian Levine
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Senate Bill 104 -- *Unemployment Insurance Modernization Act of 2024*
Senate Finance Committee
March 5, 2024
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes Senate Bill 104 -- *Unemployment Insurance Modernization Act of 2024.*

Senate Bill 104 changes the methodology to calculate unemployment insurance benefits and alters the taxable wage base used to determine employer contributions to the Unemployment Insurance Trust Fund.

One of the most significant cost factors facing businesses in Maryland is high unemployment insurance taxes. This legislation seeks to further increase the disparity Maryland has with surrounding and competitive states regarding unemployment insurance costs.

Increasing unemployment insurance costs could further strain the business community, particularly small and medium-sized companies. It is vital that Maryland remains as competitive as possible to grow the economy and create good jobs.

For these reasons, the Montgomery County Chamber of Commerce opposes Senate Bill 104 and respectfully requests an unfavorable report.

The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.

Brian Levine | Vice President of Government Affairs
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SB0104-FIN_MACo_OPP.pdf
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Position: UNF

MARYLAND Association of COUNTIES

Senate Bill 104

Unemployment Insurance Modernization Act of 2024

MACo Position: **OPPOSE**

To: Finance Committee

Date: March 5, 2024

From: Brianna January

The Maryland Association of Counties (MACo) **OPPOSES** SB 104. This bill would significantly alter the way Maryland calculates unemployment insurance (UI) benefits and contributions, more than doubling the minimum and maximum weekly benefits range used to determine weekly benefit amounts. **These changes would represent a substantial fiscal challenge for counties, who are not part of the State trust fund but would be required to pay the greatly enhanced benefit levels.**

Currently, unemployment benefits range from a minimum of $40 per week to a maximum of $430 per week. Under SB 104, the unemployment weekly minimum benefit would go up to 15 percent of that weekly average, or $232 – a fivefold increase. The weekly maximum benefit would be 66 percent of the State average weekly wage, or $961 – more than twice the current ceiling. **In simpler terms, under SB 104, unemployment weekly benefits more than double.** Moreover, the new exorbitant benefits range would be fully in effect by 2027 – an expedited timeline for such substantial policy reforms.

Counties are just one set of employers impacted by the financial ramifications of SB 104. County governments have not contributed to the shortfall in the State-managed trust fund, as county governments are self-insured and pay their benefits directly. However, they are unique in their challenging and complex financial circumstances, as compared to other private employers.

Maryland's counties are facing an unprecedented wave of fiscal effects. Revenues are softening – and are even in decline – as federal support recedes from the national economy and high interest rates slow real estate sales. Costs of workforce, construction, and legal liability are all mounting dramatically. Additionally, the Blueprint for Maryland's Future poses costs for education that, for each county, will absorb or exceed their projected new revenues from current sources.

Furthermore, county options for generating meaningful revenues are limited, with most counties already at the state's income tax rate cap, leaving the regressive property tax as the principal remaining alternative. In this precarious setting, placing new operational or fiscal burdens on county governments is untenable and unrealistic.

SB 104 proposes broad changes to the State-run unemployment system and trust fund. The spillover effects on county governments, who are not participants in that system, would pose dramatic and unaffordable fiscal consequences. For those reasons, MACo **OPPOSES** SB 104 and requests an **UNFAVORABLE** report.

SB0104_OCChamber_Thompson_UNF.pdf
Uploaded by: DENNIS RASMUSSEN
Position: UNF

3/4/2024 **SB0104**

Ocean City, Maryland
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TESTIMONY OFFERED ON BEHALF OF
THE GREATER OCEAN CITY CHAMBER OF COMMERCE

IN OPPOSITION TO:
SB0104 – Unemployment Insurance Modernization Act of 2024

Before:
Senate Finance Committee
Hearing: 3/05/2024 at 1:00 PM

The Greater Ocean City Chamber of Commerce, representing over 700 regional businesses and job creators, **STRONGLY OPPOSES House Bill SB0104 – Unemployment Insurance Modernization Act of 2024.**

This bill would raise the taxable wage base from $8,500 to ~$17,000, phased through 2027, then pegs the wage base at 25% of the average annual way, ostensibly **doubling the Unemployment Insurance (UI) tax burden on all Maryland businesses.** The Maryland Department of Labor states the UI Trust Fund Reserve has a solvency problem, which would make raising the taxable wage base make sense, but this bill also raises the minimum and maximum weekly benefit amounts and pegs the maximum benefit to inflation, while also making it a factor of the State's average weekly wage. Essentially, **this bill would disincentivize those on unemployment to seek employment**, paying at rates above our neighboring States' levels. It is for these reasons; we ask for the defeat of this measure.

The Ocean City Chamber respectfully requests an **UNFAVORABLE COMMITTEE REPORT on SB0104**. Please feel free to contact the Chamber directly at 410-213-0144, or Dennis F. Rasmussen, dfr@rasmussengrp.net at 410-303-4658, should you have any questions or concerns.

Respectfully submitted,

Amy Thompson
Executive Director
amy@oceancity.org

Joe Schanno
Legislative Committee Chair
joe.schanno@gmail.com

SB 104.Unemployment Modernization Act.pdf
Uploaded by: John Woolums
Position: UNF

MABE
MARYLAND ASSOCIATION OF BOARDS OF EDUCATION

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BILL: **Senate Bill 104**
TITLE: **Unemployment Insurance Modernization Act of 2024**
DATE: **March 5, 2024**
POSITION: **OPPOSE**
COMMITTEE: **Finance**
CONTACT: **John R. Woolums, Esq.**

The Maryland Association of Boards of Education (MABE) opposes Senate Bill 104, which would impose an enormous increase in unemployment insurance costs for local school systems.

This bill would significantly increase employee benefits and employer taxes/reimbursements under the State Unemployment Insurance program. Taxable wages would increase beginning January 1, 2025. Employee benefits would begin increasing July 1, 2026. MABE opposes this legislation because these changes would result in dramatically increased costs for school systems as employers.

School systems, without independent taxing authority, are fiscally dependent on not only State funding but also local government funding. Therefore, MABE is also deeply concerned about the fiscal impact of Senate Bill 104 on the 24 local funding authorities on which school systems rely for much, if not most, of their annual budgets. The combined effects on school system and local government budgets would jeopardize the ability the State and local governments to fulfill their considerable education funding obligations. MABE is especially concerned about the unintended consequence of this legislation to erode the abilities of local governments to sustain and increase their contributions to school system budgets to ensure the success of the programs being launched and expanded through the Blueprint for Maryland's Future.

MABE recognizes that systemic reforms and actions to address fiscal soundness of the State's Unemployment Insurance program may be necessary. However, Senate Bill 104 would impose such dramatic cost increases for local school systems and local governments, on such a short timeline, that MABE must strongly oppose the approach taken in Senate Bill 104. The enormous increases in employer costs for school systems to support the proposed increases in unemployment benefits would be mandated to take effect in FY 2027. This implementation date is particularly troubling to school systems because it coincides with the budget forecast of enormous gaps in revenues and mandated funding in FY 2027 to support the continued implementation of the Blueprint.

Again, MABE recognizes that the policy underpinnings of this bill are not intended to directly impact school system budgets or the Blueprint. However, MABE believes the collateral impacts on school system budgets would be dire, and threaten the abilities of Maryland's 24 local school systems to implement the Blueprint for Maryland's Future with fidelity.

For these reasons, MABE urges an unfavorable report on Senate Bill 104.

SB104_RestaurantAssoc_Thompson_UNFAVORABLE.pdf
Uploaded by: Melvin Thompson
Position: UNF

RESTAURANT ASSOCIATION MARYLAND

Senate Bill 104

Unemployment Insurance Modernization Act of 2024

March 5, 2024

POSITION: **Oppose**

Madame Chair and Members of the Senate Finance Committee:

The *Restaurant Association of Maryland* opposes Senate Bill 104, which would make significant unemployment insurance policy changes.

Among other things in this comprehensive bill, our members are concerned that the proposed changes to determine the weekly and maximum benefits will increase unemployment insurance payouts overall, which would result in higher unemployment insurance taxes for employers to replenish the trust fund. We are also concerned that the proposed changes to the taxable wage base will increase unemployment insurance taxes for employers.

The restaurant industry continues to struggle with operating challenges due to higher food and labor costs, and inflation in general. Most of our businesses have not yet returned to pre-pandemic profitability. Our members strongly object to legislative proposals that would increase taxes or fees on businesses, especially on the heels of the labor cost increases associated with accelerating Maryland's $15 minimum wage.

For these reasons, we oppose this legislation and request an unfavorable report.

Sincerely,

Melvin R. Thompson

Melvin R. Thompson
Senior Vice President

Restaurant Association of Maryland ■ 6301 Hillside Ct Columbia, MD 21046 ■ 410.290.6800 ■ FAX 410.290.6882

Testimony re SB 104 - Unemployment Insurance Moder

Uploaded by: Alexis Braun

Position: INFO

TESTIMONY OF PORTIA WU

SECRETARY, MARYLAND DEPARTMENT OF LABOR

SENATE FINANCE COMMITTEE HEARING

SENATE BILL 104 - UNEMPLOYMENT INSURANCE MODERNIZATION ACT OF 2024

MARCH 5, 2024

Maryland Department of Labor is pleased to provide informational testimony regarding Senate Bill 104, the Unemployment Insurance Modernization Act of 2024. We appreciate Senator Washington's leadership in this area and agree that there are structural challenges within the state's Unemployment Insurance (UI) system that must be addressed. Maryland needs an unemployment insurance program that supports workers and employers as intended and remains solvent for the long term.

Unemployment insurance is a critical program for workers, employers, and the economy. It supports labor force attachment and buffers economic shocks. The program provides temporary income to workers who have lost their jobs and are actively seeking work, while supporting local economies by maintaining the purchasing power of unemployed workers. This helps to keep available workers in the labor market, thus supporting businesses that are looking to expand.

The Department supports this Committee's interest in reform. We believe that any approach should be transparent, simple, predictable, and equitable. In addition, as the Committee undertakes this effort, we urge legislators to consider not only the necessary resources to support long-term health of the UI Trust Fund and benefit adequacy, but also the flexibilities and resources needed for technology and infrastructure to administer a secure, efficient, and responsive UI system.

With respect to provisions within the proposed bill, we offer specific comments as follows.

<u>Benefit Reforms</u>
SB 104 would increase benefits through setting a higher benefit range, a larger dependent allowance, and a higher "income disregard."

In Maryland, UI benefits last up to 26 weeks, and the weekly benefit amount (or WBA) ranges from $50 to $430. About 6 in 10 claimants receive the maximum amount.

The state's benefit levels, last updated in 2010, do not reflect our economy. We have the 17th lowest weekly maximum benefit amount but the 7th highest cost of living in the nation. Among neighboring jurisdictions, only Virginia provides a lower maximum benefit.

SB 104 would replace the current weekly benefit maximum with an amount indexed to the state's average weekly wage: maximum benefit levels would gradually increase until they reached two-thirds of average weekly wage by calendar year 2027. Maryland's average weekly wage was approximately $1,365 in 2022; two-thirds of that is about $910.[1]

Washington, D.C. and 32 states set their benefits levels to a portion of the average weekly wage as a way to keep pace with inflation.

On the lower end, the bill calls for the minimum benefit amount to increase from its current flat level of $50 to 15 percent of the state average weekly wage by calendar year 2027. In 2022, that would have been about $215.

The bill also increases the dependent allowance, last set in 1982, from $8 per dependent to $25 per dependent. Additionally, it increases the income disregard to encourage part-time work during an individual's benefits and job search period. The income disregard is the amount of a part-time worker's earnings ignored when calculating how much to reduce a weekly benefit amount. Current law sets the income disregard at $50, requiring a dollar for dollar reduction in benefits after that amount. SB 104 would increase that to $250. The bill would index both the dependent allowance and the income disregard to inflation.

<u>Employer Tax Reforms</u>

Reforms to the tax structure of the UI system have a number of aims. The first is to ensure that workers who lose their job through no fault of their own receive an appropriate level of financial assistance and at the same time ensure that the UI Trust Fund remains solvent with the resources needed to support workers and employers. A second is to protect employers from the shocks experienced during the pandemic and past recessions when tax rates increased dramatically. A third goal is to avoid the need to borrow from the state or federal government because our trust fund balance drops to a risky level. A final aim is to relieve the uneven pressure that a low taxable wage base exerts on smaller employers and employers with lower-wage workers.

To fund the increased benefits described above and to improve the long-term solvency of the state trust fund, SB 104 proposes increasing the employer tax base and indexing to inflation. The bill also proposes to change the calculation used to set an employer's tax rate and to limit the magnitude of year-to-year tax rate increases.

Average High Cost Multiple (AHCM) is the typical measure used to discuss trust fund solvency. Roughly speaking, the AHCM represents where a state stands with respect to paying out a year of benefits based on prior high cost years. An AHCM of 1.0 means a state could meet a year's worth of benefits, .5 indicates six months of benefits, etc. States must have an AHCM score of 1.0 to borrow interest-free from the federal

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[1] Average weekly wages are for those covered by regular unemployment insurance (e.g., the wages do not include those covered by UFCE). This data is available from the US Department of Labor's Employment and Training Administration in Financial Data Handbook 394. This source was used by the Upjohn Institute in their report and may be viewed at the following link: https://oui.doleta.gov/unemploy/hb394.asp

government, and interest required to be paid on such a loan cannot be paid from the UI Trust Fund.

The W.E. Upjohn Institute for Employment Research's projections, which appear in a 2021 study commissioned by the Department on UI reform, show that if Maryland maintained its current benefits levels and taxable wage base, our AHCM would drop to .45 by 2032. Upjohn's simulations include assumptions about key economic factors that impact benefits and taxes, like labor force growth and the unemployment rate. If the actual values of these factors prove different from the assumed values, the reality in 2032 might differ from projections. Maryland Department of Labor is working with U.S. Department of Labor on an updated version of that modeling, based upon more recent data. Nevertheless, possibly hitting such a low level of solvency in less than a decade is an indicator that action is needed.

Maryland's taxable wage base is currently $8,500, the 9th lowest in the country. SB 104 would increase employer contributions by gradually increasing the taxable wage base from $8,500, where it has remained since 1992, to 25 percent of the state average annual wage by calendar year 2027.

Maryland's average annual wage was about $71,000 in 2022, which is 11th highest in the country. A quarter of that is about $17,700, at which level Maryland would rank 19th for its taxable wage base.

The bill includes two provisions to soften the impact of a recession on employers. It would increase the number of years in the "benefit ratio," a factor used to calculate an employer's tax rate, from three years to five. It would also restrict how much an employer's tax rate can change year to year. Maryland has a complicated tax structure of six tax tables. Table A has the lowest rates and is in effect when the Trust Fund balance is high. Table F has highest rates and is used when the trust fund requires replenishment. To minimize stress on businesses from a sharp increase in tax rates, the bill would prohibit the Department from shifting more than two tables from one year to the next if the shift would result in higher earned rates of contribution for employers.

The Department supports an approach that seeks to smooth out or dampen swings in employer tax rates in order to avoid the phenomenon we often see during recessions, where employers face spikes in taxes when they can least afford them. However, such levers must be employed in a manner consistent with securing long-term solvency for the Trust Fund. Limiting sharp swings in both directions will provide greater predictability for employers and give the Trust Fund recovery time after paying out more benefits in times of higher unemployment. Additionally, we understand that the current provision in the bill restricting tax table changes was not included in the Upjohn simulations and thus the effect of this provision on the UI Trust Fund is not reflected in the projections that have been shared.

Administrative Considerations

Finally, the Department recommends that rules, benefit amounts, taxes tables, and other administrative elements be simplified to the extent possible. The UI program is already complicated and confusing to many, and workers and employers benefit from greater clarity and predictability.

For example, there are important equity and policy reasons for adjusting benefits levels as average wage increases, but we recommend that the Committee consider an approach where smaller elements remain set over a period of time for simplicity. That could include income disregard and dependent allowance. Minor variable amounts might be confusing to claimants, would require complicated programming, and might lead to unpredictable downstream effects.

Estimated Expenditures and Timeline

SB 104 represents major changes to the UI system in Maryland, and the Department is continuing to analyze potential costs and time needs for implementation of the provisions of the bill. In addition, the Department is undertaking the build of IT systems and processes for paid family and medical leave insurance, with a plan to launch by 2026.

Federal administrative funding has declined over the years, but fraud and costs to run IT systems have increased exponentially. Relying on federal funding alone to support the program will not be sufficient. We need to consider other approaches. Some states collect very small “administrative fees,” the funds from which can be used to pay for administrative costs required for administering the UI program, technology modernization efforts, training, and other purposes. The Division of Unemployment Insurance has researched other states’ administrative fees and would be happy to provide information to the Committee if that would be helpful or of interest.

Conclusion

Maryland’s key UI program elements are long overdue for updates. Without reform, workers will fall further behind, smaller employers will continue to be treated inequitably, and our system’s solvency could be at risk in the next downturn. We look forward to working with the bill sponsors - and the Committee - to accomplish this reform.

Max WBA Rank (High to Low)	State	Min	Max	AWW Adjustment
1	Washington	$323	$1,109	x
2	Massachusetts	$58	$1,015	x
3	New Jersey	$156	$830	x
4	Oregon	$190	$812	x
5	Hawaii	$5	$763	x
6	North Dakota	$43	$748	x
7	Utah	$41	$712	x
8	Colorado	$25	$710	x
9	Vermont	$86	$705	x
10	Rhode Island	$66	$705	x
11	Connecticut	$15	$703	x
12	Montana	$207	$698	x
13	Kentucky	$39	$665	x
14	West Virginia	$24	$662	x
15	Pennsylvania	$68	$605	x
16	Wyoming	$43	$595	x
17	Kansas	$147	$589	x
18	Nevada	$16	$585	x
19	Iowa	$86	$582	x
20	Illinois	$51	$578	x
21	Texas	$72	$563	x
22	Ohio	$157	$561	x
23	Minnesota	$33	$552	x
24	New Mexico	$101	$542	x
25	Maine	$94	$538	x
26	Idaho	$72	$532	x
27	South Dakota	$28	$514	x
28	Nebraska	$70	$514	x
29	New York	$124	$504	
30	Oklahoma	$16	$493	x
31	Arkansas	$81	$451	x
32	Delaware	$20	$450	
33	California	$40	$450	
34	District of Columbia	$50	$444	x
35	Maryland	$50	$430	
36	New Hampshire	$32	$427	
37	Indiana	$37	$390	
38	Virginia	$60	$378	
39	Wisconsin	$54	$370	
40	Alaska	$56	$370	
41	Georgia	$55	$365	
42	Michigan	$160	$362	
43	North Carolina	$15	$350	x
44	South Carolina	$42	$326	x
45	Missouri	$35	$320	
46	Arizona	$216	$320	
47	Tennessee	$30	$275	
48	Florida	$32	$275	
49	Louisiana	$35	$275	x
50	Alabama	$45	$275	
51	Mississippi	$30	$235	

Mean Max WBA	**$534**
Median Max WBA	**$532**

For more details, see Comparison of State Unemployment Insurance Laws at https://oui.doleta.gov/unemploy/pdf/uilawcompar/2023/complete.pdf.

Taxable Wage Base Ranked (High to Low)	State	Taxable Wage Base
1	Washington	$67,600
2	Hawaii	$56,700
3	Oregon	$50,900
4	Idaho	$49,900
5	Alaska	$47,100
6	Utah	$44,800
7	New Jersey	$41,100
8	North Dakota	$40,800
9	Nevada	$40,600
10	Montana	$40,500
11	Minnesota	$40,000
12	Iowa	$36,100
13	New Mexico	$30,100
14	North Carolina	$29,600
15	Wyoming	$29,100
16	Rhode Island	$28,200
17	Oklahoma	$25,700
18	Colorado	$20,400
19	South Dakota	$15,000
20	Connecticut	$15,000
21	Massachusetts	$15,000
22	Mississippi	$14,000
23	New Hampshire	$14,000
24	South Carolina	$14,000
25	Wisconsin	$14,000
26	Kansas	$14,000
27	Vermont	$13,500
28	Illinois	$13,271
29	New York	$12,300
30	Maine	$12,000
31	Kentucky	$11,100
32	Delaware	$10,500
33	Missouri	$10,500
34	Pennsylvania	$10,000
35	Indiana	$9,500
36	Georgia	$9,500
37	Michigan	$9,500
38	West Virginia	$9,000
39	District of Columbia	$9,000
40	Nebraska	$9,000
41	Texas	$9,000
42	Ohio	$9,000
43	Maryland	$8,500
44	Alabama	$8,000
45	Virginia	$8,000
46	Arizona	$8,000
47	Louisiana	$7,700
48	Tennessee	$7,000
49	Florida	$7,000
50	California	$7,000
51	Arkansas	$7,000

Mean Taxable Wage Base	**$20,962**
Median Taxable Wage Base	**$14,000**

For more details, see Comparison of State Unemployment Insurance Laws at https://oui.doleta.gov/unemploy/pdf/uilawcompar/2023/complete.pdf.