



UNEMPLOYMENT INSURANCE

ANNUAL REPORT 2021

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PREFACE

Pursuant to Labor and Employment Article, § 8-311, the Division of Unemployment Insurance is required to provide the Governor with an Annual Report for the State Fiscal Year Ending June 30, 2021. This report provides (I) the balance sheet for the Unemployment Trust Fund and (II) notice that the Department is not proposing amendments to the Unemployment Insurance Law.

In addition, the Department will submit a supplement to this report in January of 2022 if the Department receives additional or updated data from auditors in January 2022.

I. FINANCIAL STATEMENTS

STATEMENT OF NET POSITION (BALANCE SHEET) As of June 30, 2021 and June 30, 2020

ASSETS	2021	2020	(% change)
Cash and cash equivalents (MD UI Bank Accounts)	\$9,039,218	\$3,738,386	141.79%
Cash on deposit with Federal Unemployment Trust Fund	\$446,050,520	\$718,974,536	-37.96%
Accounts receivable, net ¹ (Employers & Claimants)	\$259,139,615	\$179,143,316	44.65%
Total Assets	\$714,229,353	\$901,856,238	-20.80%
LIABILITIES	2021	2020	(% change)
Bank overdrafts (Program Deficits)	\$87,739,519	\$23,249,351	277.38%
Accounts payable for unemployment benefits	\$113,421,533	\$133,623,812	-15.12%
Loans payable	\$68,528,256	-	
Total Liabilities	\$269,689,308	\$156,873,163	71.92%
Net Position			
Restricted for unemployment benefits ²	\$444,540,045	\$744,983,075	-40.33%

¹ Amount of accruals for claims for benefits made prior to July 1 state fiscal year cutoff.

² UI Trust Fund balance after netting assets and liabilities.

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STATEMENTS OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION For the Years Ended June 30, 2021 and June 30, 2020

Operating Revenue	2021	2020	(% change)
Charges for services and sales (Taxes)	\$806,116,926	\$472,386,698	70.65%
Allowance for uncollectible accounts	(\$57,846,892)	(18,120,006)	219.24%
Operating Revenue, Net of Provision	\$748,270,034	\$454,266,692	64.72%
Operating Expenses			
Benefits - State	\$1,063,619,122	\$1,174,039,925	-9.41%
Benefits - Federal	\$8,378,320,006	\$3,952,319,070	111.98%
Total Operating Expenses	\$9,441,939,128	\$5,126,358,995	84.18%
Operating Loss	(\$8,693,669,094)	(\$4,672,092,303)	86.08%
Non-Operating Revenue			
	2021	2020	(% change)
Federal grants (Federal Programs)	\$8,388,032,356	\$3,979,295,136	110.79%
Interest (on Trust Fund Balance)	\$5,193,708	\$29,779,977	-82.56%
Total Non-Operating Revenue	\$8,393,226,064	\$4,009,075,113	109.36%
Change in net position	(\$300,443,030)	(\$663,017,190)	-54.69%
Net position, beginning of FY	\$744,983,075	\$1,408,000,265	-47.09%
Net Position, End of FY	\$444,540,045	\$744,983,075	-40.33%

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STATEMENTS OF CASH FLOW For the Years Ended June 30, 2021 and June 30, 2020

Cash Flows From Operating Activities	2021	2020	(% change)
Receipts from employers	\$688,273,736	\$411,288,336	62.48%
Payments to claimants	(\$9,462,141,408)	(\$5,041,258,625)	87.69%
Net Cash From Operating Activities	(\$8,793,867,672)	(\$4,629,970,289)	89.93%
Cash Flows From Investing Activities			
Interest income (on Trust Fund Balance)	\$5,193,707	\$29,779,977	-82.56%
Cash Flows From Non-Capital Financing Activities			
Receipts from Federal grants	\$8,388,032,356	\$3,979,295,136	110.79%
Loans proceeds - Title XII	\$68,528,256	-	
Bank overdrafts, net	\$64,490,169	\$22,191,167	190.61%
Net Cash From Non-Capital Financing Activities	\$8,521,050,781	\$4,001,486,303	112.95%
Net Change in Cash and Cash Equivalents	(\$267,623,184)	(589,704,009)	-55.30%
Cash and cash equivalents, beginning of year	\$722,712,922	\$1,321,416,931	-45.31%
Cash and Cash Equivalents, End of Year	\$455,089,738	\$722,712,922	-37.03%
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating gain/(loss)	(\$8,693,669,094)	(\$4,672,092,303)	86.08%
Change in allowance for uncollectible accounts	\$57,846,892	\$18,120,006	219.24%
Net changes in non-cash operating assets and liabilities:			
Accounts receivable	(\$137,843,190)	(\$61,098,362)	125.61%
Accounts payable for unemployment benefits	(\$20,202,280)	\$85,100,370	-123.74%
Net Cash from Operating Activities	(\$8,793,867,672)	(\$4,629,970,289)	89.93%

II. AMENDMENTS TO TITLE 8 OF THE LABOR AND EMPLOYMENT ARTICLE

At this time, the Department is not proposing any amendments to Title 8 of the Labor and Employment Article for consideration during the 2022 legislative session.