



UNEMPLOYMENT INSURANCE
ANNUAL REPORT 2022

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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, 2022. 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 later in January of 2023 if the Department receives additional or updated data from auditors in January 2023.

I. FINANCIAL STATEMENTS

STATEMENT OF NET POSITION (BALANCE SHEET) As of June 30, 2022 and June 30, 2021

ASSETS	2022	2021	(% change)
Cash and cash equivalents (MD UI Bank Accounts)	\$4,531,974	\$9,039,218	-49.86%
Cash on deposit with Federal Unemployment Trust Fund	\$1,461,108,928	\$446,050,520	227.57%
Accounts receivable, net ¹ (Employers & Claimants)	\$234,117,937	\$259,139,615	-9.66%
Total Assets	\$1,699,758,839	\$714,229,353	137.99%
LIABILITIES	2022	2021	(% change)
Bank overdrafts (Program Deficits)	\$11,649,912	\$87,739,519	-86.72%
Accounts payable for unemployment benefits	\$105,775,235	\$113,421,533	-6.74%
Loans payable	\$0	\$68,528,256	-100%
Total Liabilities	\$117,425,147	\$269,689,308	-56.46%
Net Position			
Restricted for unemployment benefits ²	<u>\$1,582,333,692</u>	<u>\$444,540,045</u>	255.95%

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, 2022 and June 30, 2021

Operating Revenue	2022	2021	(% change)
Charges for services and sales (Taxes)	\$1,824,972,697	\$806,116,926	126.39%
Allowance for uncollectible accounts	(\$300,644,356)	(\$57,846,892)	419.72%
Operating Revenue, Net of Provision	\$1,524,328,340	\$748,270,034	103.71%
Operating Expenses			
Benefits - State	\$401,907,777	\$1,063,619,122	-62.21%
Benefits - Federal	\$1,423,536,479	\$8,378,320,006	-83.01%
Total Operating Expenses	\$1,825,444,256	\$9,441,939,128	-80.67%
Operating Gain (Loss)	(\$301,115,916)	(\$8,693,669,094)	-96.54%
Non-Operating Revenue			
	2022	2021	(% change)
Federal grants (Federal Programs)	\$1,422,767,156	\$8,388,032,356	-83.04%
Interest (on Trust Fund Balance)	\$16,142,407	\$5,193,708	210.81%
Total Non-Operating Revenue	\$1,438,909,563	\$8,393,226,064	-82.86%
Change in net position	\$1,137,793,647	(\$300,443,030)	-478.71%
Net position, beginning of FY	\$444,540,044	\$744,983,075	-40.33%
Net Position, End of FY	<u>\$1,582,333,691</u>	<u>\$444,540,045</u>	<u>255.95%</u>

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STATEMENTS OF CASH FLOW For the Years Ended June 30, 2022 and June 30, 2021

Cash Flows From Operating Activities	2022	2021	(% change)
Receipts from employers	\$1,549,350,018	\$668,273,736	131.84%
Payments to claimants	(\$1,901,618,809)	(\$9,462,141,408)	-79.90%
Net Cash From Operating Activities	(\$352,268,791)	(\$8,793,867,672)	-95.99%
Cash Flows From Investing Activities			
Interest income (on Trust Fund Balance)	\$16,142,407	\$5,193,707	210.81%
Cash Flows From Non-Capital Financing Activities			
Receipts from Federal grants	\$1,422,767,156	\$8,388,032,356	-83.04%
Loans proceeds - Title XII	\$0	\$68,528,256	-100%
Bank overdrafts, net	(\$76,089,608)	\$64,490,169	-217.99%
Net Cash From Non-Capital Financing Activities	\$1,346,677,548	\$8,521,050,781	-84.20%
Net Change in Cash and Cash Equivalents	\$1,010,551,164	(\$267,623,184)	-477.60%
Cash and cash equivalents, beginning of year	\$455,089,735	\$722,712,922	-37.03%
Cash and Cash Equivalents, End of Year	\$1,465,640,902	\$455,089,738	222.06%
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating gain/(loss)	(\$301,115,916)	(\$8,693,669,094)	-96.54%
Change in allowance for uncollectible accounts	\$300,644,356	\$57,846,892	419.72%
Net changes in non-cash operating assets and liabilities:			
Accounts receivable	(\$275,622,678)	(\$137,843,190)	99.95%
Accounts payable for unemployment benefits	(\$76,174,553)	(\$20,202,280)	277.06%
Net Cash from Operating Activities	(\$352,268,791)	(\$8,793,867,672)	-95.99%

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 2023 legislative session.