

JOINT COMMITTEE ON UNEMPLOYMENT INSURANCE OVERSIGHT
2020 Interim

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December 16, 2020



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

Joint Committee on Unemployment Insurance Oversight

December 16, 2020

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Ladies and Gentlemen:

The Joint Committee on Unemployment Insurance Oversight respectfully submits a summary report of its 2020 interim activities. The joint committee met once during the interim to receive a briefing from the Secretary of Labor and to discuss the Department of Labor's response to the COVID-19 pandemic. Attached is a summary of the meeting. As co-chairs, we also participated in and monitored many other unemployment insurance focused meetings involving various groups, including the Senate Finance Committee, the House Economic Matters Committee, and the Joint COVID-19 Response Legislative Workgroup.

During the 2021 session, the joint committee plans to conduct its annual review of unemployment insurance related legislation. We intend to give serious consideration to legislation that addresses the difficulties that claimants have faced in receiving benefit payments and the higher taxes that will be imposed on employers in 2021. As always, we will work hard to balance the interests of our citizens and businesses while protecting the Unemployment Insurance Trust Fund to the best of our ability.

The Honorable Bill Ferguson, Co-chair
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Page 2

The joint committee is appreciative of the advice and assistance provided by governmental officials, members of the public, and legislative staff during the 2020 interim and looks forward to the same spirit of cooperation and assistance during the 2021 legislative session.

Respectfully submitted,



Senator Katherine Klausmeier
Senate Chair

KK:ND/LA:NM;SR/cr

Enclosure

cc: Ms. Victoria Gruber
Mr. Ryan Bishop
Ms. Alexandra Hughes
Mr. Jake Weissmann



Delegate Ned Carey
House Chair

Joint Committee on Unemployment Insurance Oversight 2020 Interim Report

At the meeting held on July 9, the joint committee heard from the Honorable Tiffany Robinson, Secretary of Labor; Dayne Freeman, Assistant Secretary, Division of Unemployment Insurance; and Bryan Moore, Deputy Assistant Secretary, Division of Unemployment Insurance on the status of the unemployment insurance (UI) system, the Department of Labor's response in times of crisis, and the status of the Unemployment Insurance Trust Fund (UITF).

Status of the Unemployment Insurance System

Secretary Robinson provided opening remarks indicating that the division is working hard to address the challenges of the COVID-19 pandemic and the associated increase in claims. The Secretary explained that between March 9 and June 27, the department paid a total of \$3.6 billion in regular and Coronavirus Aid, Relief, and Economic Security (CARES) Act UI benefits. The Secretary indicated that the department had experienced more than a 5,000% increase in the need for UI services since the beginning of the pandemic.

Department of Labor's Response in Times of Crisis

The Secretary outlined the actions taken by the Division of Unemployment Insurance to address the increase in claims volume. These actions included updates to the BEACON online application, expanded call center hours, the expansion of interactive voice response system capabilities to include weekly claim certification and other actions, establishing a virtual assistant through the department's website to answer questions, and doubling call center staffing.

Status of the Unemployment Insurance Trust Fund

Secretary Robinson provided an update on the UITF, indicating that the fund balance as of July 7 was \$615 million. The Secretary discussed the possibility that the Division may need to borrow money from the U.S. Department of Labor in order to maintain the UITF, but explained that the amount of borrowing would depend on the impact of the pandemic on the State's economy as the State moved to reopen.

Prospective State Action

Finally, the Secretary addressed next steps for the department, specifically discussing the potential for legislation expanding the work sharing program to conform with federal allowances, the need to continue to modernize UI systems, the need to maintain a healthy trust fund, and the importance of working with the federal government in order to receive more federal assistance and to address trust fund replenishment.