

## **FOR IMMEDIATE RELEASE**

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### **JOTF Supports Compromise on Unemployment Insurance Modernization: Oversight Committee Deal a Win-Win for Maryland Workers/Businesses**

BALTIMORE, March 1 – The Job Opportunities Task Force has announced its support for a deal reached today by a committee of unemployment insurance stakeholders. As a member of the state UI oversight committee, JOTF has been engaged in discussions with state leaders, unions and business groups, in an effort to reach a deal. The compromise makes a series of amendments to SB 107/HB 91 – the Unemployment Insurance Modernization and Tax Relief Act to defray the long-term cost of benefit expansions created by the Act. By passing the Act, unemployed Maryland workers stand to benefit from a stronger, more comprehensive unemployment insurance safety net. JOTF thanks Senator Thomas “Mac” Middleton for his leadership in forging a resolution that benefits all UI stakeholders.

JOTF supports the compromise, and urges the General Assembly to move the package forward. The bill will expand UI benefits in a number of critical areas:

- The bill creates an Alternative Base Period (ABP). ABP provides coverage to workers who are currently denied UI due to an outdated data collection system that ignores recent work. ABP counts the work that is currently ignored, and is estimated to provide \$16.5 million per year in benefits to workers who would otherwise be denied. ABP provides benefits to high-need populations, such as low-wage workers and recent entrants to the workforce.
- The bill provides extended benefits to workforce training participants. Currently, workers in approved training programs may continue to collect UI for up to 26 weeks. In many cases, this is not enough time to complete training. The bill will allow people to participate in training for high-demand careers for an additional 26 weeks. This provision helps workers advance into more stable careers, and builds a workforce more tailored to the needs of employers.
- The bill makes technical amendments to Maryland’s part-time UI law. These amendments ensure that part-time workers are treated fairly and that they remain eligible for benefits as long as they continue to actively seek part-time work.

By enacting these benefit modernizations, Maryland will become eligible for \$126.8 million in federal incentive funds through the Unemployment Insurance Modernization Act, passed in 2009 as part of the American Recovery and Reinvestment Act. The sooner Maryland accesses these funds, the more quickly the state trust fund will return to solvency. This will stave off the need for increased loans from the federal government, and in the long run, will help shift employer tax rates back to pre-recession levels.

To reduce the strain of these benefit expansions on the UI trust fund, the bill also includes a series of offsets intended to reduce costs. JOTF expects most of these offsets to have a marginal impact on workers, and believes that the benefits of the broader modernizations outweigh the impact of these offsets. In the discussions led by Senator Middleton, the Governor’s office, and the Department of Labor,

Licensing and Regulation, JOTF worked tirelessly to oppose major benefit cuts under consideration, and to ensure that any compromise reached would not seriously impact struggling unemployed workers.

“Adopting the Alternative Base Period is the right thing to do. It extends the UI safety net to some of the state’s most vulnerable workers, and we’re urging legislators to act now and make the change while the federal government is willing to offer these incentives,” said Jason Perkins-Cohen, Executive Director of the Job Opportunities Task Force. “We’re pleased that we were able to forge a compromise that benefits workers overall. JOTF was not willing to support major benefit cuts to reach a deal, and we think we reached a successful middle ground that avoids some potentially devastating cuts,” said Perkins-Cohen.

If passed, this legislation would mark a second year of positive unemployment insurance reform for workers. During the 2009 session, the General Assembly expanded benefits to workers seeking part-time work, and approved a phased-in \$50 maximum benefit increase. These two changes, combined with the adoption of ABP and extended training benefits, would mark a major step towards a stronger, more comprehensive UI safety net.

JOTF is an independent non-profit whose mission is to develop and advocate policies and programs to increase the skills, job opportunities, and incomes of low-skill, low-income workers and job seekers. For more information, visit [www.jotf.org](http://www.jotf.org).

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