

RECOVERY WATCH Maryland

*Fighting for Transparency, Equity, and Accountability
in Maryland's Economic Recovery*

STATEMENT

IN SUPPORT OF SENATE BILL 107

UNEMPLOYMENT INSURANCE MODERNIZATION AND TAX RELIEF ACT

To Senate Finance Committee
January 26, 2010

Recovery Watch Maryland supports Senate Bill 107, the Unemployment Insurance Modernization and Tax Relief Act. This bill enables Maryland to access additional federal dollars to help people who have lost jobs in the economic recession. To leave this money "on the table" when working families' needs are so severe would be irresponsible.

Recovery Watch Maryland is group of five advocacy and research organizations dedicated to ensuring that the most vulnerable Marylanders benefit from the billions of federal stimulus dollars pouring into the state to spark an economic recovery.

Unemployment insurance payments directly help the workers and their families who are most seriously affected by the economy. In addition, unemployment insurance provides some of the most effective stimulus of any government policy option. Moody's Economy.com economist Mark Zandi finds that extended unemployment benefits returns \$1.61 to the economy for every dollar invested.

Senate Bill 107 will make Maryland's unemployment insurance fund eligible for our full allocation of federal stimulus funds, adding \$127 million. The majority of the additional funding will go towards mitigating automatic unemployment insurance payments for employers.

By adopting the Alternative Base Period, the bill will also correct an inherent inequity in Maryland's unemployment insurance system. Eligibility and benefit

<i>CASA de Maryland</i>	<i>Job Opportunities Task Force</i>	<i>Maryland Budget & Tax Policy Institute</i>	<i>Safe & Sound Campaign</i>	<i>Progressive Maryland Education Fund</i>
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calculations will reflect the worker's current and the most recent quarter's wages. Thirty-six other states now use the Alternative Base Period.

The bill also provides extended benefits for unemployed workers in approved training programs, and makes technical corrections to the part-time benefit approved in the 2009 legislative session.

For these reasons, Recovery Watch Maryland requests a favorable report on Senate Bill 107.

Contact:

Neil Bergsman
Maryland Budget and Tax Policy Institute
443-438-2317
nbergsman@mdnonprofit.org