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## **Testimony for: HB 1002 Unemployment Insurance – Revisions and Required Study**

### **SUPPORT**

*Robert Van Rens, NVR Associates Government Affairs on behalf of the Maryland Microbusiness Alliance*

House Economic Matters Committee

Chair Davis, Vice-Chair Dumais, and members of the Committee,

Thank you for the opportunity to present testimony before the committee regarding Emergency Bill **HB 1002 Unemployment Insurance – Revisions and Required Study**.

The economic crisis brought on by the coronavirus pandemic beginning in 2020 has had profound negative consequences throughout our state's economy. No one has been left unaffected, with unprecedented numbers of Marylanders thrown out of work almost simultaneously, completely overwhelming the state's Unemployment Insurance system and critically delaying the distribution of benefits. These delays were seriously exacerbated by decades of policies intended to limit access to benefits instead of providing them as expeditiously as possible.

An aspect of the current economic crisis that presented unique challenges to the UI system was its impact on small businesses. While the federal government authorized and funded a new unemployment benefit specifically for the self-employed, independent contractors, and the non-payroll owners of small businesses, the state struggled to implement it. Simultaneously implementing a major new benefits program while rolling out an overhaul of its antiquated online UI management system led to endless application failures and errors for those attempting to access the Pandemic Unemployment Assistance program.

To this day, there are tens of thousands of Marylanders awaiting adjudication or other action from the Department of Labor to access the benefits they need to do things like pay rent or mortgages and utilities or buy food. The Department of Labor insists there is no problem, that its success rate in managing benefits is extremely high, and that it is resolving these issues, but far too many Marylanders have gone months without action from DoL. It is impossible to contact Unemployment directly; the phone lines are invariably "too busy" and disconnect calls, the BEACON system's live chat function on connects to an automated help system that repeats the same unhelpful suggestions, and emails to the department's help line go unanswered for weeks.

The small businesses and micro-businesses affected by this economic crisis represent 50.1% of Maryland's private workforce, according to the US Small Business Administration. The estimated number Marylanders employed by micro-businesses, those employing five or fewer, is around 300,000. This classification of small businesses includes disproportionate numbers of companies owned by women, by minorities, and by disabled persons. For many in marginalized

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communities, owning a business is the path to economic freedom and independence.

Data from the Small Business Administration and the Bureau of Labor Statistics make it clear that job losses have been greater in communities already economically marginalized. Anecdotal evidence from MMBA's members supports this – the businesses hit the hardest, the ones that have struggled the most to access unemployment benefits or economic stimulus money, have been those owned by minorities, by women, or by the disabled.

The ongoing assumptions made by state government about how economic recovery benefits for businesses should be distributed have been profoundly unfair, leaving the self-employed, contractors, and non-payroll businesses only the option of accessing Pandemic Unemployment Assistance through UI. At the same time, that program, the only lifeline available, has been difficult to access, slow to distribute, and administered by a department that seems utterly uninterested in addressing the very real problems facing the constituents it is supposed to serve.

This bill will start to address the issues surrounding timeliness and user access at the Department of labor's Unemployment Insurance division. Its requirements for adequate staffing, language and interpretive services, and basic professionalism in contact procedures should be the bare minimum Marylanders can expect from a state agency. It is not too much to ask that an agency intended to serve Marylanders in a time of need do so, and allow them dignity and respect in the process.

In order to help alleviate some of the ongoing economic damage to the small-business sector of Maryland's economy and help protect economically marginalized communities, I urge you to vote yes on HB 1002.