



Testimony of Nzingha Hooker

National Employment Law Project

In Support of H.B. 1002, Unemployment Insurance - Revisions and Required Study

Hearing before the Maryland General Assembly

Economic Matters Committee

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Thank you, Committee Chair Davis, Vice-Chair Dumais, and members of the committee for allowing me to testify on this important matter today. My name is Nzingha Hooker, and I am a staff attorney with the National Employment Law Project (NELP) testifying in support of House Bill 1002. NELP is a nonprofit research, policy, and capacity building organization that for more than 50 years has sought to strengthen protections and build power for workers in the U.S., including people who are unemployed. For decades, NELP has researched and advocated for policies that create good jobs, expand access to work, and strengthen protections and support for underpaid and jobless workers both in the workplace and when they are displaced from work. Our primary goals are to build worker power, dismantle structural racism, and ensure economic security for all.

I submit this testimony regarding the need to reform and modernize the state of Maryland's Unemployment Insurance (UI) system. The need for a better system was apparent even before the COVID-19 pandemic struck, but this unemployment crisis has further illuminated the challenges with the existing UI infrastructure and presented an opportunity for UI reform.

Compounding centuries of structural racism, the unemployment crisis is affecting Black, Latinx, and Asian communities disproportionately. In the state of Maryland, Black people are the second largest racial group, making up 30 percent of the state's population.¹ The most recent data from March 2020 shows that the Black unemployment rate in Maryland was 6.1 percent as compared to 2.3 percent for white workers.² Black workers are typically twice as likely to be unemployed than white workers. A report on the long-term unemployment rate in the U.S. by race and ethnicity showed that in 2019 about 25.66 percent of Black unemployed workers and 22.5 percent of Asian unemployed workers had been jobless for at least 27 weeks³; yet the maximum benefits weeks in most states is 26 weeks.

Despite Black workers facing longer periods of unemployment; and Black and Latinx workers experiencing higher rates of unemployment, the data shows that Black and Latinx workers do not receive UI benefits at the same rate as white workers. This is demonstrated by the UI reciprocity rates from 2010, following the Great Recession⁴:

- The UI benefits reciprocity rate for non-Latinx Black unemployed workers was the lowest at only 23.8 percent.
- The UI benefits reciprocity rate for Latinx unemployed workers was only 29.2 percent.
- The UI benefits reciprocity rate for non-Latinx white unemployed workers was 33.2 percent.

Between April 27 and May 10, 2020, over 71.5 percent of Black unemployed women did not receive unemployment benefits, compared to just 54 percent for white unemployed women.⁵ All of this data shows that institutional racism plays a significant role not only in unemployment but also shows up in access to UI systems.

Maryland's UI system has been severely overwhelmed by the influx of benefits applications. Maryland is not alone in this respect as many states entered the 2020 COVID-19 pandemic ill-equipped to process the massive increase in new UI claims that flooded state systems in March. According to federal timeliness and quality reports by the U.S. Department of Labor (DOL), almost every state has failed to meet the federal standard and has an extensive backlog of unprocessed claims. The federal standard on timeliness provides that states need to get unemployment

¹ <https://www.census.gov/quickfacts/fact/table/MD/RHI225219#RHI225219>

² <https://www.epi.org/indicators/state-unemployment-race-ethnicity/>

³ <https://www.statista.com/statistics/218655/long-term-unemployment-rate-in-the-us-by-race-and-ethnicity/>

⁴ Austin Nichols and Margaret Simms, "Racial and Ethnic Differences in Receipt of Unemployment Insurance Benefits during the Great Recession," Urban Institute, June 2012, <https://www.urban.org/sites/default/files/publication/25541/412596-Racial-and-Ethnic-Differences-in-Receipt-of-Unemployment-Insurance-BenefitsDuring-the-Great-Recession.PDF>.

⁵ Julia Simon-Mishel, Maurice Emsellem, Michele Evermore, Ellen LeClere, Andrew Stettner, and Martha Coven, "Centering Workers, How to Modernize Unemployment Insurance Technology," September 17, 2020, <https://www.nelp.org/publication/centering-workers-how-to-modernize-unemployment-insurance-technology/>.

payments out within three weeks for 87 percent of applicants. Based on December 2020 data, Maryland's timeliness rate is one of the lowest in the country, with only 37.5 percent of payments going out within three weeks.⁶ This is an increase from October 2020 where just 27.9 percent of Maryland's payments went out to applicants within three weeks.⁷ We recognize this improvement in timeliness, but more can and must be done so that workers do not continue to suffer due to the inadequacy of the state's UI system.

As Maryland works to address UI access issues and the number of unresolved benefits cases plaguing its UI system, the passing of H.B. 1002 will be a critical start. This bill proposes a few immediate fixes that would allow for workers in Maryland to access benefits in a timely manner so that they can support themselves and their families. This bill represents major progress in making sure that UI accessibility and sufficiency issues are addressed for all workers in the state.

This legislation is in line with best practices that NELP, along with The Century Foundation and Philadelphia Legal Assistance, have reported about how states can respond to the unprecedented volume of claims during the pandemic. Specifically, NELP recommends:

- Unemployed workers need 24-7 access to online and mobile services.
- Unemployment websites and applications must be mobile-optimized. Low-wage workers and workers of color are particularly likely to rely on their phones for Internet access. While more than 80 percent of white adults report owning a desktop or laptop, fewer than 60 percent of Black and Latinx adults do.
- Maryland can use call-back and chat technology to deal with the unprecedented volume of calls. A call-back system would return a worker's phone call instead of having the worker wait on hold.
- Maryland's Department of Labor should provide workers with adequate and timely access to language and interpretive services. In addition to the website and application being translated into Spanish and other commonly spoken languages, claimants who have limited English proficiency and are unable to navigate the Department's website should have access to a reliable phone line.

This crisis has highlighted gaping holes in accessing unemployment benefits, but it has also created an opportunity. We can build a 21st century system nimble enough to handle disasters and designed to meet the needs of workers who are depending on access to unemployment insurance in this devastating time.

Thank you to the committee for the opportunity to testify today, and for its consideration of this important legislation. Speaking not just as an advocate on these issues, but as a resident of this state, this legislation will dramatically improve the lives of Marylanders who find themselves in one of the hardest positions they can be in. I am happy to answer questions or follow up as needed.

⁶ <https://oui.doleta.gov/unemploy/btq.asp>

⁷ *Id.*