

SUPPORT

SB 771 Unemployment Insurance - Work Sharing (Work Share Expansion Act of 2021)

The Howard County Chamber of Commerce (Chamber) is a business organization comprised of small businesses, corporations, non-profits, and governmental agencies all working together for the betterment of the Howard County business community. Our mission is to provide advocacy, connections, and access to timely information to advance the growth and success of the Howard County business community.

We come to you at this moment on behalf of our 700 plus member companies and others out of support for SB 771. One does not have to elaborate for a lengthy period to articulate the impact Covid 19 has had on the employer community. Whether small business or large, institution or non-profit, the coronavirus pandemic has wreaked havoc.

In response to the pandemic, local governments and state agencies implemented programs to keep businesses afloat and employees gainfully employed. In other instances, pre-existing programs were ramped up. One program of note is the Work Sharing program which was enacted in 1984 by the Maryland General Assembly and is a voluntary program that provides an alternative to layoffs for employers faced with a temporary, non-cyclical decline in business due to lower economic activity. The program is designed to avoid layoffs by preserving jobs for current employees and to assist businesses that have already undertaken layoffs to reopen and resume operations gradually. Employers who participate in Work Sharing can retain employees by temporarily reducing the hours of work, within a range of 20% to 50%, among employees within the affected unit(s). The employees with reduced work hours receive partial unemployment insurance benefits to supplement lost wages.

Despite the positive benefits of the program, many businesses are either unaware of work share or have employees that are ineligible. By expanding the work share program, more businesses will be able to participate in the program. The expansion of the affected employee definition will change the legislation for the positive as it will include interns and apprenticeships. The inclusion of apprentices is of great value considering the emphasis the state and local governments have placed on the apprenticeship program.

Equally as important is the fact this legislation includes resources to contract with a marketing firm for promotion. The state has numerous programs that could be of great



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value to business, but businesses often are unaware of their existence. It has been our experience that state agencies have implementation dollars but not funds for marketing and communications thereby creating a gross disconnect. Ultimately, you have underutilized programs because people do not know about them.

In closing, we ask that the Committee members give SB771 a favorable report. In doing so, you will make a quality program more impactful.