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Howard County

Economic Matters Committee

Subcommittees

Banking, Consumer Protection,
and Commercial Law

Property and Casualty Insurance

Vice Chair, Democratic Caucus



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 4, 2022

HB-4 Unemployment Insurance – Recovery of Benefits – Refund of Payments

SPONSOR: Delegate Courtney Watson

POSITION: Favorable

Good afternoon Chairman Wilson, Vice Chairman Crosby, and members of the committee. Thank you for allowing me to present House Bill 4.

Like you and your staff, my office has handled hundreds of constituent inquiries about unemployment benefits since April, 2020 and continues to do so today. This bill originates from a constituent matter which was one of the most challenging and frustrating we helped resolve.

To summarize, the Labor Department extracted \$3,440 in a duplicate overpayment from our constituent, Veronica C., starting in November, 2020. After months of inquiry and inaction, she brought the matter to my attention on August 19, 2021. Further inaction, ineffective communication methods, and lack of coordination among Labor Department Units combined to cause extremely poor constituent service. On September 28, 2021 the department approved the repayment to Ms. Christensen. As to when she could expect to receive the money, she was provided the following response from the Benefits Control Unit staff:

“ I apologize for the delay and I understand your frustration with the situation. As I previously explained, the \$3,440 refund was approved on September 28th. Due to our conversion to Wells Fargo Bank, the automation of our refund process has taken longer than we expected. We are working on issuing all refunds as fast as possible. I have inquired about the status of your refund and was told that there is a backlog. We hope to have the backlog cleared within 3-4 weeks.”

On November 10, 2021 a check was mailed to Veronica C., exactly one year after the overpayment occurred. Veronica C. was so grateful, and I must applaud her for her incredible

patience as she waited for a refund from the Labor Department.

As a legislator, I found this situation unacceptable. HB-4 establishes a process that the Secretary of Labor must follow when the Department is notified by the claimant that an overpayment by the claimant has occurred.

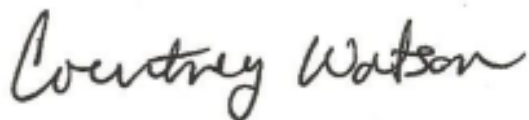
Following the recovery of benefits from a claimant, if the claimant notifies the Secretary that the actual amount recovered exceeded the amount stated in the recovery notice, the Secretary must (1) investigate the claim within 30 days after receiving notice from the claimant and (2) within 14 days after completing the investigation, refund the claimant any difference between the amount stated in the recovery notice and the amount actually recovered.

It's impossible to know how many other constituents find themselves in this same situation, presumably when they are financially vulnerable. How many are still out there? I'd like to know and perhaps you would, too.

Therefore, the bill contains a requirement that the Labor Department submit a monthly report to the General Assembly that includes the total number of such disputed claims being investigated, the status of each investigation, the amount of funds in dispute, the legislative district of each claimant who has sent notice of a discrepancy and the date any contested funds were returned.

Chief of Staff, Terry Chaconas, who has been involved in constituent services at the county and state level off and on since 2003 will add her perspective.

Thank you for your consideration of this bill. I am happy to answer any questions.

A handwritten signature in cursive script that reads "Courtney Watson".

Delegate Courtney Watson
Howard County District 9B