

SENATE BILL 818

K2

EMERGENCY BILL

1lr2105
CF HB 1138

By: **Senator Klausmeier (Chair, Joint Committee on Unemployment Insurance Oversight)**

Introduced and read first time: February 9, 2021

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 27, 2021

CHAPTER _____

1 AN ACT concerning

2 **Unemployment Insurance – Maryland Department of Labor – Accountability**
3 **and Oversight**

4 FOR the purpose of requiring the Maryland Department of Labor to ~~submit a report post~~
5 ~~on its website certain reports~~ on the administration and operation of the State's
6 unemployment insurance laws ~~to certain persons on or before a certain day each~~
7 ~~month,~~ at certain regular intervals; requiring the Department to retain certain
8 weekly reports on its website for at least a certain number of weeks; establishing
9 when a disaster exists for the purposes of certain provisions of this Act; requiring the
10 Department to monitor the Unemployment Insurance Fund for a disaster; requiring
11 the Department, when a certain determination is made, ~~to initiate a certain plan and~~
12 to comply with certain reporting requirements; requiring that the disaster reporting
13 requirements remain in effect until the Department is able to process at least a
14 certain percentage of certain payments within a certain time period in accordance
15 with certain guidelines for a certain period of time; requiring the Assistant Secretary
16 for the Division of Unemployment Insurance to announce certain information when
17 ~~a~~ the disaster reporting requirements are no longer exists in effect; requiring the
18 Department to submit a certain disaster report to certain persons within a certain
19 time period and with certain frequency thereafter; exempting the Department from
20 certain requirements for hiring staff and requiring the Department to hire certain
21 staff during a disaster; requiring the Assistant Secretary to oversee compliance with
22 certain requirements during a disaster; ~~defining a certain term;~~ making this Act an
23 emergency measure; and generally relating to unemployment insurance.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, without amendments,
 2 Article – Labor and Employment
 3 Section 8–101(a), (e), (j), (m), (m–1), and (x) and 8–311
 4 Annotated Code of Maryland
 5 (2016 Replacement Volume and 2020 Supplement)

6 BY adding to
 7 Article – Labor and Employment
 8 Section ~~8–101(m–2)~~, 8–311.1~~7~~ and 8–311.2
 9 Annotated Code of Maryland
 10 (2016 Replacement Volume and 2020 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 12 That the Laws of Maryland read as follows:

13 Article – Labor and Employment

14 8–101.

15 (a) In this title the following words have the meanings indicated.

16 (e) “Benefits” means the money that is payable under this title to an individual
 17 who is unemployed.

18 (j) “Claimant” means an individual who submits a claim for benefits.

19 (m) “Department” means the Maryland Department of Labor.

20 (m–1) “Determination” means a decision made by or on behalf of the Secretary under
 21 this title.

22 ~~(M–2) “DISASTER” MEANS AN INCIDENT OR OCCURRENCE FOR WHICH AN “ON”~~
 23 ~~INDICATOR UNDER § 8–1103 OF THIS TITLE TRIGGERS AN EXTENDED BENEFITS~~
 24 ~~PERIOD.~~

25 (x) “Secretary” means the Secretary of Labor.

26 8–311.

27 (a) On or before January 1 of each year, the Secretary shall submit to the
 28 Governor an annual report on the administration and operation of this title during the
 29 previous fiscal year.

30 (b) The annual report shall include:

31 (1) a balance sheet for the Unemployment Insurance Fund;

1 (2) a table that shows the amount of any benefit that was ineffectively
2 charged or not charged to the experience rating record of an employer;

3 (3) the reason for not charging the amount of any benefit to the experience
4 rating record of an employer;

5 (4) by category of disqualification, the amount of any benefit that was paid
6 after a disqualification under Subtitle 10 of this title; and

7 (5) any recommendation for an amendment to this title that the Secretary
8 considers proper.

9 **8-311.1.**

10 (A) ~~ON OR BEFORE THE FIRST DAY OF EACH MONTH, THE SECRETARY~~
11 ~~SHALL SUBMIT TO THE PRESIDING OFFICERS, THE SENATE FINANCE COMMITTEE,~~
12 ~~AND THE HOUSE ECONOMIC MATTERS COMMITTEE, IN ACCORDANCE WITH §~~
13 ~~2-1257 OF THE STATE GOVERNMENT ARTICLE, DEPARTMENT SHALL POST ON ITS~~
14 WEBSITE A REPORT ON THE ADMINISTRATION AND OPERATION OF THIS TITLE
15 DURING THE IMMEDIATELY PRECEDING MONTH.

16 (B) **THE REPORT SHALL INCLUDE:**

17 (1) **A BALANCE SHEET FOR THE UNEMPLOYMENT INSURANCE FUND;**

18 (2) **THE NUMBER OF CLAIMS FOR BENEFITS FILED UNDER § 8-805(A)**
19 **OF THIS TITLE IN THE IMMEDIATELY PRECEDING MONTH;**

20 (3) **THE NUMBER OF CLAIMS PENDING ADJUDICATION AND THE**
21 **NUMBER OF CLAIMS PENDING ADJUDICATION THAT WERE RESOLVED SINCE THE**
22 **IMMEDIATELY PRECEDING MONTH;**

23 (4) **THE NUMBER OF FINAL DETERMINATIONS THAT WERE MADE**
24 **UNDER § 8-806 OF THIS TITLE IN THE IMMEDIATELY PRECEDING MONTH; AND**

25 (5) **THE NUMBER OF CLAIMS PROCESSED BY THE DEPARTMENT**
26 **DURING THE IMMEDIATELY PRECEDING MONTH.**

27 (C) (1) **ONCE PER WEEK, THE DEPARTMENT SHALL POST ON ITS WEBSITE**
28 **A WEEKLY REPORT THAT INCLUDES THE NUMBER OF:**

29 (I) **OPEN CLAIMS;**

30 (II) **CLAIMS PENDING ADJUDICATION;**

1 (III) CLAIMS FOR WHICH THE FIRST PAYMENT HAS NOT BEEN
 2 MADE WITHIN 21 DAYS AFTER THE WEEK ENDING DATE OF THE FIRST COMPENSABLE
 3 WEEK IN THE BENEFIT YEAR;

4 (IV) CLAIMS CLOSED;

5 (V) CLAIMS RESOLVED BY ADJUDICATION; AND

6 (VI) CLAIMS FOR WHICH THE CLAIMANT ENCOUNTERED
 7 TECHNOLOGICAL PROBLEMS WITH THE ONLINE PORTAL.

8 (2) THE DEPARTMENT SHALL RETAIN ON ITS WEBSITE THE WEEKLY
 9 REPORTS FOR AT LEAST THE IMMEDIATELY PRECEDING 8 WEEKS.

10 8-311.2.

11 (A) FOR THE PURPOSES OF THIS SECTION, A DISASTER EXISTS IF THE
 12 DEPARTMENT, FOR 4 CONSECUTIVE WEEKS, FAILS TO PAY AT LEAST 82% OF FIRST
 13 PAYMENTS WITHIN 21 DAYS AFTER THE WEEK ENDING DATE OF THE FIRST
 14 COMPENSABLE WEEK IN THE BENEFIT YEAR.

15 (B) (1) THE DEPARTMENT SHALL MONITOR THE UNEMPLOYMENT
 16 INSURANCE FUND FOR A DISASTER.

17 (2) WHEN THE ASSISTANT SECRETARY OF THE DIVISION OF
 18 UNEMPLOYMENT INSURANCE DETERMINES THAT THERE IS A DISASTER, THE
 19 DEPARTMENT SHALL:

20 ~~(I) INITIATE A DISASTER PLAN; AND~~

21 ~~(II) COMPLY WITH THE REPORTING REQUIREMENTS~~
 22 ESTABLISHED UNDER SUBSECTION ~~(B)~~ (C) OF THIS SECTION.

23 (3) (I) THE DISASTER REPORTING REQUIREMENTS SHALL REMAIN
 24 IN EFFECT UNTIL THE DEPARTMENT, FOR 4 CONSECUTIVE WEEKS, IS PAYING AT
 25 LEAST 87% OF FIRST PAYMENTS WITHIN 21 DAYS AFTER THE WEEK ENDING DATE OF
 26 THE FIRST COMPENSABLE WEEK IN THE BENEFIT YEAR, IN ACCORDANCE WITH
 27 GUIDELINES PUBLISHED BY THE U.S. DEPARTMENT OF LABOR.

28 (II) WHEN ~~A~~ THE DISASTER REPORTING REQUIREMENTS ARE
 29 NO LONGER ~~EXISTS BECAUSE AN "OFF" INDICATOR HAS BEEN TRIGGERED UNDER §~~
 30 ~~8-1103 OF THIS TITLE~~ IN EFFECT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH,
 31 THE ASSISTANT SECRETARY OF THE DIVISION OF UNEMPLOYMENT INSURANCE
 32 SHALL ANNOUNCE THAT THE DEPARTMENT IS NO LONGER REQUIRED TO ISSUE THE

1 DISASTER REPORT UNDER SUBSECTION ~~(B)~~ (C) OF THIS SECTION.

2 ~~(B)~~ (C) (1) THE DEPARTMENT SHALL SUBMIT A DISASTER REPORT TO
3 THE PRESIDING OFFICERS, THE SENATE FINANCE COMMITTEE, AND THE HOUSE
4 ECONOMIC MATTERS COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE
5 GOVERNMENT ARTICLE:

6 (I) WITHIN 7 DAYS AFTER THE DISASTER DETERMINATION; AND

7 (II) EVERY 30 DAYS THEREAFTER WHILE THE DISASTER IS
8 ONGOING.

9 (2) THE REPORT SHALL INCLUDE:

10 (I) THE UNEMPLOYMENT INSURANCE FUND BALANCE
11 IMMEDIATELY PRECEDING THE DISASTER DETERMINATION;

12 (II) THE CURRENT BALANCE OF THE UNEMPLOYMENT
13 INSURANCE FUND;

14 (III) THE DEPARTMENT'S ANTICIPATED OFFICE STAFFING
15 NEEDS OVER THE NEXT 30, 60, AND 90 DAYS;

16 (3) THE DEPARTMENT'S PLAN FOR ~~NAVIGATING THE DISASTER~~
17 MEETING STAFFING NEEDS; AND

18 (4) AN UPDATE ON FEDERAL FUNDING AND SUPPORT FOR THE
19 UNEMPLOYMENT INSURANCE FUND.

20 ~~(C)~~ (D) DURING A DISASTER, THE DEPARTMENT SHALL:

21 (1) BE EXEMPT FROM REQUIREMENTS UNDER THE STATE FINANCE
22 AND PROCUREMENT ARTICLE FOR STAFFING; AND

23 (2) HIRE ~~100~~ ADDITIONAL FULL-TIME OR PART-TIME STAFF WHO ARE
24 STATE EMPLOYEES ~~OR~~, CONTRACTUAL EMPLOYEES, OR INDIVIDUALS UNDER
25 CONTRACT WITH A THIRD-PARTY VENDOR AS NEEDED TO MEET STAFFING NEEDS
26 AND TO RESPOND TO ISSUES RAISED BY CLAIMANTS AND EMPLOYERS.

27 ~~(D)~~ (E) DURING A DISASTER, THE ASSISTANT SECRETARY FOR THE
28 DIVISION OF UNEMPLOYMENT INSURANCE SHALL OVERSEE COMPLIANCE WITH THE
29 REQUIREMENTS OF THIS SECTION.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
31 measure, is necessary for the immediate preservation of the public health or safety, has

1 been passed by a yea and nay vote supported by three-fifths of all the members elected to
2 each of the two Houses of the General Assembly, and shall take effect from the date it is
3 enacted.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.