

Testimony of Laura Boyett, Bureau of Unemployment Compensation,  
Maine Department of Labor

In Support of LD 1564, An Act To Amend the Laws Governing  
Unemployment Compensation

To the Joint Standing Committee on Labor and Housing  
Public Hearing, Monday, May 3, 2021

Good morning Senator Hickman, Representative Sylvester and members of the Joint Standing Committee on Labor and Housing. My name is Laura Boyett and I am the Director of the Bureau of Unemployment Compensation at the Maine Department of Labor. I am here today to speak on behalf of the Department in support of LD 1564, An Act To Amend the Laws Governing Unemployment Compensation.

This is a multi-part bill proposing improvements to the Maine Unemployment Insurance Program that we believe will facilitate reemployment of unemployed individuals, expand access to benefits during periods of extremely high unemployment, increase ability of benefit recipients to support their families, and increase program operational efficiency.

This proposal can be categorized into 4 objectives, many of which became much more visible as a result of the high unemployment experienced during the pandemic emergency this past year.

**1. Facilitating Reemployment**

- **Partial Unemployment:** Unemployment benefits are not a full wage replacement for anyone who loses a job. Under current law, individuals can accept temporary part-time work and still receive a partial unemployment benefit if the amount earned does not exceed their weekly benefit amount plus \$5.00. The first \$100 of earnings is disregarded and benefits are reduced by any remaining earnings. We believe the \$5 margin is too narrow and discourages people from considering temporary, part time work opportunities while receiving unemployment benefits. LD 1564 recommends increasing the earnings threshold for partial unemployment to weekly benefits plus \$100 to provide a stronger incentive for benefit recipients to accept temporary part-time work while still seeking a more permanent employment arrangement.

- 1. Reemployment Services & Eligibility Assessment Program (RESEA):** The goal of the RESEA program is to help an individual more quickly attain long-term, sustainable employment without having to rely on receiving unemployment benefits for extended periods or repeatedly year after year. Recent changes in Federal law eliminated the prior requirement of in-person participation and expanded program flexibility to allow virtual service delivery. With this expanded access, the department recently redesigned Maine's RESEA model to provide participants with virtual one-on-one meetings with a reemployment consultant and receive services fully tailored to their individual needs. However, Maine law currently restricts participation to those that have not received RESEA services within the past 5 years regardless of unemployment history. Individuals who cycle in and out of employment frequently have a greater need for RESEA services which is prevented by this waiver. LD 1564 would remove this waiver. RESEA has been proven nationally to reduce repeated or extended reliance on unemployment benefits and by doing so, improves financial stability and independence for workers as well as reduces trust fund benefit costs, which are funded by employer-paid unemployment taxes.

## 2. Expand Access to Unemployment Benefits during High Unemployment:

- **Extended Benefits (EB):** Extended Benefits is a federal/state partnership program that provides 13 weeks of additional unemployment benefits during severe economic downturns. There are two ‘triggers’ related to unemployment levels that can activate EB, Maine law currently uses just one of them and this bill recommends that Maine adopt the second trigger as well. The trigger currently in place is not as predictive of economic needs as the alternate trigger, nor does it provide the maximum amount of benefits permissible under very high periods of unemployment. Had Maine had the Total Unemployment Rate (TUR) alternate trigger, Maine citizens would have been able to access up to 20 weeks of EB benefits this past year instead of 13 weeks. EB was fully federally funded during the pandemic and during the past two high unemployment recessions. New England states that currently have the alternate trigger include New Hampshire, Vermont, Rhode Island, Connecticut and New Jersey.

## 3. Increase Ability to Support Families

- **Dependency Allowance:** Maine law currently adds a dependency allowance for benefit recipients who are the primary support for children. The rate is \$10.00 per dependent child each week claimed up to a maximum of 50% of the individual’s weekly benefit amount. This rate has not changed since it was enacted in 1989 and has not kept pace with cost of living increases. This bill proposes dependency allowance be increased to \$25 per dependent child per week up to a maximum of 60% of the weekly benefit amount or \$100 whichever is greater.
- **Temporary Disqualification for Unexpected Loss of Child or Elder Care:** Maine allows benefit eligibility for having to “voluntarily quit” one’s job under certain situations that cannot be accommodated by the employer. These currently include domestic violence, moving with a spouse, or illness/disability. These individuals are only temporarily disqualified from receiving benefits and can begin collecting benefits once they are able and available to work and can actively seek work. The employer’s experience rate is not charged for these benefits. The Covid-19 pandemic highlighted the challenges of individuals who had to leave jobs as the result of unexpectedly losing childcare or caregiver for an elderly family member. The bill proposes that the eligibility exceptions allowed for voluntary quit of a job be expanded to include unexpected loss of child or elder care.

## 4. Streamline Program Operations

- **Clarify Participation in Fact-finding Interviews:** The language of Maine law states that an individual “personally appear” before an adjudicator in a scheduled fact-finding interview to assess whether a detected eligibility issue will impact the ability to collect benefits. This language was put into law when all program services were carried out in person and periodically creates confusion and issues during appeal proceedings. The department would like to change the language to “personally participate” to better reflect current telephone, online and other automated service delivery modalities.
- **Rule-making Authority:** Currently resides with the Unemployment Insurance Commission and the department is requesting that rule-making authority be granted to the Commissioner of Labor, who statutorily, is the Administrator of the Maine Unemployment Insurance Program. This would be more consistent with the rule-making authority granted to the Commissioner for all other programs administered by the Department. Additionally, the department has more internal capacity to carry out the labor-intensive activities required in rule-making procedures.

- **Overpayment Waivers:** Similar to rule-making, the authority for considering requests for waivers of benefit overpayments resides with the Unemployment Insurance Program. Under federal law, overpayment waiver requests are appealable and having them reside at the Commission level, means that the only appeal right for an individual who has been denied a waiver request, is to appeal directly to the court. We are recommending that overpayment waiver authority be moved to the Commissioner of Labor or designee which is consistent with other states. This would also provide two level of appeal rights before moving into the court system consistent with all other unemployment decisions.

Thank you for your time and attention. I would be happy to answer any questions you may have now or at a future work session.