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**Testimony of Laura Fortman, Commissioner,
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 Fortman and I am the Commissioner of the Maine Department of Labor. I am here today to speak in support of LD 1564, An Act To Amend the Laws Governing Unemployment Compensation.

It is clear that the need for Unemployment Insurance Program reform is a broadly shared priority. You have been working tirelessly to help address the economic needs of your constituents during the pandemic emergency, as have we. The past year has not only validated the importance of unemployment benefits during times of economic crisis, but also emphasized aspects of the program that need change to align to today's workforce more adequately. When we compare Speaker Fecteau's bill with LD 1564, we recognize the goals that we share, while acknowledging our differences. In the end, both bills strive to achieve the same result: to improve Maine's unemployment system for our citizens. My staff and I look forward to working with Speaker Fecteau and this committee to identify changes that will improve the effectiveness and efficiency of Maine's unemployment insurance program.

As you are aware, unemployment is a Federal and State partnership program that is governed by both Federal and State laws. The foundational components of this program have remained relatively unchanged since its inception in 1935. The core tenets of the program are that someone must have lost their job through no fault of their own; that they remain able to work and available to work; and, that they are actively seeking work. This program is funded by a payroll tax paid by employers.

We recognize that the world of work has changed significantly in the last 85 years and that the unemployment program does not adequately meet the needs of all displaced workers, such as gig workers. Change is needed. However, states are limited in making comprehensive reform without broad changes first occurring at the federal level. Comprehensive unemployment insurance reform is being discussed at the federal level, where multiple pieces of legislation have been introduced.

LD 1564 represents moderate but needed changes that can be made now within the constraints of the existing federal framework. These changes will have minimal impact on the Unemployment Insurance Trust Fund but meaningful impact in the lives of laid off workers. The Director of Unemployment Compensation, Laura Boyett, will outline each of the proposed changes in her testimony. Overall, we've proposed changes that will help individuals return to work; will provide expanded benefits during extreme economic downturns; will help parents struggling to support their families during periods of unemployment; and, will improve operational efficiency of the program.

Thank you for your consideration of this proposal. I am happy to answer any questions now or at the work session.

