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Testimony of Senator Mattie Daughtry introducing LD 1464, An Act to Remove the Waiting Period for Benefits Under Maine's Unemployment Insurance System Before the Joint Standing Committee on Labor and Housing April 19, 2023

Senator Tipping, Representative Roeder, and Esteemed Members of the Joint Standing Committee on Labor and Housing, my name is Mattie Daughtry, and I proudly represent Senate District 23, which includes Brunswick, Freeport, Harpswell, Pownal, Chebeague Island, and part of Yarmouth. Today I am pleased to introduce LD 1464, "An Act to Remove the Waiting Period for Benefits Under Maine's Unemployment Insurance System."

LD 1464 is a simple, straightforward bill. It would eliminate the waiting period for Maine workers who are applying for unemployment benefits. In today's economy, we know that the majority of wage workers live paycheck to paycheck. Inflation has made that reality even harsher, particularly for low-wage workers, women, people of color, and young families. These workers literally cannot afford to miss even one week of pay, especially since they lost their jobs and the unemployment benefit is less than their regular earnings. Unless workers exhaust the full 26 weeks of benefits, they are denied a week of benefits. According to the <u>U.S. Department of Labor</u>, the average duration of a UI claim was 15.8 weeks, with 60 percent of benefit recipients finding work prior to the exhaustion of their benefits. In other words, it's very likely that Maine workers will find employment within the 26 weeks of benefits, so they lose that full first week of benefits. This hurts our families, and it hurts our economy.

When unemployment benefits began, the waiting period gave the bureaucracy time to process the application. In the 1980s, a one-week waiting period was reasonable. It took time, and the processing technology was slower then. This is no longer the case. To continue the one-week waiting period is a throwback to an outdated process. The Department of Labor does not need a week to process applications. In fact, when there was a large volume of applications during the peak months of the COVID-19 pandemic, the Department waived the waiting period. Other states have waived their waiting periods, and Maine should join them.

As we move forward, I hope that we can work together to limit the impact waiving the waiting period would have on the Unemployment Insurance Trust Fund. If we schedule the waiver at the right time, then we can ensure there will be no major tax increase on employers or workers. With Maine's employment numbers being as good as they are, now is the time to make this change.

No one plans to lose their job, and everyone pays into the system, so let's remove the waiting period. Let's give people the hard-earned benefits they deserve while they continue to pay their bills, support their families, and find another job.

I thank you for your time, and I would be happy to answer any questions you might have.

Mattie Daughtry

Assistant Senate Majority Leader, Senate District 23

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