

# Unusual accord on raising jobless pay

## Big employers, unions back legislative action

By Jamie Smith Hopkins  
Sun Staff

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Finally, an issue that employers and workers can agree on: Maryland's unemployment benefits should be increased.

State legislators are considering whether to raise the maximum weekly payout to \$340 from \$310, a change recommended by business and worker advocates. It took a year and a half for the two sides to iron out the agreement via a state task force, but it's proving far less contentious than the other major employment bill before the General Assembly this session, a measure to raise the minimum wage by \$1 an hour from the current \$5.15.

That's because most businesses won't be footing the bill in this case.

The unemployment legislation would alter the tax structure to shift costs to layoff-heavy companies. Employers that haven't laid anyone off for several years - the majority - will generally fare slightly better than they do under the current system.

Some businesses, including those in the seasonal hospitality industry, don't like the idea. Major business groups support it.

"The recommendations would create an unemployment insurance system for Maryland that's more equitable, stable and predictable," said William Burns, a spokesman for the Maryland Chamber of Commerce.

The Senate Finance Committee is expected to hear testimony today. The House Economic Matters Committee will hear testimony Thursday.

At \$310, Maryland's maximum weekly unemployment benefit is tied for 16th-lowest in the nation, lower if allowances for dependents are added. All surrounding states have higher limits, particularly Pennsylvania, at \$478. Half of Maryland's recipients are at the maximum.

About 170,000 people began collecting unemployment benefits during the past fiscal year. A little more than a third have exhausted their 26-week limit.

Steve Doyle, an unemployed painter from Bel Air, is about a month away from that cutoff, and he figures he knows what he's talking about when he says that \$310 a week is tough going. An extra \$30 a week might not sound like much, and he wishes legislators were proposing more, but it would just about cover the cost of his groceries.

"If I didn't have a girlfriend, I wouldn't be getting by," said Doyle, 59, an AFL-CIO union member who hasn't found steady work since November. "It would be greatly appreciated if they did raise it \$30. It would help everybody."

The increase would go into effect for new claims filed Oct. 2 or later if the legislation becomes law.

Beau Seidel, a movie prop maker from Federal Hill, was earning \$2,000 a week when times were good in the local film business, but work dried up at the end of last year. After several months of making do with construction jobs and stagehand work, he filed for unemployment benefits Friday.

He knows from experience that there's not much left for food - or anything else - after the mortgage and utilities are paid.

"Another \$30 ... would make a big difference," said Seidel, 47. "A little meat now and then."

Nick Weiner, a union official who sat on the task force that recommended changes in the program, said union leaders had hoped to link benefits to a cost-of-living index so that the cap would rise gradually over time. Next year, the Baltimore-based Job Opportunities Task Force wants to push for coverage of new workers and part-timers, who aren't eligible for benefits.

"But as a compromise, it's certainly a welcome step forward to have an increase," said Weiner, the Mid-Atlantic region research coordinator with UNITE HERE, which represents workers in hospitality and textile-related industries.

State Sen. Thomas M. Middleton, chairman of the Senate Finance Committee and co-chair of the unemployment insurance task force, thinks the bill has an "excellent" chance of passing because parties that normally feud have hammered out a deal ahead of time.

"This is a good example of the way to make legislation work," said Middleton, a Charles County Democrat.

Though Republican Gov. Robert L. Ehrlich Jr. has not publicly taken a position on the bill, Middleton said the governor seemed "pretty comfortable" with it.

The task force was convened after Maryland imposed a surcharge to bolster the state's unemployment insurance fund after it dropped below its state-required minimum. It alarmed state officials because Maryland - on average - lost no jobs overall and its annual unemployment never rose higher than 4.5 percent. And businesses were not happy to get stuck with the extra tab of \$68 per worker this year, about \$100 million in total.

It especially frustrated the approximately two-thirds of employers who have not let anyone go in the past three years and pay the lowest unemployment tax.

The new system would eliminate surcharges in favor of a sliding scale that would charge employers with a substantial layoff record the most. Under the proposed scale, the maximum would rise to \$1,147.50 per worker from \$807.50.

Employers in highly cyclical industries think it's a bad idea.

"All of these different costs - whether they be unemployment insurance or workers' comp or minimum wage - all put tremendous pressure on the entire tourism industry," said Mary Jo McCulloch, president of the Maryland Hotel & Lodging Association. "Because of the numbers of people we ... employ and the seasonality of the business, most of the hotels will fall in, if not the highest rate, at least among the highest rates."

Most businesses think the change is needed, said Ronald Adler, the Maryland chamber's representative on the unemployment insurance program task force.

"I could argue I paid more than my fair share," said Adler, president of a small human resources management consulting firm in Potomac that has never laid anyone off. "Over the last two years, I have seen my tax rate go up."

Still, he's also in favor of raising the benefits cap to \$340 a week. "Consumers drive the economy to a very large extent, so having benefits at a reasonable amount is beneficial to employers," he said.

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