



SENATE BILL 270

Unemployment Insurance - Eligibility - Part-Time Work

February 17, 2009

POSITION: Oppose

Mr. Chairman and Members of the Senate Finance Committee:

On behalf of the 3,000 members of the *Restaurant Association of Maryland*, we strongly oppose Senate Bill 270, which would expand unemployment insurance benefits to cover employees seeking only part-time work.

Because the restaurant industry employs more part-time workers than many other business sectors, we would be disproportionately affected by this bill. Moreover, all Maryland employers saw their unemployment insurance rates increase at the beginning of this year because of above average payouts from the unemployment insurance trust fund. With unemployment rates expected to rise to historic highs this year, employers are all but certain to see another jump in unemployment insurance rates next year. Allowing part-time workers to collect unemployment benefits would increase individual employer experience rates, and increase rates for all employers because of accelerated depletion of the trust fund.

Maryland unemployment insurance officials say they are paying out more benefits right now than they have in over 12 years. The trust fund is currently paying out approximately \$22.9 million per week, compared to about \$11.5 million per week a year ago. With the economy in recession, the historic number of people collecting benefits, and the threat of pending legislation to slightly increase the weekly benefit amount, this is simply the worst possible time to consider such an expansion in benefits.

Like many other business sectors, the restaurant industry has been hard-hit by the economic slowdown. Many of our fine dining establishments are struggling to maintain a steady stream of customers during the week. Some of our members have even been forced to eliminate lunch service because of fewer customers. The City of Annapolis recently lost three iconic restaurants – Phillips, Northwood's and La Piccola Roma. Rumor has it that several other well-known eateries are not far behind. Employers simply cannot afford the risk of rate increases as a result of this legislation.

For these reasons, we oppose SB 270 and request an unfavorable report.

Respectfully submitted,

Melvin R. Thompson
Senior Vice President
Government Affairs and Public Policy
Restaurant Association of Maryland
6301 Hillside Court
Columbia, MD 21046
410-290-6800