

## THE GENERAL COURT OF MASSACHUSETTS STATE HOUSE, BOSTON 02133-1053

August 2, 2021

The Honorable Josh S. Cutler, House Chair Unemployment Insurance Trust Fund Study Commission State House, Boston, MA 02133

The Honorable Patricia D. Jehlen, Senate Chair Unemployment Insurance Trust Fund Study Commission State House, Boston, MA 02133

## Dear Honorable Chairs:

I write today to provide comments on the Unemployment Insurance Trust Fund Study Commission. I greatly appreciate your work and the work of the Commission to address the critical issue of sustainability of the Commonwealth's unemployment Trust Fund, a much-needed part of our safety net.

As legislators we know all too well that the COVID pandemic showed the huge need for unemployment insurance as an important lifeline for thousands of our constituents. Without this assistance, residents across the Commonwealth would have faced loss of housing and an inability to put food on the table. With a long recovery likely ahead of us, it is necessary to sustain the Unemployment Trust Fund to ensure it remains a reliable safety net for those who need it.

Given our very recent experience, it is clear that now is not the time to cut benefits or duration of unemployment benefits - we have seen how this program prevented disaster for our constituents, particularly those with low incomes and communities of color. It is crucial that this program continue to exist, and that we strengthen the Trust Fund for future challenges.

That said, there are very real issues about the solvency of the Fund which predated the COVID pandemic, but were exacerbated by this dramatic surge in unemployment. It is clear that we need more revenue to create a sustainable safety net that is there for workers who need it. To do this, I recommend increasing the taxable wage base beyond the first \$15,000 of worker income. This, along with indexing the amount to grow over time, would both strengthen the Fund and reduce the disparity in employer payment, whereby currently businesses with employees with higher wages are subsidized by those with lower-wage employees. Any increase in revenue to the fund should also take into account the real needs of small businesses that have lower wage bases. Many of our local small businesses have struggled due to the pandemic and we need to

acknowledge those challenges and continue to support these businesses through the COVID recovery.

Thank you for your consideration of my comments, and for your work in protecting the Unemployment Trust Fund to ensure it is sustainable to protect workers for many years to come.

Sincerely,

State Representative Christine P. Barber

34th Middlesex District