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For Immediate Release...

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Hogan: Unemployment Insurance Fund Needs Overhaul

Today, Larry Hogan called on Martin O'Malley and the State Legislature to consider comprehensive changes to the way the unemployment insurance fund is operated.

“Raising unemployment taxes on job creators during tough economic times is counterproductive,” charged Hogan. “This is just another example of government getting in the way of economic recovery. The unemployment insurance fund needs an overhaul.”

“It sounded like a great idea. Keep unemployment taxes low when the account has plenty of money which meant business could keep more of their hard earned money,” said Hogan. “But, nobody thought about the reality – the only time the fund gets low is during tough economic times when claims rise. If people are losing their jobs, small businesses can't afford the mandated higher unemployment taxes. Worse, they could be forced to lay off even more employees just to pay the higher taxes!”

“Governor O'Malley's piecemeal approach to handling this economic crisis has created tremendous instability in our local economy. Short sighted fixes are not the solution,” charged Hogan.

“Marylanders deserve better from their Governor. We deserve leadership that focuses on putting our state on strong foundation for generations – not months.”

Martin O'Malley and legislative leaders are considering making a handful of technical changes to the unemployment laws so Maryland can qualify for a one time payment of just over \$125 million. Some experts believe that the annual cost to implement the required federal changes will be around \$20 million. In six years, the one time infusion of federal aid would end up costing Maryland small businesses an additional \$20 million in unemployment insurance each year.

Larry Hogan has emerged as the leading challenger to O'Malley. He is a small business owner in Anne Arundel County who served in the Ehrlich Cabinet.

In his last run for office, Hogan nearly defeated the House Majority Leader Steny Hoyer in what Hoyer called the toughest race of his entire political career.

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