



June 8, 2021

Mr. Boris Karasch  
Unemployment Insurance Division  
Montana Department of Labor & Industry  
P.O. Box 8020  
Helena, MT 59604

RE: Montana Administrative Register Notice 24-11-372, COVID Unemployment Insurance Benefits

Dear Mr. Karash:

The Montana Budget & Policy Center submits this comment in relation to the proposed repeal of ARM 24.11.478, Covid-19 claims for unemployment insurance benefits for weeks of unemployment beginning on or after July 12, 2020. We greatly appreciate the work by the Montana Department of Labor & Industry (MTDLI) over this past year to respond to the COVID-19 pandemic and workers accessing unemployment insurance as a result. As many of the effects of the pandemic persist, often disproportionately impacting indigenous families and communities, we urge MTDLI to postpone the repeal of ARM 24.11.478 and ensure Montana workers can continue to access federal pandemic unemployment benefits consistent with federal law.

The Montana Budget & Policy Center (MBPC) is a nonprofit organization founded in 2008. MBPC's mission is to advance responsible tax, budget, and economic policies through credible research and analysis to promote opportunity and fairness for all Montanans. MBPC fulfills this mission by providing credible and timely research and analysis on state fiscal issues to legislators, tribal leaders, advocates, the public, and the media.

Over the past year, Unemployment Insurance has been a critical lifeline for those who lost employment or faced continued barriers to work during the COVID-19 pandemic. Pandemic Extended Unemployment Insurance (PEUC), Federal Pandemic Unemployment Compensation (FPUC), Pandemic Unemployment Assistance (PUA), and Mixed Earners Unemployment Compensation (MEUC) have allowed individuals who lost their jobs due to business closures to continue to feed their families. Likewise, these measures prevented the even greater spread of COVID-19 as workers were not forced to show for work while ill or exposed to the virus for fear of losing their employment. The availability of these federal funds has also prevented small businesses from losing their customers and help keep our economy afloat during a period which could have otherwise been an economic disaster.

#### **MBPC Comments on MAR Notice 24-11-372**

The conditions which spurred this emergency rule are still in place today. Montana's COVID-19 case numbers remain at similar levels as last summer when these rules were first enacted.<sup>i</sup> While unemployment appears to have reached pre-pandemic levels, this is in large part a result of the reduction in the labor force. Nearly 10,000 fewer Montanans are in the labor force than were in February of 2020, in part because thousands of people have left the workforce due to health concerns, or the need to care for a child or other family member.<sup>ii</sup> The thousands of Montanans who remain unemployed still face a difficult environment in which to return to work.

For Montanans living on reservations, the job market is much bleaker. Social and economic barriers,

including discrimination in the job market, lack of state investment in tribal colleges, lack of broadband internet availability, and chronic under-funding of local services, have resulted in fewer job opportunities and unemployment rates up to four times the statewide average.<sup>iii</sup> A historical lack of investment and current-day discrimination makes finding secure employment for many American Indians more difficult.

Tribal nations in the state of Montana have also faced higher rates of COVID-19 and have yet to fully recover from the effects of the pandemic. The loss of federal unemployment benefits will even further hamper economic recovery in Indian Country and add to a history of state level decisions which disadvantage tribal communities.

While unemployment has steadily fallen since its peak in the spring of 2020, those remaining on federally funded programs are likely those most impacted by the pandemic. Many Montanans have been unable to return to work because they are facing significant health concerns, caregiving constraints, or live on reservations with difficult job markets. According to a report from Montana Kids Count, even before the pandemic, Montana was only able to meet 41 percent of the demand for childcare and ranks in the bottom five states for childcare availability.<sup>iv</sup> The removal of these benefits will harm those facing the most difficulty returning to employment.

According to The Century Foundation, an estimated 31,000 Montanans will be impacted by the early termination of federal pandemic unemployment benefits. Although these enhanced benefits are scheduled to end this fall, ending benefits early will cost the state roughly \$150 million in federal funds. By turning down federal unemployment benefits, Montana will cut off a stream of funding that has flowed into local businesses and kept our economy afloat.

The effects of the pandemic still persist and the termination of federal funding for unemployment benefits jeopardizes Montana's economic recovery.

### **MBPC urges DLI to consider postponing the repeal of 24-11-478.**

MBPC urges Montana to accept the full extent of federal funding for pandemic related unemployment available until the expiration of the funds at the federal level. Given the potential damage to our economic recovery, the impacts of those struggling to return work, and the disproportionate impact on American Indians, we urge the state not to repeal 24-11-478 at this time.

MBPC appreciates the opportunity to submit this comment.

Sincerely,



Heather K. O'Loughlin  
Co-Director  
Montana Budget & Policy Center

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<sup>i</sup> Montana State Library, "[Montana Coronavirus Active Cases by County](#)," Montana Response: COVID-19 Global, National, and State Information, retrieved on June 1, 2021.

<sup>ii</sup> Cooper, D., "[There is no justification for cutting federal employment benefits: The latest state jobs data show the economy has not fully recovered](#)," Economic Policy Institute, May 26, 2021.

<sup>iii</sup> Montana Department of Labor & Industry, "[Montana Labor Market Information](#)," retrieved on June 1, 2021.

<sup>iv</sup> Montana KIDS COUNT, "[A Modern Economy Depends on Child Care. Montana Can Make It Affordable and Accessible](#)," May 2021.