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Patrick Moran – President

SB 3 – Unemployment Insurance Modernization Act of 2026
Finance Committee
February 11, 2026

FAVORABLE

AFSCME Maryland Council 3 supports Senate Bill 3. Senate Bill 3 ushers in timely and critical reforms to Maryland's unemployment insurance system. The bill ensures Maryland's unemployment insurance trust fund remains solvent by altering the taxable wage base used to determine employer contributions; while also establishing an updated methodology to calculate the weekly benefit amount an eligible individual will receive under the program.

AFSCME Maryland Council 3 represents approximately 55,000 public service workers across varying levels of government including city, county, state, and higher education. AFSCME members are on the frontlines everyday delivering critical public services our communities depend on.

Unemployment insurance is a pillar of our nation's social safety net that was created in the wake of the Great Depression.[1] The purpose of unemployment insurance is to prevent workers and their families who have lost their jobs from falling into poverty while they continue to search for new employment. This critical insurance program not only prevents financial catastrophes from being inflicted upon families while experiencing unemployment, but it also supports our economy by enabling families to continue to spend money on vital necessities and stimulate our economy. Unfortunately, far too many states set their UI benefits so low that many families experience poverty when an individual becomes unemployed, undermining the purpose of the policy program.[2]

Senate Bill 3 alters the methodology to determine an individual's weekly benefit amount by providing that the minimum weekly benefit must be at least 15% of the state average weekly wage, while the maximum weekly benefit will progressively increase until it reaches 40% of the state average weekly wage in 2027. The legislation also ensures the unemployment insurance trust fund remains solvent by gradually increasing the taxable wage base employers must pay until it reaches sixteen percent of the average annual wage for employees in the state by calendar year 2029. These reforms are needed to ensure the unemployment insurance program fulfills its promise to keep unemployed workers out of poverty, while also maintaining the solvency of the unemployment insurance trust fund.

We urge the committee to issue a favorable report on Senate Bill 3.

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[1] Josh Bivens, et al., *Reforming Unemployment Insurance: Stabilizing a system in crisis and laying the foundation for equity*, Economic Policy Institute, June 2021 https://files.epi.org/uploads/Reforming-Unemployment-Insurance.pdf.
[2] National Employment Law Project, *Benefit Amounts*, November 2023, https://www.nelp.org/app/uploads/2023/11/Policy-Advocacy-Brief-Benefit-Amounts-11-2023.pdf.