



Maryland Area Health Education Center
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50 Years With You, For You.

February 9, 2026

The Honorable Pamela Beidle, Chair
Senate Finance Committee
3 East Senate Office Building
Annapolis, Maryland 21401

SB0003 - Unemployment Insurance Modernization Act of 2026

Dear Chairwoman Beidle and Members of the Committee:

My business, AHEC West, located in Allegany County, Maryland, will be negatively impacted by the proposed legislation in SB0003. I am writing to respectfully express opposition to the Unemployment Insurance Modernization Act.

As an employer operating in a rural community, our business already faces unique challenges, including a limited labor pool, rising operating costs, and thin margins. While we support a strong safety net for workers, this legislation would significantly increase the cost of doing business by expanding the taxable wage base for unemployment insurance and by indexing both employer contributions and benefit levels to the statewide average wage.

For employers like us, these changes would result in automatic and ongoing cost increases that are difficult to predict or absorb. Our businesses often lack the financial flexibility to offset rising payroll taxes without reducing hiring, delaying wage increases, cutting hours, or scaling back investment in growth.

In Allegany County, where many businesses are locally owned and serve as key economic anchors, these added costs could have unintended consequences, including slower job creation, reduced competitiveness, and increased pressure on already strained operations.

The proposed changes would significantly affect AHEC West's operations as a rural, grant-funded nonprofit organization. Unlike private businesses, our funding sources are largely fixed and restricted, leaving little flexibility to absorb increased unemployment insurance taxes.

Improving access to and promoting quality in healthcare through education and other partnerships in Garrett, Allegany, Washington, and Frederick counties.

Any rise in employer contributions would directly divert funds away from workforce development programming, including clinical training, pipeline initiatives, and community-based education programs. These impacts would constrain hiring, limit wage growth, and reduce our capacity to expand services at a time when Western Maryland faces persistent healthcare workforce shortages.

We respectfully urge you to consider the disproportionate impact this legislation would have on small and rural employers, and to work with the business community to explore alternative solutions that strengthen the unemployment insurance system without placing undue burden on job creators.

Thank you for your time and consideration of my concerns, which are echoed by many others in Allegany County.

Sincerely,

A handwritten signature in blue ink that reads "Melissa A. Clark".

Melissa A. Clark, MPA
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