

ATU Local 689-SB 0003-UI Modernization-Written Tes

Uploaded by: Benjamin Lynn

Position: FAV

Amalgamated Transit Union Local 689



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Statement of the Amalgamated Transit Union (ATU) Local 689

SB 0003

February 11, 2026

TO: The Honorable Pamela Beidle and Members of the Senate Finance Committee
FROM: Benjamin Lynn, ATU Local 689 Press and Communications Associate

Chair Beidle and Members of the Senate Finance Committee: Thank you for the opportunity to provide testimony in support of Senate Bill 0003 which includes much needed improvements to the state of Maryland's unemployment insurance program. ATU Local 689 supports the bill and urges you to issue a favorable report.

Maryland's unemployment insurance program is in desperate and dire need of improvements and modernization. The minimum and maximum weekly benefits are simply too low and the Unemployment Insurance Trust Fund does not have enough revenue to fully sustain benefits during extreme economic downturns. Unemployment Insurance is a critical safety net that workers earn and is essential for helping people support themselves and their families after they have lost their job. Improving and expanding the state's unemployment insurance program should be a priority for all lawmakers.

Senate Bill 0003 modernization of the state's unemployment insurance trust fund will ensure that the fund remains solvent and sustainable going forward. Additionally, the increase in the weekly benefits will provide better security to Maryland workers and help them pay essential bills until they are able to secure new employment.

ATU Local 689 would like to thank the bill's sponsor, Senator Kramer for championing this important legislation. We urge the Senate Finance committee to favorably report Senate Bill 0003.

SB 3, Unemployment Insurance Modernization Act of

Uploaded by: Carlos Orbe, Jr.

Position: FAV

February 9, 2026

The Honorable Pamela Beidle

Chair, Finance Committee

3 East Miller Senate Office Building

Annapolis, Maryland 21401

RE: Support for SB 3, Unemployment Insurance Modernization Act of 2026

Dear Chair Beidle,

Maryland Latinos Unidos (MLU) is honored to express our strong support for Senate Bill 3, Unemployment Insurance Modernization Act of 2026, which is scheduled for a hearing in the Senate Finance Committee on February 11, 2026.

Unemployment insurance is a lifeline for Latino workers who are disproportionately represented in lower wage industries with seasonal hours, unstable schedules, and higher rates of job churn. When access is delayed, confusing, or burdensome, families fall behind on rent, utilities, and basic needs within weeks, increasing the risk of displacement and long term economic harm. Research consistently shows that administrative burdens reduce access to unemployment insurance and other safety net supports, even among people who are eligible and actively seeking help.

SB 3 modernizes Maryland's unemployment insurance system by updating benefit calculations and key administrative elements, including the approach to the taxable wage base and the maximum benefit in future years. These changes matter because benefit adequacy and predictable administration determine whether unemployed workers can stabilize their households while they search for new employment. SB 3 also includes steps that can improve transparency and public access to information, which is essential for workers navigating the system in a second language or with limited time and internet access.

Implications for Latino and immigrant Marylanders

For Latino and immigrant households, unemployment insurance modernization strengthens freedom and opportunity by reducing preventable hardship during periods of job loss. When families can keep housing, maintain childcare, and avoid high cost debt, they are better positioned to return to work and remain connected to schools, health care, and community support. Improving the clarity and reliability of unemployment insurance administration also supports workers who face documentation confusion, technology barriers, and limited access to legal guidance. Evidence from national modernization efforts shows that simplifying processes and reducing unnecessary steps can meaningfully improve completion and access for claimants.

MLU can amplify these outcomes by partnering with worker centers, legal services, and community based organizations to provide culturally responsive education about eligibility and the claims process, share multilingual navigation resources, and identify persistent barriers experienced by immigrant and mixed status families. Modernization paired with trusted community outreach is how policy becomes real stability.

MLU urges the Finance Committee to issue a favorable report on SB 3, reinforcing Maryland's commitment to economic stability for working families across the state.

Sincerely,

Carlos Orbe, Jr.

Communications and Public Affairs Specialist

Maryland Latinos Unidos

corbejr@mdlatinosunidos.org

SB0003_Unemployment_Insurance_Moderinization_Act_o

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0003 Unemployment Insurance Modernization Act of 2026

Bill Sponsor: Senator Kramer

Committee: Finance

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0003 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

Maryland has experienced a sharp increase in unemployed workers due to the Trump administration's war on Federal government workers. The fact that so many workers with similar skills were unemployed so suddenly meant that in addition to having to look for new jobs, the market was tight. Collecting unemployment pay meant the difference between putting food on the table and going hungry, or paying their rent/mortgage or losing their home.

Maryland, however, has been slow to update the amount that an individual can receive as well as the way the unemployment fund is replenished. Because Maryland has not really updated our unemployment regulations since 2010, the maximum amount an individual would receive is much lower than what is required in this economy. Additionally, all of those people drawing on unemployment is putting a strain on the fund.

This bill, if enacted, would gradually increase the maximum weekly benefit until 2029 when it will be set to 40% of the average weekly wage and the minimum weekly benefit to 15% of the average weekly wage. Maryland would be the 27th state to index their unemployment benefits. Additionally, the taxable wage base will be increased gradually until 2029 when it will be indexed to 16% of the average annual wage. Maryland's taxable wage base was set at \$8,500 in 1992 and has not been updated since.

We strongly support this bill and recommend a **FAVORABLE** report in committee.

AFSCME Council 3 Senate Bill 3 Testimony_FAV.pdf

Uploaded by: Christian Gobel

Position: FAV



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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.

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>.

SB3_Maryland Center on Economic Policy_FAV.pdf

Uploaded by: Christopher Meyer

Position: FAV



FEBRUARY 11, 2026

Improving Maryland's Unemployment Insurance System Will Strengthen our Economy

Position Statement in Support of Senate Bill 3

Given before the Finance Committee

Unemployment insurance is an essential lifeline to ensure that workers who lose their job through no fault of their own can keep up with basic expenses like food and rent. It is also among the fastest, most effective tools to support the economy during a downturn. However, our current unemployment insurance system does too little to support jobless workers. **The Maryland Center on Economic Policy supports Senate Bill 3** because it would better enable unemployed workers to afford necessities and put the Unemployment Insurance Trust Fund on a stronger footing.

More than 130,000 Marylanders were out of work as of December 2025.ⁱ Our unemployment insurance system is failing them:

- Unemployment benefits for Maryland workers averaged only \$397 per week during summer 2025,ⁱⁱ equivalent to less than \$21,000 per year. Maryland's benefits were 14% below the national average and far below the amount needed to maintain a basic living standard anywhere in the state.
- Unemployment benefits next door in Pennsylvania averaged \$460 per week during the same period – \$30 higher even than Maryland's statutory cap.
- 21% of unemployed Marylanders were not always able to put enough food on the table in 2024, compared to only 8% of employed Marylanders.ⁱⁱⁱ

Senate Bill 3 would strengthen Maryland's unemployment insurance system through three core reforms. Once fully phased in, the bill would:

1. Increase the minimum weekly benefit from a flat \$50 to 15% of the state's average weekly wage.

- If Senate Bill 3 were fully phased in today, this would equal \$231 per week, equivalent to about \$12,000 per year.^{iv}
- Maryland's minimum weekly benefit was last updated 16 years ago.^v

2. Increase the maximum weekly benefit from a flat \$430 to 40% of the average weekly wage.

- If Senate Bill 3 were fully phased in today, this would equal \$615 per week, equivalent to about \$32,000 per year.
- Maryland's maximum weekly benefit was last updated 16 years ago. Prices have since increased by 50%.^{vi}

3. Increase the wage base subject to payroll contributions to support the Unemployment Insurance Trust Fund from a flat \$8,500 per year to 16% of the average annual wage.

- If Senate Bill 3 were fully phased in today, this would equal about \$12,800 per year.
- Maryland’s taxable wage base has not been updated in 34 years. Wages in Maryland have since increased by 187%.^{vii}
- A higher wage base will protect the Unemployment Insurance Trust Fund’s solvency. That does not necessarily mean that employers’ required contributions will increase on a one-for-one basis. A broader base means the trust fund will remain solvent with lower and less volatile contribution rates.

Illustrative Weekly Benefits and Taxable Wage Base: Current Law and Senate Bill 3			
		Current Law	Senate Bill 3
Minimum Weekly Benefit Last updated: 2010	% of Average Weekly Wage	3%	15%
	\$	\$50	\$231
	Annual Equivalent (\$)	\$2,600	\$12,012
Maximum Weekly Benefit Last updated: 2010	% of Average Weekly Wage	28%	40%
	\$	\$430	\$615
	Annual Equivalent (\$)	\$22,360	\$31,980
Taxable Wage Base Last updated: 1992	% of Average Annual Wage	11%	16%
	\$	\$8,500	\$12,788
Note: Based on the Maryland Workers’ Compensation Commission 2026 average weekly wage of \$1,537, with Senate Bill 3 fully phased in. Average annual wage is 52 times the average weekly wage. Numbers in this table are for illustrative purposes only.			

An effective unemployment insurance system benefits all workers, the businesses where they spend their money, and the communities they live in:

- During an economic downturn, unemployment insurance benefits enable families to afford necessities and ultimately limit job loss. Each \$1 in unemployment benefits generates about \$1.93 in economic activity during a recession, according to a 2021 International Monetary Fund working paper analyzing emergency federal unemployment insurance expansions over a 22-year period.^{viii}
- Maryland’s Board of Revenue Estimates cited pandemic-era federal unemployment expansions as one important contributor to the state’s resilient revenue performance in FY 2020 and unprecedented 29% general fund revenue growth from FY 2020 to 2022 (equivalent to nearly 14% per year).^{ix}

Unemployment insurance is especially important for workers who face structural barriers built through centuries of racist policy choices:

- During summer 2025, Black workers in Maryland were three times as likely to be unemployed – actively looking for work but unable to find any – as white workers. This was the highest Black-white unemployment ratio nationwide.^x

- During the same period, Latinx workers in Maryland were more than twice as likely to be unemployed as white workers, also among the highest disparities nationwide.
- Asian and Pacific Islander workers were 1.6 times as likely to be unemployed as white workers, well above the nationwide disparity. Estimates for other racial and ethnic groups are not available due to small sample size.

Maryland Unemployment Rate by Race and Ethnicity: July–September 2025		
	Unemployment Rate	Ratio to White Rate
Total	3.6%	
White	2.0%	
Black	6.1%	3.1
Latinx	4.3%	2.2
Asian/Pacific Islander	3.2%	1.6
Source: Economic Policy Institute, 2025. Estimates for other racial and ethnic groups are not available due to small sample size.		

Strengthening Maryland’s unemployment insurance system is particularly important as the state faces economic uncertainty due to mercurial, vindictive federal policy:

- Maryland lost nearly 25,000 federal jobs to President Trump and Elon Musk’s staff-slashing agenda in 2025, more than any other state.^{xi} This does not include classified national security jobs, Maryland residents who lost federal jobs located outside the state, or the private-sector jobs these workers’ spending supported.
- The Trump administration is pursuing politically motivated cuts in state aid, which threatens to take further funds out of Maryland’s economy.^{xii}
- Cuts and restrictions to Medicaid and SNAP under H.R. 1 will heighten the hardship of unemployment, reducing access to some of the only supports available to jobless workers and their families.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee make a favorable report on Senate Bill 3.

Equity Impact Analysis: Senate Bill 3

Bill summary

Senate Bill 3 updates three parameters of Maryland’s unemployment insurance system:

- Increases the minimum weekly benefit from a flat \$50 to 15% of the state average weekly wage once fully phased in.
- Increases the maximum weekly benefit from a flat \$430 to 40% of the state average weekly wage once fully phased in.
- Increases the wage base subject to payroll contributions to support the Unemployment Insurance Trust Fund from a flat \$8,500 per year to 16% of the average annual wage once fully phased in.

Background

Unemployment in Maryland: Maryland had a seasonally adjusted unemployment rate of 4.2% in December 2025, with about 136,000 workers unable to find a job. Maryland’s unemployment rate peaked at 9.0% during spring 2020.

Maryland’s unemployment insurance system:

- Maryland’s minimum and maximum weekly benefit amounts (\$50 and \$430, respectively) were last updated in 2010.
- Maryland’s taxable wage base to support the Unemployment Insurance Trust Fund (\$8,500 per year) was last updated in 1992.
- Maryland’s average weekly unemployment benefit amount was \$396.56 during summer 2025 (equivalent to \$20,621 per year), 14% below the national average.
- Maryland’s average weekly wage for 2026 is \$1,537, as determined by the state’s Workers’ Compensation Commission.
- Each \$1 in unemployment benefits generates about \$1.93 in economic activity in a recessionary context, according to a 2021 International Monetary Fund working paper.

Equity Implications

Structural barriers in our labor market, which were built through centuries of racist policy choices, put Black workers and other workers of color at greater risk of being unemployed – actively seeking a job but unable to find one. For this reason, ineffective or overly restrictive unemployment insurance policies disproportionately harm workers of color:

- During summer 2025, Black workers in Maryland were three times as likely to be unemployed as white workers. This was the highest Black-white unemployment ratio nationwide.
- During the same period, Latinx workers in Maryland were more than twice as likely to be unemployed as white workers, also among the highest disparities nationwide.
- Asian and Pacific Islander workers were 1.6 times as likely to be unemployed as white workers, well above the nationwide disparity.

Impact

Senate Bill 3 would likely **improve racial and economic equity** in Maryland.

ⁱ Bureau of Labor Statistics, Local Area Unemployment Statistics

ⁱⁱ U.S. Department of Labor Unemployment Insurance Benefits Paid data for 2025 Q3, https://oui.doleta.gov/unemploy/data_summary/DataSum.asp

ⁱⁱⁱ MDCEP analysis of U.S. Census Bureau Household Pulse Survey 2024 Cycles 1 to 9, covering 1/9/24 to 9/16/24 (most recent data available), <https://www.census.gov/data/tables/2024/demo/hhp/cycle01.html>
“Unemployed” here refers to adults 18+ who reported that they were not employed because they were laid off or furloughed, or their employer closed temporarily or went out of business. Not all employed Marylanders receive unemployment benefits.

^{iv} Based on the 2026 average weekly wage of \$1,537 published by the Maryland Workers’ Compensation Commission, https://www.wcc.state.md.us/adjud_claims/Comp_Rates.html

^v Maryland Department of Labor informational testimony on House Bill 554 of 2025, https://mgaleg.maryland.gov/cmte_testimony/2025/ecm/1CBBLKMxM_KB8XAcBk5MvLPZ4wT7640.pdf

^{vi} CPI-U inflation from January 2010 to December 2025

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- vii Increase in Maryland median nominal hourly wage from 1992 to 2025. Economic Policy Institute Data Library, <https://data.epi.org/>
- viii Klaus-Peter Hellwig, “Supply and Demand Effects of Unemployment Insurance Benefit Extensions: Evidence from U.S. Counties,” IMF Working Paper WP/21/70, 2021, <https://www.imf.org/-/media/files/publications/wp/2021/english/wpiea2021070-print-pdf.pdf>
Hellwig found a fiscal multiplier for unemployment insurance benefits of 1.925. The macroeconomic benefits of unemployment insurance are greatest during a recession. During an economic expansion, the applicable multiplier is likely smaller.
- ix See Board of Revenue Estimates December 2020 and December 2021 reports, [https://dlslibrary.state.md.us/publications/COM/SF6-106\(b\)_2020\(12\).pdf](https://dlslibrary.state.md.us/publications/COM/SF6-106(b)_2020(12).pdf)
[https://dlslibrary.state.md.us/publications/COM/SF6-106\(b\)_2021\(12\).pdf](https://dlslibrary.state.md.us/publications/COM/SF6-106(b)_2021(12).pdf)
- x Kyle Moore, “State Unemployment by Race and Ethnicity: 2025 Q3,” Economic Policy Institute, 2025, <https://www.epi.org/indicators/state-unemployment-by-race-and-ethnicity/>
- xi Bryan Sears, “Maryland Lost 25,000 Federal Jobs in 2025, Latest Data Show,” *Maryland Matters*, 2025, <https://marylandmatters.org/2026/01/07/maryland-lost-25000-federal-jobs-in-2025-latest-data-show/>
- xii Rachel Frazin, “Trump Administration Directs Rescission of \$1.5B from Blue States on Health, Transportation,” *The Hill*, 2026, <https://thehill.com/policy/energy-environment/5725217-trump-blue-states-funding-minnesota-colorado-evs-hiv/>

SB3_FAV.pdf

Uploaded by: Donna Edwards

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

Affiliated with the National AFL-CIO

Donna S. Edwards
President

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SB 3 - Unemployment Modernization Act of 2026

Senate Finance Committee

February 11, 2026

SUPPORT

Donna S. Edwards

President

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 3. On behalf of our 700 affiliated unions, I offer the following comments.

Unemployment Insurance is one of the most important tools we have to prevent working people from falling into financial crisis when they lose their job. It stabilizes families, keeps communities thriving, and supports the broader economy. SB 3 strengthens this system at a moment when Maryland's workforce urgently needs it.

This bill updates both sides of the UI system: how benefits are calculated for workers, and how employers contribute to the UI Trust Fund. Today, employers pay UI taxes only on the first \$8,500 of each worker's wages, where it has been frozen since 1992. SB 3 modernizes the structure with a new wage-indexed system. The Department of Labor (DOL) will calculate the State Average Annual Wage each year, and the taxable wage base will rise with it. By 2029, employers will pay UI taxes on 16% of the State Average Annual Wage, ensuring that the UI Trust Fund grows in step.

SB 3 also recognizes that Maryland's existing benefit formula needs to reflect wages in Maryland. The minimum weekly benefit must be at least 15% of the state average weekly wage, and the maximum will gradually increase until it reaches 40% in 2027. This increases the maximum benefit over time and ensures that UI payments reflect real wages and living costs. Sufficient UI benefits support the functioning of the labor market by allowing economic stability for individuals as they search for reemployment, improving job-matching efficiency.

Unemployment insurance benefits are quickly spent on necessities, uplifting local economies. Every \$1.00 in benefits generates approximately \$1.50 in economic activity. Strengthening our UI system is not optional; it is absolutely necessary. Workers need



unions@mddclabor.org



www.mddclabor.org



facebook.com/mddcaflcio



instagram.com/md_dc_aflcio

adequate benefits to survive, and local economies need the stability. The state needs a resilient, well-funded UI Trust Fund to weather economic downturns. SB 3 strikes a balance by addressing these issues.

For these reasons, we urge a favorable vote on SB 3.

Jason Ascher, SUPPORT SB 3 – Unemployment Moderni

Uploaded by: Jason Ascher

Position: FAV



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**Phone: 410-290-3890
www.midatlanticpipetrades.org**

Finance Committee

To: Senator Pam Beidel, Chair; Senator Antonio Hayes, Vice Chair; and Members of the Committee
From: Jason Ascher, Political Director – Mid-Atlantic Pipe Trades Association

SUPPORT SB 3 – Unemployment Insurance Modernization Act of 2026

On behalf of the Mid-Atlantic Pipe Trades Association and our five United Association of Plumbers and Steamfitters Locals, which represent over 10,000 Plumbers, Steamfitters, Welders, HVAC Techs, and Sprinkler Fitters across Maryland, I ask you to **SUPPORT SB 3**.

Unemployment insurance is essential for workers who are temporarily laid off. It ensures that if someone is temporarily out of work, they receive a small amount of money to help them keep a roof over their heads and put food on the table while they look for their next job. As someone who has relied on unemployment insurance in the past (though not from Maryland), I know it helped me pay essential bills while searching for a job, but it certainly did not support a lavish lifestyle.

Changes to the Unemployment system are necessary. Making small changes, such as updating how the weekly benefit amount and employer contributions to the trust fund are calculated, would ensure that Unemployment insurance reflects real wages and living costs. These changes would go a long way toward improving the system and helping unemployed workers through a difficult time.

For the above reasons, we ask that you give **SB 3 a favorable Report**.

Sincerely

Jason Ascher
Political Director
Mid-Atlantic Pipe Trades Association



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Plumbers and Gasfitters Local 5 – Lanham, MD
Plumbers and Steamfitters Local 10 – Richmond, VA/Roanoke, VA
Plumbers and Pipefitters Local 110 – Norfolk, VA
Plumbers and Pipefitters Local 74 – Newark, DE

Plumbers and Steamfitters Local 486 – Baltimore, MD
Steamfitters Local 602 – Capitol Heights, MD
Road Sprinkler Fitters Local 669 – Columbia, MD

Maryland Legal Aid Testimony SB 3 - Final.pdf

Uploaded by: Jessica Spraker

Position: FAV

SB 3
Unemployment Insurance Modernization Act of 2026
In the Finance Committee
Hearing on February 11, 2026 at 2 PM
Position: Favorable

Maryland Legal Aid (MLA) submits its written and oral testimony supporting the changes proposed in SB 3, at the invitation of Senator Kramer.

Thank you, Chair Beidle and Vice Chair Hayes for the opportunity to testify on behalf of SB 3. Maryland Legal Aid (MLA) asks that the Committee report **favorably and pass SB 3**, which would increase the maximum and minimum weekly benefit amount payable to an unemployment insurance claimant. MLA has represented thousands of individuals who were once employed, subsequently became unemployed, and filed for unemployment insurance. We believe that this bill is a crucial step in helping individuals maintain their purchasing power, ensuring they can cover essential expenses, such as food, housing, and healthcare during periods of unemployment.

This bill would repeal the current methodology used to calculate the weekly benefit amount for a claimant, which the State of Maryland last updated and has been the law since 2010. Currently, the maximum weekly benefit amount is \$430, and the minimum weekly benefit amount is \$50. Those numbers are not connected to inflation and have remained the same since 2010. In this bill, beginning in calendar year 2027 and each year thereafter, the Department of Labor would set the maximum weekly benefit amount to 40% of the average weekly wage in the State of Maryland and set the minimum weekly benefit amount to 15% of the average weekly wage in the State of Maryland on July 1st each year.

This bill also increases an employer's taxable wage base from the first \$8,500 of an employee's wages in a calendar year to, beginning in calendar year 2029 and each year thereafter, 16% of the average annual wage for employees in the State of Maryland. This will assist in paying for the increase in the maximum and minimum weekly benefit amount mentioned in the previous paragraph. In addition, this bill excludes up to \$50 from being deducted from a claimant's weekly benefit amount if that claimant earns wages in a week in which they are receiving a weekly benefit.

This increase in the weekly benefit amount payable to an unemployment insurance claimant is necessary due to an increase in the cost of living in the State of Maryland year after year. The increased support this bill provides can reduce financial strain and mental health challenges, such as stress and anxiety, associated with job loss. Moreover, individuals receiving higher unemployment insurance benefits are more likely to spend money on goods and services, especially in local economies. This can help sustain businesses and demand for goods and services, while reducing the risk of an economic slowdown or recession.

Increasing the weekly benefit amount payable to an unemployment insurance claimant provides more income, reducing poverty and improving living standards. If unemployment insurance benefits are low, individuals may have to seek and apply for other public benefits, such as housing, temporary cash assistance, and SNAP to keep their children out of poverty. Increased unemployment insurance benefits may reduce other public support benefits an individual seeks and applies for, and as a result reduces dependency on public assistance programs. The increase in the weekly benefit payable to an unemployment insurance claimant can directly benefit children in households experiencing unemployment, improving their nutrition, access to healthcare, and educational outcomes.

Sufficient unemployment insurance can put food on the table, pay the rent, and keep a family from falling into poverty during periods of joblessness. Increasing the weekly benefit amount payable to an unemployment insurance claimant can benefit the wider economy by stimulating demand and ensuring better economic stability.

MLA urges a favorable report on and passage of SB 3. If you have any questions, please contact Shawn W. Conley, Esq., at sconley@mdlaboratory.org or Jessica Spraker, Esq, at jspraker@mdlaboratory.org.

UFCW 400 Favorable on SB0003 - Unemployment Insura

Uploaded by: Kayla Mock

Position: FAV



Testimony for SB0003

Favorable

Unemployment Insurance Modernization Act of 2026

February 9, 2026

To: Honorable Chair Beidle, Vice Chair Hayes, and the members of the
Senate Finance Committee

From: Kayla Mock, Political & Legislative Director

United Food and Commercial Workers Union Local 400

Chair Beidle, Vice Chair Hayes, members of the Senate Finance Committee:

I appreciate the opportunity to share my testimony on behalf of our over 10,000 members in Maryland, who work in grocery, retail, food distribution, cannabis, and health care. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers. Union members are critical to addressing inequality and uplifting the middle class.

Many of our members are the hardworking men and women who keep Maryland's grocery stores running, ensuring families have access to fresh food and essential goods.

Unemployment Insurance is one of the most important tools we have to prevent working people from falling into financial crisis if and when they lose their jobs. It stabilizes families, keeps communities thriving, and supports the broader economy.

SB0003 strengthens this system at a moment when Maryland's workforce urgently needs it. This bill updates both sides of the UI system: how benefits are calculated for workers, and how employers contribute to the UI Trust Fund. Today, employers pay UI taxes only on the first \$8,500 of each worker's wages, where it has been frozen since 1992. SB0003 modernizes the structure with a new wage-indexed system. The Department of Labor (DOL) will calculate the State Average Annual Wage each year, and the taxable wage base will rise with it.

By 2029, employers will pay UI taxes on 16% of the State Average Annual Wage, ensuring that the UI Trust Fund grows in step.

SB0003 also recognizes that Maryland's existing benefit formula needs to reflect wages in Maryland. The minimum weekly benefit must be at least 15% of the state average weekly wage, and the maximum will gradually increase until it reaches 40% in 2027. This increases the maximum benefit over time and ensures that UI payments reflect real wages and living costs. Sufficient UI benefits support the functioning of the labor market by providing economic stability for individuals as they search for reemployment and by improving job-matching efficiency. Unemployment insurance benefits are quickly spent on necessities, uplifting local economies. Every \$1.00 in benefits generates approximately \$1.50 in economic activity. Strengthening our UI system is not optional; it is necessary.

Workers need adequate benefits to survive, and local economies need stability. The state needs a resilient, well-funded UI Trust Fund to weather economic downturns. SB0003 strikes a balance by addressing these issues.

For these reasons, we urge a favorable vote on SB0003.

2.09 SB 3 - Unemployment Insurance Modernization A

Uploaded by: Rachael Keyes

Position: FAV



SB 3 - Unemployment Insurance Modernization Act of 2026

Senate Finance Committee

February 11, 2026

SUPPORT

Chair Beidle, Vice-Chair, and members of the committee thank you for the opportunity to submit testimony in support of Senate Bill 3. This bill will ensure that Maryland's Unemployment Insurance System (UI) will be adequate to support unemployed Marylanders until they are reconnected to the workforce.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

UI is a basic and essential safety net for workers who are temporarily unemployed through no fault of their own. It can be difficult for people to reconnect to the workforce once disconnected. UI is a critical safety net for unemployed people because it helps to combat some of the barriers to finding employment. These barriers include affording food, housing, and transportation. Having a robust safety net protects workers from excessive debt or falling behind in paying their debts. This ensures that once they find employment, they will not be as financially strained.

SB 3 will strengthen Maryland's UI system by increasing the Weekly Benefit Amount (WBA). Maryland's Average Weekly Wage (AWW) in 2024 was \$1,464. Currently, the WBA in Maryland ranges from a minimum of \$50 to a maximum of \$430. If a claimant was making the AWW, the maximum amount they could receive would only be 29% of their previous income. This is not sufficient to supplement a claimant's income until they can find work. SB 3 would lead to the maximum weekly benefit to be set to 50% of the AWW and the minimum weekly benefit to 15% of the AWW. This means that UI will consistently provide adequate benefits even as the AWW changes in the future.

The bill also accounts for the increased cost of the program by adjusting the tax structure and increasing the taxable wage base. These changes ensure that the cost of the program is spread fairly between employers and employees, and it ensures that the program will be able to fund the increase of WBA.

Thus, we encourage you to return a favorable report for SB 3.

Creating Assets, Savings and Hope

Testimony in support of SB0003 - Unemployment Insu

Uploaded by: Richard KAP Kaplowitz

Position: FAV

02/11/2026

Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#/0003- POSITION: FAVORABLE

Unemployment Insurance Modernization Act of 2026

TO: Chair Beidle, Vice Chair Hayes, and members of the Finance Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0003, **Unemployment Insurance Modernization Act of 2026**

The purpose of this bill is to create a fairer Unemployment Insurance system for both employees and employers in Maryland. It will add a methodology to adjust the compensation parameters on an annual basis to keep pace with inflation.

The Economic Policy Institute has studied the issue and has created a report on *Holding the Line - Unemployment insurance - State solutions to the U.S. worker rights crisis* ¹

The National Employment Law Project declared *Reforming Unemployment Insurance is a Racial Justice Imperative*²

And the W.E. Upjohn Institute for Employment Research, looking at Federal actions on employment and unemployment, believes *Abandoning federal-state structure one option to make unemployment insurance system fairer, paper argues*³

Acknowledging these studies Maryland needs to take positive actions. The bill will accomplish this by repealing and establishing the methodology used to calculate the weekly benefit amount; altering the taxable wage base used to determine employer contributions to the Unemployment Insurance Trust Fund and the amount of earned wages subtracted from a weekly benefit amount; requiring the Maryland Department of Labor to determine and make available online the State annual average wage applicable to the rate of contribution; requiring beginning in 2027, the maximum weekly benefit to be 40% of the State average weekly wage; etc.

Maryland must protect its residents whenever it can.

I respectfully urge this committee to return a favorable report on SB#/0003.

¹ <https://www.epi.org/publication/unemployment-insurance-state-solutions-to-the-u-s-worker-rights-crisis/>

² <https://www.nelp.org/insights-research/reforming-unemployment-insurance-is-a-racial-justice-imperative/>

³ <https://www.upjohn.org/research-highlights/abandoning-federal-state-structure-one-option-make-unemployment-insurance-system-fairer-paper-argues>

SB 003 IBEW 24 Support.pdf

Uploaded by: Rico Albacarys

Position: FAV

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS - LOCAL UNION No. 24

AFFILIATED WITH:

Baltimore-D.C. Metro Building Trades Council - AFL-CIO
Baltimore Port Council
Baltimore Metro Council - AFL-CIO
Central MD Labor Council - AFL-CIO
Del-Mar-Va Labor Council - AFL-CIO
Maryland State - D.C. - AFL-CIO
National Safety Council



JONATHAN P. MCLAUGHLIN, President
CARMEN F. VOSO, Recording Secretary
JEROME T. MILLER, Financial Secretary
MICHAEL J. MCHALE, Business Manager

OFFICE:
2701 W. PATAPSCO AVENUE
SUITE 200

AFL-CIO-CLC

BALTIMORE, MARYLAND 21230

Phone: 410-247-5511
FAX: 410-536-4338

Written Testimony of
Rico Albacarys, Assistant Business Agent, IBEW LOCAL 24
Before the Senate Finance Committee On
SB 03 Unemployment Insurance Modernization Act of 2026

Favorable

February 9, 2026

Madam Chair Beidle, Vice Chair Hayes, and Committee Members,

My name is Rico Albacarys, and I am a member and employee of IBEW Local 24. I am writing to express our support for SB 03, the Unemployment Insurance Modernization Act of 2026. When Maryland workers are laid off through no fault of their own, the impact on household finances can be immediate and severe. Right now, unemployment insurance in our state pays less than the minimum wage, which means too many families struggle to meet even their most basic needs.

I have personally relied on unemployment insurance, and I know firsthand how important that lifeline is for Maryland families. Strengthening these benefits will help families stay current on rent and utilities, buy groceries, and maintain stability while they work to get back on their feet. Of course, construction work is cyclical, but so are many other segments of the economy. We have seen during recent economic disruptions, including the Key Bridge collapse and other recessions, that when workers receive added support, they recover more quickly and local economies are stronger as a result.

For these reasons, I respectfully ask for a favorable report on SB 03.

Sincerely,

Rico Albacarys
Assistant Business Agent
IBEW Local 24

M&A_UA Plumbers & Steamfitters Local 486_Testimony

Uploaded by: Roger Manno

Position: FAV



**PLUMBERS AND STEAMFITTERS
UA LOCAL UNION 486**
8100 Sandpiper Circle, Suite 200
Baltimore, Maryland 21236
Phone: 410-866-4380
Fax: 410-933-3515
www.UALocal486.com
Founded 1889

Pasquale D. Petrovia
Business Manager

Gary G. Glab
Financial Secretary/Treasurer

Harry M. Schleicher Jr.
Business Agent

C. Ryan Ambrose
Business Agent

Stephen M. Nitsch
Business Agent

Christopher D. Anderson Jr.
Business Agent

Todd E. Eckley
Recruiter

**TESTIMONY OF CHRIS ANDERSON
BUSINESS AGENT
PLUMBERS AND STEAMFITTERS LOCAL 486**

**BEFORE THE HOUSE ECONOMIC MATTERS COMMITTEE
AND THE SENATE FINANCE COMMITTEE**

**HOUSE BILL 188 / SENATE BILL 3 – UNEMPLOYMENT INSURANCE MODERNIZATION ACT OF 2026
FAVORABLE**

Chairs Beidle and Valderrama and honorable members of the Senate Finance Committee and the House Economic Matters Committee:

My name is Chris Anderson, and I am a Business Agent for Plumbers and Steamfitters Local 486, representing skilled union workers in Maryland's energy, industrial, and commercial construction sectors. I respectfully submit this testimony in support of House Bill 188 / Senate Bill 3.

Maryland's Unemployment Insurance system has not kept pace with today's workforce. This legislation makes targeted updates that strengthen the system for working families while providing clarity and predictability for employers.

Local 486 represents workers in cyclical industries where employment fluctuates based on project schedules and market conditions. A modern Unemployment Insurance system is not a substitute for work—it is a stabilizer that helps retain skilled workers in Maryland between projects.

This bill modernizes benefit calculations by tying them to the State Average Weekly Wage, responsibly updates the taxable wage base, and strengthens the long-term solvency of the Unemployment Insurance Trust Fund.

For these reasons, Plumbers and Steamfitters Local 486 respectfully urges a Favorable Report.

Sincerely,

Chris Anderson
Business Agent
Plumbers and Steamfitters Local 486



SB 003 UI Modernization 2026 Support.pdf

Uploaded by: Tom Clark

Position: FAV



International Brotherhood of Electrical Workers

CHRISTOPHER M. CASH: Business Manager • THOMAS C. MYERS: President • RICHARD D. WILKINSON: Vice President
WILLIAM T. NG: Financial Secretary • RICHARD G. MURPHY: Recording Secretary • MARK F. PONTELLO: Treasurer



SB 003 Unemployment Insurance Modernization Act of 2026 Senate Finance Committee February 11, 2026 SUPPORT

TO: Chair Beidle, Vice Chair Hayes, Members of the Senate Finance Committee
FROM: Tom Clark, Political Director, Intl' Brotherhood of Electrical Workers Local 26

Madame Chair, Mr. Vice Chair and Members of the Committee, thank you for hearing this bill, which will update the Unemployment Insurance system and aid Maryland workers when they are in between jobs. It's during this time that our fellow citizens need a financial bridge to aid them and their dependents. For this reason and more, I wholeheartedly **support SB 003.**

The title of this bill appropriately uses the word modernization. The benefits portion of Maryland's Unemployment Insurance system has not been adjusted in 16 years. We can all admit the cost of living has drastically changed since 2010. Therefore, adjusting the benefits and how they are accrued is rightfully in your hands and understandably looking for your support to modernize the system.

SB 003 addresses how employers pay UI taxes, this rate has been frozen since 1992. The "new wage -indexed system" will have the Department of Labor calculating the State average annual wage each year. Each year, the rate will stay in step with the economy. This bill also alters the rate of weekly benefits, for our residents during a temporary time of need. The goal is to reach a maximum of 40% of the average weekly wage. **Please** let that sink in. The sponsors of this bill want to attain **only** 40% of the average weekly wage, for our most vulnerable, ready-to-work citizens. People like our federal workers that have been laid off, through no fault of their own. Construction workers that often face a reduction in force, for maybe a week or two, for weather reasons or supply demands. These fellow Marylanders only seek appropriate, reasonable financial aid, while they are searching for and securing permanent employment.

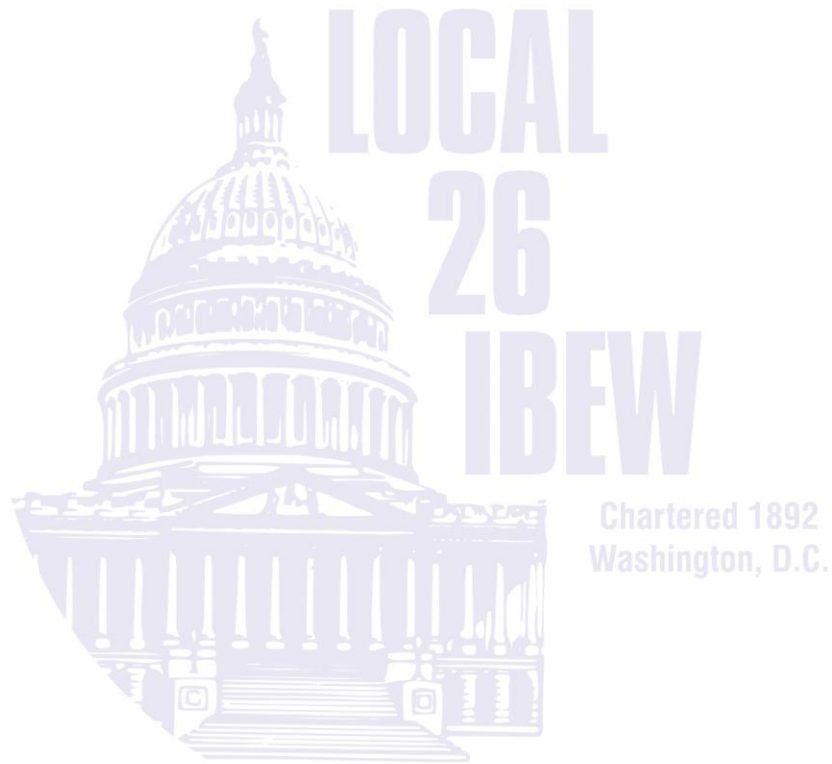
For these reasons and the fact that the UI system is woefully stuck in the past, I ask that you join with me in full **support of SB 003.** Thank you





International Brotherhood of Electrical Workers

CHRISTOPHER M. CASH: Business Manager • THOMAS C. MYERS: President • RICHARD D. WILKINSON: Vice President
WILLIAM T. NG: Financial Secretary • RICHARD G. MURPHY: Recording Secretary • MARK F. PONTELLO: Treasurer



SB3_MHLA_OPP.pdf

Uploaded by: Amy Rohrer

Position: UNF

SB 3 - Unemployment Insurance Modernization Act of 2026

Finance Committee

February 11, 2026

Position: OPPOSE

*MHLA is the sole statewide organization dedicated to advocacy on behalf of Maryland's lodging industry. Our industry is a powerful economic engine - **765 hotels** support more than **115,000 jobs** statewide, generate **\$7.2 billion in wages and salaries**, contribute **\$2.4 billion in state and local tax revenue**, and drive **\$10.6 billion in guest spending** that strengthens communities across Maryland.*

While **MHLA supports a solvent and sustainable Unemployment Insurance (UI) system, we oppose SB 3** because it fundamentally changes Maryland's UI framework and **diminishes cost predictability for employers**—especially in **labor-intensive industries such as hotels**. Our concerns arise from the bill's specific mechanisms.

1. Automatic Adjustments Without Legislative Review

SB 3 replaces fixed UI contribution and benefit parameters set in statute with indexed formulas tied to statewide wage data.

- Indexed systems automatically adjust key UI parameters in response to wage growth, without legislative review or approval.
- This structure limits the General Assembly's ability to reassess economic conditions, evaluate employer capacity, or address unintended consequences before changes take effect.

For hotel employers, automatic adjustments reduce long-term cost predictability, making it harder to budget for labor, plan staffing, and invest in employees or guest services.

2. Taxable Wage Base No Longer Fixed in Statute

Under current law, Maryland's UI taxable wage base is a fixed \$8,500 per employee per year. SB 3 would:

- Tie the taxable wage base to 16% of the State's average annual wage beginning in 2029; and
- Require the Maryland Department of Labor to calculate and update the wage base annually, replacing a known statutory amount with automatic adjustments.

For hotels, many of which operate on thin margins and face seasonal staffing fluctuations, **this change could lead to unexpected increases in payroll taxes, directly impacting staffing levels, operating costs, and service quality.**

3. Weekly Benefit Levels Tied to Statewide Wages

SB 3 eliminates the current statutory schedule for UI weekly benefits and ties benefit levels to the State average weekly wage. Specifically, the bill:

- Establishes a minimum weekly benefit of at least 15% of the State's average weekly wage;
- Sets a maximum weekly benefit equal to 40% of the State's average weekly wage beginning in 2027; and

- Provides for annual updates to benefit levels based on wage data.

Because benefit amounts would fluctuate annually, neither benefit levels nor their downstream effects on employer UI contribution rates would be known in advance.

For hotel employers, **unpredictable benefit increases can drive higher UI tax rates, further compounding uncertainty around payroll costs.**

4. Implications for Hotel Employers who are already struggling

Indexed UI systems automatically adjust contributions and benefits in response to wage growth, unlike systems with fixed statutory thresholds. For hotel employers, where payroll is one of the largest and least flexible operating expenses:

- Automatic indexing complicates budgeting and workforce planning.
- Wage growth can trigger annual increases in UI costs.
- Reduced cost predictability undermines employers' ability to sustain employment, invest in facilities, and maintain high service quality.

According to the [AHLA 2026 State of the Industry Report](#), "Recovery (across the country) remains uneven. Occupancy has not fully returned to pre-pandemic levels, and RevPAR growth continues to lag inflation in many markets. Cost pressures present crippling challenges, with rising operating expenses keeping industry profitability below 2019 levels."

In 2025, Maryland's lodging industry performed BELOW national averages in occupancy, rate and revenue. As recently reported in [The Baltimore Banner](#), "Over the last year in downtown Baltimore, **hotel occupancy rates have declined 6% and the revenue generated per hotel room has dipped 7.5%....** Nationwide, these figures have been relatively flat."¹

In a competitive, price-sensitive market, increased labor costs cannot be reliably absorbed through pricing and instead place pressure on staffing levels, investment, and service quality.

For these reasons, MHLA respectfully requests an [unfavorable report](#) on [SB 3](#).

For more information, contact:

Amy Rohrer, President & CEO
Maryland Hotel Lodging Association
amy@MDLodging.org

¹ *The Baltimore Banner*, "This hotel symbolized downtown Baltimore's rebirth. Now it's in foreclosure." by Giacomo Bologna, January 23, 2026.

HCCC_SB 3_UNFAV.pdf

Uploaded by: Andrew Griffin

Position: UNF



February 11, 2026

Legislative Position: Unfavorable
Senate Bill 3
Unemployment Insurance Modernization Act of 2026
Senate Finance Committee

Dear Chair Beidle and members of the committee:

Founded in 1969, the Howard County Chamber of Commerce represents over 700 members and 170,000 employees, advocating for the county's business community and partnering with elected officials to support economic growth.

Senate Bill 3 (SB 3) proposes significant changes to Maryland's unemployment insurance (UI) system by tying benefit levels and the taxable wage base to variable economic metrics, including the State Average Weekly Wage and inflationary indices such as the Consumer Price Index.

While the Chamber supports a solvent and responsive UI system, we are concerned that these changes introduce long-term cost uncertainty and instability for employers. Specifically, SB 3 would:

- Tie benefit calculations to the State Average Weekly Wage, allowing payouts to rise automatically regardless of broader economic conditions or the health of the UI Trust Fund.
- Index the taxable wage base to a moving benchmark, rather than a fixed base, creating recurring tax increases for employers.
- Remove legislative oversight from future cost increases, shifting them to automatic adjustments rather than a transparent process.

Reforms of this nature require thorough analysis, stakeholder engagement, and cost modeling. With recent discoveries of rampant fraud and poor administration, simply asking for more money from employers without ensuring tight compliance controls are in place seems out of touch with today's business climate realities. For these reasons, the Howard County Chamber of Commerce respectfully requests an **unfavorable report** on **SB 3**.

Sincerely,
Kristi Simon
President & CEO
Howard County Chamber of Commerce

SB 3.UNFAVORABLE.pdf

Uploaded by: Angela Rose

Position: UNF



Senate Bill 3: UNFAVORABLE

Dear Chair Beidle and Members of the Senate Finance Committee,

On behalf of the Harford County Chamber of Commerce, representing 700+ businesses and non-profit organizations of all sizes across Harford County, we respectfully submit this letter in opposition to Senate Bill 3.

The Harford Chamber’s mission is to advocate for policies that support economic growth, job creation, and a competitive business climate in Maryland.

Unfortunately, SB 3 raises serious concerns regarding increased costs, regulatory uncertainty, and unintended consequences for employers—particularly small and mid-sized businesses that lack the capacity to absorb additional mandates.

First, the proposals would impose new administrative and compliance burdens on employers at a time when businesses are already navigating rising labor costs, inflationary pressures, and ongoing workforce challenges. Many employers operate with limited staff and resources, and additional reporting, policy changes, or operational requirements divert time and capital away from core business activities, innovation, and employee investment.

Second, the legislation risks increasing direct and indirect labor costs. While well-intentioned, cost increases—whether through required benefits, penalties, or expanded obligations—are often not absorbed by large margins. Instead, they may result in reduced hiring, fewer hours, delayed wage increases, or higher prices passed on to consumers. These impacts are particularly acute for small businesses, which form the backbone of Harford County’s local economy.

Third, SB 3 may reduce Maryland’s competitiveness relative to neighboring states. Businesses consistently consider regulatory predictability and cost structures when deciding where to locate, expand, or invest. Policies that place Maryland employers at a disadvantage could discourage future investment and undermine the state’s economic growth goals.

Finally, the Harford Chamber is concerned that the legislation does not sufficiently account for industry-specific differences or employer size, creating a one-size-fits-all approach that may not align with the realities of diverse business models across sectors.

The Harford County Chamber of Commerce strongly supports policies that protect workers and strengthen communities; however, these goals must be balanced with the need for a sustainable and competitive business environment. We respectfully urge the Committee to **oppose SB 3 or significantly amend the legislation** to mitigate negative impacts on employers and the broader economy.

Thank you for the opportunity to share the business community’s perspective.

Sincerely,

Angela Rose
President & CEO
Harford County Chamber of Commerce

FY 26 Board of Directors Officers

Chair: Chris Stone
E-Moxie
Chair Elect: Monica Worrell
APG Federal Credit Union
Immediate Past Chair:
Brianna Baccaro Norris
Weyrich, Cronin, & Sorra
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Vice Chair of Administration: Meghan Jack
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University of Maryland Upper Chesapeake Health
Claudia Nachtigal
The Highlands School
Chanel Brooks
Baltimore Gas & Electric
Ron Fisher
Harford County Caucus of African America Leaders
Fisher Financial
Robert Wehland
Freedom Federal Credit Union

President/CEO

Angela Rose

2026 GBCC SB 3 UI Modernization.pdf

Uploaded by: Ashlie Bagwell

Position: UNF



THE GREATER BETHESDA
CHAMBER of COMMERCE

Better business. Stronger community.

Testimony on behalf of the Greater Bethesda Chamber of Commerce

In Support of
Senate Bill 3—Unemployment Insurance Modernization Act of 2026

February 11, 2026
Senate Finance Committee

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 600 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on Senate Bill 3—Unemployment Insurance Modernization Act of 2026.

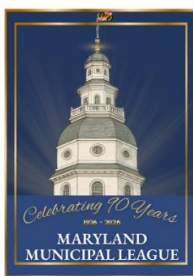
Senate Bill 3 expands the overall size of the State’s unemployment insurance program by increasing employee benefits and increasing employer taxable wages and indexing several major components to wage growth and inflation. We have a lot of concern about this as it stands to have an enormous impact on our small business members and on small businesses across the State. In fact, fiscal notes for similar proposals in previous years state “small businesses pay significantly higher.” If it is determined that the unemployment insurance system in Maryland needs modernizing, all voices—employers and employees—need to be at the table to determine the best course forward. In addition, we would hope more time and study would be given to such a discussion, especially since it has such a significant impact on employers’ tax liability.

For these reasons, we would respectfully request an unfavorable vote on Senate Bill 3. Thank you for the opportunity to provide written comments.

SB 3 - MML - UNF.pdf

Uploaded by: Bill Jorch

Position: UNF



TESTIMONY

COMMITTEE: Senate Finance

DATE: February 11, 2026

POSITION: Unfavorable

BILL: SB 3

The Maryland Municipal League (MML) opposes Senate Bill 3: Unemployment Insurance Modernization Act of 2026.

SB 3 makes major alterations to the formulas through which unemployment benefits and the taxable wage base are calculated. Unlike most employers, municipal governments are tethered to the increased weekly benefits proposed in the bill as the source of increased costs.

As a result of the changes proposed in this bill, the formulas to calculate the weekly benefits paid for unemployment insurance claims as well as the taxable wage base used to determine an employer's payment liability to the Unemployment Insurance (UI) Fund are amended. The result is higher expenditures for employers and a higher benefit amount for claimants; in some cases, these increases will be significant. Our calculations place increased costs to municipal governments at nearly double.

Local governments are somewhat atypical in the universe of employers in that most are "reimbursing employers," meaning that they only pay into the UI Fund when a former employee makes a claim through the State and is granted an award. The local government receives an invoice with the amount they are required to reimburse the UI Fund as a result of successful claims. This is different from most businesses that have a portion of their tax payments go directly to the Fund. Local governments, and their typically stable workforce, are able to save money by using this reimbursing method because even though they pay the full amount of the benefit, due to the infrequency that they need to reimburse the Fund, it is still less expensive than if they paid the regular tax payment to the Fund.

For these reasons, the League respectfully requests that the committee provide Senate Bill 3 with an unfavorable report.

For more information relating to this piece of testimony, please contact:

Bill Jorch: Managing Director, Advocacy and Public Policy, billj@mdmunicipal.org

Municipalities in Maryland support 42,000 jobs and provide \$5.2 billion in employee compensation.

SB0003 -- Unemployment Insurance Modernization Act

Uploaded by: Brian Levine

Position: UNF



Senate Bill 3 -- *Unemployment Insurance Modernization Act of 2026*
Senate Finance Committee
February 11, 2026
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes Senate Bill 3 -- *Unemployment Insurance Modernization Act of 2026*.

Senate Bill 3 changes the methodology to calculate unemployment insurance benefits and alters the taxable wage base used to determine employer contributions to the Unemployment Insurance Trust Fund.

High unemployment insurance (UI) taxes remain one of the most significant cost challenges for businesses in Maryland. These elevated payroll tax costs increase the financial burden on employers and reduce the capital available for wages, benefits, and investments that drive growth and innovation. They also harm the State's competitiveness, as businesses may be less inclined to operate or expand in a higher-cost environment. Small businesses feel this impact more acutely, making it harder for them to grow and succeed.

This legislation would further widen the cost gap between Maryland and neighboring competitive states by increasing unemployment insurance expenses. Rising UI costs place additional pressure on employers, especially small and mid-sized companies, at a time when stability and predictability are critical. To promote economic growth and support the creation of quality jobs, it is essential that Maryland remain competitive and avoid additional cost burdens on the business community.

For these reasons, the Montgomery County Chamber of Commerce opposes Senate Bill 3 and respectfully requests an unfavorable report.

The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.

*Brian Levine | Vice President of Government Affairs
Montgomery County Chamber of Commerce
51 Monroe Street | Suite 1800
Rockville, Maryland 20850
301-738-0015 | www.mcccmd.com*

SB 0003 – Unemployment Insurance Modernization Act

Uploaded by: Danna Blum

Position: UNF



February 4, 2026

Finance Committee
Senator Pamela Beidle
3 East
Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB 0003 – Unemployment Insurance Modernization Act of 2026 - Oppose

Dear Senator Beidle:

SB0003 seeks to increase the Unemployment Insurance Trust Fund, by ramping up UI tax rates beginning in 2027.

At any point in time, increasing business taxes has tangibly negative consequences, including:

- **Discourages Hiring and Growth:** Higher payroll taxes increase the cost of labor, which can discourage businesses from hiring new employees, particularly when the economy is in recovery.
- **Imposes Costs During Downturns:** Because tax rates often rise automatically when trust funds are low, businesses may face increased financial pressure precisely when they can least afford it, such as during a recession.
- **Reduces Business Competitiveness:** Increased taxes reduce profitability, which may force businesses to cut costs elsewhere, such as by lowering wages or reducing investment.
- **Burden on Specific Sectors:** Industries that are cyclical (e.g., construction, retail) or have higher turnover may bear a disproportionate share of the tax increase, potentially causing further layoffs.
- **Administrative Hurdles:** For employers, managing unexpected or rising state unemployment tax (SUTA) rates requires significant compliance management and budgeting.
- **Hiring Disincentives:** Economic research indicates that higher UI tax rates can act as a "hangover" effect; after a recession, these higher rates may discourage businesses from hiring new workers during an economic rebound.
- **Regressive Nature for Low-Wage Roles:** Because SUI taxes apply only to a specific "wage base" they represent a higher percentage of the total labor cost for low-wage workers compared to high-wage workers.

For small and mid-sized businesses, which are the majority in the state of Maryland, effects of such actions are more serious:

- **Cash Flow Vulnerability:** Small businesses typically operate on thinner margins and are more sensitive to immediate increases in the **taxable wage base**. A sudden hike—such as the increase to **\$17,600** in New York for **2026**—can disrupt planned expansions or equipment investments.



- **Hiring Friction:** Higher SUI costs often discourage small firms from hiring full-time staff, leading some to rely on contractors or freelancers to avoid tax obligations.
- **Experience Rating Volatility:** Because of their small workforce, a single unemployment claim can drastically spike a small employer's **experience rating**. For instance, a Texas employer at the maximum rate pays **\$11,376** for 20 employees, compared to just **\$4,860** at the standard rate.
- **Cost of Turnover:** SUI taxes restart for every new hire once the wage base cap is hit. Small businesses with high turnover pay significantly more per position than those with stable long-term staff.

Maryland has ranked low on economic competitiveness for many years. A new study by WalletHub ranks Maryland as the second worst state in the nation to start a business, just ahead of Rhode Island.

The study which was recently released, evaluated states based on their business climate, access to resources and operational costs. Given Maryland's soaring corporate tax rate, economist Anirban Basu is not surprised by Maryland's ranking.

Maryland ranks second worst state to start a business; "The overall business climate is quite poor," he said. He also noted that high property taxes increase the cost of office space and apartment rentals, offering little value for businesses. The study also revealed that the top five business-friendly states are experiencing multi-billion dollar surpluses, while Maryland and other low-ranking states are struggling with significant budget deficits. The burden on taxpayers is growing, with some expressing a desire to leave the state.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, opposes this bill. We therefore request that you give this bill an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads "Mike McMullin".

Mike McMullin
President
Carroll County Chamber of Commerce

CC: Delegate Chris Tomlinson
Senator Justin Ready

SB0003_UNF_MTC_Unemployment Insurance Modernizatio

Uploaded by: Drew Vetter

Position: UNF



Senate Finance Committee

February 11, 2026

Senate Bill 3 – *Unemployment Insurance Modernization Act of 2026*

POSITION: OPPOSE

The Maryland Tech Council (MTC), with over 800 members, is the State's largest association of technology companies. Our vision is to propel Maryland to be the country's number one innovation economy for life sciences and technology. MTC brings the State's life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of **opposition** for Senate Bill 3.

Senate Bill 3 proposes changes to Maryland's unemployment insurance (UI) system by adjusting how benefits and employer contributions are calculated. The bill ties the maximum weekly benefit amount and the taxable wage base for employer contributions to a percentage of the State's average annual wage, with the goal of updating benefit levels over time and strengthening the long-term solvency of the Unemployment Insurance Trust Fund.

Although the bill is intended to modernize the UI system and provide greater stability for workers, its proposed funding structure raises significant concerns for Maryland employers. The bill increases the taxable wage base and ties UI benefit levels and employer contributions to a percentage of the state's average annual wage, with the maximum weekly benefit amount set at 40% of the average weekly wage. By tying these components to statewide wage growth, the proposal creates an instant increase in employer tax liability. Increasing payroll tax exposure through a wage-linked formula diverts resources that could otherwise be invested in hiring, research and development, infrastructure, and wage growth. For high-growth companies, additional payroll-based costs may slow hiring or discourage expansion within Maryland.

Employers need stability and clarity to plan multi-year growth strategies. A system that fluctuates with shifting economic indicators creates uncertainty that may deter business investment. For these reasons, MTC requests an unfavorable report on Senate Bill 3.

For more information call:

Andrew G. Vetter
J. Steven Wise
Danna L. Kauffman
Christine K. Krone
410-244-7000

SB 3_MDCC_Unemployment Insurance Modernization Act

Uploaded by: Hannah Allen

Position: UNF



Senate Bill 3

Position: Unfavorable

Committee: Senate Finance

Date: February 11, 2026

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

Senate Bill 3 (SB 3) makes significant changes to Maryland's unemployment insurance (UI) program, including increasing the taxable wage base used to calculate employer contributions and increasing weekly unemployment benefit amounts and allowances by tying them to statewide wage growth. Specifically, SB 3 would:

1. Raise the taxable wage base used to determine employer contributions into the Unemployment Insurance Trust Fund from \$8,500 to 16% of the state average annual wage (~\$12,630) - an increase of about 49%.
2. Raise the minimum and maximum weekly benefit amounts to 15% (~\$228 per week) and 40% (~\$607 per week) of the state average weekly wage, respectively. This represents a 41% increase in the maximum weekly benefit and a 356% increase in the minimum weekly benefit.

Under the proposed changes, Maryland would likely move into the top third of states for maximum weekly benefits and among the top five states for minimum weekly benefits. In addition to increasing the amount employer's pay in UI taxes, SB 3 would fundamentally alter Maryland's UI system by shifting it from a fixed model (an approach shared by many states) to an indexed model, tying both employer contributions and benefit levels to statewide wage growth. Unlike the current system, this approach would result in **automatic and ongoing increases in costs without future legislative review**, reducing predictability for employers planning payroll, hiring, and long-term investments.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report on SB 3**.

SB0003_UIModernization_Opposition_2.9.26.pdf

Uploaded by: Juli McCoy

Position: UNF

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:

On behalf of the Allegany County Chamber of Commerce and our more than 300 member businesses, I am writing to respectfully express our opposition to SB0003, the Unemployment Insurance Modernization Act of 2026.

Our Chamber represents employers across a wide range of industries in Western Maryland, the majority of whom are small, locally owned businesses operating in a rural economic environment. While we support the importance of a strong and reliable unemployment insurance safety net for workers, we are concerned about the financial and operational impact this legislation would have on our regional business community.

SB0003 proposes significant structural changes to the unemployment insurance system, including expanding the taxable wage base and indexing employer contributions and benefit levels to statewide average wages. While these adjustments may be designed to modernize the system, they would also create automatic, ongoing cost increases for employers, regardless of regional economic conditions.

For rural areas like Allegany County, where businesses already face a constrained labor pool, higher transportation and logistics costs, and thinner operating margins, these mandated increases present serious challenges. Unlike larger markets, our members often lack the financial flexibility to absorb rising payroll taxes without making difficult operational decisions.

Many of our member businesses serve as economic anchors in their communities, providing stable employment, supporting local supply chains, and contributing to the overall tax base. Policies that significantly increase the cost of employment risk slowing job creation and weakening the competitiveness of rural Maryland's business environment.

We respectfully urge the Committee to consider the disproportionate impact SB0003 may have on small and rural employers and to engage the business community in identifying balanced solutions that preserve the solvency of the unemployment insurance system without placing undue burden on job creators.

Thank you for your time and consideration.

Sincerely,



Juli McCoy
President & CEO

cc: Western MD Delegation

SB0003-FIN_MACo_OPP.pdf

Uploaded by: Karrington Anderson

Position: UNF



Senate Bill 3

Unemployment Insurance Modernization Act of 2026

MACo Position: **OPPOSE**

To: Finance Committee

Date: February 11, 2026

From: Karrington Anderson

The Maryland Association of Counties (MACo) **OPPOSES** SB 3. This bill fundamentally restructures how minimum and maximum weekly unemployment insurance (“Unemployment”) benefits are calculated by tying them to the state average weekly wage, rather than the fixed statutory schedule used under current law. SB 3 requires the Department of Labor to calculate and update the average weekly wage annually on July 1, and directs the Secretary of Labor to annually set both the minimum and maximum weekly benefit amounts.

While MACo recognizes the importance of a modern, stable Unemployment system for Maryland’s workforce, this bill would dramatically increase benefits, creating significant and direct fiscal impacts for county governments.

SB 3 would replace the current benefits cap with a formula that rapidly increases benefits. Beginning July 1, 2026, the minimum weekly benefit must be at least 15 percent of the average weekly wage. The maximum weekly benefit would reach 40 percent of the state average weekly wage by January 1, 2027. County governments are “reimbursable employers” that pay Unemployment benefits directly, rather than contributing to the State Unemployment Insurance Trust Fund. As Unemployment benefits increase, local government expenditures to reimburse the Trust Fund for benefits paid to former county employees would rise significantly and immediately.

The benefit apparently roughly doubles Unemployment benefits. Counties did not create the Trust Fund’s financial challenges, yet SB 3 would impose substantial new costs on local governments. Moreover, counties are already confronting mounting fiscal pressures from State cost shifts used to balance the State budget, while also operating under strict limits on available revenue options.

Finally, MACo is concerned about the speed and rigidity of the proposed increases. Last year’s legislation contemplated a longer phase-in period before reaching the new maximum benefit levels. SB 3 significantly accelerates that timeline, leaving counties little flexibility to plan for or absorb the added costs. For these reasons, MACo respectfully urges the Committee to issue an **UNFAVORABLE** report on SB 3.

SB003 Testimony.pdf

Uploaded by: Kirk McCauley

Position: UNF



WMDA/CAR Service Station
and Automotive Repair Association

Chair: Pamela Beidle and members of Senate Finance

RE: SB003 Unemployment Insurance Modernization Act

Position: Oppose

My name is Kirk McCauley, my employer is WMDA/CAR, we represent service stations, convenience stores, and repair facilities across the state as a non-profit trade group established in 1937.

- Taxable Wage Base increase of about 48%, with an automatic increase as average wage increases.
- Minimum Wage increase from \$50 to \$228 a week
- Maximum wage from \$430 to \$607

Retailers can only absorb so much, taxes and fees have already taken their toll. These Increases are out of line and discourage workers from hunting for work.

WMDA/CAR asks for an unfavorable vote on SB003.

Any questions, contact to Kirk McCauley, 301-775-0221 or kmccauley@wmdacar.com

AHEC UI Letter.pdf

Uploaded by: Lindsay Wood

Position: UNF



Maryland Area Health Education Center
West 39 Baltimore Street, Suite 201
Cumberland, Maryland 21502
301-777-9150 | Fax: 301-777-2649
www.ahecwest.org

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
AHEC West
39 Baltimore St., Suite 201
Cumberland, MD 21502
mclark@ahecwest.org
301-777-9150 ext. 125

SB3 - Oppose - Maryland Motor Truck Association.pd

Uploaded by: Louis Campion

Position: UNF

Maryland Motor Truck Association



NOTHING WITHOUT
TRUCKING 

HEARING DATE: February 11, 2026

BILL NO/TITLE: SB3: Unemployment Insurance Modernization Act of 2026

COMMITTEE: Senate Finance

POSITION: **Oppose**

Maryland Motor Truck Association (MMTA) respectfully offers its opposition to this legislation, which will substantially drive-up unemployment insurance costs on businesses by:

- Eliminating the taxable wage base of \$8,500 and tying it to the state's average weekly wage;
- Dramatically driving up the weekly benefit amount by also tying it to the state's average weekly range. The estimated increase in minimum benefits is 356% and 41% for maximum benefits.

With the exception of Massachusetts, Maryland (along with several other states) has the longest benefit period in the country at 26 weeks; however, unlike many other states, Maryland does not have a one-week waiting period for unemployment benefits, meaning claimants are eligible for benefits the day after they become unemployed.

The trucking industry is suffering from a massive labor shortage of qualified drivers. National data from the American Trucking Associations indicates the current shortfall is close to 80,000 drivers. Virtually every company that operates commercial trucks needs more drivers. We also have significant shortages among vehicle mechanics and technicians. Jobs are readily available.

In lieu of efforts to further disincentivize citizens to actively search for work by increasing unemployment insurance benefits, the state should focus its efforts on getting Marylanders the job training and skills they need to take advantage of opportunities in high demand industry sectors like transportation.

For the reasons noted above, MMTA requests an unfavorable report on this legislation.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a non-profit trade association that has represented the trucking industry since 1935. In service to its 1,000 members, MMTA is committed to support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

For further information, contact: Louis Campion, (c) 443-623-5663

SB3_NFIB_unf (2026).pdf

Uploaded by: Mike O'Halloran

Position: UNF



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: Senate Finance Committee
FROM: NFIB – Maryland
DATE: February 11, 2026

RE: **OPPOSE SENATE BILL 3** – Unemployment Modernization Act of 2026

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America’s small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland’s small businesses, NFIB-Maryland opposes Senate Bill 3 – legislation increasing the state’s Taxable Wage Base and the Maximum Weekly Benefit for unemployment insurance purposes.

NFIB members are concerned about the increase SB3 will have on their unemployment insurance taxes. In Maryland, employers are the sole responsible party for funding the state’s Unemployment Insurance Trust Fund (UITF). In Pennsylvania and New Jersey, for example, employees also pay a portion of their wages into unemployment.

While state specific data is not available for Maryland, 31% of small business owners reported job openings they could not fill in the most recent [NFIB Jobs Report](#). Maryland businesses are looking to hire as the state’s unemployment rate (4.2%) remains below the national average (4.4%). And according to [data](#) compiled by the Maryland Department of Labor, initial claims due to the federal government shutdown and disruptions in federal grants and contracts has fallen substantially from a peak of 1,357 for the week ending 10/18/2025 to 36 for the week ending 1/24/2026 (*accessed February 9, 2026*).

Senate Bill 3 must be looked at through a lens of employer cost increases. Since 2018, small business owners have been saddled with the following: employer-paid sick leave (2018), minimum wage increases (2019 & 2024), personal income tax hike (2025), paid leave insurance (effective 2027), and numerous fee and licensure increases. Taken together and we see why Maryland ranks as one of the [worst states to start a business](#), [highest for cost of doing business](#), and [least competitive for tax purposes](#). The one bright spot in the latter being Maryland ranks 18th for Unemployment Insurance Taxes.

For these reasons **NFIB opposes SB3** and requests an unfavorable committee report.

2026-02-09 10-32.pdf

Uploaded by: Parika Andreassen

Position: UNF



Hampton Inn by Hilton Frostburg
11200 New Georges Creek Road, Frostburg, Maryland 21532

tel: **301.689.1998**
fax: 301.689.2920

Feb 6, 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, **Hampton Inn Frostburg** 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 indexing both employer contributions and benefit levels to statewide average wages.

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 in the community, these added costs could have unintended consequences, including slower job creation, reduced competitiveness, and increased pressure on already strained operations.

Financial Impact on Our Business:

Rising Costs – Hotels are facing significant increases in the cost of goods, from furniture and fixtures to guest amenities and breakfast supplies. The recent minimum wage increase in Maryland has added additional pressure, and the proposed unemployment insurance hike will make it even harder for small businesses to remain profitable.



Hampton Inn by Hilton Frostburg
11200 New Georges Creek Road, Frostburg, Maryland 21532

tel: **301.689.1998**
fax: 301.689.2920

Impact on Hiring – Our region simply does not have a large enough labor pool to meet current staffing needs. We have been actively recruiting for several positions for the past three months without success. The proposed unemployment changes would further reduce incentives for job seekers, making it even more difficult for our hotel to fill critical roles.

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 black ink, appearing to read 'Parika' followed by a stylized flourish.

Parika Andreassen
Hampton Inn Frostburg
11200 New Georges Creek Rd
Frostburg, MD 21532
parikaa@hotmail.com
240.727.8764

Opposition to SB 3 Wash Co Chamber.pdf

Uploaded by: Paul Frey

Position: UNF

Wednesday, February 11, 2026

Position: UNFAVORABLE
Senate Bill 3
Unemployment Insurance Modernization Act of 2026
Senate Finance Committee

Dear Chairwoman Beidle and Members of the Committee:

On behalf of the Washington County Chamber of Commerce, representing almost 700 organizations with over 40,000 employees, I am writing to express our opposition to **Senate Bill 3, the Unemployment Insurance Modernization Act.**

As employers operating in Maryland, we support the State's unemployment insurance system that provides temporary assistance to workers who lose their job through no fault of their own. However, SB 3 proposes structural changes that would significantly and permanently increase employer costs, while removing long-standing safeguards that provide predictability for businesses planning payroll and workforce investments.

SB 3 would move Maryland's unemployment insurance system away from a fixed structure and instead link employer contributions and benefit levels to statewide wage growth. This change would lead to automatic cost increases over time, making it more difficult for businesses to plan for future payroll and hiring needs. For businesses like those of our member organizations, these changes come at a time when employers are already dealing with higher labor costs, inflation, and general economic uncertainty.

WalletHub recently ranked Maryland 49th for opening a business. We also rank 46th for tax climate and 37th nationally for business friendliness. At a time when businesses have more choices than ever, these signals should not be ignored. Adding ongoing increases to payroll-related costs would make it harder for employers to plan, could limit hiring flexibility, and may affect the ability of small and mid-sized businesses to remain competitive. Policies like HB 188 will help determine whether Maryland becomes a place for businesses to grow – or a state to rule out.

For these reasons, I respectfully urge the committee to issue an *unfavorable report on SB 3*.

Thank you for the opportunity to share our perspective.

Sincerely,



Paul Frey, President & CEO

Maryland SB 3.pdf

Uploaded by: Toby Malara

Position: UNF

American Staffing Association

277 South Washington Street, Suite 200 ■ Alexandria, VA 22314-3675



VIA ELECTRONIC SUBMISSION

February 11, 2026

Senator Pamela Beidle
Chairwoman
Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

Senator Antonio Hayes
Vice Chairman
Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

703.253.2020

703.253.2053 fax

asa@americanstaffing.net

americanstaffing.net

Re: SB 3 The Unemployment Insurance Modernization Act

Dear Chairwoman Beidle and Vice Chairman Hayes:

On behalf of the staffing industry and the thousands of Maryland employers and workers we support, we respectfully oppose SB 3, the Unemployment Insurance Modernization Act. While we appreciate the intent to modernize Maryland's unemployment insurance system, this legislation would have unintended and harmful consequences for temporary employment, workforce flexibility, and the ability of employers to place individuals into short-term and transitional jobs.

The staffing industry plays a critical role in Maryland's labor market by connecting individuals to temporary, seasonal, project-based, and transitional employment opportunities. These jobs are often the fastest and most effective pathway back into the workforce for individuals who are unemployed, underemployed, or seeking flexible work arrangements. However, the proposed changes in SB 3 would significantly increase the cost of providing these opportunities, ultimately reducing job availability for Maryland workers.

The proposed increase and indexing of the taxable wage base would disproportionately impact staffing firms and temporary employment

Staffing companies employ large numbers of workers for short durations and across multiple assignments. Because unemployment insurance taxes apply to the first dollars of wages earned by each employee, increasing the taxable wage base by nearly 50%, and indexing it for automatic annual increases, would dramatically raise costs for employers whose business model depends on frequent hiring and redeployment of workers. Unlike traditional employers with long-term employees, staffing firms would face these higher taxes with each new temporary assignment, compounding the financial impact.

These increased costs would make it more expensive to place workers in short-term roles, particularly entry-level and lower-wage positions that are most sensitive to cost increases. As a result, employers may reduce their use of temporary workers, shorten assignment lengths, or decline to create flexible job opportunities altogether, directly undermining workforce participation.

American Staffing Association

Significantly higher and automatically indexed unemployment benefits risk discouraging rapid reemployment through temporary work.

Temporary jobs are often designed to help individuals reenter the workforce quickly while they search for permanent employment. Under SB 3, the dramatic increase in minimum and maximum weekly benefits, particularly the more than 350% increase in the minimum benefit, could create disincentives for claimants to accept short-term or lower-paying temporary assignments. For many individuals, the financial gap between unemployment benefits and temporary wages would narrow or disappear, reducing participation in these critical reemployment pathways.

This dynamic is especially concerning for populations that rely most heavily on temporary work, including individuals reentering the workforce, career changers, caregivers seeking flexible schedules, and those recovering from job displacement. Weakening incentives to accept temporary employment will slow reattachment to the labor market and prolong unemployment.

Shifting both taxes and benefits to an indexed system creates long-term uncertainty and instability for job creators.

Finally, transitioning from a fixed system to one tied to statewide average wages introduces automatic cost escalators that employers cannot predict or control. For staffing firms operating on thin margins and fixed client contracts, this uncertainty makes it difficult to price services, invest in job creation, or expand operations in the state. Over time, this could discourage staffing investment in Maryland and shift job placement activity to neighboring jurisdictions with more stable and predictable unemployment insurance systems.

Maryland's current unemployment insurance system is regionally competitive and balanced. If Sb 3 is enacted, it would push the state into the top tier nationally for benefit levels while imposing one of the most aggressive cost structures on employers, particularly those that specialize in placing people into work quickly.

For these reasons, we respectfully ask the General Assembly to oppose SB 3 in its current form and to direct a formal working group of businesses, employment organizations, state agencies, and other impacted stakeholders to evaluate meaningful UI modernization options. A consensus-based approach will better protect workers while ensuring that employers can continue to create jobs, place individuals into temporary and transitional work, and support a resilient Maryland labor market.

Thank you for your consideration and for your continued focus on policies that support both workers and job creators in Maryland.

Very truly yours,



Toby Malara, Esq.
Vice President, Government Relations
American Staffing Association

SB0003_ HB0188 UI Modernization_ MD Labor Written

Uploaded by: Secretary Portia Wu

Position: INFO

MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SB0003

TO: Finance Committee
FROM: Maryland Department of Labor
DATE: February 11, 2026
BILL: SB 3 Unemployment Insurance Modernization Act of 2026

MDL POSITION: INFORMATIONAL

Maryland Department of Labor (“MD Labor” or “Department”) is pleased to provide informational testimony regarding Senate Bill 3, the Unemployment Insurance Modernization Act of 2026. The Department recognizes the structural challenges within the state’s Unemployment Insurance (UI) system that must be addressed. Maryland needs an unemployment insurance program that supports workers and employers as intended and remains solvent for the long term.

Unemployment insurance is a critical program for workers, employers, and Maryland’s economy. It supports labor force attachment and buffers economic shocks. UI provides temporary income to workers who have lost their jobs and are actively seeking work, while supporting local economies by maintaining the purchasing power of unemployed workers. This helps to keep available workers in the labor market, thus supporting economic growth.

In response to interest in strengthening the UI program, at the request of this Committee and the Chairs of the Joint Committee on Unemployment Insurance Oversight, MD Labor conducted an analysis of the UI Trust Fund. For this analysis, MD Labor used the UNIS model from the U.S. Department of Labor (USDOL) to forecast the long-term outlook for the trust fund. While these forecasts are only preliminary and rough estimates, they provide a framework that enables comparison of different potential policy choices.

One of the key findings from the analysis is that, without adjustments to the UI program, the trust fund is projected to decline. The rate of the decline will largely depend on future unemployment rates. Proactively addressing potential risks to the fund could help the state better weather economic downturns. Maintaining an adequate level of funds is also necessary for the state to qualify for interest-free

borrowing from the USDOL. The analysis also reveals how the proposed reforms in SB 3 may impact the immediate and long-term solvency of the trust fund.

The Department believes that any approach to reform should be transparent, simple, predictable, and equitable. As the Committee undertakes this effort, we urge legislators to consider not only the necessary resources to support the long-term health of the UI Trust Fund and benefit adequacy but also the flexibilities and resources needed for technology and infrastructure to administer a more efficient, responsive, transparent, and secure UI system.

With respect to provisions within the proposed bill, we offer specific comments as follows.

Benefit Reforms

SB 3 proposes changes to Maryland's unemployment insurance benefit structure intended to modernize benefit calculations and align benefit levels more closely with current wage conditions. The bill would adjust how weekly benefit amounts are calculated, introduce an indexing mechanism tied to the state average weekly wage, and define the publication schedule for when MD Labor will make any indexed values available to the public.

Under current law, eligible claimants may receive unemployment benefits for up to 26 weeks, with weekly benefit amounts ranging from \$50 to \$430. Weekly benefits are calculated using a statutory Schedule of Benefits based on the claimant's highest quarter of earnings. Approximately 65% of claimants receive the maximum weekly benefit amount. Maryland's benefit parameters were last updated in 2010 and have not been adjusted to reflect subsequent wage growth or inflation.

Based on the most recent *Significant Provisions of State UI Laws*¹ published by the USDOL as of July 2025, Maryland ranks 15th lowest nationally for its maximum weekly benefit amount and 25th lowest for its minimum weekly benefit amount. Among neighboring jurisdictions, only Virginia has a lower maximum weekly benefit, and only Delaware and West Virginia have lower minimum weekly benefits.

¹ <https://oui.doleta.gov/unemploy/statelaws.asp#RecentSigProLaws>
www.labor.maryland.gov

SB 3 would replace the current benefit schedule with a revised calculation method that divides wages earned in a claimant's highest quarter by 24. The bill would further index benefit levels to the state average weekly wage, which the Secretary would be required to determine annually by July 1. Under the proposal, the maximum weekly benefit amount would be set to equal 40% of the state average weekly wage by 2027. Washington, D.C., and 32 states currently tie benefit levels to a percentage of average wages as a means of maintaining benefit adequacy over time.

SB 3 also proposes changes to the minimum weekly benefit amount. Rather than a flat minimum of \$50, the minimum benefit would be set at no less than 15% of the state average weekly wage. Based on current projections, the state average weekly wage in 2027 is estimated at \$1,590. Under the bill's framework, the minimum weekly benefit amount would increase to approximately \$223, while the maximum weekly benefit amount would rise to approximately \$595.²

These benefit reforms would increase overall benefit payments from the UI Trust Fund to eligible claimants. However, a change to the current taxable wage base is also necessary to ensure the Trust Fund remains solvent and meets federal adequacy standards, including maintaining a balance sufficient to pay one year of benefits during an economic downturn, as defined by the AHCM. This is discussed further in the Employer Tax Reform section below.

Employer Tax Reforms

Currently, Maryland's taxable wage base is \$8,500 per employee, the ninth lowest in the country. This amount has not changed since 1992, when it was increased from the federal minimum of \$7,000. Adjusted for inflation, the current base equates to approximately \$19,500 in today's dollars. Under SB3, the employer taxable wage base would increase and be indexed to the state's average annual wage, which the Secretary would publish each year by January 31. The Department already maintains data on annual wages on its website at: <https://www.labor.maryland.gov/lmi/emppay/annualmd.shtml>.

² MWB and TWB estimates in the Department's modeling rely on average wages from two calendar years prior to align with data availability. For example, the 2027 rates will likely be set in the fall of 2026. At that time, the most recent annual wage data from the Quarterly Census of Employment and Wages (QCEW) Program would be for 2025.

SB3 raises the TWB in 2029 and gives the Secretary of Labor the option to set the rate above the current level of \$8,500 in 2027 and 2028. The Department's modeling assumes an increase in 2027 and 2028 before reaching a level of \$13,229 in 2029. However, the Department has not made any decisions regarding how it would set the TWB in future years. Maryland's projected 2029 taxable wage base would rank Maryland as the 24th lowest among US states and territories, according to US DOL data.

To estimate the potential impact of these changes, Table A presents projected taxable wage bases and corresponding benefit payments over the next four years, based on assumptions in the U.S. Department of Labor's UNIS model and a 3.4% annual wage growth rate, reflecting historical trends from 1990 to 2024. These projections provide a framework for understanding how the proposed adjustments to both employer contributions and benefit levels could affect the overall funding and stability of the UI program.

Collectively, the proposed benefit and employer tax reforms allow the Department to project the potential impacts on the Trust Fund's solvency, providing insight into the program's capacity to meet expected benefit obligations while maintaining sufficient reserves in the event of an economic downturn. The following section will explore the impacts that SB3 has on trust fund solvency.

Table A					
Illustrative Dollar Amounts by Calendar Year (estimated projections)					
	2025	2026	2027	2028	2029
Applicable Average Weekly Wage	\$1,487	\$1,538	\$1,590	\$1,644	\$1,700
Minimum Weekly Benefit Amount	\$50	\$50	\$223	\$231	\$239
Maximum Weekly Benefit Amount	\$430	\$430	\$595	\$615	\$636

www.labor.maryland.gov

Employer Taxable Wage Base	\$8,500	\$8,500	\$10,076	\$11,653	\$13,229
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TABLE A: Average Weekly Wage (in covered employment)

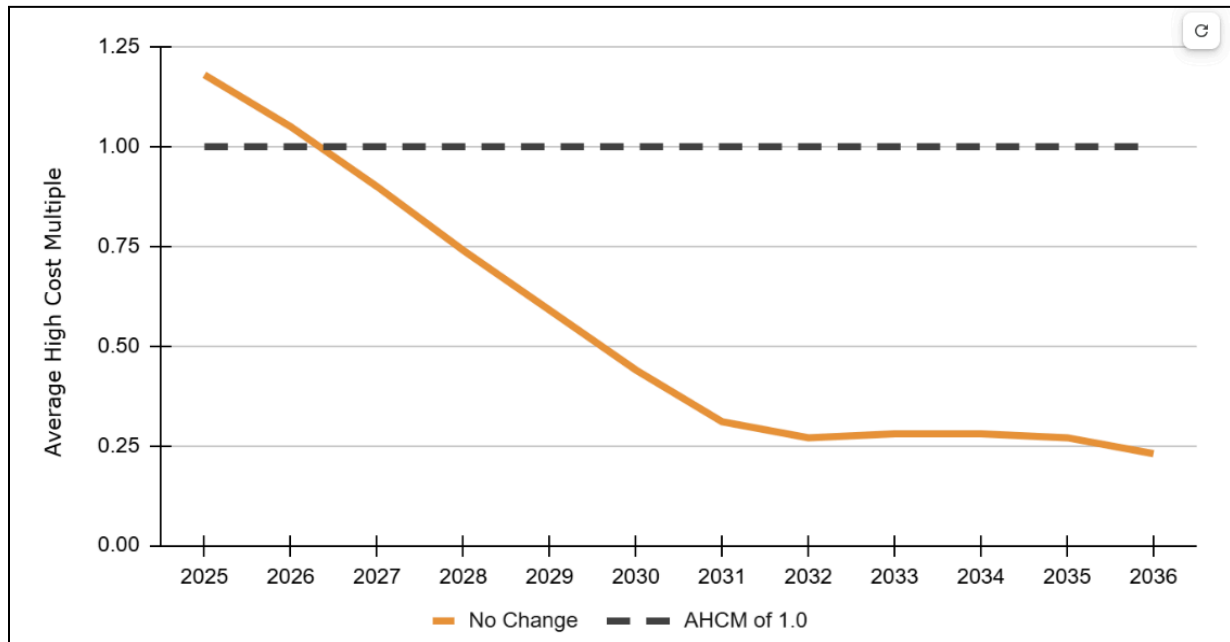
Average Weekly Wage for future years is based on historic data in the UNIS model and a 3.4 percent growth rate for future years (1990-2024 average). Estimates are based on the U.S. Department of Labor UNIS Model

Source: Maryland Department of Labor - Workforce Development and Adult Learning

Impact on the Solvency of the Trust Fund

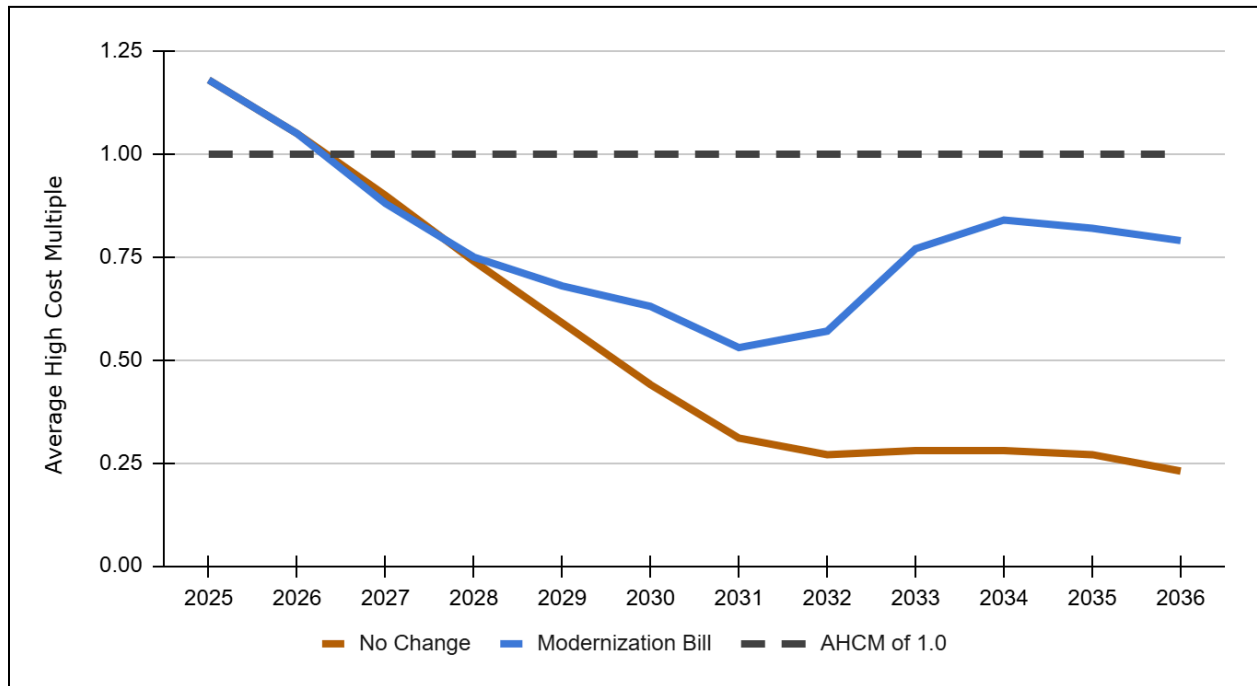
At the request of members of the General Assembly and the Senate Finance Committee, MD Labor evaluated the potential effects of SB 3 on the solvency of Maryland’s UI Trust Fund. Solvency is measured using the Average High Cost Multiple (AHCM), which estimates a state’s ability to pay one year of unemployment benefits during a historically high-cost period. An AHCM of 1.0 indicates that a state has sufficient reserves to cover a full year of benefits, while an AHCM below 1.0 reflects diminished capacity. Under federal regulation (20 C.F.R. § 606.32), states must maintain an AHCM of at least 1.0 to qualify for interest-free federal loans. It is also important to note that the interest on any advances may not be paid from the trust fund.

To assess solvency, MD Labor used the U.S. Department of Labor model, incorporating updated economic and labor market data through 2024. Consistent with current economic conditions, the model assumes that Maryland’s unemployment rate rises to 5.0% by 2027 and remains at that level through the forecast period. The maximum unemployment rate set for this forecast matches the long-run historical average in Maryland (1991 to 2024). Compared to the prior modeling used in the analysis of the 2025 UI Modernization Bill (SB0752/HB0554), this new assumption reflects a more cautious outlook. The chart below compares the change in the AHCM over time if the current UI program were to continue in its current configuration.



Under a “no change” scenario, assuming current benefit levels range from \$50 to \$430 and the existing \$8,500 taxable wage base, the model projects a steady decline in the trust fund’s solvency. In this scenario, the AHCM is projected to fall below 1.0 by 2027 and continue to decline thereafter, reaching below 0.5 by 2030. This decline will increase the risk that the trust fund will be unable to meet its benefit obligations under sustained economic stress.

The graph below also shows how adjustments to the taxable wage (16% of the average annual wage) and the maximum weekly benefit (40% of the average weekly wage), as proposed in SB0003, could affect projections for the AHCM. The model indicates the proposed legislation would soften the decline and exhibit a trend toward recovery of the trust fund’s long-term solvency. These insights reinforce the need for proactive measures to support employment and maintain the stability of the trust fund.



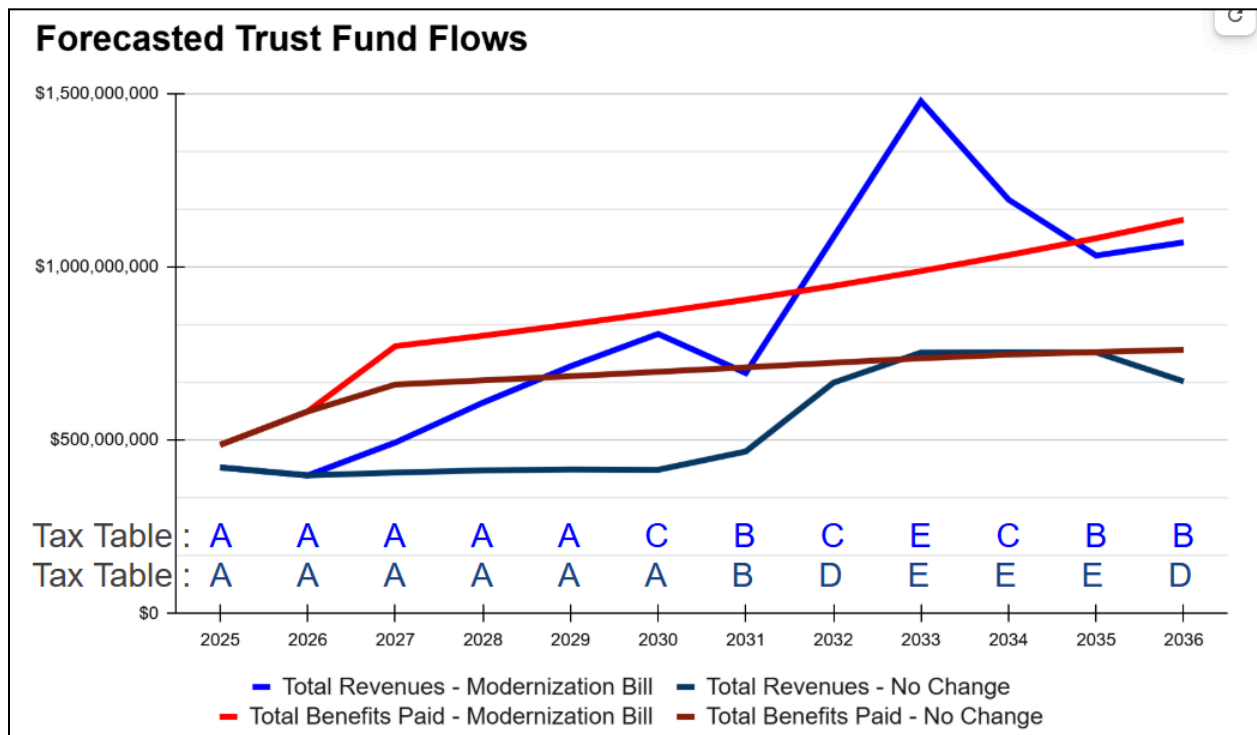
The modeling indicates that, relative to the no-change scenario, the combined benefit and taxable wage adjustments proposed in SB0003 lessen the impact of the long-term decline in solvency. The forecasted unemployment rate puts pressure on the trust fund's overall solvency; however, the impact is mitigated by the proposed program changes in SB0003. With a change to the TWB and WBA, the AHCM no longer crosses the 0.50 threshold. Modeling shows solvency approaching 0.50 in 2031 followed closely by an increase peaking in 2034 at ~0.80.

Estimated Expenditures and Timeline

Building on the solvency analysis above, this section examines how the benefit and taxable wage adjustments proposed in SB3 affect trust fund revenues and expenditures over time. Because employer contributions and benefit payments are both deposited into and paid from the UI Trust Fund, changes to either side of the program directly influence overall fund performance.

As shown in the accompanying graph, projected revenues and benefit payments are compared under two scenarios: continuation of current law and implementation of the modernization bill. Under SB3, benefit payments increase as weekly benefit amounts are indexed, while revenues rise as the taxable wage base phases in

through 2029. The chart also illustrates how these changes influence the tax table assignments from 2025 through 2036, highlighting the timing and magnitude of shifts in employer contributions relative to benefit outflows.



Conclusion

Any reforms to the UI system should aim to provide greater support for workers, create a more equitable environment for smaller employers, and ensure a solvent UI system to address future economic challenges. We look forward to working with the bill sponsors and the Committee to achieve these goals and position the state for growth.

For questions, please contact Andrew Fulginiti, at Andrew.Fulginiti@maryland.gov