

March 2, 2021

**Testimony on Senate Bill 790**  
**Unemployment Insurance – Reimbursing Employers – Deferral of Payment**  
**During a State of Emergency for COVID-19**  
**Senate Finance Committee**

**Position: Support**

Maryland Nonprofits is a statewide association of more than 1200 nonprofit organizations and institutions. We are urging you to support Senate Bill 790 with the sponsor's amendments to provide important relief to hundreds of nonprofits with 50 or more employees who reimburse the State's Trust Fund for their unemployment liabilities. The Bill would also include reimbursing local government entities.

The important relief you have already provided in Senate Bill 496 freezes the experience rating for all rate-paying employers, and allows all smaller employers, including those nonprofits with fewer than 50 staff who reimburse, to defer payments until at least next year.

But for most of the larger nonprofits that reimburse liabilities on an ongoing basis, these costs continue to challenge their financial stability and reduce their capacity to serve our communities. In many cases these same organizations have also been denied access to most other federal Covid-19 relief.

The pandemic has impacted nonprofits and their operations in most of the same ways as it has the rest of the nation's economy. [As of January 2021](#), the national nonprofit workforce remained down by nearly 958,000 jobs compared to February 2020 levels, representing a 7.7% decline from its pre-pandemic level estimated at 12.5 million. These lost jobs include 36.3% of all workers in nonprofit arts and entertainment organizations; 16% of nonprofit education workers; 11% of all workers in nonprofit religious, grant-making, and civic associations; over 8% of workers in nonprofit social service institutions; and more than 3% of nonprofit health care workers. Our own October survey in Maryland found that a third of organizations had furloughed or laid off staff.

The amendments put forward by the sponsor would simplify the bill and bring it in line with the provisions you have already approved for smaller reimbursing employers in Senate Bill 496. To the extent that federal assistance is continued past its expiration later this month, the Trust Fund would continue to receive partial payments of these liabilities. At least ten other states provided full relief from these Covid-19 costs for all reimbursing nonprofits during 2020.

We urge you to give Senate Bill 790 a favorable report with Senator Kagan's amendments.

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