

March 2, 2022

Testimony on Senate Bill 632
Maryland Health Benefit Exchange - Small Business and Nonprofit
Health Insurance Subsidies Program
Senate Finance Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1300 nonprofit organizations and institutions. We urge you to support Senate Bill 632 to assist small businesses and nonprofit employers to provide health insurance coverage to their employees.

Small employers in general are less able than larger companies to be able to provide adequate health insurance options for their employees, and far fewer actually do. While many nonprofits try to provide adequate benefits to their employees, their financial capacity can be far less secure than their for-profit counterparts.

While nonprofits represent 13% of the state's private sector workforce, the great majority are small employers, struggling even more than others to recruit or retain staff. Our research during the pandemic, a survey of over 700 organizations, found that 65% percent of organizations reduced expenses, and 30% reduced staff hours and furloughed or laid off staff, to cope with the reductions in revenue. We also found these impacts were more significant at nonprofits that were led by persons of color.

Today they face the same workforce challenges as government and other private sector employers: recruitment, retention, wage competition and providing adequate benefits.

The subsidy program proposed in Senate Bill 632 would help small nonprofits to sustain their work serving communities across the state and improve health equity and outcomes for the families of their employees.

We urge you to give Senate Bill 632 a favorable report.