

HB1226 Nonprofit Sustainability Fund Paula Yudelevit, Executive Director, HART for Animals, Inc. House Appropriations Committee, March 9, 2023 Favorable

HART for Animals, Inc., located in rural Garrett County, supports HB1226 to create a new Nonprofit Sustainability Fund, and fund it at \$100 million annually. As a nonprofit with 40 employees, the Fair Wage Act of 2023 will amount to an increase of \$1.75 per employee, totaling \$9,000 in additional wages a month, or \$108,000 annually. Our net income in the entire year of 2022 was just \$8,000. Once enacted, this increase will result in fewer no/low-cost spay/neuters, higher prices for our underprivileged community, and layoffs of critical staff members. An unrestricted grant of 1.5% to 10% of our revenues would allow HART to continue to serve our low-income residents, which will ultimately be unduly burdened by the accelerated Fair Wage Act timeline.

Our mission to improve the condition of animals in Western Maryland through rescue and transport, accessible spay/neuter surgeries, building and operating a humane animal center, and sheltering and adopting homeless animals is funded by private donations, fundraising, and small grants. Our veterinary clinic performs no and low-cost spay/neuters and emergency care for pets in our low-income households. Since 2009, our clinic has performed 13,072 low and no-cost spay/neuters for pets in our underserved community.

Our current strategy is to gradually offset the costs of minimum wage increases based on the \$15/hour by 2025 legislation. Absorbing a \$9,000-a-month payroll increase (after the .75/hour increase in January) will not be sustainable without increasing our prices by 12%, affecting our low-income families. The Nonprofit Sustainability Fund will enable us to keep our staff employed who are critical to our mission and provide low-cost spay/neuter and emergency services at reasonable costs for pets in low-income households in rural Maryland.

On behalf of the Board of Directors of HART for Animals, we urge you to consider HB1226.

## ADOPT. DONATE. VOLUNTEER.

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