



marylandnonprofits.org

1500 Union Avenue | Suite 2500 | Baltimore, MD 21211
410.727.6367 | 800.273.6367 | Fax 410.235.2190

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Testimony on Senate Bill 555
Fair Wage Act of 2023
House Economic Matters Committee

Position: Favorable with Concerns

Maryland Nonprofits is a statewide association of more than 1500 nonprofit organizations and institutions. We are urging support for the Moore Administration's proposed acceleration of the state's phase-in to a statewide \$15 an hour minimum wage. However we must also express concern that without some form of at least temporary government assistance, this may negatively impact the ability of many smaller nonprofits to maintain their level of services to people and communities around the state.

Nonprofit organizations have historically been leading advocates for addressing the needs of lower income workers, including fair and adequate wages, in Maryland and across the country. The Fair Wage Act of 2023 will further this goal and is particularly important at a time when low-wage earners, who suffered the most from the dislocations caused by the Covid pandemic, are still far from experiencing 'full recovery'.

We are encouraged that the Administration has recognized the importance of providing necessary adjustments in this year's budget for organizations providing public services on behalf of the state to implement this increase. But there are several thousand smaller nonprofit organizations that provide a wide range of community level services, and rely substantially on charitable support from the public, federated funders and foundations. Many of these provide services for free or below cost. To generate additional revenue for payroll they will be largely dependent on increased charitable fund-raising and possible government support.

We believe that the state, working with local governments, must find ways to assist these groups make the adjustment to a \$15 an hour wage that many had not anticipated in their planning for the next 2+ years.

We urge support for Senate Bill 555 and encourage further action at all levels of government to address this concern.

