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Testimony on Senate Bill 197
Four-Day Workweek Act of 2023
Senate Finance Committee

Position: Favorable with Amendments

Maryland Nonprofits is a statewide association of more than 1500 nonprofit organizations and institutions. We urge you to support Senate Bill 197 with an amendment that would allow tax exempt nonprofit organization who otherwise qualify, to participate and receive an equivalent incentive as for profit employers.

Experience with the COVID pandemic and the changing nature of much employment through the application of technology, has demonstrated the impressive impact that flexibility in time and place has on worker productivity and satisfaction, and for employers the benefit to worker recruitment and retention.

As with other sectors of the workforce, this also true among nonprofit employees and employers, who represent 13% of Maryland's total private employment – more than any other private business sector. Nonprofits' employment nationally is still recovering to pre-pandemic levels, and they face the same competitive factors as other, and particularly small employers – the ability to provide benefits and other desirable working conditions.

The access to a financial subsidy for transitioning all or a segment of their workforce could help some nonprofits to compete on closer to an equal footing with other employers for retention and recruitment.

To make this possible, we urge you to adopt amendments similar to those already in place in some of the state's other employer incentives, most recently last year's Work Opportunity Tax Credit with respect to nonprofits – by allowing them to use the credit, if they otherwise qualify, against their employee withholding tax accounts with the State Comptroller. I have attached a sample of that language with this testimony.

We urge a favorable report with this type of amending language.

