

Subject: Employer Impact Statement – HB 1229 / SB 886

Dear Chair and Members of the Committee,

On behalf of Sandy Cove Ministries' leadership and Board of Directors, we appreciate the opportunity to provide perspective regarding HB 1229 / SB 886.

Sandy Cove Ministries is a Christian retreat and conference center located in Cecil County, Maryland. We employ approximately 130 year-round team members and up to 250 employees during peak seasonal months. Our annual payroll budget is approximately \$3.5 million.

We support the goal of ensuring that Maryland workers are compensated fairly and that families can thrive. As an employer deeply invested in our staff and the community, we strive to provide competitive wages, benefits, housing options for seasonal staff, and a mission-driven workplace culture.

However, based on our internal financial modeling, the proposed staggered minimum wage increases outlined in HB 1229 / SB 886 would increase our annual labor costs by an estimated \$2 million once fully implemented.

To put this in context:

- A \$2 million increase represents more than a 55% increase over our current payroll budget.
- As a nonprofit ministry with a fixed revenue model tied to guest group bookings, we cannot readily absorb such an increase without significant operational changes.
- Our largest workforce segments include hospitality, housekeeping, food service, and seasonal student workers.

Operational Considerations

1. Nonprofit Revenue Constraints

Unlike for-profit entities, we do not operate with significant profit margins. Our pricing is set to serve churches, schools, and ministry organizations that often operate on limited budgets themselves. Substantial labor increases would necessitate raising guest rates significantly, which could reduce bookings and diminish access for families and ministry partners.

2. **Seasonal Workforce Dynamics**

We rely heavily on seasonal workers for summer operations. Rapid wage escalation at entry levels compresses wage bands, requiring proportional increases across supervisory and mid-level roles to maintain internal equity.

3. **Budget Sustainability**

A \$2 million increase would require either:

- a. Reductions in staffing levels
- b. Reduction in program offerings
- c. Significant rate increases for guests
- d. Capital project deferrals
- e. Or a combination of the above

Constructive Path Forward

We respectfully request consideration of:

- An exemption for nonprofit employers
- Tax credits or offset mechanisms for charitable organizations
- Impact study specific to nonprofit hospitality employers

We believe there is space for policy that supports workers while also preserving the sustainability of nonprofit employers who serve thousands of Maryland families annually.

Sandy Cove Ministries has been part of the Cecil County community for decades. We employ local residents, partner with local vendors, and contribute to the regional economy. Our desire is to remain a stable employer and ministry resource for years to come.

We would welcome the opportunity to provide further financial analysis or participate in stakeholder discussions as you evaluate this legislation.

Thank you for your consideration and for your service to the State of Maryland.

Respectfully,

Stephen Weaver
President & CEO
Sandy Cove Ministries

On behalf of the Board of Directors
Sandy Cove Ministries