



PRESERVATION MARYLAND

February 04, 2025

Hon. Joseline A. Pena-Melnyk
Health and Government Operations Committee
Taylor House Office Building, Room 240
6 Bladen Street
Annapolis, Maryland

RE: HB0300 FAVORABLE

Chairperson Pena-Melnyk,

On behalf of the staff and Board of Directors of Preservation Maryland and our thousands of statewide supporters, I thank you for the opportunity to provide written testimony in **SUPPORT of HB0300** – a piece of legislation that will alter the indirect-cost rate which nonprofit organizations receiving State-funded grants or contracts to match the rate established under relevant federal guidelines.

Preservation Maryland is the nonprofit, statewide voice for historic preservation that harnesses the power of historic places by revitalizing and reinvesting in communities, advocating, and building the historic trades workforce for the benefit of all Marylanders. (Learn more at: presmd.org)

This legislation will bring Maryland's indirect-cost rate for nonprofit organizations up to meet federal guidelines which were recently updated to mitigate its contributing factor in the "starvation cycle" that destabilizes nonprofit providers. This change would allow for new or inexperienced organizations who lack the capacity to perform a formal rate negotiation to still be fully compensated for their overhead costs. We support this legislation as we believe its passage would support the state's nonprofit organizations by aligning the current minimum indirect rate with federal regulations now and automatically tied to any future Office of Management and Budget (OMB) increases.

HB0300 is an impactful piece of legislation, and we urge a favorable report.

Favorable

Sincerely,

Nicholas A. Redding, President & CEO