



**LUNA**  
Family Support  
Services

Jan 31, 2025

## **Testimony on House Bill 300**

### **State Government - Grants and Contracts - Reimbursement of Indirect Costs**

#### **House Health and Government Operations**

Small nonprofits play a critical role in delivering essential services to communities, yet they often struggle to cover operational expenses due to inadequate indirect cost allocations. We strongly advocate for a **minimum 15% indirect cost rate** for small nonprofits in all government and foundation funding.

#### **Why This Matters:**

- ◆ **Equity & Sustainability** – Small nonprofits operate with lean budgets and dedicated teams. A 15% indirect cost rate ensures they can cover essential administrative expenses, such as rent, technology, and compliance, without diverting funds from direct services.
- ◆ **Fairness in Funding** – Many large institutions automatically receive higher indirect cost rates. Small nonprofits deserve the same recognition for their critical work.
- ◆ **Stronger Impact** – When nonprofits can sustainably fund their infrastructure, they provide **higher-quality, long-term support** to the communities they serve.

We urge policymakers, funders, and stakeholders to **commit to a fair 15% indirect cost rate** to ensure small nonprofits thrive and continue their vital missions.

**Join us in advocating for this essential change!** #FairFunding #SupportNonprofits  
#15PercentMatters