

**Department of Legislative Services**  
 Maryland General Assembly  
 2025 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 365 (Senator Kagan, *et al.*)  
 Finance

**Department of Commerce – Nonprofit Organizations Navigator – Established**

This bill establishes a nonprofit organizations navigator within the Department of Commerce. Among other duties, the navigator must represent the interests and concerns of nonprofit organizations as a member of the Maryland Efficient Grant Application (MEGA) Council. The bill also repeals study, recommendation, and reporting requirements for the MEGA Council related to the designation of a State Grants Ombudsperson. The bill specifies that it is the intent of the General Assembly that the navigator position be filled by January 1, 2026. **The bill takes effect July 1, 2025.**

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$73,900 in FY 2026 for staffing. Future years reflect annualization, inflation, and the elimination of one-time costs. Revenues are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	73,900	86,900	90,800	94,900	98,900
Net Effect	(\$73,900)	(\$86,900)	(\$90,800)	(\$94,900)	(\$98,900)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** The Secretary of Commerce must designate a nonprofit organizations navigator within Commerce, who must:

- provide technical assistance to nonprofit organizations in obtaining access to and applying for State grant programs;
- work with nonprofit organizations and units of State government to resolve procedural complexities and delays in State grant-making processes;
- collect and share information on opportunities for federal, State, and local grants with nonprofit organizations; and
- represent the interests and concerns of nonprofit organizations as a member of the MEGA Council (through the termination date of the council).

**Current Law:** Chapters 484 and 485 of 2020 established the MEGA Council to study and make recommendations regarding the entire grants life cycle. Among other duties, the council must study the feasibility, cost, and impacts of designating a State Grants Ombudsperson and, by July 1, 2025, make recommendations regarding the designation of an ombudsperson, including recommended timelines and deadlines, to the Department of Budget and Management (DBM). DBM must then report to the General Assembly on the council’s recommendations by December 31, 2025.

Staffing responsibilities for the council are shared by its member agencies (which do not include Commerce). The council terminates June 30, 2029.

**State Expenditures:** The bill establishes a nonprofit organizations navigator position within Commerce and specifies the duties of the position. The bill authorizes the Secretary to designate the navigator, and Commerce has indicated its intent to create a new position. Accordingly, general fund expenditures increase by \$73,917 in fiscal 2026, which accounts for a 90-day start-up delay. The timing is also consistent with the intent of the General Assembly that the position be filled by January 1, 2026, and the estimated hiring date provided by Commerce for this fiscal and policy note. This estimate reflects the cost of hiring one nonprofit organizations navigator to assist nonprofits and otherwise carry out the specified duties of the position under the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$66,548
Operating Expenses	<u>7,369</u>
<b>Total FY 2026 State Expenditures</b>	<b>\$73,917</b>

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Changes to reporting requirements for the MEGA Council are not anticipated to materially affect State expenditures.

**Additional Comments:** While nonprofits are not considered small businesses for purposes of fiscal and policy notes, some small nonprofits potentially benefit from the technical assistance and other services provided by the nonprofit organizations navigator under the bill.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 541 (Delegate Guzzone, *et al.*) - Health and Government Operations.

**Information Source(s):** Department of Commerce; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2025  
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