



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**SB245: Maryland Nonprofit Development Center Program –
Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account – Funding**

Senate Budget & Taxation Committee

Tuesday, January 25, 2022 | 1:30pm

The nonprofit sector relies heavily on federal, state, and local grants and contracts. Unfortunately, government funds often take time to process and may be delayed or distributed only after a project is completed. This often makes it challenging to make payroll, rent, or programming expenses.

Five years ago, the General Assembly enacted [SB465/HB1517](#), which created the [Nonprofit, Interest-Free, Micro Bridge Loan](#) (NIMBL) program. Housed within the Maryland Nonprofit Development Center and the Maryland Department of Commerce, NIMBL provides nonprofits with up to \$25,000 to continue their work while they await promised federal, state, county, or municipal government funding.

As introduced, NIMBL was to be funded by a **one-time** allocation of \$1,000,000 from the Maryland Small Business Development Financing Authority (MSBDF). Unfortunately, the money was diverted for three years. Working with Maryland Nonprofits, we managed to launch the program in the Fall of 2017 after identifying \$187,500 from another source in the State budget. Even with that paltry amount of money, 17 loans have been successfully issued and repaid. The Department of Commerce created a marketing campaign to increase awareness of this program; it has been on hold for five years so that demand would never exceed the supply of available funds.

Another challenge that NIMBL has faced is a technical drafting error. The 2017 law indicated that the Governor would fund the program in FY21 with “*up to 5% [of the MSBDF fund], not to exceed \$1,000,000.*” Obviously, “up to” can be interpreted as **any** amount...**including \$0!**

Last session, the FY22 budget fenced off \$150,000, which we recently learned **may** have been approved; it has not yet reached the account. Even with this contribution, NIMBL will remain \$662,500 short of the initial fund.

[SB245](#) would mandate that the NIMBL fund **finally** reach a one-time allocation of \$1,000,000 and removes the “up to” language in statute.

Nonprofit organizations are an integral part of our communities-- comprising roughly 10% of Maryland's workforce and 12% of our economy (second only to the retail sector). Especially during the Coronavirus pandemic, we must have short-term funding available to nonprofits working so diligently to address our community needs.

According to one NIMBL grant recipient:

*"I was made aware of the program through a colleague, and I'm so glad for that. I would guess that many of my peer professionals are not aware. I would be happy to share our story if that would help. **It was exactly what we needed at precisely the right moment.** Thank you!"*

I urge a favorable report on SB245 so that we can finally fully launch the NIMBL program for nonprofits that has been waiting for funding since 2017!!