

March 23, 2022

Testimony on Senate Bill 245

Maryland Nonprofit Development Center Program – Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account – Funding House Ways and Means Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1300 nonprofit organizations and institutions. We urge you to support Senate Bill 245 to increase the funds available for NIMBL – a “Micro Bridge” loan program operated by the Maryland Department of Commerce that help nonprofits in need of start-up funds or in many cases suffering from delays in payments.

As amended by the Senate, the bill has removed the dedication of any funds from the Small, Minority, and Women-Owned Business Account and provided instead a one-time mandated \$ 1,000,000 appropriation of General Funds, in FY 2023 if not provided in the upcoming FY 2022 Budget. When realized, that appropriation will displace and make the SMWOBA ‘whole’ by transferring back all the funds then over the \$1 million.

Since its inception the NIMBL program has been ham-strung by the available funds – allowing at most 7 full loans to be in effect at one time. These loans are intended to be rapidly processed for organizations with immediate needs to start or continue services on behalf of government when their government funds are delayed. Promoting the program to organizations that may face a delay waiting “in a cue” would make no sense.

Nonprofits in Maryland continually face delays in payments on grants or contracts that may extend many months. Additionally, they may need to wait several months for an initial payment on a program with considerable start-up costs but no funding advances allowed. This works to make participation in government programs even more economically difficult for service providers, particularly smaller and younger nonprofits led by people of color.

We urge you to give Senate Bill 245 a favorable report.