



THE SENATE OF MARYLAND ANNAPOLIS, MARYLAND 21401

SB245: Funding for Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL)

House Ways and Means Committee

Wednesday, March 23, 2022 | 1pm

The nonprofit sector relies heavily on federal, state, and local grants and contracts to assist in its missions. Unfortunately, government funds often take time to process and may be delayed or distributed only after a project is completed. This often means that organizations have to float the funds at their own cost and later get reimbursed by the grant.

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.

Another challenge 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 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 remove the “up to” language in statute.

Nonprofit organizations are an integral part of our communities-- comprising roughly 13% of Maryland’s workforce. We **must** make 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!”*

Every dime of what is currently in the NIMBL fund is already committed to loans for Maryland nonprofits. We **must** bring this fund up to the intended amount to better support the sector.

I urge a favorable report on SB245.