



Glen Echo Park
7300 MacArthur Blvd
Glen Echo, MD 20812

Wintergreen Plaza
837-D Rockville Pike
Rockville, MD 20852

January 28, 2022

Leon Seemann
Executive Director

Dat Ngo
Education Director

Chil Kong
Artistic Director

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**TESTIMONY IN SUPPORT OF HB256
Maryland Nonprofit Development Center Program –
Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account – Funding**

Good Morning. My name is Leon Seemann. I am the Executive Director of Adventure Theatre MTC in Montgomery County. If you're not familiar with us, we are a musical training academy with an integrated professional theatre for family audiences. In a normal year, Adventure Theatre MTC centers a community of over 200 full time, part-time and seasonal employees who welcome nearly 45,000 patrons and students to our building each year. Covid has reduced our size by half and we're trying to rebuild to what we were.

As with most businesses, what Covid has demonstrated more than any crisis in recent memory is the critical nature of cashflow in ensuring a nonprofit can continue to service its clients. During these past two years, many nonprofits have faced the situation of increased demand while revenues diminished. Thanks to the foresight and understanding of the situation, many government programs at the Local, Federal and State level have stepped in with programs, grants and contracts to help nonprofits remain operational. The main hiccup has been timing.

There is often a delay between when the government award and funding. As an example, our organization had an average delay of 5 months between each government grant/award and funding. Large organizations, with significant reserves are able to navigate this with minimal disruption. But small to mid-sized nonprofits, this can have a devastating impact and effectively shut down an organization that has funding pending.

It can create a situation, where you have good programs that are fully funded and you still have trouble making payroll.

That's why the NIMBL program and its interest-free, micro bridge loans are so critical to the survival of small to mid-size nonprofits. As an early participant of this program in 2017, I can testify how it allowed us to create enough stability to start shedding some predatory contracts and put us on stable footing through the gap between our MSAC grant payments. Unfortunately, when we went back again after our March 2018 fire, the funds were being fully utilized by other nonprofits.

Since this program is based on firm state commitments, there is no good reason to ever turn a nonprofit away. Its current limitations in funding and capacity are only hurting nonprofits and the clients the state wants them to serve. That's why this legislation is so critical.

For these reasons, I ask for a FAVORABLE REPORT on HB256.

Leon Seemann, Executive Director
Adventure Theatre MTC January 16, 2022