



March 7, 2023

**TESTIMONY IN SUPPORT OF HB 1226 - ECONOMIC DEVELOPMENT – NONPROFIT SUSTAINABILITY FUND**

From: Mereida Goodman, Executive Director, Garwyn Oaks Northwest Housing Resource Center

To: House Appropriations Committee

March 9, 2023

Chair Barnes, Vice-chair Chang, and honorable members of the Appropriations Committee. Garwyn Oaks Northwest Housing Resource Center (GO Northwest) supports House Bill 1226 to create a new Nonprofit Sustainability Fund and to fund it at \$100 million annually.

Small and mid-sized nonprofits like ours are able to help the state government by providing services, opportunities, and enhancing quality of life in every community of the state. Nonprofits are able to address the specific needs of their communities, and often are able to reach individuals and groups that are hard for government agencies to connect with. GO Northwest, a HUD approved housing counseling agency and 501c3 organization, provides homeownership and financial education, counseling, coaching and resources to predominantly low-moderate income individuals to equip them to obtain, maintain, and retain their homes affordably and successfully. Through our services, partnerships and resources, GO Northwest achieves its goal of growing and preserving homeownership in Baltimore City.

However, our organization, like others are challenged to obtain the revenue they need to fully meet our missions, to address the many and complex administrative requirements of a nonprofit corporation, and to grow.

An unrestricted grant of 1.5 percent to 10 percent of revenues would provide a boost that would multiply the effectiveness of Maryland's small and mid-sized nonprofits. Almost all of the funding that is now available to nonprofits is restricted to certain uses and purposes. It is difficult to cover the organizational costs of running a nonprofit business, and it is difficult to obtain funds for organizations that flexibly address multiple needs in our communities

As a nonprofit service provider, the need for operating funds is vital to the continuation of our community outreach, programs and services to the communities we serve. As many granting entities are program or capital oriented, finding and securing unrestricted operating funding is highly challenging, especially for small nonprofits such as ours. General operating support is the working capital nonprofits need to sustain their day-to-day operations to implement and support the services and programs we provide. A lack of working capital can prevent organizations from meeting basic operational needs, like payroll, professional services, (IT, accounting/bookkeeping) and rent. In the last three years, we have been challenged with staff transitions and unforeseen operating costs. As a small nonprofit, we are always seeking funders who provide funding for operating costs. Having an unrestricted grant would give us the ability to strengthen and grow our capacity to provide services and the resources to benefit and help our constituents and clients meet their housing needs, and sustain their communities. Having additional sources for this funding would greatly help nonprofits like GO Northwest to be able to cover staffing and other administrative/ operating costs so we can confidentially support, implement and continues to provide our services effectively and efficiently to help more people to not only become homeowners but to remain homeowners.

The Nonprofit Sustainability Fund could bolster Maryland's Nonprofit sector, increasing employment and investment. It would help government to deliver services and address needs in every program area. It would help make Maryland a more attractive place to live, work, and start or expand a business

For these reasons, Garwyn Oaks Northwest Housing Resource Center respectfully requests a favorable report on HB1226. Thank you.

Sincerely,

*Mereida Goodman*, Executive Director

[mgoodman@go-northwesthrc.org](mailto:mgoodman@go-northwesthrc.org), [www.go-northwesthrc.org](http://www.go-northwesthrc.org).