



Testimony to the House Appropriations Committee
HB 1226: Economic Development-Nonprofit Sustainability
Fund-Establishment
Position: Favorable

March 9, 2023

The Honorable Ben Barnes, Chair
Appropriations Committee
Room 121, House Office Building
Annapolis, Maryland 21401
Cc: Members, House Appropriations Committee

Honorable Chair Barnes and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are here in strong support of HB 1226.

Nonprofit organizations are the backbone of our communities. They often provide services and reach underserved communities, oftentimes serving individuals that it has been difficult for government agencies to reach. Other nonprofit organizations provide critical research and policy analysis to document problems, propose, and evaluate solutions and best practices.

However, many nonprofits struggle to obtain the funding they need to fully meet their missions, to address the many and complex administrative requirements of a nonprofit corporation, and to grow.

HB 1226 will establish a nonprofit sustainability fund that will provide general support funding to small and mid-sized nonprofits.

As a mid-sized nonprofit, we returned more than \$500,000 to older adults through tax credits, earned benefits screening, and financial coaching; provided advice to nearly 1400 tenants, and screened 400 clients who had fair housing complaints. We also researched and wrote two new policy reports on PPP lending and affordable auto insurance, and provided consumer education and awareness trainings for hundreds of people around the state.

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Economic Action Maryland is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

However, with additional funding, we would be able to hire more tenant counselors, a testing coordinator for our fair housing work, a navigator to assist Marylander with medical debt apply for assistance, and more staff to serve older adults throughout the state. This would enable us to expand our reach and meet our mission

We are one of many nonprofits that would benefit from the passage of HB 1226. The structure of HB 1226 means that it would provide a larger share of support to smaller nonprofits, particularly smaller nonprofits led by and serving Black and Latino communities, which is critical in terms of ensuring equity and sustainability.

For all these reasons, we support HB 1226 and urge a favorable report.

Best,

Marceline White
Executive Director