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**HB 1226**  
**ECONOMIC DEVELOPMENT - NONPROFIT SUSTAINABILITY FUND**  
**HEARING BEFORE HOUSE APPROPRIATIONS COMMITTEE**  
**MARCH 9, 2023**  
**POSITION: SUPPORT**

**The Pro Bono Resource Center of Maryland (PBRC)** supports House Bill 1226 to create a new Nonprofit Sustainability Fund and to fund it at \$100 million annually.

PBRC, an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for volunteer civil legal services in Maryland. PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics. **PBRC supports HB 1226 because it would enable small non-profits like ours to operate more efficiently, effectively and sustainably - leveraging services for those most vulnerable in our state.**

Small and mid-sized nonprofits 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. However, these organizations struggle to maintain the revenue they need to fully meet their missions, to address the many and complex administrative requirements of a nonprofit corporation, and to grow and sustain impactful programs in their communities.

An unrestricted grant of 1.5 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. With these restricted funds, it is difficult to cover the organizational costs of running a nonprofit business and to maintain the flexibility necessary to address multiple needs in our communities.

PBRC utilizes staff and volunteers to serve those in crisis across the state of Maryland. We have successfully built strong programs in the courts, communities and human services sites. However the constant stress and pressure of finding new funding sources detracts from our ability to remain a force of stability for those individuals and neighborhoods we serve. Staff who should be offering direct legal services and other skilled assistance find themselves supporting a daunting amount of administrative work, diluting and reducing their effectiveness as advocates and service providers.

The Nonprofit Sustainability Fund could bolster Maryland's Nonprofit sector, increasing employment and investment. It would help government 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 the above reasons,

**PBRC urges a FAVORABLE report on HB 1226.**

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