

March 9, 2023

Testimony on House Bill 1226
Economic Development - Nonprofit Sustainability Fund - Establishment
House Appropriations Committee

Position: Favorable

Apra Maryland is the professional development and networking resource for Maryland-area fundraising professionals who harness information and data to drive philanthropy. With our over 100 members, we urge your favorable report of House Bill 1226.

House Bill 1226 would establish and beginning in fiscal year 2025, require the Governor to include in the annual budget bill an appropriation of \$100,000,000 for a Nonprofit Sustainability Fund within the Department of Commerce. This fund would benefit the approximately 6,824 Maryland nonprofit businesses tax-exempt under sections 501(c)(3), (4) or (6) of Internal Revenue Code with annual total revenue between \$50,000 and \$10,000,000. Research by the Johns Hopkins Center for Civil Society Studies and Maryland Nonprofits suggests the smaller a nonprofit, the more likely that nonprofit is to be led by a woman or person of color.¹ Nonprofits in Maryland provide essential community services, enhance quality of life and employ nearly 13% of all non-governmental workers in the state according to the latest Bureau of Labor Statistics report.²

At the 2023 Maryland Nonprofits Legislative Preview, Governor Wes Moore described Maryland's nonprofit sector as "literally doing work that the government can't do, can't provide with the same level of speed and efficiency and on the ground touch." We believe Maryland government has a responsibility to support small and midsized nonprofits that employ Maryland-area fundraising professionals beyond the restrictive grants and contracts currently available. We strongly support the inclusion of Section 5-2306(H) requiring the disbursement of grant funds within 37 days of award.

We urge you to give House Bill 1226 a **favorable report**.

¹ "COVID-19 Pandemic and Racial Equity Survey: Report of Survey Findings," *Maryland Nonprofits*, November 2021, 13, <https://marylandnonprofits.force.com/nplnlb/s/covid19-pandemic-racial-equity-survey>.

² Chelsea L. Newhouse, "Maryland Nonprofits By The Numbers," *Johns Hopkins Center for Civil Society Studies*, November 2021, 6, <https://marylandnonprofits.force.com/nplnlb/s/maryland-nonprofits-by-the-numbers>.

Thank you,
Theresa Clark

President
Apra Maryland