

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

Timothy Regan, Executive Director, Paul's Place

House Appropriations Committee
March 9, 2023

Chair Barnes, Vice-chair Chang, and honorable members of the Appropriations Committee. Paul's Place supports House Bill 1226 to create a new Nonprofit Sustainability Fund and to fund it at \$100 million annually.

Nonprofits are able to help Maryland citizens and the state government by providing services, programs and enhancing the quality of life in every community of the state. They 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.

Paul's Place is a nonprofit organization leading change and improving the quality of life within Pigtown and other Southwest Baltimore neighborhoods. We have been a steadfast source of support for residents of Southwest Baltimore for over 40 years – starting as a two-day-a-week soup kitchen and becoming a one-stop destination with a wide array of resources for hundreds of individuals every day. Paul's Place now offers more than 20 programs to help guests along a path to self-sufficiency. And we also operate a workforce development program to train people with employment barriers for a career in the hospitality industry at our Groundwork Kitchen restaurant.

We have been generously supported through the years by our private donors, by private foundations and by public agencies of Maryland and Baltimore. However, like all nonprofits, we struggle to obtain the revenue we need to fully meet our mission and to grow. The majority of our funding is restricted to specific programs and it is more difficult to raise unrestricted dollars which allow us to begin new initiatives and to effectively manage the administrative requirements of our operation. This is complicated by the fact that we run such a large number of programs that meet basic needs in our community.

An unrestricted grant of 1.5 percent to 10 percent of revenues would provide a boost that would multiply the effectiveness of Paul's Place and all of Maryland's small and mid-sized nonprofits. The Nonprofit Sustainability Fund 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. As my friend Robert Egger says, there are no profits without non-profits.

For these reasons, Paul's Place respectfully requests a favorable report on HB 1226.

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