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HB 1226 - ECONOMIC DEVELOPMENT - NONPROFIT SUSTAINABILITY FUND

House Appropriations Committee

March 9, 2023

Position: Support

The Arc Maryland is the largest statewide advocacy organization dedicated to supporting individuals with Intellectual and developmental disabilities to have the supports they need in the communities they choose. We support HB 1226 which would create a new Nonprofit Sustainability Fund and require an appropriation to the fund of \$100 million annually.

Small and mid-sized nonprofits perform critical functions for state operations. They provide safety net services and provide services and supports in every community of the state. Nonprofits are able to address the specific needs of their local communities, and often are able to reach individuals and groups where government cannot.

Unfortunately, these same organizations struggle to stay afloat. Many rely on grants and donations for their work. It is often an uphill endeavor to obtain the revenue they need to do their important work in fulfillment of their missions, to have sufficient reserves for emergencies, and to grow.

A designated appropriation of 100 million through the Nonprofit Sustainability Fund would provide unrestricted grants to small and midsized nonprofits of 1.5 percent to 10 percent of revenues. This would provide a much needed boost to our nonprofits and ensure their continued operations.

The Arc Maryland, is considered a small to mid-sized nonprofit. We have 5 full time employees who lead our programming/training and other support initiatives for families and individuals with IDD. We rely heavily on donations, grants and a team of volunteers to ensure our statewide reach and effectiveness. An unrestricted grant would allow us to have less reliance on donations to survive. We would be able to pilot new programs to support families as special education navigators, and connect parents to other parents for natural supports. These are services that families need, but are not currently funded by another source. With these program enhancements made possible through an unrestricted grant, The Arc Maryland would be much more helpful to the Maryland families and professionals that often reach out to us for support for people with IDD (hospitals, schools, etc.)

We believe the Nonprofit Sustainability Fund could bolster Maryland's Nonprofit sector, increasing employment and expanding the reach of nonprofits' support to community members.

For these reasons, The Arc Maryland respectfully requests a favorable report on HB 1226.

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