

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

Sheila Helgerson, Executive Director, Cornerstone Community Housing, Inc.

House Appropriations Committee

March 7, 2023

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

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

An unrestricted grant of 1.5 percent 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. It is difficult to cover the organizational costs of running a nonprofit business, and it is difficult to obtain funds for organizations that flexibly address multiple needs in our communities.

Cornerstone Community Housing, Inc. provides supportive housing to men experiencing homelessness and substance use disorders or other disabilities through a transitional housing program and a Housing First permanent supportive housing program. Unrestricted funding, especially for our transitional housing program, is always a challenge. Some years ago, Baltimore City stopped funding most transitional housing including ours in favor of permanent housing. The demand for our services has not diminished, last year we housed 39 men (17 at a time) at Earl's Place and maintained a lengthy waiting list. The service fee income accounts for less than 10% this program's budget. This grant would help us maintain and improve the services that we offer to men we are working to rebuild their lives and become positive, productive citizens.

The Nonprofit Sustainability Fund could bolster Maryland's Nonprofit sector, increasing employment and investment. It 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.

For these reasons, Cornerstone Community Housing, Inc. respectfully requests a favorable report on HB 1226.

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