



Maryland Association for the Education of Young Children

Testimony in Support of HB 1226
“Economic Development - Nonprofit Sustainability Fund”
Submitted to the House Appropriations Committee
March 9, 2023

Position: Support

The Maryland Association for the Education of Young Children (MDAEYC) supports HB 1226, which would create a new Nonprofit Sustainability Fund and fund it at \$100 million annually.

MDAEYC is a professional association of 2,500 early childhood educators, allied professionals, and families. We promote high-quality early learning for all children, birth through age 8, by connecting early childhood education practice, policy, and research. We advance a diverse, dynamic early childhood profession and support all who care for, educate, and work on behalf of young children.

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.

For our organization, the support of unrestricted funds would enable MDAEYC to grow our organization and expand our professional development services to serve more early childhood educators and child care providers. This in turn supports the role that State agencies play in ensuring that Maryland's young children and families can access and receive high-quality early education and child care.

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, MDAEYC respectfully requests a favorable report on HB 1226.

If you have any questions, please contact: Stephanie Schaefer, PhD. Program Coordinator, at stephanie.schaefer@mdaeyc.org or 240-441-3280.