



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

Jim Kelly, President/CEO, National Philharmonic Orchestra & Chorale of Montgomery County Inc.

House Appropriations Committee

March 9, 2023

Chair Barnes, Vice-chair Chang, and honorable members of the Appropriations Committee. **The National Philharmonic** 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.

National Philharmonic has struggled to get audiences back into the concert hall since the start of the pandemic. Revenues are down, expenses and cost of doing business are increasing. While we are starting to see increases in earned revenue (ticket sales), we are seeing a decline in donations that are needed to sustain and continue bringing music to our communities. This bill would help in the aftermath of Covid-19 recovery. The arts sector was one of the hardest hit, and slowest to recover. The non-profit sector needs this support.

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, **National Philharmonic** respectfully requests a favorable report on HB 1226.

Contact information: **Jim Kelly, 202-321-7832, jim@nationalphilharmonic.org**

5301 Tuckerman Lane, North Bethesda, MD 20852 | (301) 493-9283 | NationalPhilharmonic.org

The National Philharmonic is a 501(c)(3) nonprofit organization, federal EIN 52-1361650. Please retain this letter as receipt of your contribution.