



Wes Moore | Governor  
Aruna Miller | Lt. Governor  
Kevin A. Anderson | Secretary of Commerce  
Signe Pringle | Deputy Secretary of Commerce

**DATE:** March 9, 2023  
**BILL NO:** House Bill 1226  
**BILL TITLE:** Economic Development - Nonprofit Sustainability Fund – Establishment  
**COMMITTEE:** Appropriations  
**POSITION:** Statement of Information

House Bill 1226 establishes the Nonprofit Sustainability Fund (Fund) with an annual appropriation of \$100,000,000 to be administered by the Department of Commerce (Commerce). The purpose of the Fund is to provide general operating support to nonprofit organizations. The bill also establishes the Nonprofit Sustainability Fund Evaluation Committee to evaluate nonprofit organizations that apply for a grant from the Fund and recommend which applications should be approved.

Commerce currently manages a small nonprofit micro bridge loan program that awards no interest loans for \$25,000 to nonprofits to assist them with operating costs while they wait for their government grant or contract. Since inception of the program in 2017, 19 loans have been approved for \$475,000. Additionally, Commerce's FY 2023 budget included \$5.0 million for a grant to Maryland Nonprofits to implement an accelerator program to assist nonprofits with building back-office support. The Department also contracts with Maryland Nonprofits to administer the Maryland Nonprofit Development Center.

Nonprofit organizations receive a variety of grants through programming in State agencies as well as federal and local funding. The grants offered through House Bill 1226 would differ in that they would be used for general operating support. As a result, there are no measurable impacts or economic development benefits that would result from these grants, placing them outside the mission and scope of Commerce.