

SB53HB84_ApraMaryland_Fav.pdf

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Position: FAV

January 19, 2023

Testimony on Senate Bill 53 / House Bill 84
**Maryland Nonprofit Development Center Program – Nonprofit, Interest-Free, Micro
Bridge Loan (NIMBL) Account – Funding**
Senate Budget and Taxation Committee | House Ways and Means Committee

Position: Favorable

Apra Maryland is the professional development and networking resource for Maryland-area fundraising professionals who harness information and data to drive philanthropy. With our 160 members, we urge your support of Senate Bill 53 / House Bill 84, to increase funding to the Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) program.

The Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) program provides essential sustainability to qualifying nonprofit entities, including those our individual members serve as employees and consultants. We urge you to give Senate Bill 53 / House Bill 84 a **favorable report**.

Thank you,
Theresa Clark

President
Apra Maryland

Saltzberg testimony in favor of SB 53 - NIMBL.pdf

Uploaded by: Elise Saltzberg

Position: FAV



To: Maryland Senate Budget and Tax Committee
For: SB 53 – Maryland Nonprofit Development Center Program – Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account – Funding

Date: January 16, 2023

Testimony of: Elise Saltzberg, Saltzberg Consulting

Contact information: 410-486-3603 (office) 410-236-0758 (cell) elise@saltzbergconsulting.com

Thank you for the opportunity to present this testimony in favor of increasing the amount of money available in the NIMBL Fund up to \$1 million.

I have worked as a fundraising consultant to dozens of nonprofit organizations in Maryland since 2000 and have previously testified in favor of NIMBL on their behalf, and on behalf of the thousands of other small to mid-size nonprofits in Maryland – those with annual budgets in the range of \$300,000 to \$5 million per year. While I applaud the passage of legislation that created the NIMBL program, its current funding level does not reflect the original intention of the bill – which was to make it easy for nonprofits in the state of Maryland to attain bridge loans while they await payouts on government contracts and grant awards.

As it stands, the fund has enough money to provide less than two dozen loans – at the maximum level of \$25,000 – at any given time. As government payouts can take many months, the number of nonprofits that will benefit from the NIMBL program at current funding levels is likely to be at most a few dozen per year. Maryland is home to more than 30,000 nonprofits, which employ over a quarter of a million people. Payment delays on government grants and contracts jeopardize not only essential services, but also the livelihood of people who provide them.

With my assistance, over the years my clients have applied for and received hundreds of grants and contracts from various state and local government agencies and departments. These have ranged from a \$2,000 grant from a county council special appropriation to a \$1.25 million ARPA grant. That's the

good news. The bad news is that these organizations are expected to start delivering the services immediately – even though they don't have a signed contract and they don't have the funds in hand.

And even when the initial payout does arrive, it is usually at most 25 percent of the total grant award for the first year. After that, the organization is expected to expend their own funds to operate the program, purchase program supplies, pay their staff, and then – either monthly or quarterly – submit copies of invoices and canceled checks for reimbursement. These reimbursement requests can also take several months to be fulfilled. A fully funded NIMBL program will ensure that many more small and medium-sized nonprofits have sufficient working capital while they wait for the initial government payout and reimbursement funds.

Organizations that have solid financial reserves and ample cash flow may not mind waiting for government payments. But that doesn't describe most of my nonprofit clients, or many other nonprofit organizations that I know about, either. Most are operating with extremely tight budgets with very limited cushions to cover their expenses. When it takes many weeks or months to receive money that has been committed to them by a state or local government entity, it can put an organization over the edge. They simply do not have the capacity to absorb the delays in reimbursements that can last for many months. They have trouble making payroll or paying their vendors and sub-contractors, thereby diminishing the effectiveness of their services to needy Marylanders.

Therefore, it is not surprising that some nonprofits have given up applying for government grants – even when they are viable candidates. Expanding the NIMBL program would provide a strong incentive for these deserving nonprofits to once again seek government funding.

A quick-turnaround loan of up to \$25,000 will go a long way towards seamlessly continuing and solidifying the important services that my clients and other Maryland nonprofit organizations provide while they are waiting for payments that have been committed to them from various state and local government agencies. But the NIMBL fund can only fulfill its purpose if the nonprofit organizations that need it have ready access to it. Increasing the amount available in the NIMBL revolving loan fund to \$1 million will ensure that this happens.

Thank you again for the opportunity to present this testimony.

Nonprofit Montgomery_Written Testimony in Support

Uploaded by: Franca Brilliant

Position: FAV



**Written Testimony in Support of Senate Bill 53: *Maryland Nonprofit Development Center Program – Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account – Funding*
*Budget and Taxation Committee, January 19, 2023 –FAVORABLE***

Franca Brilliant, Advocacy and Development Director, Nonprofit Montgomery

Thank you for giving me the opportunity to testify today. My name is Franca Brilliant and I am the Advocacy and Development Director for Nonprofit Montgomery. We support our nearly 200-member nonprofit organizations with technical assistance, training and resources, and advocacy on issues of importance to the nonprofit sector—such as the one you are considering today.

Nonprofit Montgomery supports Senate Bill 53, which would increase the funding of the NIMBL Account, allowing more Maryland nonprofits to take advantage of this interest free, micro bridge loan. As you all know, nonprofits are essential partners to government, providing food, shelter, mental and physical health support, recreation, arts, academic enrichment, and a thousand other services to all of Maryland’s residents. The past few years have underlined the importance of the role they play—without the support of these organizations, Marylanders would have suffered far more than they did from the pandemic, inflation, and other ongoing challenges. During the pandemic, government agencies—from the Federal level right down to municipalities--worked hard to move money quickly into the hands of their nonprofit partners to ensure that they could respond to critical community needs. It was an impressive act of coordination and flexibility, and a marked contrast to what nonprofits usually experience.

I have worked with nonprofit organizations for over 30 years and have seen so many examples of nonprofits struggling to start programs while contracts were stuck in various stages of procurement that I have lost track. In my own direct experience, I have seen state level contracts that were endlessly tangled in red tape and reimbursable county contracts that couldn’t provide any funding for months after work began. Most nonprofits don’t have the financial reserves to float a major project with their own funds while waiting for their money to come through. The burden falls especially heavily on the organizations that most need this support—small community-based organizations, many of which are led by people of color.

This is why expanding the NIMBL loan fund is so important. The original legislation has been understood as making funding discretionary, which was not meant to be the case. The fund has also been capped at \$187,500; that is a very small amount compared to the 32,000 nonprofits that serve Maryland. This bill would restore funding to the \$1,000,000 level that was originally intended.

In its current state, with very limited funds, the NIMBL fund is a good program but with increased funding it could be a great one.

Please support SB 53. Thank you.

Nonprofit Montgomery
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nonprofitmoco.org connect@nonprofitmoco.org

Support SB 53 - B&T - NIMBL - Jan 19.pdf

Uploaded by: Henry Bogdan

Position: FAV



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January 19, 2023

Testimony on Senate Bill 53

Maryland Nonprofit Development Center Program – Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account – Funding

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1400 nonprofit organizations and institutions. We urge you to support Senate Bill 53 to increase the funds available for NIMBL – a “Micro Bridge” loan program operated by the Maryland Department of Commerce that help nonprofits in need of start-up funds or in many cases suffering from delays in payments.

Since its inception the NIMBL program has been ham-strung by the available funds – until recently allowing at most 7 full loans to be in effect at one time. An additional \$150,000 authorized for FY 23 has just become available. These loans are intended to be rapidly processed for organizations with immediate needs to start or continue services on behalf of government when their funds are delayed. Promoting the program to organizations that may face a delay waiting “in a cue” would make no sense.

Nonprofits in Maryland continually face delays in payments on grants or contracts that may extend many months. Additionally, they may need to wait several months for an initial payment on a program with considerable start-up costs but no funding advances allowed. This works to make participation in government programs even more economically difficult for service providers, particularly those smaller and younger nonprofits led by people of color.

Senate Bill 53, with amendments to be offered by the sponsor, will mirror the provisions of last year’s Senate Bill 245, in the form that it passed the Senate unanimously. The bill revises the program’s funding, replacing funds from the Small, Minority, and Women-Owned Businesses Account with general funds, and bringing the amount available up to the originally intended \$1,000,000. Since the fund is ‘revolving’ in nature, this is essentially a one-time investment, that will relieve undue burdens on nonprofits trying to provide services to your constituents on behalf of the state.

We urge a **favorable report** on Senate Bill 53.



Maryland Nonprofits’ mission is to strengthen organizations and networks for greater quality of life and equity.

Under Senate Bill 245, the funding level for the NIMBL revolving loan fund will be ‘restored’ to 5% of the 1.5% of the state proceeds from video lottery terminals dedicated to the Small, Minority, and Women–Owned Businesses Account – NOT to exceed \$1,000,000. The NIMBL Loan Fund is a revolving fund with loan repayments replenishing the Fund on a regular basis, and is still working with the original \$187,500 amount. The General Assembly authorized an addition transfer in the FY22 budget but as far as we can determine those funds have not yet been transferred to the fund.

As a practical matter, the increase required under SB 245 will be a one-time amount pending any program losses, since the enabling legislation in Section 5-1204 of the Economic Development Article requires that “If the money in the Account exceeds \$1,000,000, any money in excess of that amount shall be transferred” back to the SMWOB Account.

We urge you to give Senate Bill 245 a favorable report.

Grant reimbursement - NIMBL fund - testimony - sen

Uploaded by: Lisae C Jordan

Position: FAV



Working to end sexual violence in Maryland

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For more information contact:
Lisae C. Jordan, Counsel
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Testimony Supporting Senate Bill 53 with Sunset Clause
Lisae C. Jordan, Executive Director & Counsel
January 19, 2023

The Maryland Coalition Against Sexual Assault (MCASA) is a non-profit membership organization that includes the State's seventeen rape crisis centers, law enforcement, mental health and health care providers, attorneys, educators, survivors of sexual violence and other concerned individuals. MCASA includes the Sexual Assault Legal Institute (SALI), a statewide legal services provider for survivors of sexual assault. MCASA represents the unified voice and combined energy of all of its members working to eliminate sexual violence. We urge the Budget and Taxation Committee to report favorably on Senate Bill 53 with a sunset clause.

Senate Bill 376 – NIMBL Loan Fund - Funding

This bill would mandate funding for the NIMBL program providing loans to nonprofits when government agencies administering grants fail to disburse grant funds in a timely manner. With some reluctance, the Maryland Coalition Against Sexual Assault supported the expansion of the NIMBL program last session. It is a work-around for government's inability to manage grant funds and should not be necessary. However, it is necessary and must be funded in order to be effective.

Nonprofit rape crisis centers around the state report delays receiving reimbursement for services provided to survivors of sexual assault. Some grants are reimbursed on a quarterly basis, meaning that community based non-profits are fronting funds for four or more months before being reimbursed. For example, reimbursement for salary paid the first week of January could not be requested until the close of the quarter, March 30th. It is not unusual for the State to take another 30-40 days to then provide the funds. Contrast this with the federal government, which not only provides reimbursement for funds expended within a matter of a 2 or 3 days, it also permits grantees to request funds that will be expended in the following 10 days. For example, a grantee with payroll on Friday could request needed funds today because the funds would be expended within 10 days.

In any event, the state is not providing funds promptly, so mandatory allocations for the NIMBL fund would help programs meet payroll, pay rent, and otherwise meet financial obligations. MCASA respectfully suggests that the legislature include a sunset clause in fervent hope that the government will start actually paying providers on time and fix the broken grant reimbursement system.

**The Maryland Coalition Against Sexual Assault
urges the Budget and Taxation Committee to
report favorably on Senate Bill 53**

Support Letter for State Senate Bill 53.pdf

Uploaded by: Lynn Rose

Position: FAV



**Written Testimony in Support of Senate Bill 53:
Maryland Nonprofit Development Center Program – Nonprofit, Interest-Free, Micro Bridge Loan
(NIMBL) Account – Funding
Budget and Taxation Committee, January 19, 2023 –FAVORABLE**

Susie Sinclair-Smith, CEO, Montgomery County Coalition for the Homeless

Thank you for giving me the opportunity to testify. My name is Susie Sinclair-Smith and I am the CEO for Montgomery County Coalition for the Homeless. As the largest nonprofit providing homeless services, we understand the importance of advocacy on enabling nonprofits to serve the community and accomplish key missions like ending homelessness. We stand with many other nonprofits in supporting this legislation.

Montgomery County Coalition for the Homeless (MCCH) leads the effort to end homelessness in our community by creating housing options, providing supportive services, and facilitating collaboration, education and advocacy based on the belief that every person is entitled to the dignity of a home. We and other Nonprofits are essential partners to government, providing safety net and other services to all of Maryland’s residents. These past several years have shown how this partnership helped mitigate suffering and loss in our communities by ensuring funds were moved into place to address critical needs.

Without quick access to funds, nonprofits cannot pivot to address the situation at hand. Most nonprofits don’t have the financial reserves to float a major project with their own funds while waiting for their money to come through. The burden falls especially heavily on the organizations that most need this support—small community-based organizations, many of which are led by people of color.

The original legislation has been understood as making funding discretionary, which was not meant to be the case. The fund has also been capped at \$187,500; that is a very small amount compared to the 32,000 nonprofits that serve Maryland. This bill would restore funding to the \$1,000,000 level that was originally intended.

MCCH supports Senate Bill 153 so the NIMBL fund can do what it was intended and designed to do, allow nonprofits to address needs immediately.

Thank you for your consideration.

Sincerely,

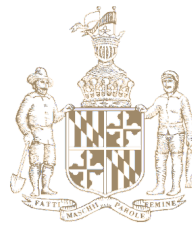
A handwritten signature in blue ink that reads "Susie Sinclair-Smith".

Susie Sinclair-Smith
CEO

NIMBL_Testimony.pdf

Uploaded by: Michael McKinney

Position: FAV



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**SB53: Maryland Nonprofit Development Center Program –
Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account – Funding**

Senate Budget & Taxation Committee
Thursday, January 17, 2023 | 1:00pm

The nonprofit sector relies heavily on federal, state, and local grants and contracts. Unfortunately, government funds often take time to process and may be distributed only after a project is completed. This makes it challenging to cover payroll, rent, or programming expenses.

In 2017, the General Assembly enacted [SB465/HB1517](#), which created the [Nonprofit, Interest-Free, Micro Bridge Loan](#) (NIMBL) program. NIMBL provides nonprofits with up to \$25,000 to continue their work while they await promised federal, state, county, or municipal government funding.

As introduced, NIMBL was to be funded by a **one-time** allocation of \$1,000,000 from the Maryland Small Business Development Financing Authority (MSBDFA). Unfortunately, the money was diverted for three years. Working with Maryland Nonprofits, we managed to launch the program in the Fall of 2017 after identifying \$187,500 from another source in the State budget. Even with that paltry amount of money, loans have been successfully issued and repaid. The Department of Commerce created a marketing campaign to increase awareness of this program; it has been on hold for five years so that demand would never exceed the supply of available funds.

Another challenge NIMBL has faced is a technical drafting error. The 2017 law indicated that the Governor would fund the program in FY21 with “up to 5% [of the MSBDFA fund], not to exceed \$1,000,000.” Unfortunately, “up to” can be interpreted as **any** amount...**including \$0!**

SB53 would mandate that the NIMBL fund **finally** reach a one-time allocation of \$1,000,000 and remove the “up to” language in statute. Once it gets funded, the Small, Minority, and Women-Owned Businesses Account established under § 5–1501 of this title can be repaid.

Nonprofit organizations are an integral part of our communities-- amounting to [13% of Maryland's workforce](#) according to Maryland Nonprofits, and 12% of the economy. We must have short-term funding available to nonprofits working so diligently to address our community needs.

According to one NIMBL grant recipient:

*“I was made aware of the program through a colleague, and I'm so glad for that. I would guess that many of my peer professionals are not aware. I would be happy to share our story if that would help. **It was exactly what we needed at precisely the right moment.** Thank you!”*

I have an amendment that updates the bill so that it is parallel to the 2022 version SB245, which passed the Senate **unanimously**. I urge a favorable report on SB53 so that we can **finally fully launch the NIMBL program for nonprofits that has been waiting for full funding since 2017!!**

SB53 FAV Final.pdf

Uploaded by: Morgan Mills

Position: FAV

January 19, 2023

Chairman Guzzone, Vice Chair Rosapepe, and distinguished members of the Budget and Taxation Committee,

The National Alliance on Mental Illness, Maryland and our 11 local affiliates across the state represent a statewide network of more than 45,000 families, individuals, community-based organizations, and service providers. NAMI Maryland is a non-profit that is dedicated to providing education, support, and advocacy for persons with mental illnesses, their families and the wider community.

As many non-profits in the state of Maryland are aware, there is an increased demand. Citizens are leaning on non-profits' important services now more than ever before. Of course, our top priority is and always will be serving our community, but that can be challenging when we are constantly concerned about cash flow. We are grateful for government contracts and grants but are usually expected to pay up front while waiting for these grants and contracts to come through. Many non-profit organizations struggle to do so. As we wait to be reimbursed, we still must pay our staff and provide the services that our communities expect and need from us.

Thankfully, back in 2017, the Non-Profit, Interest Free, Micro-Bridge Loan (NIMBL) was enacted to provide non-profits across the state with an interest free loan of up to \$25,000 to help bridge the gap between being awarded a grant and actually receiving the funds. However, current funding levels do not reflect the original one-million-dollar, one-time grant outlined in the legislation.

SB53 aims to increase the funds available to one million dollars by a one-time grant allocated in the State budget. NIMBL is a revolving door fund. The intention is simply to offer interest-free loans up to \$25,000 for state non-profits to continue their work while they await approved federal, state, county, or municipal funding. A bridge loan is a simple way to ensure that non-profits across the state can continue operations and service the community. We want our focus to be on our mission- to help Marylanders across the state.

NAMI MD urges a favorable report on SB53.

Thank you,

SB 53_NIMBL_LOI.pdf

Uploaded by: Jennifer LaHatte

Position: INFO



DATE: January 19, 2023
COMMITTEE: Senate Budget & Taxation
BILL NO: Senate Bill 53
BILL TITLE: Maryland Nonprofit Development Center Program- Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account--Funding
POSITION: Statement of Information

Senate Bill 53 removes the words “up to” from the current law. The current statute allows an amount “up to” 5%, not to exceed \$1,000,000, from the amount paid to the Small, Minority, and Women-Owned Businesses Account (SMWOBA) to be transferred to the Non-Profit, Interest-Free, Micro Bridge Loan Program (NIMBL) program. This gives Commerce more flexibility to determine the appropriate funding level for NIMBL based on demand in the program. Senate Bill 53 would remove that ability and would significantly increase the amount of funds transferred from the SMWOBA to the NIMBL program.

Commerce has administered the NIMBL program since its inception in 2017. Assistance through this program provides short-term bridge loans of up to \$25,000 while the nonprofit awaits a government grant or contract. Funding is transferred from the Small, Minority, and Women-Owned Businesses Account. The historical appropriation for SMWOBA is \$17 million and the 2023 appropriation is \$19 million. This legislative change would mean 5% of the SMWOBA appropriation (up to \$1M) would be allocated to NIMBL, which equates to approximately \$950,000 of funding to NIMBL each year based on recent years’ appropriations. This change would support up to 38 loans a year. Compared to fiscal year 2022, this would be an 29% increase in yearly NIMBL activity.

The Department believes that the increased funding required under SB 53 would go unused. Since NIMBL’s inception in 2017 through June 30, 2022, twenty-eight (28) loans have been approved and funded for a total of \$689,760. In fiscal year 2022 eleven (11) applications from nonprofit organizations were approved and funded for \$275,000. Twenty of the loans repaid for a total of \$444,460. So far, in fiscal year 2023, five transactions have been approved for \$125,000, and three applications are pending completion by the nonprofit. The Department has not turned away applicants due to lack of funds.

In fiscal year 2022 a supplemental budget passed giving an additional \$150,000 in general funds and transferred \$350,000 in special funds into NIMBL. The appropriation was also increased. The fund was initially appropriated \$187,500 in fiscal year 2023. A recently approved Budget Amendment increased the appropriation to \$327,500 for fiscal year 2023. Based on past NIMBL activity, it is unlikely that there would be a significant increase in program uptake to support the increased funding of approximately \$950,000 required by this bill. Further, increased funding into NIMBL could result in a reduction in funds available for small, minority, and women-owned businesses through the SMWOBA program.