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Joint Audit and Evaluation Committee  
Joint Committee on Federal Relations

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

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

House Ways and Means Committee  
Thursday, March 23, 2023 1:00pm

The nonprofit sector relies heavily on federal, state, and local grants and contracts. Unfortunately, government funds often take time to process. In some instances, grant money is not distributed until after a project is completed. This poses significant challenges to covering 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 lends nonprofits 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. Working with Maryland Nonprofits, we launched 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%... 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.

Currently, there are 12 organizations with approved applications on a waiting list. To clear the existing waiting list and accept new applications, NIMBL needs additional funding and additional spending authority through appropriation. According to the Maryland Department of Commerce, which manages NIMBL, additional loans cannot be issued because it has used up the \$327,500 Special Fund appropriation for this fiscal year. Adding \$400,000 of FY 2023 **Special Funds** would allow Commerce to fund the 12 on the waiting list and more.

Furthermore, to meet the existing level of demand in FY 2024, NIMBL needs additional funding and at least \$750,000 in spending authority. An additional \$362,500 in **General Funds** would bring the total in the fund to \$1 million, allowing the program to operate with 40 loans revolving continuously.

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 for the greater good.

This bill passed the Senate unanimously on February 16, 2023.

**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!**