

# **Saltzberg testimony in favor of SB53 - NIMBL.pdf**

Uploaded by: Elise Saltzberg

Position: FAV



**To: Maryland House Ways and Means Committee**  
**For: SB 53 – Maryland Nonprofit Development Center Program – Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account – Funding**

**Date: March 21, 2023**

**Testimony of: Elise Saltzberg, Saltzberg Consulting**

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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.

# **SB 53 NIMBL Nonprofit Montgomery\_Testimony in Supp**

Uploaded by: Franca Brilliant

Position: FAV



**Written Testimony in Support of House Senate Bill 53: *Maryland Nonprofit Development Center Program – Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account – Funding Ways and Means Committee, March 23, 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 reiterates its support for 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. Demand for the fund has risen and exceeds what is available; the need is there. 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.

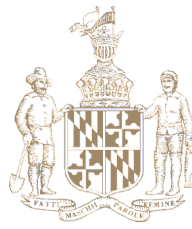
**NIMBL\_Testimony\_CCK.pdf**

Uploaded by: Sen. Cheryl Kagan

Position: FAV

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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!**

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

Uploaded by: Henry Bogdan

Position: FWA





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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.**

**SB 53\_NIMBL\_LOI\_House.pdf**

Uploaded by: Jennifer LaHatte

Position: INFO



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

**DATE:** March 23, 2023  
**COMMITTEE:** House Ways & Means  
**BILL NO:** Senate Bill 53  
**BILL TITLE:** Maryland Nonprofit Development Center Program- Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account--Funding Statement of Information  
**POSITION:**

Senate Bill 53 as amended requires the Governor to include in the annual budget bill for either FY 2024 or FY 2025 an appropriation of \$1,000,000 to the Maryland Nonprofit Development Center Program Fund within the Maryland Department of Commerce (Commerce) for the purpose of the Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account.

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. This change would support up to 38 loans a year. Compared to fiscal year 2022, this would be a 29% increase in yearly NIMBL activity.

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. 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. So far, in fiscal year 2023, thirteen transactions have been approved for \$325,000, and thirteen applicants are on the waiting list.