

January 23, 2025

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

The National Alliance on Mental Illness, Maryland and our 11 local affiliates across the state represent a statewide network of more than 58,000 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.

We rely on grant money to keep our programming free to the public. Last year, the OMB revised Uniform Guidance increasing the de minimis indirect cost reimbursement rate from 10% to 15%. This adjustment would provide a more reasonable recovery of indirect costs.

SB127 aims to align Maryland's minimum indirect cost rate from 10% to the 15% recommended by the OMB Uniform guidance. This change is important for several reasons. It would align Maryland with federal standards, streamlining the process. Additionally, this bill ensures that any future increases in indirect cost reimbursement rate at the federal level will automatically apply in Maryland without the need for constant legislative updates.

Finally, it is widely recognized that the 10% indirect cost reimbursement rate is insufficient and undermines the stability of nonprofit organizations and service providers. As demand for services are increasing, we need to ensure the stability of non-profit organizations in the State.

For these reasons, we urge a favorable report.

Kathryn S. Farinholt  
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