



Written Testimony of  
Ralph D. Belk, LICSW, LCSW-C  
Executive Director

The National Center for Children and Families (NCCF)  
Senate Bill 127/House Bill 300: Sponsor - Senator Cheryl C. Kagan  
Procurement Subcommittee of Senate Budget and Tax

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*Affiliations listed for identification purposes only.*

American Baptist Homes  
and Caring Ministries

Child Welfare League of America

Consortium for Child Welfare

DC Alliance of Youth Advocates

Maryland Nonprofit

Maryland Association of Resources  
for Families and Youth

Montgomery Housing Alliance

UNITED WAY: 8409  
CFC: 70510



Dear Subcommittee Members:

My name is Ralph Belk, and I am the Executive Director of the National Center for Children and Families (NCCF), a child and family community-based services nonprofit headquartered in Bethesda, MD. For over 100 years, NCCF has served some of the poorest and most vulnerable children in Maryland and the surrounding region.

I write to you today in support of Senator Kagan's Bill 127 (House Bill 300) to raise Maryland's minimum 'indirect cost' rate, commonly referred to as "overhead", from 10% to the new "de minimis" rate of 15% established last year in the OMD Uniform Guidance, and to link to any future OMB increases. Simplifying the state grant process by adopting the same standard that agencies were required to follow with most federally funded agreements and matching the new federal standard is simply a common-sense update in a climate where nonprofits must compete for every dollar they take in.

Since 2020, nonprofits have seen a significant increase in the demand for services. As we move further into 2025 with projected cuts to Federal dollars, nonprofits will continue to be challenged by the collective need outpacing our resources. Providing services requires additional administrative support, further stretching our already limited budget. The existing 10% de minimis indirect cost rate is insufficient to meet our current administrative and management overhead costs. Maryland never questions the administrative or overhead costs of for-profit businesses, why then is the State shackling a nonprofit with who its contracted to help its poorest constituents?

NCCF experiences several challenges with the limitation of overhead costs:

- Program mandated insurance increases annually without being reflected in the contract budget. NCCF is currently obligated to carry General Liability, Umbrella, Workers Compensation, Property, and Cyber Insurance simply to operate programs, all without the means to cover these expenses.
- Budgets do not take into account the infrastructure required to deliver services, especially the need for state-of-the-art technology, IT services, and security.

[www.nccf-cares.org](http://www.nccf-cares.org)

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- The recruiting, training, and onboarding of staff is never planned for as part of the budget, but our agency is nevertheless expected to deliver high quality services with a well-trained, well-educated, and responsive staff.

There are significant benefits to increasing the Rate to 15%. The rate increase will help cover essential management and overhead costs, ensuring the sustainability of NCCF's services. With adequate funding, NCCF can continue to meet the rising demands for our services without compromising on quality. Finally, this increase acknowledges the critical role that nonprofits, such as ours, play in the community and provides the necessary financial support to help us thrive.

I believe that increasing the de minimis indirect cost rate to 15% is a necessary step to ensure that nonprofit organizations can continue to provide essential services to those in need. I urge you to consider this petition and support the proposed increase. Thank you for your consideration.

Sincerely,



Ralph D. Belk, LICSW, LCSW-C