



Maryland Consumer Rights Coalition

Testimony to the House Appropriations Committee

SB376: Maryland Nonprofit Development Center Program – Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL)

Account – Funding

Position: Favorable

April 1, 2021

The Honorable Maggie McIntosh, Chair
House Appropriations Committee
Room 121, House Office Building
Annapolis, Maryland 21401
cc: Members, Appropriations Committee

Chair McIntosh and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition that advances economic inclusion and financial justice through research, advocacy, consumer education, and direct service. MCRC leads fair housing work in Maryland through its recent adoption of the Fair Housing Action Center of Maryland (FHAC). FHAC works to ensure every Marylander has access to safe, affordable housing, free from discrimination, harassment, and code violations.

The NIMBL fund is designed to address an ongoing problem for nonprofit organizations -- long delays in funding from government sources. The majority of government contracts are reimbursable -- meaning nonprofits must perform the work prior to payment. Government bureaucracy further extends the timeline on reimbursements -- a recent RFP stated that applicants must be prepared to operate for up to six months before receiving reimbursement.

The uncertainty of funding has very real implications on the work nonprofits perform. FHAC is funded almost exclusively through government contracts. Since MCRC's adoption of FHAC in 2019, we have executed contracts with multiple municipalities totalling \$585,000. To date, just \$35,744 has been received. This delay in reimbursement has made it financially infeasible to fully staff our programs, which forces our staff to do the work of multiple people in order to complete the deliverables. Having access to the NIMBL bridge loan would allow us to hire the staff and purchase necessary supplies and equipment to execute these contracts.

The NIMBLE Fund is also an important step for equity in nonprofit funding by addressing a critical capacity issue. Nonprofits led by people of color and operating in communities of color are far less likely to have the cash reserves necessary to compete for government contracts that operate on a reimbursement basis. For all these reasons, we support SB376 and urge a favorable report.

Best,

Robyn Dorsey
Fair Housing Director