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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**SB376: Maryland Nonprofit Development Center Program – Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account – Funding
Senate Budget & Taxation Committee
Tuesday, February 2, 2021, 1:00 PM**

The nonprofit sector relies heavily on federal, state, and local government grants and contracts. Unfortunately, these funds may be delayed or distributed only after a program has been completed. This causes enormous cash flow challenges for payroll, programming, and other expenses. My 2017 legislation ([SB465/HB1517](#)) created the [Nonprofit, Interest-Free, Micro Bridge Loan](#) (NIMBL) program under the Maryland Department of Commerce (within the Maryland Nonprofit Development Center) to provide eligible nonprofits with the money needed to tide them over until promised government revenue is received.

In 2017, SB465 passed the Senate unanimously -- in part because every district has a significant nonprofit presence. The legislation anticipated a revolving loan pool of \$1,000,000 from the Maryland Small Business Development Financing Authority (MSBDFA). Since full funding wasn't available, the FY21 budget ([see Fiscal Note](#)) was supposed to bring the balance up to the \$1,000,000 level originally intended for this revolving, non-lapsing fund. In 2020, an issue was discovered with the language. The phrase "up to 5%, not to exceed \$1,000,000," for the NIMBL account in FY21 was conveniently misconstrued to mean any amount (including \$0).

Despite the fiscal constraints, the NIMBL program has distributed 15 loans around the State for a total of \$339,760. Ten have already been repaid for a total of \$215,260 (2020 NIMBL report attached). While the program has been successful, the marketing campaign has been on hold out of fear that demand will exceed the supply of available funds. This sector is an integral part of our community. Nonprofit organizations comprise 10% of Maryland's workforce and 12% of our economy (second only to the retail sector).

According to one grant recipient:

"I was made aware of the program through a colleague and I'm so glad for that. I would guess that many of my peer professionals are not aware. I would be happy to share our story if that would help. It was exactly what we needed at precisely the right moment. Thank you!"

SB376 makes a simple change to ensure that in FY22 and beyond, the NIMBL account will reliably retain a balance of \$1,000,000 as it supports nonprofits across the state. Especially during the Coronavirus pandemic, we must provide these organizations with the financial resources they need to survive. A fully funded NIMBL can be a valuable tool.

I urge a favorable report for SB376.