



TESTIMONY IN SUPPORT OF SB 376

Maryland Nonprofit Development Center Program- Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account- Funding

Senate Budget and Taxation Committee

February 2, 2021

Submitted by Stacey Jefferson and Julia Gross, Co-Chairs

Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
Catholic Charities
Episcopal Diocese of Maryland
Family League of Baltimore
Fuel Fund of Maryland
Health Care for the Homeless
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Maryland Community Action
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Maryland Hunger Solutions
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Marylanders Against Poverty

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Marylanders Against Poverty (MAP) supports SB 376, which corrects a 'wording' issue in Senate Bill 465 of 2017, that has kept the Nonprofit, Interest-Free, Micro Bridge Loan, or **NIMBL** program from working as intended. It would allow the program to be funded at the level originally intended.

Nonprofits that qualify for the NIMBL program provide essential services to low-income Marylanders. The purpose of NIMBL is to address the continuing chronic problems, at both the state and county levels, of delays in funding and reimbursing service providers on grants and contracts. For many nonprofits these delays stress their financial stability and ability to deliver services. Most nonprofits are not able to deal with extensive payment delays. A Maryland Nonprofits survey of over 700 organizations last year found that 45% has less than 60 days cash reserve, and a third had less than 30 days.

Not only do invoices sometimes languish unpaid for well beyond 60 days, but providers are sometimes expected to start services without being able to invoice for reimbursement for extended periods. While foundations have on occasion provided some temporary relief, that's hardly the best use of their limited funds. Some organizations accept the cost of lines of credit as another unreimbursed cost of providing services for government, but this also consumes funds that should be devoted to direct service.

The failure of timely payment has serious impacts on programs and services. Clearly the best solution would be effective and efficient payment processes, including advances in appropriate cases to deal with start-up costs. But for the foreseeable future, the NIMBL program can help in many of these cases.

For these reasons, MAP strongly urges a FAVORABLE report on SB 376 and appreciates your consideration.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.