



January 19, 2023

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

The National Alliance on Mental Illness, Maryland and our 11 local affiliates across the state represent a statewide network of more than 45,000 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.

Maryland's 'prompt pay' law requiring payment in 30 days on state procurement contracts, and the regulations regarding review of invoices, do not apply to the reimbursable grant agreements that are used with most state grants to nonprofits for the provision of health, education or social services. Nothing in statute or regulation requires that state grantees providing services on behalf of the state be paid in a timely manner.

Nonprofits in Maryland continually face delays in payments on grants or contracts that may extend many months. Additionally, they may need to wait several months for an initial payment on a program with considerable start-up costs. Critical services are jeopardized when organizations scramble to meet payroll, tap or exhaust reserves, delay implementing or expanding programs, or are forced to borrow to deal with payment delays.

NAMI MD urges a favorable report on SB112.

Thank you,

Kathryn S. Farinholt
Executive Director
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