

February 7, 2024

Testimony on Senate Bill 459
Grants Applications and Reporting
Maryland Efficient Grant Application Council - Alterations
Senate Budget and Taxation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of almost 1800 nonprofit organizations and institutions. We urge you to support Senate Bill 459 to extend the term and modify the composition of the Maryland Efficient Grant Application (or “MEGA”) Council. This legislation will extend the life of the effort to reform state grants processes through the Maryland Efficient Grant Application Council until at least 2028, and to its membership.

The Council was created by legislation in 2020 to address inefficiency and inconsistency in state grants administration, by legislation (HB 1539 and SB 620) that passed both houses without a dissenting vote in committee or on the floor.

Today as in 2020, basic budgetary and organizational information required for grant applications and financial reporting, as well as invoicing and monitoring policies, vary among, state agencies. This ‘fragmentation’ leads to duplication of effort, to conflicting ‘business practices’ adopted on a program—by-program basis, and imposes unnecessary hardships on grantees and consumes resources that could provide services. The lack of standardization also inhibits efficiencies that could be obtained at the State level by streamlining common steps and processes, and the development of effective state-level tracking or accountability.

Senate Bill 459 will also add the Comptroller to the Council, and charge the Council to study and make recommendations on the creation of a “State Grants Ombudsperson” to provide technical assistance with:

- accessing and navigating state grant programs;
- resolving delays in the grant-making process; and
- collecting and disseminating information on opportunities for grants from federal, state, and local government.

Creation of an Ombudsman in the Governor’s Office would certainly help to expedite attention to and resolution of what seem to be everyday problems with the timely release and approval of grant announcements and agreements, payment terms and delays, and invoicing requirements. This would be extremely helpful to services providers as the Council pursues its mission, and its recommendations are being implemented.

The Council was established at the onset of the pandemic to develop and recommend a new standardized structure for state grants documents and processing, and where reasonable to be consistent with federal grants standards. While its work was seriously disrupted by the COVID pandemic, and the resulting diversion of staff resources, the Council did assess many of the shortcomings and issues in grants processing, recommended prompt payment rules similar to procurements (enacted last year), and began discussing standardized terms and definitions.

We have discussed this legislation with the Governor's Legislative Office and have agreed on two amendments. One would replace the designation of the Director of the Governor's Grants Office as the Chair of the Council, and provide instead that this will be an appointment made separately by the Governor. A second would delete the proposed addition of the Legislative Auditor to the Council.

We thank you for your support in passing the initial legislation and we ask for a favorable report with the recommended amendments on Senate Bill 459.