

HB 300, State Government – Grants and Contracts – Reimbursement of Indirect Costs
Before the House Health and Government Operations Committee
February 4, 2025

Thank you Chair Peña-Melnyk, Vice Chair Cullison and members of the House Health and Government Committee for the opportunity to testify in favor of HB 300, State Government – Grants and Contracts – Reimbursement of Indirect Costs Bill. My name is Alyssa Sanders, and I serve as Director of Advocacy at EveryMind, a nonprofit organization that has been providing critical mental health services to Marylanders for over 65 years. I am here today to highlight how HB 300 will directly impact the hardworking individuals behind the scenes who ensure that our programs can continue to serve those in need.

For EveryMind, the inability to recover indirect costs fully means that we face challenges in maintaining the infrastructure necessary to support our programs, including our 988 Suicide and Crisis Lifeline call center, school-based mental health services, and veteran support programs. These programs are lifelines for individuals in crisis and are critical to the well-being of our communities. Without adequate support for indirect costs, our ability to meet the growing demand for mental health services is significantly hindered.

While the programs we deliver are crucial, they cannot function without the dedicated staff who support them. At EveryMind, we have over 65 therapists and case managers who rely on the supervision and leadership of our management team. These supervisors are responsible for guiding our staff, ensuring the quality of our services, and addressing the complex needs of the individuals we serve. However, these supervisors are often stretched thin because we are unable to fully recover the indirect costs necessary to support their work.

Our accounting department is responsible for processing payments and ensuring that all financial transactions are accurate and timely. Without proper reimbursement for indirect costs, they face increased pressure to balance the books without adequate resources. Similarly, our human resources department works tirelessly to ensure that our staff receive the benefits they need, that hiring and training processes are streamlined, and that our workforce remains strong and capable. These departments are essential to the success of our mission, yet they are often underfunded due to the lack of adequate reimbursement for indirect costs.

In addition, we have turned down opportunities in response to Requests for Proposals (RFPs) where the indirect cost reimbursement was so low that it would not be ethical to accept them. These contracts, while promising in their potential to expand our services, would not allow us to maintain the infrastructure necessary to operate effectively. Taking on these RFPs would place an undue strain on our staff and resources, ultimately affecting the quality of care we provide to our clients. Turning down these opportunities means that we are unable to expand our services and reach more Marylanders in need, all because the funding does not reflect the true cost of doing business.

Without HB 300, nonprofits like EveryMind are forced to absorb the gap in funding for these essential administrative functions. This diverts critical resources away from program delivery and places an undue burden on the very people who make our programs possible. If we are to continue providing the high-quality services that Marylanders rely on, we must ensure that our infrastructure—both programmatic and administrative—is fully supported.

This bill aligns state funding with federal standards, ensuring that nonprofit organizations like EveryMind can continue to thrive and serve our communities effectively. By supporting this legislation, you are investing in the people who make our services possible—the supervisors, accountants, human resources staff, and so many others who work tirelessly behind the scenes.

Thank you for your consideration, and I urge a favorable report on HB 300.