



BILL NO: Senate Bill 542
TITLE: State Finance and Procurement – Grants – Prompt Payment Requirement
COMMITTEE: Budget and Taxation
HEARING DATE: February 16, 2022
POSITION: **SUPPORT**

The Maryland Network Against Domestic Violence (MNADV) is the state domestic violence coalition that brings together victim service providers, allied professionals, and concerned individuals for the common purpose of reducing intimate partner and family violence and its harmful effects on our citizens. **MNADV urges the Senate Budget and Taxation Committee to issue a favorable report on SB 542.**

Survivors of domestic violence in Maryland receive support and services through organizations, many of whom are the recipients of grants of state and federal funds. Non-profit organizations are generally those that receive these grants and operate with limited resources. The state and federal grant dollars are relied upon for salary, benefits, and operational expenses. These grants enable non-profit organizations to provide shelter, counseling, advocacy, legal services and hotlines to victims and survivors of domestic violence in Maryland.

The current structure for reimbursement is untenable for many non-profits, particularly smaller organizations in rural communities or those devoted to discrete underserved populations. They simply cannot front the money and carry the State of Maryland for the weeks and months it takes to get paid for work already performed.

The Governor's Office of Crime Control, Youth, and Victim Services and other state agencies require that grant recipients front funds to use for grant activities and then the state provides reimbursement. Some grants use a monthly reimbursement schedule and others require that a full quarter of expenditures be made prior to reimbursement. Grant reimbursements are to be made within 30 days, but they frequently take far longer. This means, as an example, that a domestic violence service provider would expend payroll and other expenses for 3 months (one quarter), and then wait another 4 or 5 or more weeks for reimbursement.

Maryland's non-profits have the same financial obligations as other small businesses including rent, payroll, health insurance for employees, and more. SB 542 would allow domestic violence non-profits to dedicate their attention to helping the victims and survivors they serve without worrying about their financial security and health.

For the above stated reasons, the **Maryland Network Against Domestic Violence urges a favorable report on SB 542.**

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