

February 17, 2022

Testimony on Senate Bill 281
Comptroller - Online Payment Processing Portal
Senate Education, Health, and Environmental Affairs Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1300 nonprofit organizations and institutions. We urge you to support Senate Bill 281 to bring greater transparency to the handling of invoices from vendors and organizations providing services for and on behalf of the state by creation of an online portal to track bills and invoices through the payment process.

Nonprofit service providers often face long payment delays on state grants agreements and procurement contracts. These impact the delivery of services, ability to meet payroll, or make payments to subcontractors. Many small or newer organizations, often led by people of color, cannot participate in programs where they may be faced with working without payment for many months. A large number of nonprofit service organizations have operating cash reserves of less than 90 days.

Unfortunately, payments can be delayed for many reasons, and there are numerous possible causes that have little to do with their performance. Staffing shortages in state offices, clerical errors, offsets or fiscal 'holds' on payments without notice to providers and others, can be difficult to reconcile because there is no comprehensive system for notifying providers, or reliable and accessible source for them to discover the reasons for these delays.

We urge you to give Senate Bill 281 a favorable report.