



TESTIMONY ON HOUSE BILL 451
State Finance and Procurement -- Grants – Prompt Payment Requirement
House Health and Government Operations Committee

Position: Favorable

The Charles County Charitable Trust is the nonprofit organization that supports and advances the work of the nonprofit community in Charles County by administering grant programs on behalf of Charles County government and which provides other services that promote and nurture the equitable social, economic, and cultural wellbeing of its residents.

We urge the Committee to support House Bill 451 to enable nonprofits in Charles County that are providing state services to receive prompt payment that is already required by law and regulation for procurement contracts. Our current laws do not currently apply to most grant agreements that the state has with nonprofits delivering health, education or social services.

The delay in payments from the state causes serious economic challenges for nonprofits, sometime delaying the delivery of services to the people the grants aim to serve and more often requiring unnecessary investments of administrative time spent in trying to obtain these payments from the state, often waiting several months.

Because of these delays, many Charles County nonprofits are not able to take advantage of available funds because they have small budgets and do not have the cash-flow capacity to operate under these conditions. Ninety percent (90%) of nonprofits in Charles County have annual budgets that do not exceed \$500,000 per year.

Our nonprofits provide services that county government does not, for example, a 24/7 hotline for abused persons, behavioral and mental health services for children, services for people who suffer from substance abuse and addiction, dental services, court-mandated services for parents who neglect or abuse their children, and many more services.

If the law is not changed to allow for equitable access to state grants, a great deal of available services for our residents will never reach them. With a poverty rate of over 6%, and a growing population, state funds are critical in meeting basic health, education and social service needs.

For these reasons, we urge you to support House Bill 451.