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**Senate Bill 542 State Finance and Procurement - Grants –  
Prompt Payment Requirement  
Budget and Taxation Committee  
January 19, 2023  
Position: SUPPORT**

Mental Health Association of Maryland (MHAMD) is a nonprofit education and advocacy organization that brings together consumers, families, clinicians, advocates and concerned citizens for unified action in all aspects of mental health and substance use disorders (collectively referred to as behavioral health). We appreciate the opportunity to provide this testimony in support of Senate Bill 112.

SB 112 establishes invoicing and prompt payment requirements for certain state grants.

MHAMD receives state grant funding for education and training purposes as well as a site visiting program that conducts oversight of public behavioral health services. Over the last few years our organization has been negatively impacted by significant late payment of grant funds by the state. In FY21 outstanding payments were due for some grants for most of the fiscal year. This was again the case in FY22, despite having completed contractually required provisions and submitted all required invoicing and other documentation. This required our organization to liquidate assets twice in order to meet payroll and other financial obligations.

It should be noted that this situation is not the result of a lack of diligence or effort by staff at these agencies. They are overworked and under-resourced. While we are still not receiving all payments on a timely basis, progress has occurred over the past year and the situation has improved. We very much appreciate the hard work of agency staff, there are just not enough people to do the job. The provisions in SB 112 are fair and important, but it will need to be accompanied with a rebuilding of state government and the filling of staff vacancies.

For these reasons, MHAMD supports SB 112 and we urge a favorable report.

*For more information, please contact Dan Martin at (410) 978-8865*