

January 19, 2023

**Testimony on Senate Bill 112**  
**Grants - Prompt Payment Requirement**  
**Senate Budget and Taxation Committee**

**Position: Favorable**

Apra Maryland is the professional development and networking resource for Maryland-area fundraising professionals who harness information and data to drive philanthropy. With our 160 members, we urge your support of Senate Bill 112.

The Prompt Pay Act (Maryland Code, Real Property § 9-301) requiring payment in 30 days on state procurement contracts, and the regulations regarding review of invoices, does not apply to grants made by the state to nonprofits that promote the arts, culture and humanities, education, the environment and animals, healthcare, human services and more.

Nonprofits in Maryland continue to face delays in grant payments that may extend many months. In the meantime, nonprofits are expected to continue providing essential community services under their grant agreement. The sustainability of Maryland's nonprofit businesses and critical community services are jeopardized when organizations struggle to meet payroll, tap or exhaust reserves, delay implementing or expanding programs, or take loans while the state fails to make timely payments. This struggle is exacerbated for smaller nonprofits, less likely to have any substantial reserves and disproportionately founded and led by women and people of color.

Apra Maryland opposes amendment to Senate Bill 112 to create prompt payment exceptions for any state grant-making entity. We urge you to give Senate Bill 112 a **favorable report**.

Thank you,  
Theresa Clark

President  
Apra Maryland