



February 22, 2023

The Honorable Joseline A. Peña-Melnyk
Chair, House Health and Government Operations Committee
Room 241, House Office Building
Annapolis, Maryland 21401

House Bill 328 - State Finance and Procurement - Grants - Prompt Payment Requirement - FAVORABLE WITH SPONSOR AMENDMENTS

Dear Chair Peña-Melnyk and House Health and Government Operations Committee members,

Baltimore Harm Reduction Coalition (BHRC) is an advocacy organization that mobilizes community members for the health, dignity, and safety of people targeted by the war on drugs and anti-sex worker policies. As a certified Overdose Response Program and Syringe Service Program we have provided essential public health services across the state for years. For this reason and more we urge your support for HB328 with the sponsor's amendments.

This bill will provide nonprofits delivering services similar assurance payment on their reimbursable grants that are already in law and regulation for procurement contracts. Our 'prompt pay' laws and corresponding regulations do not apply to the reimbursable grant agreements that are used with most state grants for the provision of health, education or social services by nonprofits.

Payment delays and failures to communicate about payments have impacted the behavioral health continuum over the last year. Most, if not all, community based harm reduction organizations with Maryland Department of Health funding went without signed grant agreements and without payments for close to six and a half months in FY23.

Without payments for that long, any reserves were used up and without signed agreements getting bank loans to cover operational costs was not feasible. Organizations had to warn their staff that layoffs may be imminent. Despite eventual payment, this situation discourages excellent workers from staying in the field – a field that already has high rates of turnover and burnout. This stress also strains our ability to be our best selves for our clients, most of whom are at high risk of overdose.

Payment delays make participation in government grants and other programs difficult for service providers doing essential and life-saving work, particularly disadvantaging smaller and younger nonprofits, more likely to be led by people of color that may have fewer reserves. **For these reasons, we urge the House Health and Government Operations Committee to give HB328 a favorable report with the sponsor's amendments.**

For more information about Baltimore Harm Reduction Coalition or our position, please contact our Director of Mobilization, Rajani Gudlavalleti at rajani@baltimoreharmreduction.org.