
BILL NO: House Bill 328
TITLE: State Finance and Procurement – Grants – Prompt Payment Requirement
COMMITTEE: Health & Government Operations
HEARING DATE: February 22, 2023
POSITION: **SUPPORT**

The Women’s Law Center of Maryland (WLC) is a statewide, non-profit legal services provider, dedicated to ensuring the physical safety, the economic security, and the bodily autonomy of women across Maryland. Our direct legal services include representing survivors of domestic violence in protective order hearings, family law matters, and immigration proceedings. The WLC advances its work not only through direct legal representation, but also through statewide educational hotlines and advocacy.

House Bill 328, if enacted, will bring “payment parity” to nonprofits delivering state services so that these providers will receive the same security for prompt payment that is already in law and regulation for procurement contracts. Under current law, prompt payment laws, and the regulations that set standards for review of invoices, 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 countless nonprofits who serve an almost endless number of Marylanders. Nonprofits in Maryland continually face delays in payments on grants that often extend several months. Additionally, they are often forced to wait several months for an initial payment on a program with considerable start-up costs, including postponing the hiring of critical staff necessary to implement programming. This works to make participation in government programs even more economically difficult for service providers.

The WLC receives a significant portion of its income from such state grants. Without this funding our staff would be unable to provide direct representation of survivors of domestic violence as they seek protective orders and divorces against their abusers or seek to obtain custody of their children or legal status in this country. This is the work we do, free of charge, every day for survivors of domestic violence and it would not be possible without the financial support of state grants. Yet, if the WLC were forced to continually front significant portions of this funding, without any guarantee of prompt repayment, it would be untenable. The same is particularly true for smaller and younger nonprofits often led by people of color.

For these reasons, the WLC strongly supports HB 328 and urges a favorable report.

The Women’s Law Center of Maryland is a private, non-profit, legal services organization that serves as a leading voice for justice and fairness for women. It advocates for the rights of women through legal assistance to individuals and strategic initiatives to achieve systemic change, working to ensure physical safety, economic security, and bodily autonomy for women in Maryland.