



Working to end sexual violence in Maryland

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Testimony Supporting Senate Bill 127
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The Maryland Coalition Against Sexual Assault (MCASA) is a non-profit membership organization that includes the State's seventeen rape crisis centers, law enforcement, mental health and health care providers, attorneys, educators, survivors of sexual violence and other concerned individuals. MCASA includes the Sexual Assault Legal Institute (SALI), a statewide legal services provider for survivors of sexual assault. MCASA represents the unified voice and combined energy of all of its members working to eliminate sexual violence. We urge the Budget & Taxation Committee to report favorably on Senate Bill 127.

Senate Bill 127 – Indirect Cost Rates – Conforming State Reimbursement Rates to Federal Rates

This bill would require that grants of state funds use the same "indirect cost rate" as used in grants of federal funds. This would simplify grant administration and help nonprofit organization recover more of the actual costs of providing services. As a result, non-profits could focus more time and resources on services.

Maryland supports survivors of sexual assault, child sexual abuse, sex trafficking, and other crimes through grants of state and federal funds. These grants are generally to non-profit organizations, and these agencies often operate with limited resources. Grants provide core support for salary, benefits, and operational expenses. With the help of grants from Maryland, survivors receive counseling, shelter, legal services, advocacy, and other help.

Maryland currently uses the previously established "indirect cost rate" of 10%. Indirect costs include costs that are necessary to providing services, but not specifically for one grant. For example, an agency must pay rent for the square footage in the waiting room and hallways of their facility. These common areas benefit the entire agency and everyone seeking services, not just clients helped by one specific grant. The current 10% rate is widely acknowledged to be not only inadequate, but a contributing factor to the "starvation cycle" that destabilizes nonprofit providers. Past studies by the U.S. Government Accountability Office found that underfunding providers negatively impacts the quality of their services and financial sustainability. Programs need sufficient support for "indirect costs" in order to help survivors.

Since the 10% rate was set nonprofits have suffered through the pandemic and many sexual assault programs have seen charitable contributions decline in real terms. Current budget proposals in Maryland include cuts to victim services, and the new administration in Washington may impose additional cuts. We are hopeful these threats do not come to fruition, but if they do, it will be all the more important for grants to be efficient and to actually support the services they are paying for. Conforming the state indirect cost rate to federal regulations will make administration easier and will help agencies recover the true costs of providing services.

SB127 would help improve the financial health of rape crisis centers and let them focus on helping survivors.

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