

**FAVORABLE Support of SB 933:
State and Local Procurement – Payment Practices**

Dear Chair and Members of the Education, Health and Environmental Affairs Committee:

My name is Brendon Laster and I am the Chief of Staff of Prince George's County Council Member At-Large Mel Franklin, who could not be here due to Council commitments. Council Member Franklin is fully in support of Senate Bill 933, which shortens the time the State and local jurisdictions should make payments for completed work in procurement contracts to 15 days after receipt of a proper invoice rather than the current policy of 30-45 days.

Council Member Franklin has discussed payment issues with countless small and minority businesses over the years and the length of time it takes state and local governments to pay for work long-since-completed is a clear job killer, as it creates uncertainty for businesses in retaining and paying employees and subcontractors and can cause small businesses to go out of business. Small businesses do not have the capacity or margins that larger firms have to "float" unpaid workers with existing resources.

Altering the current payment schedule to 15 days rather than the current 30 days would obviously greatly impact and benefit small businesses by giving them a more consistent funding stream in a time frame similar to a typical pay period, which would give those business more of an ability and confidence to create jobs and grow their businesses. This helps grow Maryland's commercial tax and jobs base, which provides our State and local governments with more revenue to fund important priorities, like schools, public safety, transportation, and services for seniors and youth. SB 933 also follows in the footsteps of the federal government in assuring our business community stays vital by paying its contractors in a timely manner for the goods and services they provide.

Senate Bill 933 would create growth and expansion of small and minority businesses in Maryland, consistent job growth in our communities, and a larger commercial revenue base to support important public priorities.

Thus, on behalf of Council Member Mel Franklin, I urge a favorable report on Senate Bill 933.

Respectfully,

Brendon Laster,
Chief of Staff
Council Member At-Large Mel Franklin
Prince George's County Council