

January 18, 2023

Testimony on Senate Bill 112
State Finance and Procurement – Grants – Prompt Payment Requirement
Budget & Taxation Committee
Position: Favorable

The Maryland Out of School Time Network (MOST) is a statewide organization dedicated to closing opportunity gaps by expanding both the quantity and quality of afterschool and summer learning opportunities for school-aged young people. MOST is one of the fifty statewide networks supported by the Charles Stewart Mott Foundation and serves as Maryland’s affiliate to the National Afterschool Association.

MOST Network strongly endorses Senate Bill 112, which will provide much-needed support to youth development organizations that receive grant funding from the state of Maryland. In addition, SB 112 will offer protections similar to those who receive contracts through the state’s procurement process.

We have heard many stories from the field that, in particular, afterschool and summer program providers have faced lengthy delays in receiving payments. In some cases, the delays have created organization-threatening challenges, including the inability to meet payroll. These delays have also disrupted programming, which is relied upon by both children and families. The impact disproportionately affects smaller, community-based organizations, often led by people of color.

Delayed payments were endemic before the COVID-19 pandemic. Therefore this issue is not just a short-term problem related to staffing shortages or administrative challenges. Organizations that apply for grants from the state, receive promissory award letters and act accordingly in good faith need a method of redress when late payments interfere with their ability to provide services.

We urge you to give the nonprofits serving young people and their families “payment parity” with the standards that already apply to state agencies in their procurement contracting. Please give Senate Bill 112 a favorable report.

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