

February 4, 2014

The Hon. Peter A. Hammen  
Chairman, Health and Government Operations Committee  
Maryland House of Delegates  
241 House Office Building  
6 Bladen Street  
Annapolis, MD 21401

Dear Chairman Hammen:

On behalf of Volunteers of America Chesapeake (VOAC), I am writing to offer our views as part of the record for today's Health and Government Operations Committee hearing on House Bill 14.

Volunteers of America Chesapeake is a faith-based, non-profit organization whose mission is to inspire self-reliance, dignity and hope through health and human services. With 31 programs across Maryland, Virginia and the District of Columbia, VOAC annually helps nearly 11,000 people in need, including the homeless; individuals with mental illness or intellectual disabilities; and those in need of affordable housing, recovering from substance abuse addiction or involved in community corrections. We particularly seek to assist military veterans grappling with homelessness, substance abuse or mental health challenges. Our track record of productivity and efficiency has made many of our programs national models – including our newly-rededicated Residential Reentry Center in Baltimore.

We write today with concern about the potential collateral damage of HB 14 on services for needy Maryland residents who rely on the work of non-profit organizations. We fully support the objective of the Small Business Reserve (SBR) to help ensure opportunity for Maryland small businesses, whose financial health is critical to our state's economy. However, the language of HB 14 appears to codify new procurement constraints that may interfere with important working relationships between state agencies and Maryland non-profit organizations – and in the process undermine services to your constituents.

As you know, current law authorizes state agencies to procure services under SBR rules; and the legislation would require deference to the SBR for all state "procurement contracts" between \$15,000 and \$100,000 that are not specifically

exempted. It is our understanding that these exemptions include contracts through state agencies itemized in the bill, with local governments, under federal grant requirements, and for certified Community Service Organizations.

We are concerned this new approach could cause confusion about which contracts are affected, disrupt the continuity of important community services and potentially jeopardize the financial health of many non-profit groups that today provide these services. We share these concerns in hopes that you can review and weigh them carefully during your hearing on HB 14.

In that spirit, we appreciate the opportunity to share our views with you. Please let us know if VOAC can be of help as you consider this and other legislation affecting non-profit services in Maryland – and please also consider this a standing invitation to visit any of VOAC's facilities and programs across the state.

Sincerely,

A handwritten signature in cursive script that reads "Franklyn Baker".

Franklyn Baker  
Chief of Staff and External Affairs Officer

Cc: Russell K. Snyder, President and CEO