

March 31, 2025

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[senator.scott.kawasaki@akleg.gov](mailto:senator.scott.kawasaki@akleg.gov)

RE: Letter of Support for HB 133 / SB 129 – Prompt Payment for State Grants and Contracts

Dear Representative Himschoot and Senator Kawasaki,

I am writing on behalf of Anchorage Neighborhood Health Center (ANHC) to express our strong support for House Bill 133 and Senate Bill 129, which seek to ensure timely payment of state grants and contracts to nonprofits, tribal organizations, and municipalities. As one of the state's largest and most comprehensive Federally Qualified Health Centers, ANHC's mission is to provide accessible, affordable, and quality health care to our community, regardless of a patient's ability to pay. State and federal pass-through funding are critical to our ability to deliver this mission.

Nonprofit organizations like ANHC are essential partners in delivering the State of Alaska's policy goals on the ground. From primary care to housing assistance to behavioral health, the state depends on a network of nonprofits to carry out vital services efficiently and effectively. Yet, current grant and contract processes often delay payments for months—even more than a year in some cases—placing a disproportionate burden on organizations with limited cash flow.

While ANHC has not experienced the most severe delays ourselves, we have witnessed firsthand how these delays jeopardize services and create instability for partner organizations and the clients we collectively serve. One partner organization, Four A's (Alaskan AIDS Assistance Association), has faced chronic reimbursement delays—often going an entire quarter or more without payment. In the past year, those delays forced them to pause housing support services, notify clients and landlords that rent payments couldn't be made, and halt new program admissions despite urgent need. These service interruptions were not due to mismanagement, but due to a system that lacks any accountability for timely reimbursement—despite requiring strict reporting compliance from grantees.

This is a systems-level issue that spans administrations and agencies. HB 133 and SB 129 offer a clear solution by requiring the state to meet fair and reasonable timelines for payment, just as it already does for private contractors. These bills bring parity and predictability, helping ensure that essential services continue without disruption and that nonprofits can plan and operate responsibly.

Thank you for your leadership on this issue. I urge you and your colleagues to pass HB 133 and SB 129 to support a more equitable and sustainable partnership between the State of Alaska and the nonprofits who deliver its most critical services.

Sincerely,  
Lisa D.H. Aquino, MHS  
ANHC Chief Executive Officer