



For immediate release

For more information, contact:

Nils Andreassen, Executive Director, Alaska Municipal League, nils@akml.org, 907-586-1325

Laurie Wolf, President and CEO, The Foraker Group, lwolf@forakergroup.org, 907-243-1200

Prompt Payment Parity Legislation Introduced in Alaska Legislature

House Bill 133 and Senate Bill 129 address the negative impacts of delayed payments by the State of Alaska to nonprofits, municipalities, and tribal organizations

ANCHORAGE, March 12, 2025 – Alaska’s nonprofits, municipalities, and tribal organizations provide essential services to Alaskans on behalf of the state. In many cases, where the state has no physical presence, they provide life-saving health care, public safety services, behavioral health support, and more. These non-state partners, however, are too often burdened with delayed payments from the state. These delays, sometimes lasting longer than a year and in amounts upwards of \$1 million, can make doing business with the state unnecessarily difficult.

In a joint announcement today, The Foraker Group and the Alaska Municipal League welcomed the introduction of two companion bills – House Bill 133 introduced by Representative Rebecca Himschoot (I-Sitka) and Senate Bill 129 introduced by Senator Scott Kawasaki (D-Fairbanks) – which will require timely payment by the State of Alaska to nonprofits, municipalities, and tribal organizations receiving state payments through approved grants, contracts, and reimbursements. The bills mirror language in statutes already in place for private for-profit businesses.

“Every day, nonprofits, local governments, and tribal organizations are doing work for Alaskans as part of an agreement with the State of Alaska,” said Foraker President and CEO Laurie Wolf. “The state has entered into these grants, contracts, and reimbursement relationships as our good faith partners, and as such, we want the state to hold up its end of the bargain.”

“Under current law, if you are a private business or contractor working on a public project – for instance, an airport, road, or other infrastructure project – the expectation is that you’ll be paid on time,” said Alaska Municipal League Executive Director Nils Andreassen. “If the payments are late, the state faces penalties and interest, and you can even stop work until payment is received. The reality is that nonprofit, municipalities, and tribal organizations can’t just stop working.”

Both Wolf and Andreassen noted that lack of prompt payment is not a new issue. They emphasized that it has spanned multiple state administrations and requires a concerted and systemwide response. Delayed payments put an unnecessary burden on those delivering important services to Alaskans, and this legislation would bring parity to all organizations that help the state conduct its

work. They agree that this effort ensures effective and efficient use of government resources on behalf of all Alaskans.

“Firsthand reports from the sector show that delays occur in almost every department of our state, which means everything from basic needs, safety, emergency services, childcare, and quality of life programming is at risk,” said Wolf. “Alaska’s contractors and grantees are left to furlough staff or draw from their own savings to subsidize the lack of payment from the state.”

According to recent survey data from The Foraker Group, some organizations have had to pause operations, tap into reserves, pursue lines of credit, or reduce staff until payments were received.

“Foraker and the Alaska Municipal League are proud partners in this legislation,” Andreassen said. “We both issued concurrent resolutions on the impacts of delayed payments last year, and we commend the Rep. Himschoot and Sen. Kawasaki for their commitment to making prompt payment parity the law in Alaska.”

Note to reporters: The survey report mentioned above is available at:

<https://www.forakergroup.org/wp-content/uploads/2025/02/Impact-of-Delayed-Payment.pdf>

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March 18, 2025



Representative Rebecca Himschoot and Senator Scott Kawasaki
Subject: Support for House Bill 133 and Senate Bill 129

Dear Representative Himschoot and Senator Kawasaki,

thread is Alaska's statewide child care resource and referral organization. We are a private 39-year-old nonprofit serving families, early educators, early childhood education programs, businesses and communities across the state – all to increase access to affordable and high quality child care. **thread** is a grantee of the State, receiving most of our organizational funding from the State Department of Health and the State Department of Education and Early Development. We are proud to be close partners with the State's early childhood offices regularly working to execute projects and grants that support the child care sector, including the distribution of millions in COVID-19 Relief funds.

thread strongly supports House Bill 133 and Senate Bill 129. As an organization that relies on State funding to provide services, pay parity is critical to ensure services are delivered timely and with intent to meet the required grant/contracted scopes of work. While we have seen some important improvements at the Department of Health, we continue to encounter significant delays and uncertainty surrounding payments and reimbursements from the State of Alaska. Overall, there is inconsistency in how Departments issue, approve, disperse and pay for granted/contracted services. This includes irregularity in following agreement timelines. The lack of payment parity has been a growing issue and has persisted across multiple administrations, affecting organizations statewide including **thread** clients.

Many of the child care programs we work with have also experienced the negative impact of these inconsistencies and delays. Child Care Assistance Program payments are issued monthly, and when those payments are delayed, it creates financial strain on the small margins that many child care small businesses operate on. The cost of leases, utilities, and wages are fixed expenses, regardless of when reimbursements are processed. Payment delays put the sustainability of these programs at risk, compromising the high-quality services they provide to families and early educators across the state.

HB 133 and SB 129 address a long-standing inequity by ensuring that nonprofits, municipalities, and tribal organizations receive timely payments for essential work. These bills would bring payments to nonprofit partners in line with the existing statutory protections for private contractors, ensuring that critical funding is distributed as intended and without unnecessary delays. Resolving this issue is essential to Alaska's nonprofit sector and ensuring that we continue to effectively serve our communities.

We strongly urge you to prioritize the passages of HB 133 and SB 129 to allow nonprofits like **thread** to continue our vital work without the financial instability caused by delayed payments. Thank you for your leadership on this issue and your commitment to supporting Alaska's families and communities.

Sincerely,

A handwritten signature in black ink that reads 'Stephanie Berglund'.

Stephanie Berglund,
CEO of **thread**

A resolution in support of legislation that requires prompt payment of grants and contracts to Alaska nonprofit organizations

Approved December 14, 2023

Whereas Alaska nonprofits are solid partners with state government and numerous state agencies – for instance, the Department of Health, Department of Family and Community Services, Department of Education and Early Development, and Department of Public Safety – and provide a wide array of essential services on behalf of the State of Alaska through grants and contracts;

Whereas the state disburses money in multiple ways to many entities, including to healthcare organizations and nonprofits receiving Medicaid reimbursement, grants to human and community services, education and health providers, and to local governments through programs like Community Assistance;

Whereas The Foraker Group has been aware of delayed payments to Alaska’s nonprofits by the State of Alaska for grant advances, grant reimbursements, and contract payments since at least 2019, even before the cyber-attack on the state’s then Department of Health and Social Services in spring 2021;

Whereas problems of delayed payment are not new nor entirely related to state staffing shortages and the state has not implemented the systems and technology solutions that would effectively remedy the problem;

Whereas payment delays from state departments for nonprofits with grants agreements and contracts have extended for months, sometimes up to a year or more, often following delays in initial/advance payments for programs and services with significant start-up costs;

Whereas most nonprofits don’t have the financial reserves to float a major state grant or contract to support a program or project with their own funds while waiting for allocated state dollars to come through, and even if they do it is not the responsibility of nonprofits to subsidize state government shortfalls in payment;

Whereas many of these entities operate with less than 90 days in cash reserves and some with little or none, “reimbursable” grant agreements require nonprofits to fund all the costs of services for 30 to 90 days before they can even invoice for payment;

Whereas the impacts on nonprofits and tribal organizations that are not paid on time are far-reaching, including furlough of staff, temporary closure of programs, loss of interest income from utilizing reserves, and the untold stress and strain that lack of prompt payment provokes;

Whereas nonprofit professionals and board members are often met with recommendations from state departments or divisions focused on unfeasible solutions, such as accessing small and often non-existent reserves, taking out lines of credit, or quickly ramping up donations, all of which enable the state to continue the practice of late payments;

Whereas in multiple meetings with state commissioners and nonprofit leaders during the pandemic, assurances were given that “the problem was being addressed” through one-by-one fixes and not through necessary and critical comprehensive systems change;

Whereas Alaska does have prompt payment laws that apply to the private sector in Alaska statutes (36.90.200), which require the State of Alaska to pay private-sector contractors performing construction or public works activities in a timely manner, including penalties for non-compliance and interest on non-payment, which reimburses the contractor for opportunity costs or additional burdens experienced;

Whereas when paying the state for a wide range of its services, including corporate filings and business and professional licensing, nonprofits are required to timely pay and are afforded no grace for making late payments;

Whereas due to the lack of parity with the nonprofit sector in state statutes ensuring prompt payment, state law does not apply to reimbursable grant agreements that are used with most state grants for the provision of health, education, or social services by nonprofits, nor to contracts between nonprofits and the state;

Whereas the need for prompt payment extends far beyond private sector construction contracts and public services and should be broadly applicable to all grantees and contractors of the state – businesses, municipal governments, nonprofits, and tribal organizations;

Whereas delayed payments not only create hardships for organizations’ ability to operate effectively but jeopardize the health and well-being of those they serve on behalf of state agencies;

Whereas nonprofits, municipalities, tribal organizations, and other entities suffer due to delays in disbursements that may make them unable to fulfill their own obligations and provide their own services;

Whereas nonprofits have reported delayed payments that have affected services to children, adults, seniors, individuals with intellectual and developmental disabilities, those experiencing homelessness, hunger, substance abuse, and domestic violence, among so many others receiving services;

Whereas it is in the state’s interest to ensure the solvency and sustainability of public, private, nonprofit, and tribal organizations, the state can facilitate this in large part by ensuring prompt payment on grants and contracts; and

Whereas eight other states have incorporated prompt payment laws that provide the same kinds of protections afforded the private sector to the nonprofit sector, most notably New York, California, and Maryland; these state efforts provide solid models that Alaska could emulate in developing legislation in Alaska;

Now, therefore be it resolved that The Foraker Group joins the Alaska Municipal League, which has passed its own resolution, in requesting that the Alaska State Legislature pass legislation requiring the State of Alaska to provide prompt payments in all its contracted and formula obligations, grants, or transfers;

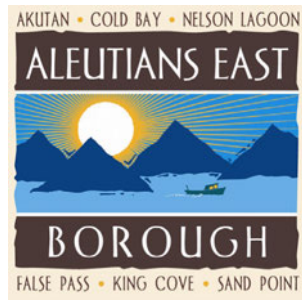
Be it further resolved that the State of Alaska provide parity of the standards that already apply to state agencies in their private sector procurement and contracting to Alaska nonprofits, tribal organizations, and municipalities;

Be it finally resolved that the state agencies immediately enhance efforts to increase their ability to meet this duty of prompt payment and ensure appropriate levels of capacity to do so for the long-term.

Approved by The Foraker Group Governance Board on December 14, 2023

Resolution distributed to:

- The Honorable Michael Dunleavy, Governor, State of Alaska
- The Honorable Gary Stevens, President, Alaska State Senate
- The Honorable Cathy Tilton, Speaker, Alaska House of Representatives



May 17, 2025

RE: Support for House Bill 133 & Senate Bill 129 Prompt Payment Parity Legislation

Dear Representative Rebecca Himschoot and Senator Scott Kawasaki,

We express our strong support for House Bill 133 and Senate Bill 129 which mandate the timely disbursement of funds by the State of Alaska to nonprofit organizations, municipalities, and tribal entities receiving state payments through approved grants, contracts, and reimbursements. The language of these bills reflects existing statutory provisions applicable to private for-profit enterprises.

Nonprofit organizations, municipalities, and tribal entities play a critical role in delivering essential services to Alaskans on behalf of the state. Often, in instances where the state lacks physical presence, these organizations provide vital health care, public safety services, behavioral health support, and more. However, they frequently face challenges due to delayed payments from the state. Field reports indicate that virtually every state department is experiencing payment delays, thereby jeopardizing fundamental needs, safety, emergency services, childcare, and quality-of-life programs. Consequently, contractors and grantees in Alaska often find themselves compelled to furlough employees or utilize personal financial resources to cover outstanding payments from the state.

Delayed payments are not an emerging concern; they have persisted across multiple state administrations and necessitate a coordinated, system-wide response. Such delays create an undue burden on those providing essential services to Alaskans, and this proposed legislation aims to establish parity among all organizations that facilitate the state's operations.

I wish to express my sincere appreciation for your consideration of this initiative, which highlights the impact that delays in State payments—such as those related to Community Assistance, Community Development Block Grants, shared taxes, and other funding sources—can have on project timelines. Such delays may lead to missed deadlines, increased costs, and significant cash flow challenges.

House Bill 133 and Senate Bill 129 would ensure that both state and federally sourced pass-through funds are promptly allocated to nonprofits, local governments, and tribal organizations, ultimately benefiting the citizens of Alaska. The intention is to align state payment practices with the current statutory protections afforded by private contractors engaged in public works projects.

Sincerely,

Alvin D. Osterback
Aleutians East Borough Mayor



March 26, 2025

The Honorable Representative Rebecca Himschoot
Alaska State Capitol
120 4th Street
Juneau, AK 99801

Dear Representative Himschoot,

I am writing on behalf of the Mat-Su Health Foundation (MSHF) to express our strong support for HB 133, an act establishing a 30-day deadline for the payment of contracts under the State Procurement Code and setting deadlines for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native organizations.

The MSHF is deeply invested and dedicated to supporting the health and well-being of our community, and we recognize the critical importance of timely payments for services rendered. HB 133 addresses a significant issue that affects many nonprofit organizations, municipalities, and Alaska Native organizations, including those we fund and collaborate with. The establishment of a payment deadline will ensure that these entities receive the funds they need to continue their vital work without unnecessary delays.

Timely payments are essential for the financial stability of nonprofit organizations. Delays in payment can disrupt operations, hinder project progress, and create financial strain. HB 133 will help provide a reliable payment schedule, allowing these entities to plan and execute their programs effectively.

Our organization has witnessed firsthand the challenges faced by nonprofit organizations, municipalities, and Alaska Native organizations due to delayed payments. Through our partnerships and initiatives, we have worked tirelessly to support these entities in their efforts to provide critical services to our communities. The passage of HB 133 will provide much-needed support and resources to amplify these efforts and create lasting, positive change.

We believe that HB 133 is a necessary and beneficial measure that will greatly improve the efficiency and effectiveness of nonprofit organizations, municipalities, and Alaska Native organizations. We urge the legislature to pass this bill and support the timely payment of contracts and grants.

Thank you for considering our perspective and for your commitment to improving the financial stability and operational efficiency of organizations that serve our community.

Sincerely,

Elizabeth Ripley
President and CEO

March 31, 2025

Sent Via. Email: representative.rebecca.himschoot@akleg.gov
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

March 26, 2025

Office of Representative Rebecca Himschoot
Alaska State Capitol
120 4th Street
Juneau, AK 99801



RE: Support for House Bill 133– Payment of Contracts

Representative Himschoot,

Alaska Children's Trust offers our strong support for House Bill 133, which would ensure timely payment from the State of Alaska to parties that provide essential support under state agreements. As the statewide lead organization focused on the prevention of child abuse and neglect, we support policies that strengthen communities to provide for Alaska's families. House Bill 133 does this by ensuring both state and federal pass-through funds are disbursed promptly to non-profits, local governments, and tribal organizations, benefiting the people of Alaska and their families.

House Bill 133 establishes mechanisms to mitigate delays in payments from state agencies through grants, contracts, and reimbursements. Alaska nonprofits continue to experience long delays in payment that have impacted Alaska communities and the state's economy, putting at risk the ability of Alaskans to access essential services. Additionally, the legislation emphasizes that timely payments from the State of Alaska are essential for nonprofit, municipal, and tribal partners to execute state policy in an efficient manner.

According to KIDS COUNT, in 2023, 37,000 families access public assistance, accounting for 21% of Alaska's families with children. Families who access public assistance likely also access services provided by non-profit, municipal, and tribal organizations partnering with the State of Alaska. Delays in payment have affected services from child care to domestic violence services, to housing, food security, public safety and more. Services like these all play an essential role in preventing child abuse and neglect in the State of Alaska.

House Bill 133 would support the work of Alaska's nonprofits, local governments, and tribal organizations to provide resources for Alaska's families. Timely payment to support the work of these entities is important for strengthening Alaska's families and communities. Thank you for introducing this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'TJ Storrs', with a long horizontal flourish extending to the right.

Trevor J. Storrs
President & CEO

Foraker Supports House Bill 133: Prompt Payment Parity

Below is testimony from President/CEO Laurie Wolf to the House Community and Regional Affairs Committee on March 25, 2025, which includes what was allowed in the time limit and additional information for the record.

Good morning committee members and Co-Chairs Himschoot and Mears. For the record, my name is Laurie Wolf. I am the President/CEO of The Foraker Group.

Thank you for inviting me to testify in support of House Bill 133 which establishes prompt payment parity for Alaska nonprofits, municipalities, and tribal organizations for grants, contracts, and reimbursements from the State of Alaska including federal pass-through funding.

We appreciate the attention from Rep. Himschoot and other co-sponsors to one of the most important pieces of legislation supporting Alaska nonprofits since the passage of the Pick.Click.Give. program 16 years ago.

Here's what Alaska organizations are facing right now and why this legislation is critical.

- Three-six-nine months, some more than a year in delayed payments
- A couple of hundred thousand dollars to more than a million dollars in delayed payments

Delayed payment comes from almost every department in the state and impacts all types of services from seniors to childcare to domestic violence to housing, food security, transportation, public safety, and more. The state relies on us to deliver services as its partner through grants, contracts, and reimbursements.

Yet this partnership – when it comes to the money – is broken. Because of the current process, we are asked to report on money they have not received in order to stand in line for the next payment, which will also be delayed. This should sound odd and unbelievable, and yet, it's real for hundreds of Alaska organizations far too often. Some of our executives don't even know a reality that could look different because this has been their reality for so long. Sadly, delayed payments have become a normal and even acceptable practice for nonprofits that are providing essential services around the state.

Importantly, this is money that has been approved by the legislature. One would simply assume that if the money is budgeted, approved, and allocated, then spending could occur. That seems efficient. This seems like good government.

In fact, prompt payment is exactly the rule the state must follow when conducting transactions with for-profit businesses as directed by Statute: AS 36.90.200. Unfortunately, these rules do not apply to nonprofits, municipalities, and tribal organizations – and they should.

Over *many* years and multiple administrations – we have tried to solve this problem, hoping honestly that we wouldn't get to this stage. One former commissioner told us that nonprofits should just take out a line of credit to manage delayed payments – as though it was the job of the nonprofit to subsidize the state. Not only do lines of credit require collateral, which many nonprofits will never have, it is not the job of nonprofits to subsidize the state and that is exactly what many of them do every day – what other choice do they have?

Our goal is to ensure the state is efficient and that the work organizations provide for Alaskans is predictable, stable, and available.

To demonstrate the severity of this issue, we surveyed Alaska organizations to learn more about their experiences. Here's what they told us about their reality. The survey data you have in your packet of information from us is simply a point-in-time survey to give a snapshot of the pervasive nature of this issue. The top-line impact of delayed payments includes:

- **Cash Flow Issues:** Many respondents emphasized the severe strain on cash flow, with organizations needing to use reserves, lines of credit, or borrow funds to cover operational costs such as payroll, purchases, and bills. This was particularly difficult for organizations that rely on grant funding or reimbursable services.
- **Operational Delays:** Delays disrupted services, project timelines, and the ability to make necessary purchases (e.g., books, equipment, vehicles). Some organizations even had to pause operations or reduce staff until payments were received.
- **Increased Administrative Burden:** Organizations reported spending significant time and resources dealing with delayed payments, including advocating for overdue funds, rebilling, and communicating with funding agencies. This diversion of resources led to additional stress on staff and operational inefficiencies.
- **Uncertainty and Financial Planning Challenges:** The lack of predictability of payment schedules created uncertainty in budgeting and financial planning. Several organizations had to make difficult decisions about whether to proceed with projects or delay them based on the expectation of when funds might eventually arrive.
- **Negative Impact on Staff and Services:** Some respondents noted that delayed payments led to late payrolls, staff dissatisfaction, and the possibility of layoffs. In certain cases, it was reported that delays could jeopardize continuing vital services for vulnerable populations.
- **Strained Relationships:** Delays also strained relationships with contractors, vendors, and other third parties, with some organizations reporting difficulty in meeting obligations or renegotiating payment terms.

- **Impact on Program Continuity:** For some organizations, delayed payments threatened the continuity of programs and services, especially in critical areas such as health care and education, where funding delays can have immediate consequences.

Our reality is that nonprofits do not have the financial reserves to float a major state grant or contract to support a program or project with their own funds while waiting for allocated state dollars to come through. And even if they do, as I have already pointed out, it is not the responsibility of nonprofits to subsidize the state's delayed payments.

These impacts should be enough to compel us all to change how this process operates. But consider, too, that it's not just our entities and Alaskans who are hurt – the economies around the state also are harmed. Specifically, we know that:

- Delayed payment has a direct impact on the ability of Alaskans to access essential services.
- It has a direct impact on nonprofit staff recruitment and retention across Alaska.
- It hurts the whole economy because nonprofits cannot pay their bills to other for-profit and nonprofit vendors.

We need this legislation because unlike a business or contractor working on a public project, where current Alaska statute says they will be paid on time or receive penalties and interest, the rules also say the contractor can stop work until payment is received. Our reality is that we cannot just stop doing what we are doing to get the state's attention—the consequences are too high for Alaskans who depend on us.

I anticipate one of your questions is: "How much money are we talking about?" Unfortunately, we have been trying to calculate this number for years. We have solid data from surveys and personal accounts, but there is no single system for tracking delayed payments that we know about. Each state department has its own system and process for tracking.

I anticipate that you will also ask how we think this problem should be fixed. To be sure, we know the state faces workforce shortages and technology issues, but we can't tell you how to fix those. Still, we will say that we are no longer willing to remain silent while a broken system asks nonprofits, municipalities, and tribal organizations to carry the burden of both delivering services and covering the costs while we wait. We want parity with for-profit businesses and to be treated as partners in the work of serving Alaskans. After all, that is how Alaska's economy works best – when we as organizations come together with local, state, and federal governments to serve Alaskans.

To be clear, we are not asking the state to go back and address their past delays with penalties and interest. We simply want to establish a foundation for moving forward based on prompt payment

parity, along with powerful incentives for the state to pay on time – just like the private sector. That is the purpose of House Bill 133.

I will end with this reminder. The health and well-being of Alaskans and Alaska's economy depend on strong working relationships among nonprofits, tribal organizations, municipalities, and the state. Payment for services is an expected part of this relationship. I strongly urge you to consider this bill favorably.

Foraker, Alaska's nonprofit association, is pleased to be working arm-in-arm with the Alaska Municipal League, Alaska's statewide association supporting local governments, and House Bill 133 sponsors on this critical issue. As part of this testimony, we will also share the resolutions that both Foraker and AML approved last year as well as our most recent survey results on the impact of delayed payment on Alaska organizations.

Thank you.

From: Pat Branson [REDACTED]

Sent: Wednesday, March 26, 2025 6:37 PM

To: Rep. Rebecca Himschoot <Rep.Rebecca.Himschoot@akleg.gov>

Subject: House Bill 133

Representative Himschoot

Thank you for sponsoring House Bill 133 which establishes a 30 day deadline for payment of grants, contracts and reimbursement agreements to non profit organizations. As a retired non profit CEO, i have experienced deadlines in receiving prompt payments in grants from the state which has been difficult in paying staff, bills and maintenance. Non profits as well as municipalities provide valuable and cost efficient services which keep people remaining in Alaska. Thank you for this work.

Pat Branson

Kodiak, Alaska

From: Richard Ervin [REDACTED]
Sent: Wednesday, April 2, 2025 1:20 PM
To: Rep. Carolyn Hall <Rep.Carolyn.Hall@akleg.gov>
Subject: HB133

Hello Representative Hall,

I live in Turnagain and am writing to ask you to support HB133 sponsored by Rep. Rebecca Himshcoot and Rep. William Fields.

I am on the board of Alaskan AIDS Assistance Association and payment from the state is always very slow in coming and puts a strain on everyone at our organization.

We always get down to the wire with paying staff, rent, housing, equipment, etc.

If you have any questions please call me at [REDACTED]

Thanks for your attention.

Richard Ervin

From:



[and Regional Affairs](#)

Subject:

Timely Payment HB 133

Date:

Tuesday, March 25, 2025 8:25:44 AM

House Community and Regional Affairs committee members,

I'm writing to urge you to pass HB 133. I work for a statewide non-profit. The primary funding for my agency is federal passthrough dollars in addition to state and private grant funding. For many years now the funding my organization receives from Department of Health and Department of Education Early Development are more often than not very delayed to the agencies tasked with implementing specific scope of work activities. Delayed can be defined as receiving funds in the 4th quarter of a fiscal year. Often the delay has occurred someplace with procurement and administration. The delay in prompt payment is dramatically impacting agency's ability to implement scope of work activities and hire staff to support implementation. This delay greatly contributed to ineffective use of federal, state, and local MOA funds. Many of the scope of work activities take time to implement, manage, collect data and report on success and outcomes that are not feasible in one quarter of a fiscal year.

Please pass HB133 to ensure efficient use of funds and having the strongest impact for the children, families, and educators that could benefit from the funding.

Thank you

Meghan Johnson

Good morning. I'm calling in support of HB 133. I'm Eileen Arnold, the Executive Director of the Tundra Women's Coalition, which is a domestic violence and sexual assault shelter, crisis response, and resource center in Bethel. We provide services for any victim or survivor of violence in the Yukon-Kuskokwim Delta region of Western Alaska.

We cannot charge people for our services, nor would we want to, and we live in a region with an extremely high cost of doing business. Also, because the rate of interpersonal violence is high in my region, I have a big agency. There are 20 full time staff and 13 part time staff. We have an operating budget of between 4 and 4.5 million a year—most of which is payroll. You can't provide human services without humans.

Our YK Delta region also has a very high poverty rate along with our high cost of doing business. It's also a relatively low population—26,000 over an area the size of Oregon. What other non-profits can raise through earned income, donations, and fundraisers, simply aren't possible out here. We don't have the same population base, and our population doesn't have extra money to support their favorite non-profits.

And that's fine, but it makes things difficult to manage in terms of our cash flow. It has been particularly difficult around the turn of the fiscal year. Our main funder is the Council on Domestic Violence and Sexual Assault which sits within the Department of Public Safety. We're supposed to get a quarterly advance on our general funds before the fiscal year begins so that our operations aren't interrupted. It's been years since we've had that advance before the start of the fiscal year. We've even gotten used to it coming towards the end of August, two months after the fiscal year begins.

For an agency like mine that is cash poor, this is another burden on us. I typically have to contact all of the vendors that we have relationships with and ask if I can withhold our payments for them so that I can keep paying utilities and payroll. It's very stressful to check bank accounts first thing every morning to see if there's cash yet. And it gets agonizing when we're down to our last \$50,000, which won't cover payroll.

One solution that we've come up with is we have a couple hundred thousand dollars of unrestricted funds that we've put in a fund with our local community foundation. It's invested and gives us interest each year, but they've also allowed us to take out the money at the turn of the fiscal year when we're waiting for advances and reimbursements from the state. We're loaning money to ourselves, basically. But having that money out gets in the way of its growth, which is frustrating. The state asks us all the time if we're finding other ways to support our agency that doesn't include them, but because the state is so frequently late in reimbursements and advancements, they're getting in the way of us building our wealth.

CDVSA has been better, just as of this year. But I support this bill because we need that change for the long-term good of non-profits, and that change needs to be sustained. In a day where TWC responds to sexual assaults, and child maltreatment, and people who have been strangled, I'd love for if I have the money to pay my staff or not, to be one less thing I have to worry about.

City of Toksook Bay
PO Box 37008
Toksook Bay, Alaska 99637
(907) 427-7613 Fax (907) 427-7811

March 27, 2025

Representatives Rebecca Himschoot, Fields, Kopp, Mears
Subject: Support for House Bill 133

My name is Sam Chanar. I am from Toksook Bay. I am representing the City of Toksook Bay, which I will refer to as the City.

Only in the years 2020 and 2021, the city received Community Assistance Program (CAP) payments before July 31st. I am in full support for the passage of HB133.

The Census 2020 population for Toksook Bay was 658. The city provides essential municipal services that can not stop. Our community has a piped water and sewer facility, electric utility, refuse collection services, landfill, street lights, contract postal unit, among others. The city can not do without proofs of insurance coverages for Property, Casualty, Workers' Compensation and Employer's Liability.

The city depends on CAP funding for the partial payment of insurance renewals. Every year, the city tackles with insurance renewals and deadlines facing the uncertainty of whether or not a full payment can be submitted by the July 31 deadline. If not, as a second class municipality, the city places itself as subject to being sued for not having secured any insurance coverages for the services. The city will have no choice but to reallocate budgeted line items from department salaries, utilities, and others in order to pay for the insurance. The budget reallocations unnecessarily disrupts the city services and operations.

Thank you for the opportunity.



United Way of Anchorage

April 8th, 2025

Representative Rebecca Himschoot
Senator Scott Kawasaki
Subject: Support for Prompt Payment Legislation

Dear Representative Himschoot and Senator Kawasaki,

As President and CEO of United Way of Anchorage, I am writing to express strong support for prompt payment to Alaska nonprofits that provide critical services to our communities. At United Way of Anchorage, we are dedicated to removing barriers to opportunity and solving our community's toughest challenges. In doing so, we partner closely with many of the same organizations the State relies on to execute policy and deliver essential services.

Unfortunately, we have become increasingly aware that many of these organizations face lengthy delays in receiving payments from the State. These delays strain already limited resources and jeopardize the delivery of services that Alaskans depend on.

United Way of Anchorage believes this systemic issue must be addressed. Nonprofits, municipalities, and tribal organizations that depend on state and federal pass-through funding should receive the same statutory payment protections afforded to private contractors delivering public works projects.

Prompt payment will ensure more efficient execution of state policy, increase the stability of Alaska's vital nonprofit sector, and strengthen the quality and continuity of service delivery. We are grateful for your leadership in introducing HB 133 and SB 129 to advance this much-needed reform.

United Way of Anchorage stands with you in advocating for timely, fair, and responsible payment practices. Your leadership on this issue will have a meaningful impact on organizations and individuals throughout Anchorage and across Alaska.

Sincerely,

Eric Billingsley
President and CEO
United Way of Anchorage

Ella Lubin

From: Marie McCarty <Marie@kachemaklandtrust.org>
Sent: Tuesday, April 8, 2025 3:17 PM
To: Rep. Rebecca Himschoot; Sen. Scott Kawasaki
Subject: Letter of Support HB 133 and SB 129

Dear Representative Himschoot and Kawasaki,

I am writing on behalf of Alaskan nonprofit Kachemak Heritage Land Trust to support the above-referenced bills. As the oldest land trust in Alaska, founded one month prior to the Oil Spill, we work with private landowners to permanently preserve land on the Kenai Peninsula. Much of our permanent land conservation work is completed with funds that pass through the State of Alaska from the federal government, and from funds we receive directly from the State. Like other nonprofits in Alaska, we serve important needs of our young state.

As a relatively small nonprofit that receives State funds, receiving timely payment is critical to our ongoing success. It only seems right to require that there is parity in State payments to nonprofits with those provided to our for-profit community members.

Thank you for your consideration of our letter.

--

Marie McCarty
Executive Director
Kachemak Heritage Land Trust
315 Klondike Avenue
Homer, AK 99603
(907) 235-5263
Direct line (907) 235-5325
www.kachemaklandtrust.org



Conserving the natural heritage of the Kenai Peninsula for future generations