

SENATE BILL 556

P1

(9lr1285)

ENROLLED BILL

—Budget and Taxation / Appropriations—

Introduced by **Senators Jones, Miller, Brinkley, Colburn, Conway, Currie, DeGrange, Exum, Forehand, Frosh, Garagiola, Gladden, Glassman, Greenip, Haines, Harrington, Harris, Jacobs, Kasemeyer, Kelley, King, Kittleman, Klausmeier, Lenett, Madaleno, McFadden, Middleton, Munson, Muse, Peters, Pinsky, Pugh, Raskin, Robey, Simonaire, Stoltzfus, Stone, and Zirkin**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **State Funding Accountability Act**

3 FOR the purpose of requiring certain ~~grantees that receive~~ *grantors that provide*
4 certain State aid to submit ~~a report~~ certain reports to the Department of ~~Budget~~
5 ~~and Management Information Technology~~ *Budget and Management* by a certain
6 date; ~~requiring certain nonpublic institutions of higher education to submit~~
7 ~~certain reports to a certain association; requiring a certain association to submit~~
8 ~~a certain report by a certain date;~~ requiring the report ~~certain reports~~ to contain
9 certain information and be provided in a certain form; requiring the
10 Department *of Information Technology*, in consultation with the Department of

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 Budget and Management, to develop and operate a certain searchable website
 2 providing certain information; authorizing the Office of Legislative Audits to
 3 conduct certain audits of certain grantees ~~that receive at least a certain~~
 4 ~~appropriation or grant in the operating or capital budget or from the action of a~~
 5 ~~unit of State government; requiring the Office of Legislative Audits to identify~~
 6 ~~for a certain audit a certain percentage of grantees each year; defining certain~~
 7 terms; and generally providing for the reporting of *certain grantors* and auditing
 8 of certain grantees receiving certain State aid.

9 BY adding to

10 Article – State Finance and Procurement

11 Section 7–406

12 Annotated Code of Maryland

13 (2006 Replacement Volume and 2008 Supplement)

14 ~~BY repealing and reenacting, with amendments,~~

15 ~~Article – State Government~~

16 ~~Section 2–1220(b)~~

17 ~~Annotated Code of Maryland~~

18 ~~(2004 Replacement Volume and 2008 Supplement)~~

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – State Finance and Procurement**

22 **7–406.**

23 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
 24 MEANINGS INDICATED.

25 (2) “DEPARTMENT” MEANS THE DEPARTMENT OF ~~BUDGET AND~~
 26 ~~MANAGEMENT INFORMATION TECHNOLOGY~~ **BUDGET AND MANAGEMENT.**

27 (3) (I) “GRANTEE” MEANS A FOR PROFIT OR NONPROFIT
 28 ENTITY OR ASSOCIATION THAT RECEIVES STATE AID DURING A FISCAL YEAR.

29 (II) “GRANTEE” DOES NOT INCLUDE A UNIT OF STATE OR
 30 LOCAL GOVERNMENT.

31 (4) **“GRANTOR” MEANS A UNIT OF STATE GOVERNMENT OR**
 32 **OTHER STATE ENTITY THAT PROVIDES STATE AID TO A GRANTEE.**

33 (5) (I) “STATE AID” MEANS A CONTRIBUTION, GRANT, OR
 34 SUBSIDY OF ~~MONEY~~ **\$50,000 OR MORE PROVIDED THROUGH THE STATE**

1 OPERATING OR CAPITAL BUDGET OR BY THE ACTION OF A UNIT OF STATE
2 GOVERNMENT FROM STATE FUNDS APPROPRIATED TO THAT UNIT.

3 (II) "STATE AID" DOES NOT INCLUDE REIMBURSEMENTS TO
4 PROVIDERS PARTICIPATING IN A STATE PROGRAM.

5 (B) (1) (I) A GRANTEE GRANTOR SHALL SUBMIT A REPORT AS
6 PROVIDED IN THIS SUBSECTION TO THE DEPARTMENT ON OR BEFORE
7 SEPTEMBER 1 AFTER THE CLOSE OF EACH FISCAL YEAR IN WHICH THE
8 GRANTEE RECEIVES GRANTOR PROVIDED STATE AID TO A GRANTEE.

9 ~~(2)~~ (II) THE REPORT SHALL CONTAIN:

10 ~~(I) 1. A SUMMARY OF THE PURPOSE FOR WHICH THE~~
11 ~~STATE AID WAS PROVIDED;~~

12 ~~(II) 2. THE NUMBER OF JOBS CREATED OR RETAINED AS~~
13 ~~A RESULT OF THE STATE AID;~~

14 ~~(III) 3. THE AMOUNT AND SOURCE OF ANY FUNDS OTHER~~
15 ~~THAN STATE AID THE GRANTEE WAS ABLE TO SECURE FOR THE PURPOSE FOR~~
16 ~~WHICH THE STATE AID WAS PROVIDED OR AS A RESULT OF THE STATE AID;~~

17 ~~(IV) 4. A DESCRIPTION OF HOW THE STATE AID SERVED~~
18 ~~THE CITIZENS OF THE STATE; AND~~

19 ~~(V) 5. THE NUMBER OF CITIZENS SERVED AS A RESULT~~
20 ~~OF THE STATE AID.~~

21 ~~(2) (I) A NONPUBLIC INSTITUTION OF HIGHER EDUCATION~~
22 ~~THAT RECEIVES STATE AID AS PROVIDED IN § 17-101 OF THE EDUCATION~~
23 ~~ARTICLE, OR A GRANT THROUGH THE STATE CAPITAL BUDGET, SHALL SUBMIT A~~
24 ~~REPORT TO THE MARYLAND INDEPENDENT COLLEGE AND UNIVERSITY~~
25 ~~ASSOCIATION ON OR BEFORE SEPTEMBER 1 AFTER THE CLOSE OF EACH FISCAL~~
26 ~~YEAR IN WHICH THE GRANTEE RECEIVES STATE AID.~~

27 ~~(II) THE REPORT REQUIRED UNDER SUBPARAGRAPH (I) OF~~
28 ~~THIS PARAGRAPH SHALL CONTAIN:~~

29 ~~1. A SUMMARY OF THE PURPOSE FOR WHICH THE~~
30 ~~STATE AID WAS EXPENDED;~~

31 ~~2. A DESCRIPTION OF HOW THE STATE AID SERVED~~
32 ~~THE CITIZENS OF THE STATE; AND~~

1 ~~3. THE ALIGNMENT OF THE USES OF THE STATE AID~~
 2 ~~WITH THE GOALS DEFINED IN THE MARYLAND STATE PLAN FOR~~
 3 ~~POSTSECONDARY EDUCATION.~~

4 ~~(III) THE MARYLAND INDEPENDENT COLLEGE AND~~
 5 ~~UNIVERSITY ASSOCIATION SHALL SUBMIT A REPORT TO THE DEPARTMENT ON~~
 6 ~~OR BEFORE OCTOBER 1 AFTER THE CLOSE OF EACH FISCAL YEAR, WHICH~~
 7 ~~SHALL SUMMARIZE THE INFORMATION REPORTED UNDER SUBPARAGRAPH (II)~~
 8 ~~OF THIS PARAGRAPH.~~

9 1. THE NAME, ADDRESS, AND ZIP CODE OF EACH
 10 GRANTEE THAT RECEIVED STATE AID FROM THE GRANTOR DURING THE
 11 PREVIOUS FISCAL YEAR;

12 2. THE AMOUNT OF ANY STATE AID PROVIDED TO
 13 THE GRANTEE; AND

14 3. A DESCRIPTION OF THE STATE AID PROVIDED TO
 15 THE GRANTEE.

16 ~~(3) (2) THE REPORT REPORTS REQUIRED UNDER THIS~~
 17 ~~SUBSECTION SHALL BE IN THE FORM AND FORMAT, INCLUDING ELECTRONIC~~
 18 ~~FORMAT, THAT THE DEPARTMENT, AFTER CONSULTATION WITH THE~~
 19 ~~DEPARTMENT OF BUDGET AND MANAGEMENT INFORMATION TECHNOLOGY,~~
 20 ~~REQUIRES.~~

21 (C) (1) THE DEPARTMENT OF INFORMATION TECHNOLOGY, IN
 22 CONSULTATION WITH THE DEPARTMENT OF BUDGET AND MANAGEMENT,
 23 SHALL DEVELOP AND OPERATE A SEARCHABLE WEBSITE, ACCESSIBLE TO THE
 24 PUBLIC AT NO COST THROUGH THE INTERNET.

25 (2) ~~THE SEARCHABLE WEBSITE SHALL CONTAIN THE~~
 26 ~~INFORMATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION AND BE~~
 27 ~~SEARCHABLE BY THE NAME OF THE GRANTEE OR BY THE GENERAL SUBJECT~~
 28 ~~MATTER OF THE STATE AID CONTAIN:~~

29 (I) THE NAME OF THE GRANTOR THAT PROVIDED THE
 30 STATE AID;

31 (II) THE NAME OF THE GRANTEE THAT RECEIVED THE STATE
 32 AID;

1 ~~1. SPECIFY A PERCENTAGE OF GRANTEEES REQUIRED~~
2 ~~TO FILE A REPORT UNDER § 7-406 OF THE STATE FINANCE AND PROCUREMENT~~
3 ~~ARTICLE THAT WILL BE SUBJECT TO AUDIT AND REVIEW; AND~~

4 ~~2. REPORT THE SPECIFIED PERCENTAGE TO THE~~
5 ~~LEGISLATIVE POLICY COMMITTEE.~~

6 ~~(H) EACH FISCAL YEAR, THE OFFICE OF LEGISLATIVE~~
7 ~~AUDITS SHALL AUDIT OR REVIEW THE SPECIFIED PERCENTAGE OF GRANTEEES~~
8 ~~REQUIRED TO FILE A REPORT UNDER § 7-406 OF THE STATE FINANCE AND~~
9 ~~PROCUREMENT ARTICLE.~~

10 (D) THE OFFICE OF LEGISLATIVE AUDITS MAY CONDUCT AN AUDIT OR
11 REVIEW OF A GRANTEE IN ACCORDANCE WITH §§ 2-1221 THROUGH 2-1227 OF
12 THE STATE GOVERNMENT ARTICLE.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 June 1, 2009.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.