

# SENATE BILL 556

P1, P2

9lr1285  
CF HB 1192

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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**

Introduced and read first time: February 5, 2009

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2009

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Funding Accountability Act**

3 FOR the purpose of requiring certain grantees that receive certain State aid to submit  
4 ~~a report~~ certain reports to the Department of ~~Budget and Management~~  
5 Information Technology by a certain date; requiring certain nonpublic  
6 institutions of higher education to submit certain reports to a certain  
7 association; requiring a certain association to submit a certain report by a  
8 certain date; requiring ~~the report~~ certain reports to contain certain information  
9 and be provided in a certain form; requiring the Department, in consultation  
10 with the Department of Budget and Management, to develop and operate a  
11 certain searchable website providing certain information; authorizing the Office  
12 of Legislative Audits to conduct certain audits of certain grantees ~~that receive at~~  
13 ~~least a certain appropriation or grant in the operating or capital budget or from~~  
14 ~~the action of a unit of State government; requiring the Office of Legislative~~  
15 ~~Audits to identify for a certain audit a certain percentage of grantees each year;~~  
16 defining certain terms; and generally providing for the reporting and auditing of  
17 certain grantees receiving certain State aid.

18 BY adding to

19 Article – State Finance and Procurement

20 Section 7–406

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### 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.



1 Annotated Code of Maryland  
2 (2006 Replacement Volume and 2008 Supplement)

3 ~~BY repealing and reenacting, with amendments,~~  
4 ~~Article – State Government~~  
5 ~~Section 2-1220(b)~~  
6 ~~Annotated Code of Maryland~~  
7 ~~(2004 Replacement Volume and 2008 Supplement)~~

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

10 **Article – State Finance and Procurement**

11 **7-406.**

12 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
13 MEANINGS INDICATED.

14 (2) “DEPARTMENT” MEANS THE DEPARTMENT OF ~~BUDGET AND~~  
15 ~~MANAGEMENT~~ INFORMATION TECHNOLOGY.

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

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

20 (4) (I) “STATE AID” MEANS A CONTRIBUTION, GRANT, OR  
21 SUBSIDY OF ~~MONEY~~ \$50,000 OR MORE PROVIDED THROUGH THE STATE  
22 OPERATING OR CAPITAL BUDGET OR BY THE ACTION OF A UNIT OF STATE  
23 GOVERNMENT FROM STATE FUNDS APPROPRIATED TO THAT UNIT.

24 (II) “STATE AID” DOES NOT INCLUDE REIMBURSEMENTS TO  
25 PROVIDERS PARTICIPATING IN A STATE PROGRAM.

26 (B) (1) (I) A GRANTEE SHALL SUBMIT A REPORT AS PROVIDED IN  
27 THIS SUBSECTION TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1 AFTER  
28 THE CLOSE OF EACH FISCAL YEAR IN WHICH THE GRANTEE RECEIVES STATE  
29 AID.

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

31 ~~(1)~~ 1. A SUMMARY OF THE PURPOSE FOR WHICH THE  
32 STATE AID WAS PROVIDED;

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

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

6                   ~~(IV)~~ **4. A DESCRIPTION OF HOW THE STATE AID SERVED**  
7 **THE CITIZENS OF THE STATE; AND**

8                   ~~(V)~~ **5. THE NUMBER OF CITIZENS SERVED AS A RESULT**  
9 **OF THE STATE AID.**

10                   **(2) (I) A NONPUBLIC INSTITUTION OF HIGHER EDUCATION**  
11 **THAT RECEIVES STATE AID AS PROVIDED IN § 17-101 OF THE EDUCATION**  
12 **ARTICLE, OR A GRANT THROUGH THE STATE CAPITAL BUDGET, SHALL SUBMIT A**  
13 **REPORT TO THE MARYLAND INDEPENDENT COLLEGE AND UNIVERSITY**  
14 **ASSOCIATION ON OR BEFORE SEPTEMBER 1 AFTER THE CLOSE OF EACH FISCAL**  
15 **YEAR IN WHICH THE GRANTEE RECEIVES STATE AID.**

16                   **(II) THE REPORT REQUIRED UNDER SUBPARAGRAPH (I) OF**  
17 **THIS PARAGRAPH SHALL CONTAIN:**

18                                 **1. A SUMMARY OF THE PURPOSE FOR WHICH THE**  
19 **STATE AID WAS EXPENDED;**

20                                 **2. A DESCRIPTION OF HOW THE STATE AID SERVED**  
21 **THE CITIZENS OF THE STATE; AND**

22                                 **3. THE ALIGNMENT OF THE USES OF THE STATE AID**  
23 **WITH THE GOALS DEFINED IN THE MARYLAND STATE PLAN FOR**  
24 **POSTSECONDARY EDUCATION.**

25                   **(III) THE MARYLAND INDEPENDENT COLLEGE AND**  
26 **UNIVERSITY ASSOCIATION SHALL SUBMIT A REPORT TO THE DEPARTMENT ON**  
27 **OR BEFORE OCTOBER 1 AFTER THE CLOSE OF EACH FISCAL YEAR, WHICH**  
28 **SHALL SUMMARIZE THE INFORMATION REPORTED UNDER SUBPARAGRAPH (II)**  
29 **OF THIS PARAGRAPH.**

30                   **(3) THE ~~REPORT~~ REPORTS REQUIRED UNDER THIS SUBSECTION**  
31 **SHALL BE IN THE FORM AND FORMAT, INCLUDING ELECTRONIC FORMAT, THAT**  
32 **THE DEPARTMENT, AFTER CONSULTATION WITH THE DEPARTMENT OF BUDGET**  
33 **AND MANAGEMENT, REQUIRES.**



1 ~~REQUIRED TO FILE A REPORT UNDER § 7-406 OF THE STATE FINANCE AND~~  
2 ~~PROCUREMENT ARTICLE.~~

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

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.