

# SENATE BILL 459

P1

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CF HB 418

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By: **Senator Kagan**

Introduced and read first time: January 22, 2024

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 10, 2024

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

1 AN ACT concerning

2 **Grant Applications and Reporting – Maryland Efficient Grant Application**  
3 **Council – Alterations**

4 FOR the purpose of altering the composition of the Maryland Efficient Grant Application  
5 Council; requiring the Council to study and make recommendations to the  
6 ~~Governor's Grants Office and the~~ Department of Budget and Management regarding  
7 the creation of a State Grants Ombudsperson; altering certain reporting  
8 requirements; extending the termination date of the Council; and generally relating  
9 to the Maryland Efficient Grant Application Council and reporting requirements.

10 BY repealing and reenacting, with amendments,  
11 Article – State Finance and Procurement  
12 Section 2–209 and 2–210  
13 Annotated Code of Maryland  
14 (2021 Replacement Volume and 2023 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Chapter 484 of the Acts of the General Assembly of 2020  
17 Section 2 and 4

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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.



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

**Article – State Finance and Procurement**

2–209.

(a) In this section, “Council” means the Maryland Efficient Grant Application Council.

(b) There is a Maryland Efficient Grant Application Council.

(c) (1) The Council consists of the following members:

(i) ~~the Director of the Governor’s Grants Office, or the Director’s designee;~~

~~(ii)~~ the Chief Procurement Officer, or the Chief Procurement Officer’s designee;

~~(iii)~~ **(II)** the State Treasurer, or the State Treasurer’s designee;

~~(iv)~~ **(III)** **THE COMPTROLLER, OR THE COMPTROLLER’S DESIGNEE;**

~~{(iv)}~~ **(V)** the Attorney General, or the Attorney General’s designee;

~~{(v)}~~ **(VI)** the Secretary of Budget and Management, or the Secretary’s designee;

~~{(vi)}~~ **(VII)** the Secretary of Health, or the Secretary’s designee;

~~{(vii)}~~ **(VIII)** the Secretary of Human Services, or the Secretary’s designee;

~~{(viii)}~~ **(IX)** the Secretary of Housing and Community Development, or the Secretary’s designee;

~~{(ix)}~~ **(X)** the Secretary of Agriculture, or the Secretary’s designee;

~~{(x)}~~ **(XI)** the Secretary of the Environment, or the Secretary’s designee;

~~{(xi)}~~ **(XII)** the State Superintendent of Schools, or the State Superintendent’s designee;

1                    ~~[(xii)] (XIII)~~ the Director of the Maryland Energy Administration, or  
2 the Director's designee;

3                    ~~[(xiii)] (XIV)~~ the Executive Director of the Governor's Office of Crime  
4 Prevention, Youth, and Victim Services, or the Executive Director's designee;

5                    ~~[(xiv)] (XV)~~ the chair of the Maryland Higher Education Commission,  
6 or the chair's designee;

7                    ~~[(xv)] (XVI)~~ the Secretary of Natural Resources, or the Secretary's  
8 designee;

9                    ~~(XVII) THE LEGISLATIVE AUDITOR, OR THE LEGISLATIVE~~  
10 ~~AUDITOR'S DESIGNEE;~~

11                    ~~[(xvi)] (XVIII)~~ a representative from the Maryland Association of  
12 Counties;

13                    ~~[(xvii)] (XIX)~~ a representative from the Maryland Municipal  
14 League;

15                    ~~[(xviii)] (XX)~~ five representatives of private nonprofit  
16 organizations with experience providing services funded by State or federal grants and that  
17 reflect the size and diversity of the nonprofit grant recipients in the State, appointed by the  
18 Governor;

19                    ~~[(xix)] (XXI)~~ one representative of a private nonprofit organization,  
20 appointed by the President of the Senate; and

21                    ~~[(xx)] (XXII)~~ one representative of a private nonprofit organization,  
22 appointed by the Speaker of the House.

23                    (2) (i) This paragraph applies to members of the Council appointed  
24 under paragraph ~~[(1)(xviii)] (1)(XX)~~ of this subsection.

25                    (ii) The term of a member is 4 years.

26                    (iii) The terms of members are staggered as required by the terms  
27 provided for members of the Council on July 1, 2020.

28                    (iv) At the end of a term, a member continues to serve until a  
29 successor is appointed and qualifies.

30                    (v) A member who is appointed after a term has begun serves only  
31 for the rest of the term and until a successor is appointed and qualifies.

1 (vi) The Governor may remove a member for neglect of duty,  
2 incompetence or misconduct.

3 (d) ~~The Director of the Governor's Grants Office or the Director's designee~~  
4 **SECRETARY OF BUDGET AND MANAGEMENT, OR THE SECRETARY'S DESIGNEE** shall  
5 serve as Chair of the Council.

6 (e) The staffing responsibilities of the Council shall be shared by the agencies  
7 represented on the Council.

8 (f) A member of the Council:

9 (1) may not receive compensation as a member of the Council; but

10 (2) is entitled to reimbursement for expenses under the Standard State  
11 Travel Regulations, as provided in the State Budget.

12 (g) The Council shall:

13 (1) advise ~~the Governor's Grants Office and~~ the Department of Budget and  
14 Management on the implementation of § 2-210 of this subtitle; and

15 (2) monitor and report to ~~the Governor's Grants Office and~~ the Department  
16 of Budget and Management on the State's progress towards implementing § 2-210 of this  
17 subtitle.

18 2-210.

19 (a) (1) In this section the following words have the meanings indicated.

20 (2) "Council" means the Maryland Efficient Grant Application Council  
21 established under § 2-209 of this subtitle.

22 (3) "Department" means the Department of Budget and Management.

23 (4) (i) "Grant" means a legal instrument of financial assistance  
24 between a State grant-making entity and a non-State entity that is:

25 1. used to enter into a relationship the principal purpose of  
26 which is to transfer anything of value from the grant-making entity to the grant recipient  
27 to carry out a public purpose authorized by law and not to acquire property or services for  
28 the direct benefit or use of the grant-making entity; and

29 2. distinguished from a cooperative agreement in that it does  
30 not provide for substantial involvement between the grant-making entity and the grant  
31 recipient in carrying out the activity contemplated by the award.

1 (ii) “Grant” does not include an instrument that provides only:

2 1. direct government cash assistance to an individual;

3 2. a subsidy;

4 3. a loan;

5 4. a loan guarantee;

6 5. insurance;

7 6. grants made by the State higher education system, the  
8 capital budget, the Department of Transportation, or the Maryland Technology  
9 Development Corporation;

10 7. business development grants made by the Department of  
11 Commerce; or

12 8. any State funding that is required annually and is  
13 calculated through a formula set in statute.

14 (5) “Grant application form” means a grant application template and  
15 related materials required to be submitted by grant applicants, including:

16 (i) required organizational materials; and

17 (ii) proposed budget categories and line items.

18 (6) “Uniform Guidance” means the Office of Management and Budget  
19 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for  
20 Federal Awards, 2 C.F.R. Part 200.

21 (b) (1) In order to improve efficiency, streamline and reduce redundant  
22 processes, reduce paperwork and administrative burdens on both granting agencies and  
23 grant recipients, and facilitate development and implementation of a statewide centralized  
24 grants management and accountability system, the Council shall study and make  
25 recommendations to ~~the Governor’s Grants Office and the Department~~ regarding the entire  
26 grants life cycle, including:

27 (i) the creation of the following materials for use by grant-making  
28 agencies, grant applicants, and grant recipients in the State:

29 1. a uniform grant application form;

30 2. uniform financial controls and reporting requirements for  
31 grant recipients; and

1 3. uniform performance progress reporting requirements for  
2 grant recipients;

3 (II) THE CREATION OF A STATE GRANTS OMBUDSPERSON TO  
4 PROVIDE TECHNICAL ASSISTANCE WITH:

5 1. ACCESSING AND NAVIGATING STATE GRANT  
6 PROGRAMS;

7 2. RESOLVING DELAYS IN THE GRANT-MAKING  
8 PROCESS; AND

9 3. COLLECTING AND DISSEMINATING INFORMATION ON  
10 OPPORTUNITIES FOR GRANTS FROM FEDERAL, STATE, AND LOCAL GOVERNMENT;

11 [(ii)] (III) regulations adopting each part of the uniform guidance,  
12 with appropriate modifications for its application to grant-making entities in the State,  
13 including modifications or variances based on the scope or size of particular grant  
14 programs, grant-making entities, or grantees;

15 [(iii)] (IV) recommended timeframes and deadlines for the various  
16 tasks included in items (i) [and (ii)] THROUGH (III) of this paragraph;

17 [(iv)] (V) recommended deadlines for use and implementation by  
18 the various grant-making entities of the materials prepared in accordance with item (i) of  
19 this paragraph; and

20 [(v)] (VI) recommended deadlines for grant-making entities to  
21 administer State and federal grants in accordance with the provisions of parts of uniform  
22 guidance as adopted by the Department by regulation.

23 (2) In developing materials and recommendations under this subsection,  
24 the Council shall:

25 (i) solicit the input of diverse stakeholders, including grant-making  
26 agencies and organizations representing local governments, grant professionals, experts in  
27 nonprofit accounting and auditing, and nonprofit service providers; and

28 (ii) establish one or more issue working groups, composed of  
29 stakeholders representing diverse backgrounds appropriate to the charge of each  
30 workgroup, and also reflecting the demographic diversity of the State and the diversity of  
31 grant programs and grant recipients, including arts, history, and social service, to  
32 participate in and facilitate the process of developing recommendations.

1 (c) On or before July 1, [2024] **2027**, the Council shall submit a report on its full  
2 recommendations as required by subsection (b)(1) of this section to the Department and the  
3 General Assembly, in accordance with § 2–1257 of the State Government Article.

4 (d) On or before October 1, 2020, each State grant–making agency shall appoint  
5 a Chief Accountability Officer who shall:

6 (1) serve as a liaison to the Council and the ~~Governor’s Grants Office~~  
7 **DEPARTMENT**; and

8 (2) be responsible for the agency’s representation and participation in the  
9 process established under this section.

10 (e) The ~~Governor’s Grants Office~~ **DEPARTMENT** shall provide technical  
11 assistance and interpretations of policy requirements in order to ensure the effective and  
12 efficient implementation of this section.

#### 13 Chapter 484 of the Acts of 2020

14 SECTION 2. AND BE IT FURTHER ENACTED, That, in accordance with § 2–1257  
15 of the State Government Article, the Department of Budget and Management shall:

16 (1) on or before December 31, 2021, report to the General Assembly on the  
17 implementation of this Act, including the timelines and deadlines recommended by the  
18 Maryland Efficient Grant Application Council in accordance with § 2–210(b)(1)(iii) of the  
19 State Finance and Procurement Article, as enacted by Section 1 of this Act; and

20 (2) on or before December 31 of the calendar years 2022 through [2026]  
21 **2028**, report to the General Assembly on the progress of the implementation of this Act,  
22 including any recommendations of the Maryland Efficient Grant Application Council.

23 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
24 1, 2020. It shall remain effective for a period of [5] **§ 9** years and, at the end of June 30,  
25 [2025] ~~2028~~ **2029**, this Act, with no further action required by the General Assembly, shall  
26 be abrogated and of no further force and effect.

#### 27 Chapter 485 of the Acts of 2020

28 SECTION 2. AND BE IT FURTHER ENACTED, That, in accordance with § 2–1257  
29 of the State Government Article, the Department of Budget and Management shall:

30 (1) on or before December 31, 2021, report to the General Assembly on the  
31 implementation of this Act, including the timelines and deadlines recommended by the  
32 Maryland Efficient Grant Application Council in accordance with § 2–210(b)(1)(iii) of the  
33 State Finance and Procurement Article, as enacted by Section 1 of this Act; and

1 (2) on or before December 31 of the calendar years 2022 through [2026]  
2 2028, report to the General Assembly on the progress of the implementation of this Act,  
3 including any recommendations of the Maryland Efficient Grant Application Council.

4 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
5 1, 2020. It shall remain effective for a period of [5] & 9 years and, at the end of June 30,  
6 [2025] ~~2028~~ 2029, this Act, with no further action required by the General Assembly, shall  
7 be abrogated and of no further force and effect.

8 SECTION 2. AND BE IT FURTHER ENACTED, That:

9 (a) The Maryland Efficient Grant Application Council shall:

10 (1) study the feasibility, cost, and impacts of designating a State Grants  
11 Ombudsperson in accordance with § 2-210(b)(1)(ii) of the State Finance and Procurement  
12 Article, as enacted by Section 1 of this Act; and

13 (2) on or before July 1, 2025, make recommendations regarding the  
14 designation of a State Grants Ombudsperson, including recommended timelines and  
15 deadlines, to ~~the Governor's Grants Office and~~ the Department of Budget and Management.

16 (b) On or before December 31, 2025, the Department of Budget and Management  
17 shall, in accordance with § 2-1257 of the State Government Article, report to the General  
18 Assembly on the recommendations made by the Maryland Efficient Grant Application  
19 Council under subsection (a) of this section.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
21 1, 2024. It shall remain effective for a period of 4 5 years and, at the end of June 30, ~~2028~~  
22 2029, this Act, with no further action required by the General Assembly, shall be abrogated  
23 and of no further force and effect.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.