

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 779 (Delegate Dypski, *et al.*)

Commerce and Government Matters Education, Health, and Environmental Affairs

Department of General Services - Procurements on Behalf of Private Schools

This bill allows a private elementary or secondary school that is exempt from taxation under § 501(c)(3) of the Internal Revenue Code to utilize the services of the Purchasing Bureau of the Department of General Services to purchase materials, supplies, and equipment, if it has been issued: (1) a certificate of approval by the State Board of Education; or (2) accreditation by the Association of Independent Schools. The bill also allows a nonpublic institution of higher education to make purchases through the Purchasing Bureau. The Department of General Services may not purchase religious materials on behalf of a private elementary or secondary school or nonpublic institution of higher education.

Fiscal Summary

State Effect: Increase in administrative efficiency for the Maryland State Department of Education.

Local Effect: None.

Small Business Effect: Potential meaningful effect for small nonprofit schools, which would be able to realize significant savings on the purchases of materials, supplies, and equipment.

Analysis

Current Law: The Purchasing Bureau of the Department of General Services may only be used to purchase materials, supplies, and equipment for a county or Baltimore City, a

municipal corporation, a governmental agency in the State, or a public or quasi-public agency that receives State money and is exempt from taxation under § 501(c)(3).

Under the Aid to Nonpublic Schools Program, the Maryland State Department of Education (MSDE) purchases textbooks, which are then loaned to nonpublic schools. Because the textbooks are not used by a public or quasi-public agency, MSDE cannot purchase the textbooks through the Purchasing Bureau, but must conduct an independent procurement.

State Fiscal Effect: MSDE advises that allowing the use of the Purchasing Bureau for the Aid to Nonpublic Schools Program textbook procurements would reduce the amount of time and resources that MSDE spends on these procurements.

The Department of General Services advises that the bill would not materially affect its operations.

Additional Information

Prior Introductions: A similar bill, House Bill 722, in the 2001 session had a hearing in the Ways and Means Committee but no further action was taken.

Cross File: None.

Information Source(s): Maryland Department of Education, Department of General Services, Department of Legislative Services

Fiscal Note History: First Reader - February 21, 2002
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