
By: **Chairman, Appropriations Committee (By Request - Departmental -
College Savings Plans of Maryland)**

Introduced and read first time: January 29, 2004

Assigned to: Appropriations

Committee Report: Favorable

House action: Adopted

Read second time: February 24, 2004

CHAPTER _____

1 AN ACT concerning

2 **College Savings Plans of Maryland Board - Annual Reports**

3 FOR the purpose of altering the deadlines for the College Savings Plans of Maryland

4 Board to submit certain annual reports to the Governor and the General

5 Assembly.

6 BY repealing and reenacting, with amendments,

7 Article - Education

8 Section 18-1916 and 18-19A-07

9 Annotated Code of Maryland

10 (2001 Replacement Volume and 2003 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Education**

14 18-1916.

15 (a) (1) The Legislative Auditor shall audit the Trust as provided under Title
16 2, Subtitle 12 of the State Government Article.

17 (2) The Board shall cause an audit of the Trust to be made by an outside
18 independent auditor annually.

19 (3) The Board shall pay for the audit required under paragraph (2) of
20 this subsection.

1 (b) (1) Within [90] 120 days after the close of each fiscal year, the Board
2 shall submit to the Governor and, subject to § 2-1246 of the State Government
3 Article, to the General Assembly a report including:

4 (i) The audit of the outside independent auditor;

5 (ii) A financial accounting of the Trust, including:

6 1. The annual review of the comprehensive investment plan
7 which shall include:

8 A. The status of the investment program, including
9 investment income matched to projected enrollment costs under the existing prepaid
10 contracts;

11 B. The assets held in each class of investment, the amount of
12 funds held in any cash pool, the amount of funds held in fixed assets investments, and
13 the amount of funds held in equity investments;

14 C. The percentage and dollar value of assets placed with
15 outside managers;

16 D. The income produced by each class of investment; and

17 E. The income produced by each investment manager; and

18 2. A detailed account of the operating and administrative
19 budget for the Trust, which shall include a complete list of revenue sources and
20 expenditures detailing the line item expenditures for:

21 A. Salaries, wages, and fringe benefits;

22 B. Technical and special fees;

23 C. Communication;

24 D. Travel;

25 E. Contractual services;

26 F. Supplies and materials;

27 G. Equipment;

28 H. Fixed charges; and

29 I. Other expenses.

30 (iii) The number of prepaid contracts entered into during the
31 previous fiscal year;

1 (iv) Efforts by the Board in marketing the Trust of prepaid
2 contracts; and

3 (v) Any recommendations of the Board concerning the operation of
4 the Trust.

5 (2) The Board shall make available to each account holder a copy of a
6 summary of the report and the option to purchase the full report at a nominal charge.

7 (c) The audit required by subsection (a)(2) of this section and the report
8 required by subsection (b) of this section may be combined with any other audit or
9 report for the same fiscal year required to be submitted by the Board to the Governor
10 and the General Assembly.

11 18-19A-07.

12 (a) (1) The Legislative Auditor shall audit the Plan as provided under Title
13 2, Subtitle 12 of the State Government Article.

14 (2) The Board shall obtain an annual audit report from service
15 providers.

16 (b) (1) Within [90] 120 days after the close of each fiscal year, the Board
17 shall submit to the Governor and, subject to § 2-1246 of the State Government
18 Article, to the General Assembly a report including:

19 (i) A financial accounting of the Plan, including:

20 1. An annual review of the Plan which shall include:

21 A. The status of the investment program;

22 B. The assets held in each class of investment;

23 C. The percentage and dollar value of assets placed with
24 outside managers;

25 D. The income produced by each class of investment;

26 E. The income produced by each investment manager;

27 F. The total deposits into the Plan for the past year; and

28 G. The total withdrawals from the Plan for the past year; and

29 2. A detailed account of the operating and administrative
30 budget for the Plan, which shall include a complete list of revenue sources and
31 expenditures detailing the line item expenditures for:

32 A. Salaries, wages, and fringe benefits;

- 1 B. Technical and special fees;
2 C. Communication;
3 D. Travel;
4 E. Contractual services;
5 F. Supplies and materials;
6 G. Equipment;
7 H. Fixed charges; and
8 I. Other expenses;
- 9 (ii) The number of new account holders during the previous fiscal
10 year;
- 11 (iii) Efforts in marketing the Plan; and
- 12 (iv) Any recommendations of the Board concerning the operation of
13 the Plan.

14 (2) The Board shall make available to each account holder a copy of a
15 summary of the report and the option to purchase the full report at a nominal charge.

16 (c) The audit required by subsection (a)(2) of this section and the report
17 required by subsection (b) of this section, at the Board's discretion, may be combined
18 with any other audit or report for the same fiscal year required to be submitted by the
19 Board to the Governor and the General Assembly.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
21 effect July 1, 2004.