

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 445

(Senator Hollinger, *et al.*)

Education, Health, and Environmental Affairs

Health and Government Operations

**Procurement Exemption - Maryland Public Broadcasting Commission - Grants
and Cooperative Agreements**

This bill expands the Maryland Public Broadcasting Commission's (MPBC) exemption from Division II of the State procurement laws. The bill provides that MPBC is exempt when planning for or fulfilling the obligations of grants or cooperative agreements that support the educational and cultural activities of the commission.

Fiscal Summary

State Effect: MPBC may be able to secure additional federal grants through flexibility provided by a procurement exemption.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: MPBC has an exemption from Division II of the State procurement laws for procurements for services of artists for educational and cultural television productions. Division II of the State Finance and Procurement Article addresses the General Procurement Laws. Division II also addresses rules governing source selection, procurement preferences, contract administration and dispute resolution, suspension and debarment of contractors, and State and local subdivisions.

Background: *Review of Maryland Procurement Law Exemptions* noted that of the 28 executive units identified as exempt from Division II of the State procurement law, 10 had formal written procurement policies and procedures and 10 maintained informal principles or guidelines for procurement activities.

MPBC has been using its existing “artists for television production” exemption from the procurement laws to contract out pieces of bids for federal grants. The Office of Legislative Audits (OLA) found that federal grant applications were an improper use of the artists exemption, as the grants did not always involve television production, *i.e.*, the grants were often for web sites or other educational non-television media.

State Fiscal Effect: MPBC may be able to secure additional federal grants through the flexibility provided by this exemption from the procurement laws. In that OLA found that MPBC was using its existing exemption improperly in order to bid on federal grants, the bill allows MPBC to continue to bid on these federal projects with a valid exemption from the State procurement laws.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Public Broadcasting Commission, Department of General Services, Board of Public Works, Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2005
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