

HOUSE BILL 1192

P1, P2

9lr3008
CF SB 556

By: **Delegates Conway, Aumann, Bohanan, Branch, G. Clagett, DeBoy, Gaines, Griffith, Haynes, James, Jones, Levy, Malone, Mathias, McIntosh, O'Donnell, Proctor, Robinson, Rudolph, Shank, and Wood**

Introduced and read first time: February 13, 2009

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 25, 2009

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

21 Annotated Code of Maryland

22 (2006 Replacement Volume and 2008 Supplement)

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

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

8 **Article – State Finance and Procurement**

9 **7-406.**

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
11 MEANINGS INDICATED.

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

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

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

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

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

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

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

29 ~~(I)~~ 1. A SUMMARY OF THE PURPOSE FOR WHICH THE
30 STATE AID WAS PROVIDED;

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

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

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

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

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

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

16 **1. A SUMMARY OF THE PURPOSE FOR WHICH THE**
17 **STATE AID WAS EXPENDED;**

18 **2. A DESCRIPTION OF HOW THE STATE AID SERVED**
19 **THE CITIZENS OF THE STATE; AND**

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

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

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

32 **(c) (1) THE DEPARTMENT, IN CONSULTATION WITH THE**
33 **DEPARTMENT OF BUDGET AND MANAGEMENT, SHALL DEVELOP AND OPERATE**
34 **A SEARCHABLE WEBSITE, ACCESSIBLE TO THE PUBLIC AT NO COST THROUGH**
35 **THE INTERNET.**

1 (2) THE SEARCHABLE WEBSITE SHALL CONTAIN THE
 2 INFORMATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION AND BE
 3 SEARCHABLE BY THE NAME OF THE GRANTEE OR BY THE GENERAL SUBJECT
 4 MATTER OF THE STATE AID.

5 ~~(D) A GRANTEE IS SUBJECT TO AUDIT BY THE STATE LEGISLATIVE
 6 AUDITOR AS PROVIDED UNDER § 2-1220(B) OF THE STATE GOVERNMENT
 7 ARTICLE.~~

8 ~~Article — State Government~~

9 ~~2-1220.~~

10 (b) ~~(1) If the General Assembly, by resolution, or the Joint Audit
 11 Committee so directs, the Office of Legislative Audits shall conduct an audit or review
 12 of a corporation or association to which the General Assembly has appropriated money
 13 or that has received funds from an appropriation from the State Treasury.~~

14 ~~(2) THE OFFICE OF LEGISLATIVE AUDITS MAY CONDUCT AN
 15 AUDIT OR REVIEW OF THE USE OF STATE AID BY A GRANTEE AS DEFINED IN §
 16 7-406 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND THE
 17 ACCURACY OF THE REPORT FILED UNDER § 7-406 OF THE STATE FINANCE AND
 18 PROCUREMENT ARTICLE IF THE GRANTEE IS APPROPRIATED OR GRANTED
 19 MORE THAN \$100,000 IN THE STATE OPERATING OR CAPITAL BUDGET OR BY
 20 THE ACTION OF A UNIT OF STATE GOVERNMENT FROM STATE FUNDS
 21 APPROPRIATED TO THAT UNIT.~~

22 ~~(3) (i) ON OR BEFORE THE BEGINNING OF EACH FISCAL YEAR,
 23 THE OFFICE OF LEGISLATIVE AUDITS SHALL:~~

24 ~~1. SPECIFY A PERCENTAGE OF GRANTEES REQUIRED
 25 TO FILE A REPORT UNDER § 7-406 OF THE STATE FINANCE AND PROCUREMENT
 26 ARTICLE THAT WILL BE SUBJECT TO AUDIT AND REVIEW; AND~~

27 ~~2. REPORT THE SPECIFIED PERCENTAGE TO THE
 28 LEGISLATIVE POLICY COMMITTEE.~~

29 ~~(H) EACH FISCAL YEAR, THE OFFICE OF LEGISLATIVE
 30 AUDITS SHALL AUDIT OR REVIEW THE SPECIFIED PERCENTAGE OF GRANTEES
 31 REQUIRED TO FILE A REPORT UNDER § 7-406 OF THE STATE FINANCE AND
 32 PROCUREMENT ARTICLE.~~

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.