SENATE BILL 556

P1, P2 9lr1285 CF HB 1192

By: Senators Jones, Miller, Brinkley, Colburn, Conway, Currie, DeGrange, Exum, Forehand, Frosh, Garagiola, Gladden, Glassman, Greenip, Haines, Harrington, Harris, Jacobs, Kasemeyer, Kelley, King, Kittleman, Klausmeier, Lenett, Madaleno, McFadden, Middleton, Munson, Muse, Peters, Pinsky, Pugh, Raskin, Robey, Simonaire, Stoltzfus, Stone, and Zirkin

Introduced and read first time: February 5, 2009

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2009

CHAPTER _____

1 AN ACT concerning

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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 of Legislative Audits to conduct certain audits of certain grantees that receive at 12 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; defining certain terms; and generally providing for the reporting and auditing of 16 17 certain grantees receiving certain State aid.

18 BY adding to

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Article – State Finance and Procurement

20 Section 7–406

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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STATE AID WAS PROVIDED;

$rac{1}{2}$	Annotated Code of Maryland (2006 Replacement Volume and 2008 Supplement)
4	(2006 Replacement Volume and 2006 Supplement)
3	BY repealing and reenacting, with amendments,
4	Article - State Government
5	Section 2–1220(b)
6	Annotated Code of Maryland
7	(2004 Replacement Volume and 2008 Supplement)
8	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
9	MARYLAND, That the Laws of Maryland read as follows:
10	Article - State Finance and Procurement
11	7–406.
10	(A) (1) In this spectron the policyway words trave the
12 13	(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
10	MEANINGS INDICATED.
14	(2) "DEPARTMENT" MEANS THE DEPARTMENT OF BUDGET AND
15	MANAGEMENT INFORMATION TECHNOLOGY.
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16	(3) (I) "GRANTEE" MEANS A FOR PROFIT OR NONPROFIT
17	ENTITY OR ASSOCIATION THAT RECEIVES STATE AID DURING A FISCAL YEAR.
18	(II) "GRANTEE" DOES NOT INCLUDE A UNIT OF STATE OR
19	LOCAL GOVERNMENT.
2.0	
20	(4) (I) "STATE AID" MEANS A CONTRIBUTION, GRANT, OR
21	SUBSIDY OF MONEY \$50,000 OR MORE PROVIDED THROUGH THE STATE
2223	OPERATING OR CAPITAL BUDGET OR BY THE ACTION OF A UNIT OF STATE
<i>2</i> 0	GOVERNMENT FROM STATE FUNDS APPROPRIATED TO THAT UNIT.
24	(II) "STATE AID" DOES NOT INCLUDE REIMBURSEMENTS TO
25	PROVIDERS PARTICIPATING IN A STATE PROGRAM.
26	(B) (1) (I) A GRANTEE SHALL SUBMIT A REPORT AS PROVIDED IN
27	THIS SUBSECTION TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1 AFTER
28	THE CLOSE OF EACH FISCAL YEAR IN WHICH THE GRANTEE RECEIVES STATE
29	AID.
30	(2) (II) THE REPORT SHALL CONTAIN:
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31	(1) 1. A SUMMARY OF THE PURPOSE FOR WHICH THE

$\frac{1}{2}$	(H) 2. THE NUMBER OF JOBS CREATED OR RETAINED AS A RESULT OF THE STATE AID;
_	THE STITE IND,
3	$\frac{\text{(HI)}}{3.}$ THE AMOUNT AND SOURCE OF ANY FUNDS OTHER
4	THAN STATE AID THE GRANTEE WAS ABLE TO SECURE FOR THE PURPOSE FOR
5	WHICH THE STATE AID WAS PROVIDED OR AS A RESULT OF THE STATE AID;
6	(IV) 4. A DESCRIPTION OF HOW THE STATE AID SERVED
7	THE CITIZENS OF THE STATE; AND
0	(-) • · · · · · · · · · · · · · · · · · ·
8	(V) <u>5.</u> THE NUMBER OF CITIZENS SERVED AS A RESULT
9	OF THE STATE AID.
10	(2) (I) A NONPUBLIC INSTITUTION OF HIGHER EDUCATION
11	THAT RECEIVES STATE AID AS PROVIDED IN § 17–101 OF THE EDUCATION
12	ARTICLE, OR A GRANT THROUGH THE STATE CAPITAL BUDGET, SHALL SUBMIT A
13	REPORT TO THE MARYLAND INDEPENDENT COLLEGE AND UNIVERSITY
14	ASSOCIATION ON OR BEFORE SEPTEMBER 1 AFTER THE CLOSE OF EACH FISCAL
15	YEAR IN WHICH THE GRANTEE RECEIVES STATE AID.
1.0	
16	(II) THE REPORT REQUIRED UNDER SUBPARAGRAPH (I) OF
17	THIS PARAGRAPH SHALL CONTAIN:
18	1. A SUMMARY OF THE PURPOSE FOR WHICH THE
19	STATE AID WAS EXPENDED;
20	2. A DESCRIPTION OF HOW THE STATE AID SERVED
21	THE CITIZENS OF THE STATE; AND
22	3. THE ALIGNMENT OF THE USES OF THE STATE AID
23	WITH THE GOALS DEFINED IN THE MARYLAND STATE PLAN FOR
24	POSTSECONDARY EDUCATION.
25	(III) THE MARYLAND INDEPENDENT COLLEGE AND
26	University Association shall submit a report to the Department on
27	OR BEFORE OCTOBER 1 AFTER THE CLOSE OF EACH FISCAL YEAR, WHICH
28	SHALL SUMMARIZE THE INFORMATION REPORTED UNDER SUBPARAGRAPH (II)
29	OF THIS PARAGRAPH.
30	(3) The report reports required under this subsection
31	SHALL BE IN THE FORM AND FORMAT, INCLUDING ELECTRONIC FORMAT, THAT
32	THE DEPARTMENT, AFTER CONSULTATION WITH THE DEPARTMENT OF BUDGET
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AND MANAGEMENT, REQUIRES.

1 2 3 4	(C) (1) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF BUDGET AND MANAGEMENT, SHALL DEVELOP AND OPERATE A SEARCHABLE WEBSITE, ACCESSIBLE TO THE PUBLIC AT NO COST THROUGH THE INTERNET.
5	(2) THE SEARCHABLE WEBSITE SHALL CONTAIN THE
6	INFORMATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION AND BE
7	SEARCHABLE BY THE NAME OF THE GRANTEE OR BY THE GENERAL SUBJECT
8	MATTER OF THE STATE AID.
9	(D) A GRANTEE IS SUBJECT TO AUDIT BY THE STATE LEGISLATIVE
10	AUDITOR AS PROVIDED UNDER § 2-1220(B) OF THE STATE GOVERNMENT
11	ARTICLE.
12	Article - State Government
13	2-1220.
14 15 16 17	(b) (1) If the General Assembly, by resolution, or the Joint Audit Committee so directs, the Office of Legislative Audits shall conduct an audit or review of a corporation or association to which the General Assembly has appropriated money or that has received funds from an appropriation from the State Treasury.
18	(2) THE OFFICE OF LEGISLATIVE AUDITS MAY CONDUCT AN
19	AUDIT OR REVIEW OF THE USE OF STATE AID BY A GRANTEE AS DEFINED IN §
20	-7-406 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND THE
21	ACCURACY OF THE REPORT FILED UNDER § 7-406 OF THE STATE FINANCE AND
22	PROCUREMENT ARTICLE IF THE GRANTEE IS APPROPRIATED OR GRANTED
23	MORE THAN \$100,000 IN THE STATE OPERATING OR CAPITAL BUDGET OR BY
24	THE ACTION OF A UNIT OF STATE GOVERNMENT FROM STATE FUNDS
25	APPROPRIATED TO THAT UNIT.
26	(3) (1) On or before the beginning of each fiscal year,
27	THE OFFICE OF LEGISLATIVE AUDITS SHALL:
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28	1. SPECIFY A PERCENTAGE OF GRANTEES REQUIRED
29	TO FILE A REPORT UNDER § 7–406 OF THE STATE FINANCE AND PROCUREMENT
30	ARTICLE THAT WILL BE SUBJECT TO AUDIT AND REVIEW; AND
31	2. REPORT THE SPECIFIED PERCENTAGE TO THE
32	LEGISLATIVE POLICY COMMITTEE.
33	(H) EACH FISCAL YEAR, THE OFFICE OF LEGISLATIVE
34	AUDITS SHALL AUDIT OR REVIEW THE SPECIFIED PERCENTAGE OF GRANTEES

(D) REVIEW OF	THE OFFICE OF LEGISLATIVE AUDITS MAY CONDUCT AN AUDIT OF A GRANTEE IN ACCORDANCE WITH §§ 2–1221 THROUGH 2–1227 C
	E GOVERNMENT ARTICLE.
SECT June 1, 200	ΓΙΟΝ 2. AND BE IT FURTHER ENACTED, That this Act shall take effe 9.
Approved:	
	Governor.
	President of the Senate.
	Speaker of the House of Delegates.