

## CHAPTER 558

(Senate Bill 556)

AN ACT concerning

### State Funding Accountability Act

FOR the purpose of requiring certain ~~grantees that receive~~ *grantors that provide* certain State aid to submit ~~a report~~ certain reports to the Department of ~~Budget and Management Information Technology~~ *Budget and Management* by a certain date; ~~requiring certain nonpublic institutions of higher education to submit certain reports to a certain association; requiring a certain association to submit a certain report by a certain date;~~ requiring ~~the report~~ certain reports to contain certain information and be provided in a certain form; requiring the Department ~~of Information Technology, in consultation with the Department of Budget and Management,~~ *of Information Technology, in consultation with the Department of Budget and Management,* to develop and operate a certain searchable website providing certain information; authorizing the Office of Legislative Audits to conduct certain audits of certain grantees ~~that receive at least a certain appropriation or grant in the operating or capital budget or from the action of a unit of State government;~~ requiring the Office of Legislative Audits to identify ~~for a certain audit a certain percentage of grantees each year;~~ defining certain terms; and generally providing for the reporting ~~of certain grantors~~ *of certain grantors* and auditing of certain grantees receiving certain State aid.

BY adding to

Article – State Finance and Procurement  
Section 7–406  
Annotated Code of Maryland  
(2006 Replacement Volume and 2008 Supplement)

~~BY repealing and reenacting, with amendments,~~

~~Article – State Government  
Section 2–1220(b)  
Annotated Code of Maryland  
(2004 Replacement Volume and 2008 Supplement)~~

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

### Article – State Finance and Procurement

**7–406.**

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

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF ~~BUDGET AND MANAGEMENT INFORMATION TECHNOLOGY~~ BUDGET AND MANAGEMENT.

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

(II) "GRANTEE" DOES NOT INCLUDE A UNIT OF STATE OR LOCAL GOVERNMENT.

(4) "GRANTOR" MEANS A UNIT OF STATE GOVERNMENT OR OTHER STATE ENTITY THAT PROVIDES STATE AID TO A GRANTEE.

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

(II) "STATE AID" DOES NOT INCLUDE REIMBURSEMENTS TO PROVIDERS PARTICIPATING IN A STATE PROGRAM.

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

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

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

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

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

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

~~(v) 5. THE NUMBER OF CITIZENS SERVED AS A RESULT OF THE STATE AID.~~

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

~~(ii) THE REPORT REQUIRED UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH SHALL CONTAIN:~~

~~1. A SUMMARY OF THE PURPOSE FOR WHICH THE STATE AID WAS EXPENDED;~~

~~2. A DESCRIPTION OF HOW THE STATE AID SERVED THE CITIZENS OF THE STATE; AND~~

~~3. THE ALIGNMENT OF THE USES OF THE STATE AID WITH THE GOALS DEFINED IN THE MARYLAND STATE PLAN FOR POSTSECONDARY EDUCATION.~~

~~(iii) THE MARYLAND INDEPENDENT COLLEGE AND UNIVERSITY ASSOCIATION SHALL SUBMIT A REPORT TO THE DEPARTMENT ON OR BEFORE OCTOBER 1 AFTER THE CLOSE OF EACH FISCAL YEAR, WHICH SHALL SUMMARIZE THE INFORMATION REPORTED UNDER SUBPARAGRAPH (ii) OF THIS PARAGRAPH.~~

~~1. THE NAME, ADDRESS, AND ZIP CODE OF EACH GRANTEE THAT RECEIVED STATE AID FROM THE GRANTOR DURING THE PREVIOUS FISCAL YEAR;~~

~~2. THE AMOUNT OF ANY STATE AID PROVIDED TO THE GRANTEE; AND~~

~~3. A DESCRIPTION OF THE STATE AID PROVIDED TO THE GRANTEE.~~

~~(3) (2) THE REPORT REPORTS REQUIRED UNDER THIS SUBSECTION SHALL BE IN THE FORM AND FORMAT, INCLUDING ELECTRONIC FORMAT, THAT THE DEPARTMENT, AFTER CONSULTATION WITH THE DEPARTMENT OF BUDGET AND MANAGEMENT INFORMATION TECHNOLOGY, REQUIRES.~~

(C) (1) THE DEPARTMENT OF INFORMATION TECHNOLOGY, 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.

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

(I) THE NAME OF THE GRANTOR THAT PROVIDED THE STATE AID;

(II) THE NAME OF THE GRANTEE THAT RECEIVED THE STATE AID;

(III) THE AMOUNT OF THE STATE AID THAT WAS PROVIDED TO THE GRANTEE;

(IV) THE ZIP CODE OF THE GRANTEE THAT RECEIVED THE STATE AID; AND

(V) A DESCRIPTION OF THE STATE AID THAT WAS PROVIDED TO THE GRANTEE.

(3) THE SEARCHABLE WEBSITE SHALL ALLOW A USER TO SEARCH BY THE FOLLOWING DATA FIELDS:

(I) THE GRANTEE THAT RECEIVED THE STATE AID;

(II) THE GRANTOR THAT PROVIDED THE STATE AID; AND

(III) THE ZIP CODE OF ANY GRANTEE THAT RECEIVED STATE AID.

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

~~Article - State Government~~

~~(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.~~

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

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

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

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

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

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

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

Approved by the Governor, May 19, 2009.