

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 355

(Delegate Patterson, *et al.*)

Ways and Means

Education, Health, and Environmental Affairs

Education – County Boards of Education – Disclosures and Requirements

This bill requires each county school board to annually report specified information for the immediately preceding fiscal year to the Department of Budget and Management (DBM) beginning January 1, 2020. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: DBM can implement the bill’s requirements with existing resources. Revenues are not affected.

Local Effect: The bill has an operational impact on all local school systems and may have a fiscal impact, as discussed below. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: The bill defines a “payee” as any party who receives an aggregate payment of \$25,000 in a fiscal year from a school board. A “payee” does not include (1) a public school employee with respect to the employee’s compensation; (2) a public school retiree with respect to the retiree’s retirement allowance; or (3) in Baltimore County, a third-party payee that accepts specified employee payroll-related payments.

Required Reporting

Each county school board must annually report (1) the name of a payee receiving a payment; (2) the location of a payee by postal zip code; (3) the amount of a payment; (4) for

the Baltimore County Board of Education, the purpose for the payment and whether the payee is a minority business enterprise; and (5) for the Prince George’s County Board of Education, the budget data prepared under § 5-101 of the Education Article.

For specified counties, the bill requires several years of prior-year data. The number of years of required data for each county is shown in **Exhibit 1**.

Exhibit 1
Prior Years of School System Data
Required by the Bill

<u>Local Board of Education</u>	<u>Required Years of Data</u>
Anne Arundel County	Fiscal 2017-2018
Baltimore County	Fiscal 2012-2018
Howard County	Fiscal 2011-2018
Montgomery County	Fiscal 2010-2018
Prince George’s County	Fiscal 2012-2018
All Other Counties	Fiscal 2018 only

Source: Department of Legislative Services

DBM must post the required information on its [Funding Accountability and Transparency website](#). The bill’s reporting requirements may not be construed to require the disclosure of information that is confidential under federal, State, or local law.

Public Information Act

If the custodian of a public record for a local school system charges an applicant an allowable fee, the custodian must provide written notice to the applicant that the applicant may file a complaint with the State Public Information Act Compliance Board to contest the fee.

Current Law: Maryland’s Public Information Act (PIA) establishes that all persons are entitled to have access to information about the affairs of government and the official acts of public officials and employees. Each governmental unit that maintains public records must identify a representative who a member of the public may contact to request a public record. The Office of the Attorney General (OAG) must post all such contact information on its website and in any *Public Information Act Manual* published by OAG.

An official custodian may charge the actual cost for the search, preparation, and reproduction of any public record in a *standard* format. This includes the cost of media and mechanical processing. If a public record is requested by an applicant to be provided in a *customized* format, an official custodian may charge a reasonable fee for search, preparation, and reproduction of the public record. PIA authorizes additional fees for special circumstances, and also authorizes the waiver of fees in specified circumstances.

Local Fiscal Effect: The bill has an operational impact on all local school systems, which are required to report data annually to DBM. The exact impact likely varies by jurisdiction. However, several school systems provided information to the Department of Legislative Services on the impact of the bill.

- Anne Arundel County Public Schools advises that the bill's requirements related to data reporting do not have a direct fiscal impact on the school system, although they likely require staff time.
- Baltimore City Public Schools advises that it anticipates creating and maintaining a new database to report on the required transactions under the bill, resulting in a minimal increase in information technology costs.
- Wicomico County Public Schools advises that the bill may result in additional costs related to the reporting requirements. However, the school system is unable to estimate an exact fiscal impact.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education; Department of Budget and Management; State Ethics Commission; Baltimore City Public Schools; Anne Arundel County Public Schools; Wicomico County Public Schools; Department of Legislative Services

Fiscal Note History:
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