

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 630

(Senator Kagan, *et al.*)

Education, Health, and Environmental Affairs

Health and Government Operations

Grant Applications and Reporting - Uniform Forms and Requirements

This bill establishes the Maryland Efficient Grant Application Council to study and make recommendations to the Governor's Grants Office and the Department of Budget and Management (DBM) regarding the entire grants life cycle. By July 1, 2024, the council must submit a report on its full recommendations to DBM and the General Assembly. DBM must submit reports on the council's progress (annually from 2021 through 2026). By October 1, 2020, each State grant-making agency must appoint a chief accountability officer to serve as liaison to the council and perform other related responsibilities. **The bill takes effect July 1, 2020, and terminates June 30, 2025.**

Fiscal Summary

State Effect: DBM and other grant-making agencies can implement the bill's requirements with existing resources. Any staffing requirements and expense reimbursements for members of the council are assumed to be minimal and absorbable within existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The purpose of the council's work is to improve efficiency, streamline and reduce redundant processes, reduce paperwork and administrative burdens on granting agencies and grant recipients, and facilitate the development and implementation of a statewide centralized grants management and accountability system. Staffing for the

council is shared among the agencies represented on the council. A member of the council may not receive compensation but is entitled to reimbursement for expenses. The council must advise the Governor's Grants Office on the implementation of the bill and monitor and report to the office and DBM on the State's progress toward implementing the bill's requirements. In developing materials and recommendations, the council must solicit the input of diverse stakeholders and establish one or more issue working groups that reflect the demographic diversity of the State as well as the diversity of grant programs and grant recipients.

Among the areas that the council must study are:

- the creation of a uniform grant application form, uniform financial controls and reporting requirements, and uniform performance progress reporting requirements; and
- regulations that adopt each part of the federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("uniform guidance"), with appropriate modifications, for its application to State grant-making.

The council must make recommendations related to (1) timeframes and deadlines for the tasks described above; (2) deadlines for the use and implementation of the forms and other materials described above; and (3) deadlines for grant-making entities to administer State and federal grants in accordance with the uniform guidance.

The Governor's Grants Office must provide technical assistance and interpretations of policy requirements to ensure effective and efficient implementation.

Current Law: There are no provisions in State law regarding the use of uniform grant application forms or reporting requirements for State and federal grants.

According to the federal Office of Management and Budget, the purpose of the uniform guidance is to reduce the administrative burden on award recipients and, at the same time, guard against the risk of waste and misuse of federal funds. Among other things, the uniform guidance:

- removes previous guidance that is conflicting and establishes standard language;
- directs the focus of audits on areas that have been identified as at risk for waste, fraud, and abuse;

- lays the groundwork for federal agencies to standardize the processing of data; and
- clarifies and updates cost reporting guidelines for award recipients.

Nonprofit organizations that receive a grant or contract for the provision of services that is funded wholly with State funds or with a combination of State and other nonfederal funds must be reimbursed for indirect costs at rates determined, in some instances, in accordance with the uniform guidance.

Background: The Governor’s Grants Office provides resources, training, research, and guidance to State agencies, local governments, nonprofit organizations, and constituents on all aspects of State and federal grants that flow through the State.

Additional Comments: Under the bill, DBM must continue to report on the council’s progress through December 2026, which is 18 months after the bill terminates.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 1539 (Delegate Stein, *et al.*) - Health and Government Operations.

Information Source(s): Governor’s Office; Governor’s Office of Crime Prevention, Youth, and Victim Services; Maryland State Treasurer’s Office; Department of Budget and Management; Maryland Department of Health; Department of Housing and Community Development; Board of Public Works; U.S. Office of Management and Budget; Department of Legislative Services

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