F1 9lr0168 CF 9lr0169

By: The President (By Request - Administration)

Introduced and read first time: January 21, 2019

Assigned to: Budget and Taxation and Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2

Public Charter School Facility Fund

3 FOR the purpose of establishing the Public Charter School Facility Fund as a special, 4 nonlapsing fund; specifying the purpose of the Fund; requiring the State Department 5 of Education to administer the Fund; requiring the State Treasurer to hold the Fund 6 and the Comptroller to account for the Fund; specifying the contents of the Fund; 7 specifying the purpose for which the Fund may be used; providing for the investment 8 of money in and expenditures from the Fund; requiring interest earnings of the Fund 9 to be credited to the Fund; exempting the Fund from a certain provision of law requiring interest earnings on State money to accrue to the General Fund of the 10 11 State; requiring the amount of funding provided to a public charter school for each 12 fiscal year to be equal to certain facility expenses, subject to a certain limitation; 13 requiring the Governor to appropriate a certain amount to the Fund each year; 14 requiring the Department to establish certain procedures for public charter schools 15 to request funds; requiring the Department to establish certain award procedures; 16 defining certain terms; providing for the construction of this Act; and generally 17 relating to the Public Charter School Facility Fund.

- 18 BY repealing and reenacting, without amendments.
- 19 Article Education
- 20 Section 1–101(f)
- 21 Annotated Code of Maryland
- 22 (2018 Replacement Volume and 2018 Supplement)
- 23 BY adding to
- 24 Article Education
- 25 Section 5–324
- 26 Annotated Code of Maryland
- 27 (2018 Replacement Volume and 2018 Supplement)
- 28 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



| 1 | Article – State Finance and Procurement |
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| 2 | Section 6–226(a)(2)(i) |
| 3 | Annotated Code of Maryland |
| 4 | (2015 Replacement Volume and 2018 Supplement) |
| 5 | BY repealing and reenacting, with amendments, |
| 6 | Article – State Finance and Procurement |
| 7 | Section 6–226(a)(2)(ii)112. and 113. |
| 8 9 | Annotated Code of Maryland (2015 Replacement Volume and 2018 Supplement) |
| 9 | (2013 Replacement volume and 2016 Supplement) |
| 10 | BY adding to |
| 11 | Article – State Finance and Procurement |
| 12 | Section $6-226(a)(2)(ii)114$. |
| 13 14 | Annotated Code of Maryland (2015 Replacement Volume and 2018 Supplement) |
| 14 | (2013 Replacement Volume and 2016 Supplement) |
| 15 | SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, |
| 16 | That the Laws of Maryland read as follows: |
| 17 | Article - Education |
| 18 | 1–101. |
| | |
| 19 | (f) "Department" means the State Department of Education. |
| 20 | 5-324. |
| | |
| 21 | (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS |
| 22 | INDICATED. |
| 23 | (2) "ELIGIBLE FACILITY EXPENSES" MEANS EXPENSES INCURRED BY |
| 24 | A PUBLIC CHARTER SCHOOL TO ACQUIRE, PLAN, DEVELOP, FINANCE, CONSTRUCT, |
| 25 | LEASE, IMPROVE, REPAIR, AND MAINTAIN PUBLIC CHARTER SCHOOL FACILITIES. |
| | |
| 26 | (3) "FUND" MEANS THE PUBLIC CHARTER SCHOOL FACILITY FUND. |
| 27 | (4) "Public Charter School" has the meaning stated in § |
| 28 | 9–102 OF THIS ARTICLE. |
| 0.0 | (P) ((P) |
| 29 | (5) "PUBLIC CHARTER SCHOOL FACILITIES" MEANS PREMISES THAT |
| 30 | ARE: |
| 31 | (I) OWNED OR LEASED BY A PUBLIC CHARTER SCHOOL; AND |

- 1 (II) OCCUPIED AND UTILIZED BY A PUBLIC CHARTER SCHOOL 2 TO PROVIDE A PROGRAM OF PRIMARY OR SECONDARY EDUCATION TO ITS STUDENTS
- 3 UNDER TITLE 9 OF THIS ARTICLE.
- 4 (B) THERE IS A PUBLIC CHARTER SCHOOL FACILITY FUND.
- 5 (C) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING ON AN ANNUAL
- 6 BASIS TO PUBLIC CHARTER SCHOOLS IN THE STATE TO ACQUIRE, PLAN, DEVELOP,
- 7 FINANCE, CONSTRUCT, LEASE, IMPROVE, REPAIR, AND MAINTAIN PUBLIC CHARTER
- 8 SCHOOL FACILITIES.
- 9 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.
- 10 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT 11 SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.
- 12 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, 13 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.
- 14 (F) THE FUND CONSISTS OF:
- 15 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
- 16 (2) ANY INTEREST EARNINGS OF THE FUND; AND
- 17 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR 18 THE BENEFIT OF THE FUND.
- 19 (G) THE FUND MAY BE USED ONLY TO PROVIDE FUNDING TO PUBLIC
- 20 CHARTER SCHOOLS IN THE STATE TO ACQUIRE, PLAN, DEVELOP, FINANCE,
- 21 CONSTRUCT, LEASE, IMPROVE, REPAIR, AND MAINTAIN PUBLIC CHARTER SCHOOL
- 22 FACILITIES.
- 23 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
- 24 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.
- 25 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
- 26 THE FUND.
- 27 (I) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE AMOUNT
- 28 OF FUNDING PROVIDED TO A PUBLIC CHARTER SCHOOL UNDER THIS SECTION FOR
- 29 EACH FISCAL YEAR SHALL BE EQUAL TO THE ELIGIBLE FACILITY EXPENSES THAT
- 30 THE PUBLIC CHARTER SCHOOL DEMONSTRATES THAT IT INCURRED DURING THE

1 IMMEDIATELY PRECEDING FISCAL YEAR.

- 2 (2) THE GOVERNOR ANNUALLY SHALL APPROPRIATE TO THE FUND 3 AN AMOUNT THAT EQUALS OR EXCEEDS THE TOTAL AGGREGATE ENROLLMENT IN
- 4 PUBLIC CHARTER SCHOOLS IN THE STATE MULTIPLIED BY \$1,600.
- 5 (3) THE AMOUNT OF FUNDING PROVIDED TO A PUBLIC CHARTER
- 6 SCHOOL UNDER THIS SECTION FOR A SINGLE FISCAL YEAR MAY NOT EXCEED \$1,600
- 7 PER PUPIL ENROLLED IN THE PUBLIC CHARTER SCHOOL AS OF SEPTEMBER 30 OF
- 8 THAT FISCAL YEAR.
- 9 (J) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT SHALL ESTABLISH APPLICATION PROCEDURES FOR PUBLIC CHARTER SCHOOLS TO REQUEST FUNDS UNDER THIS SECTION.
- 12 **(2)** THE DEPARTMENT SHALL ESTABLISH AWARD PROCEDURES TO MAKE AWARDS DISTRIBUTED FROM THE FUND NOT MORE THAN 45 DAYS AFTER RECEIVING AN APPLICATION.
- 15 (K) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO REDUCE THE AMOUNT OF FUNDING TO WHICH PUBLIC CHARTER SCHOOLS ARE ENTITLED UNDER \$ 9–109 OF THIS ARTICLE.

18 Article – State Finance and Procurement

- 19 6–226.
- 20 (a) (2) (i) Notwithstanding any other provision of law, and unless
- 21 inconsistent with a federal law, grant agreement, or other federal requirement or with the
- 22 terms of a gift or settlement agreement, net interest on all State money allocated by the
- 23 State Treasurer under this section to special funds or accounts, and otherwise entitled to
- 24 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
- 25 Fund of the State.
- 26 (ii) The provisions of subparagraph (i) of this paragraph do not apply
- 27 to the following funds:
- 28 112. the Pretrial Services Program Grant Fund; [and]
- 29 113. the Veteran Employment and Transition Success Fund;
- 30 **AND**
- 31 114. THE PUBLIC CHARTER SCHOOL FACILITY FUND.
- 32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July

1 1, 2019.