

SENATE BILL 856

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By: **Senator McKay**

Introduced and read first time: February 2, 2024

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Education – Minimum School Funding – Waiver**

3 FOR the purpose of authorizing a county board to apply for a waiver from the State
4 Department of Education and the Accountability and Implementation Board from
5 minimum school funding requirements under certain circumstances; requiring the
6 Department and the Accountability and Implementation Board to grant a certain
7 waiver under certain circumstances; and generally relating to minimum school
8 funding.

9 BY repealing and reenacting, with amendments,
10 Article – Education
11 Section 5–234
12 Annotated Code of Maryland
13 (2022 Replacement Volume and 2023 Supplement)

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

16 **Article – Education**

17 5–234.

18 (a) (1) Except as provided by paragraph (2) of this subsection and subsections
19 (e) [and], (f), AND (G) of this section, for each of the following programs, “minimum school
20 funding” means at least 75% of the per pupil amount applicable to each of the following
21 programs:

22 (i) The foundation program under § 5–213 of this subtitle;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (ii) The compensatory education program under § 5–222 of this
2 subtitle;
- 3 (iii) The English learner education program under § 5–224 of this
4 subtitle;
- 5 (iv) The special education program under § 5–225 of this subtitle;
- 6 (v) Public providers of prekindergarten under § 5–229 of this
7 subtitle;
- 8 (vi) Transitional supplemental instruction under § 5–226 of this
9 subtitle;
- 10 (vii) The comparable wage index grant under § 5–216 of this subtitle;
11 and
- 12 (viii) The college and career readiness program under § 5–217 of this
13 subtitle.

14 (2) Except as provided by [subsection] **SUBSECTIONS (e) AND (G)** of this
15 section, for each of the following programs, “minimum school funding” means 100% of the
16 per pupil amount applicable to each of the following programs:

- 17 (i) Private providers of prekindergarten under § 5–229 of this
18 subtitle; and
- 19 (ii) The per pupil grant under the concentration of poverty program
20 under § 5–223 of this subtitle.

21 (b) (1) For each school, the county board shall distribute the minimum school
22 funding amount for the applicable program multiplied by the school enrollment for the
23 applicable program.

24 (2) On or before July 1, 2024, for fiscal year 2025, and each July 1
25 thereafter, each county board shall report on the county board’s compliance with this
26 section to the Department and the Accountability and Implementation Board established
27 under Subtitle 4 of this title.

28 (3) A county board may request a waiver under § 5–406 of this title from
29 this provision for reasons including:

30 (i) A significant shift in total school–level enrollment between the
31 prior year and the current year;

32 (ii) A significant shift in school–level enrollment of at–promise
33 students between the prior year and the current year; and

1 (iii) A significant difference in the amount of funding provided
2 through the formula and the amount of expenditures necessary for a category of at-promise
3 students.

4 (c) On or before July 1, 2023, the Department shall, in collaboration with the
5 Accountability and Implementation Board established under Subtitle 4 of this title:

6 (1) Implement a financial management system and student data system
7 capable of tracking and analyzing the requirements under this section and integrating local
8 school system data; and

9 (2) Update the “Financial Reporting Manual for Maryland Public Schools”
10 to ensure uniformity in reporting expenditures for each school.

11 (d) For fiscal years 2023 and 2024, each county board and the Department shall
12 report to the Accountability and Implementation Board established under Subtitle 4 of this
13 title expenditures for each school in accordance with the federal Every Student Succeeds
14 Act requirements for reporting expenditures.

15 (e) (1) A county board may exclude from the requirements of this section,
16 countywide obligations and contracts for goods and services that cannot be allocated at the
17 school level.

18 (2) If a county board makes the exclusion under paragraph (1) of this
19 subsection, the county board shall report the reason for the exclusion to the Department.

20 (f) For the purposes of this section, subsection (a)(1)(iv) of this section may be
21 reported in the aggregate for each county.

22 **(G) A COUNTY BOARD MAY APPLY TO THE DEPARTMENT AND THE**
23 **ACCOUNTABILITY AND IMPLEMENTATION BOARD FOR A WAIVER FROM THE**
24 **REQUIREMENTS OF THIS SECTION FOR A SCHOOL THAT HAS A TOTAL OF FEWER**
25 **THAN 300 STUDENTS AND THE DEPARTMENT AND THE ACCOUNTABILITY AND**
26 **IMPLEMENTATION BOARD SHALL GRANT THE WAIVER.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2024.