

BY: Budget and Taxation Committee

AMENDMENTS TO HOUSE BILL NO. 7

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “Budgets” in line 2 down through “Compliance” in line 3, and substitute “School Budget and Maintenance of Effort Requirements”; strike beginning with “making” in line 4 down through “terms;” in line 13 and substitute “altering certain categories required to be included in the annual budget prepared by each county board of education, not including Baltimore City; requiring the county boards to include certain information with their annual budgets; altering certain requirements on the county governments relating to reductions in the annual budgets of the county boards; requiring a county board to submit a certain report to the county governing body regarding alterations to its budget; altering certain requirements on the county boards to spend revenues in accordance with their annual budgets; altering certain reporting requirements relating to transfers made by the county boards within their annual budgets; requiring a county board to submit certain reports to the county governing body under certain circumstances; establishing certain procedures in cases where a county board has failed to comply with certain requirements; requiring a county board at the request of the county governing body to report to the county governing body on the school system’s operations on or before certain dates; altering certain local primary and secondary education funding requirements; defining a certain term;”; in line 13, strike “costs” and substitute “amounts”; strike beginning with “and” in line 16 down through “requirements” in line 19 and substitute “requiring the State Superintendent to submit a certain report to the General Assembly; allowing certain counties to petition the State Board of Education for certain relief under certain circumstances; providing for the application of this Act; and generally relating to the annual budgets of the county boards of education and certain local primary and secondary education funding requirements”.

On page 2, in line 2, strike “(a) and (b)” and substitute “(b) and (c)(2)”; in the same line, after “5-105(c),” insert “and”; in the same line, strike “, and 5-205”; in line 7, strike “5-108.1 and”; in the same line, strike “(e)” and substitute “5-111”; and strike in their entirety lines 15 through 20.

(Over)

AMENDMENT NO. 2

On page 2, strike line 25 in its entirety; and in line 26, strike the bracket.

On page 3, after line 6, insert:

“(c) The budget shall be prepared to include the following categories:

Part I

(2) Current expense fund, requested appropriations:

(i) Administration, which means those activities associated with the general regulations, direction, and control of the county board, including:

1. Executive administration;
2. Business support services; AND
3. Centralized support services; [and
4. Staff providing administration and supervision to the school instructional programs;]

(ii) MID-LEVEL ADMINISTRATION, INCLUDING:

1. THE OFFICE OF THE SCHOOL PRINCIPAL; AND
2. STAFF PROVIDING ADMINISTRATION AND SUPERVISION TO THE SCHOOL INSTRUCTIONAL PROGRAMS;

(III) Instructional salaries, which means those activities which deal directly with teaching students, including:

1. Teachers;

2. Aides;

3. Psychological personnel;

4. Guidance counselors; AND

5. Library personnel; [and

6. The office of the school principal;]

(IV) TEXTBOOKS AND CLASSROOM INSTRUCTIONAL SUPPLIES;

[(iii)] (V) Other instructional costs;

[(iv)] (VI) Special education with subcategories and items budgeted in this category to be determined by the State Board with the advice of the county board;

[(v)] (VII) Student personnel services;

[(vi)] (VIII) Health services;

[(vii)] (IX) Student transportation;

[(viii)] (X) Operation of plant and equipment;

[(ix)] (XI) Maintenance of plant;

[(x)] (XII) Fixed charges;

[(xi)] (XIII) Food services; and

[(xii)] (XIV) Capital outlay.”;

(Over)

in line 19, after “(1)”, insert “(I)”; after line 22, insert:

“(II) A REPORT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE A NARRATIVE SUMMARY THAT CLEARLY INDICATES EACH TRANSFER.”;

in line 28, after “(4)” insert “(I)”; in line 29, after “BODY” insert “AND TO THE STATE SUPERINTENDENT”; in line 30, after “BOARD”, insert “MAKES ANY POLICY DECISION OR”; in the same line, strike “WOULD” and substitute “REASONABLY WOULD BE EXPECTED TO”; and strike in their entirety lines 34 through 37, inclusive, and substitute:

“(II) A REPORT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE AN EXPLANATION OF ANY POLICY DECISION OR ACTION DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, INDICATING ANY REQUEST FOR A TRANSFER BETWEEN CATEGORIES THAT MAY BECOME NECESSARY FOR THE FISCAL YEAR AS A RESULT OF THE DECISION OR ACTION.”.

On page 5, after line 2, insert:

“5-111.

(A) A COUNTY GOVERNING BODY MAY NOTIFY THE DEPARTMENT THAT A LOCAL BOARD HAS NOT COMPLIED WITH ONE OR MORE REPORTING REQUIREMENTS UNDER THIS SUBTITLE OR ONE OF THE EXPENDITURE LIMITATIONS OF § 5-105 OF THIS SUBTITLE.

(B) THE DEPARTMENT SHALL INVESTIGATE A COMPLAINT FILED UNDER THIS SECTION. IF THE STATE SUPERINTENDENT DETERMINES, AFTER TAKING INTO ACCOUNT AGGRAVATING AND MITIGATING CIRCUMSTANCES, THAT A VIOLATION HAS OCCURRED WITHOUT REASONABLE JUSTIFICATION, FOR THE NEXT FISCAL YEAR FOLLOWING THE FINAL DETERMINATION OF A VIOLATION, THE COUNTY BOARD MAY NOT MAKE A LINE ITEM EXPENDITURE, AS DEFINED BY THE MARYLAND BOARD OF EDUCATION REPORTING MANUAL, IN EXCESS OF THE ITEM EXPENDITURE IN THE OPERATING BUDGET APPROVED BY THE COUNTY GOVERNING BODY WITHOUT THE PRIOR APPROVAL OF THE COUNTY GOVERNING BODY. IF THE

COUNTY GOVERNING BODY FAILS TO TAKE ACTION ON A REQUEST FOR APPROVAL WITHIN 30 DAYS AFTER THE RECEIPT OF A WRITTEN REQUEST, THE FAILURE TO TAKE ACTION CONSTITUTES APPROVAL.”.

AMENDMENT NO. 3

On pages 3 and 4, strike in their entirety the lines beginning with line 38 on page 3 through line 27 on page 4, inclusive.

On page 4, in line 29, strike “(1)”; and in line 33, strike “ADJUSTMENT” and substitute “ADJUSTMENTS”.

On pages 4 and 5, strike in their entirety the lines beginning with line 35 on page 4 through line 2 on page 5, inclusive.

AMENDMENT NO. 4

On page 5, in line 12, strike the second set of brackets; strike beginning with “SUBJECT” in line 12 down through “THE” in line 13; in line 14, strike “the greater of”; strike beginning with “or” in line 16 down through “year” in line 17; and in line 28, after “PARAGRAPH.” insert “FOR FISCAL 1997 AND EACH FISCAL YEAR THEREAFTER.”.

On pages 5 and 6, strike in their entirety the lines beginning with line 31 on page 5 through line 24 on page 6, inclusive, and substitute:

“A. ONE-HALF OF THE AMOUNT BY WHICH THE COUNTY’S LOCAL APPROPRIATION TO THE SCHOOL OPERATING BUDGET FOR THE PRIOR FISCAL YEAR EXCEEDED THE MINIMUM APPROPRIATION REQUIRED FOR THAT FISCAL YEAR UNDER THIS PARAGRAPH; AND

B. A NONRECURRING COST THAT IS SUPPLEMENTAL TO THE REGULAR SCHOOL OPERATING BUDGET IF THE EXCLUSION QUALIFIES UNDER THE REGULATIONS ADOPTED BY THE STATE BOARD.

3. THE COUNTY BOARD MUST PRESENT SATISFACTORY

EVIDENCE TO THE COUNTY GOVERNMENT THAT ANY SUPPLEMENTAL SPENDING UNDER SUB-SUBPARAGRAPH 2 B OF THIS SUBPARAGRAPH IS USED ONLY FOR THE PURPOSE DESIGNATED BY THE COUNTY GOVERNMENT IN ITS REQUEST FOR APPROVAL.

(IV) 1. THE PROVISIONS OF THIS PARAGRAPH DO NOT APPLY TO A COUNTY IF THE COUNTY IS GRANTED A TEMPORARY WAIVER OR PARTIAL WAIVER FROM THE PROVISIONS BY THE STATE BOARD OF EDUCATION BASED ON A DETERMINATION THAT THE COUNTY'S FISCAL CONDITION SIGNIFICANTLY IMPEDES THE COUNTY'S ABILITY TO FUND THE MAINTENANCE OF EFFORT REQUIREMENT.

2. AFTER A PUBLIC HEARING, THE STATE BOARD OF EDUCATION MAY GRANT A WAIVER UNDER THIS SUBPARAGRAPH IN ACCORDANCE WITH ITS REGULATIONS.

3. IN ORDER TO QUALIFY FOR THE WAIVER UNDER THIS SUBPARAGRAPH FOR A FISCAL YEAR, A COUNTY SHALL MAKE A REQUEST FOR A WAIVER TO THE STATE BOARD OF EDUCATION BY APRIL 1 OF THE PRIOR FISCAL YEAR.

4. THE STATE BOARD OF EDUCATION SHALL INFORM THE COUNTY WHETHER THE WAIVER FOR A FISCAL YEAR IS APPROVED OR DENIED IN WHOLE OR IN PART BY MAY 15 OF THE PRIOR FISCAL YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 5-101(f) and 5-103(e) of Article - Education of the Annotated Code of Maryland be repealed.

SECTION 3. AND BE IT FURTHER ENACTED, That the State Board of Education, in consultation with the State Superintendent of Schools, shall establish by regulation criteria to evaluate county requests for waivers authorized under § 5-202(b)(3)(iv)2 of the Education Article, as enacted by Section 1 of this Act. A report detailing these criteria shall be prepared by the Superintendent and submitted to the Legislative Policy Committee on or before December 1, 1996.

SECTION 4. AND BE IT FURTHER ENACTED, That a county for which State funding

has been withheld for Fiscal Year 1996 pursuant to § 5-205 of the Education Article, may petition the State Board of Education for relief. Upon a finding by the State Board of Education of circumstances justifying relief, the Comptroller shall distribute the withheld funds to the petitioning county.

SECTION 5. AND BE IT FURTHER ENACTED, That:

(a) Except as otherwise provided in this section, the changes made under this Act to §§ 5-101, 5-103, and 5-105 of the Education Article do not apply to the budgets of the county boards of education until the fiscal year that begins July 1, 1997.

(b) For the fiscal year that begins July 1, 1996, a county board shall submit to the county governing body a report within 15 days after the end of each month if during that month the county board:

(1) Makes a transfer authorized under § 5-105(c) of the Education Article; or

(2) Makes any policy decision or takes any action that reasonably would be expected to commit the county board to spend more for the current fiscal year in any major category than the amount approved in the annual budget for that category.

(c) A report under subsection (b) of this section shall include:

(1) A narrative summary that clearly indicates each transfer under § 5-105(c) of the Education Article; and

(2) An explanation of any policy decision or action described under subsection (b)(2) of this section, indicating any request for transfer between major categories that may become necessary for the fiscal year as a result of the decision or action.

SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 5 of this Act, this Act shall take effect June 1, 1996. “.