

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 7

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “School System Performance Audit” and substitute “Annual Budgets, Performance Audits, and Compliance”; in line 3, after the first “of” insert “making certain annual school budget requirements applicable to Baltimore City; requiring county boards of education to include certain information with their budgets; requiring county boards to make certain reports after taking certain actions;”; in line 7, after “board;” insert “allowing county governing bodies and county boards to agree on performance audits; providing for certain reports; defining certain terms; excluding certain costs from the calculation of certain local primary and secondary education funding requirements under certain circumstances; providing that the State Board of Education may grant certain waivers under certain conditions; repealing certain obsolete language;”; in the same line, after “to” insert “the annual budgets of the county boards of education;”; in line 8, after “systems” insert “, and certain primary and secondary education funding requirements”; and strike in their entirety lines 9 through 13 inclusive, and substitute:

“BY repealing and reenacting, with amendments,

Article - Education

Section 5-101(a) and (b), 5-103(d), 5-105(c), 5-202(b)(3), and 5-205

Annotated Code of Maryland

(1992 Replacement Volume and 1995 Supplement)

BY adding to

Article - Education

Section 5-108.1 and 5-109(d) and (e)

Annotated Code of Maryland

(1992 Replacement Volume and 1995 Supplement)

(Over)

BY repealing

Article - Education

Section 5-101(f) and 5-103(e)

Annotated Code of Maryland

(1992 Replacement Volume and 1995 Supplement)

BY renumbering

Article - Education

Section 5-101(c) through (e), (g), and (h), respectively
to be Section 5-101(b) through (f), respectively

Annotated Code of Maryland

(1992 Replacement Volume and 1995 Supplement)".

AMENDMENT NO. 2

On page 1, after line 16, insert:

“5-101.

(a) [This section does not apply to Baltimore City

(b)] (1) Subject to the rules and regulations of the State Board and with the advice of the
county superintendent, each county board shall prepare an annual budget according to:

(i) The major categories listed in this section; and

(ii) Any other major category required by the State Board.

(2) In addition to the information required by this section, the county fiscal authorities
may require the county board to provide details to the service areas and activities levels in the
account structure within the “Financial Reporting Manual for Maryland Public Schools.”

(3) WITH THE ANNUAL BUDGET, EACH COUNTY BOARD SHALL
PROVIDE:

(I) THE NUMBER OF FULL-TIME EQUIVALENT POSITIONS
INCLUDED WITHIN EACH MAJOR CATEGORY; AND

(II) A DESCRIPTION OF ANY FUND BALANCES OR OTHER MONEYS HELD BY ANY OUTSIDE SOURCE, INCLUDING AN INSURER, THAT ARE UNDESIGNATED OR UNRESERVED AND ARE UNDER THE DIRECTION AND CONTROL OF THE COUNTY BOARD.

5-103.

(d) If a county council or board of county commissioners does not approve the amount requested in the budget that is more than the amount required by §5-202 of this title[, it]:

(1) THE COUNTY COUNCIL OR BOARD OF COUNTY COMMISSIONERS shall indicate in writing, within 15 days after the adoption of the budget, which major categories of the annual budget have been reduced and the reason for the reduction; AND

(2) THE COUNTY BOARD SHALL SUBMIT TO THE COUNTY GOVERNING BODY, WITHIN 30 DAYS AFTER THE ADOPTION OF THE BUDGET, A REPORT INDICATING HOW THE ALTERATIONS TO THE BUDGET WILL BE IMPLEMENTED, ACCOMPANIED BY REASONABLE SUPPORTING DETAIL AND ANALYSIS.

5-105.

(c) (1) A transfer may be made within the major categories without recourse to the county commissioners or county council except that a report of the transfer shall be submitted to the county commissioners or county council [at] WITHIN 15 DAYS AFTER the end of each month.

(2) A transfer between major categories shall be made only with the approval of the county commissioners or county council.

(3) If the county commissioners or county council fail to take action on a request for

(Over)

transfer between major categories within 30 days after the receipt of a written request substantiating the transfer, the failure to take action constitutes approval.

(4) 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 TAKES ANY ACTION THAT WOULD 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.

(5) A REPORT UNDER PARAGRAPH (4) OF THIS SUBSECTION SHALL INCLUDE A NARRATIVE EXPLANATION OF THE ACTION TAKEN, INDICATING ANY REQUEST FOR TRANSFER BETWEEN CATEGORIES THAT MAY BECOME NECESSARY FOR THE FISCAL YEAR AS A RESULT OF THE ACTION.”.

AMENDMENT NO. 3

On page 2, in line 6, strike “UNDER” and substitute “FOR WHICH THE DEPARTMENT CONTRACTED UNDER SUBSECTION (B) OF”; and after line 11, insert:

“(F) THIS SECTION DOES NOT PREVENT A COUNTY GOVERNING BODY AND A COUNTY SCHOOL BOARD FROM MAKING AN AGREEMENT TO PERFORM OR CONTRACT FOR A PERFORMANCE AUDIT OF SCHOOL BOARD FUNCTIONS, INCLUDING AN AGREEMENT INVOLVING THE SCOPE OF THE PERFORMANCE AUDIT OR THE RESPONSIBILITY FOR THE FUNDING OF THE PERFORMANCE AUDIT.

5-109.

(D) (1) AT THE REQUEST OF THE COUNTY GOVERNING BODY MADE IN WRITING AT LEAST 30 DAYS BEFORE THE REPORTING DEADLINE, THE COUNTY BOARD OR SUPERINTENDENT SHALL REPORT TO THE COUNTY GOVERNING BODY ON OR BEFORE NOVEMBER 1 AND MARCH 1 OF EACH FISCAL YEAR ON THE SCHOOL SYSTEM’S OPERATIONS, INCLUDING ANY ADJUSTMENT MADE TO THE APPROVED ANNUAL BUDGET.

(2) A REPORT UNDER THIS SUBSECTION SHALL BE MADE AVAILABLE TO ALL INTERESTED PERSONS.

(E) (1) AT THE REQUEST OF THE COUNTY BOARD MADE IN WRITING AT LEAST 30 DAYS BEFORE THE REPORTING DEADLINE THE COUNTY GOVERNING BODY SHALL REPORT TO THE COUNTY BOARD ON OR BEFORE NOVEMBER 1 AND MARCH 1 OF EACH FISCAL YEAR ON THE COUNTY'S FISCAL STATUS FOR THE IMMEDIATE FISCAL YEAR AND THE SUBSEQUENT FISCAL YEAR.

(2) A REPORT UNDER THIS SUBSECTION SHALL BE MADE AVAILABLE TO ALL INTERESTED PERSONS.

5-202.

(b) (3) (I) IN THIS PARAGRAPH, "ENROLLMENT" MEANS THE FULL-TIME EQUIVALENT ENROLLMENT USED IN CALCULATING THE CURRENT EXPENSE AID FOR A COUNTY.

(II) To be eligible to receive the State share of basic current expenses:

[(i)] 1. The county governing body shall levy an annual tax sufficient to provide an amount of revenue for elementary and secondary public education purposes equal to the product of the wealth of the county and a local contribution rate determined for each fiscal year; and

[(ii) 1.] 2. [The] SUBJECT TO THE PROVISIONS OF §5-205 OF THIS SUBTITLE, THE county governing body shall appropriate local funds to the school operating budget in an amount no less than the greater of the product of the [full-time equivalent] enrollment [used in calculating the current expense aid] for the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year or the highest local appropriation to the school operating budget in the prior fiscal year.

(Over)

[2.] (III) 1. [For] EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, FOR purposes of this paragraph, the local appropriation on a per pupil basis for the prior fiscal year for a county is derived by dividing the county's highest local appropriation to its school operating budget for the prior fiscal year by the [full-time equivalent] enrollment [used to calculate the current expense aid for the county] for the prior fiscal year. For example, the calculation of the current expense aid for fiscal year 1985 shall be based on the highest local appropriation for the school operating budget for a county for fiscal year 1984. Program shifts between a county operating budget and a county school operating budget may not be used to artificially satisfy the requirements of this paragraph.

2. FOR PURPOSES OF THIS PARAGRAPH, THE CALCULATION OF THE COUNTY'S HIGHEST LOCAL APPROPRIATION TO ITS SCHOOL OPERATING BUDGET FOR THE PRIOR FISCAL YEAR SHALL EXCLUDE:

A. A NONRECURRING COST THAT IS SUPPLEMENTAL TO THE REGULAR SCHOOL OPERATING BUDGET, IF THE EXCLUSION HAS BEEN APPROVED BY THE STATE SUPERINTENDENT IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE STATE BOARD; AND

B. A COST OF A PROGRAM THAT HAS BEEN SHIFTED FROM THE COUNTY SCHOOL OPERATING BUDGET TO THE COUNTY OPERATING BUDGET.

5-205.

(a) After notification from the State Superintendent that a county is not complying with the provisions of the State program of public education, the State Comptroller shall withhold any installment due the county from the General State School Fund.

(b) (1) If the Superintendent finds that a county is not complying with the maintenance of local effort provisions of § 5-202 of this article or that a county fails to meet the requirements of Title 5, Subtitle 4 of this article, the Superintendent shall notify the county of such noncompliance.

(2) If a county disputes the finding within 30 days of the issuance of such notice, the dispute shall be promptly referred to the State Board of Education which shall make a final determination.

(3) Upon receipt of certification of noncompliance by the Superintendent or the State Board, as the case may be, the Comptroller shall suspend, until notification of compliance is received, payment of any funds due the county for the current fiscal year, as provided under § 5-202 of this article which are appropriated in the General State School Fund, to the extent that the State's aid due the county in the current fiscal year under that section in the Fund exceeds the amount which the county received in the prior fiscal year.

(C) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION OR § 5-202 OF THIS SUBTITLE, THE STATE BOARD OF EDUCATION, AFTER A PUBLIC HEARING, AND IN ACCORDANCE WITH ITS REGULATIONS, MAY GRANT A COUNTY A WAIVER FROM THE PROVISIONS OF THIS SECTION OR § 5-202 OF THIS SUBTITLE.”.

AMENDMENT NO. 4

On page 2, before line 12, insert:

“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 Section(s) 5-101(c) through (e), (g), and (h), respectively, of Article - Education of the Annotated Code of Maryland be renumbered to be Section(s) 5-101(b) through (f), respectively.”;

and in line 12, strike “2.” and substitute “4.”.