
By: Senator Ruben

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Education - Maryland Public School Supplemental Fund**

3 FOR the purpose of establishing a Maryland Public School Supplemental Fund in order
4 to assist the counties in the State to fund the operations of the public schools in the
5 respective counties; establishing a funding mechanism for the Fund; establishing
6 procedures for holding moneys in the Fund; requiring the State Board of Education
7 to administer the Fund; establishing criteria for determining appropriations from
8 the Fund; specifying certain duties of the State Superintendent of Schools and the
9 State Comptroller under this Act; requiring the State Lottery Agency to deposit into
10 the Fund the proceeds, after certain expenses, of certain lotteries; requiring the
11 State Lottery Agency to conduct a certain number of education lotteries; requiring
12 the State Lottery Agency to meet certain advertising criteria in conducting the
13 education lotteries; and generally relating to establishing the Maryland Public
14 School Supplemental Fund.

15 BY adding to

16 Article - Education
17 Section 5-202.3
18 Annotated Code of Maryland
19 (1992 Replacement Volume and 1995 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article - Education
22 Section 5-204 and 5-205
23 Annotated Code of Maryland
24 (1992 Replacement Volume and 1995 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article - State Government
27 Section 9-120
28 Annotated Code of Maryland
29 (1995 Replacement Volume)

30 BY adding to

31 Article - State Government

2

1 Section 9-120.2
2 Annotated Code of Maryland
3 (1995 Replacement Volume)

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

6 **Article - Education**

7 5-202.3.

8 (A) IT IS THE POLICY OF THE STATE THAT THE PUBLIC SCHOOLS BE
9 ADEQUATELY FUNDED.

10 (B) THERE IS A MARYLAND PUBLIC SCHOOL SUPPLEMENTAL FUND
11 ESTABLISHED TO ASSIST IN THE IMPLEMENTATION OF THIS POLICY.

12 (C) THE PURPOSE OF THE FUND IS TO SUPPLEMENT COUNTY FUNDING FOR
13 THE OPERATION OF PUBLIC SCHOOLS.

14 (D) THE FUND CONSISTS OF THE PROFITS DERIVED FROM THE EDUCATION
15 LOTTERIES CONDUCTED UNDER TITLE 9, SUBTITLE 1 OF THE STATE GOVERNMENT
16 ARTICLE.

17 (E) THE FUND IS:

18 (1) A SPECIAL, NONLAPSING FUND; AND

19 (2) NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
20 PROCUREMENT ARTICLE.

21 (F) (1) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY.

22 (2) THE STATE COMPTROLLER SHALL:

23 (I) ACCOUNT FOR THE FUND; AND

24 (II) DEPOSIT INTO THE FUND FOR USE BY THE STATE BOARD THE
25 PROFITS DERIVED FROM THE EDUCATION LOTTERIES.

26 (G) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS
27 SUBSECTION, THE STATE BOARD SHALL ADMINISTER THE FUND.

28 (2) THE STATE BOARD SHALL USE THE FUND SOLELY TO SUPPLEMENT
29 FUNDING FOR THE OPERATION OF THE PUBLIC SCHOOLS IN THE STATE.

30 (H) SUBJECT TO § 5-205(B)(3)(II) OF THE SUBTITLE, A COUNTY IS ELIGIBLE TO
31 RECEIVE AN APPROPRIATION FROM THE FUND WITHOUT CONDITION AND SUBJECT
32 TO THE PROVISIONS OF § 9-120(C)(2) OF THE STATE GOVERNMENT ARTICLE.

33 (I) AN APPROPRIATION UNDER SUBSECTION (H) OF THIS SECTION:

34 (1) SHALL BE CERTIFIED AND PAID UNDER § 5-204 OF THIS SUBTITLE;

35 AND

3

1 (2) MAY NOT BE CONSIDERED AN APPROPRIATION TO THE COUNTY
2 FOR:

3 (I) STATE ASSISTANCE FOR PUBLIC EDUCATION UNDER § 5-202 OF
4 THIS SUBTITLE; OR

5 (II) STATE AID FOR SCHOOL CONSTRUCTION UNDER SUBTITLE 3
6 OF THIS TITLE.

7 5-204.

8 (a) (1) Ten days before the end of July, September, November, January, March,
9 and May, the State Superintendent shall certify to the State Comptroller the amount due
10 at the end of each of these months to each county board for the annual State share of:

11 [(1)] (I) Basic current expenses as provided under § 5-202 of this subtitle;

12 [(2)] (II) Transportation aid as provided under § 5-203 of this subtitle; and

13 [(3)] (III) Any money provided in the Department's budget for special
14 education services under § 8-416 of this article.

15 (2) DURING THE SAME TIME INTERVALS SPECIFIED IN PARAGRAPH (1)
16 OF THIS SUBSECTION AND SUBJECT TO THE PROVISIONS OF § 9-120(C)(2) OF THE
17 STATE GOVERNMENT ARTICLE, THE STATE SUPERINTENDENT SHALL CERTIFY TO
18 THE STATE COMPTROLLER THE AMOUNT OF MONEY DUE AT THE END OF EACH OF
19 THESE MONTHS, IF ANY, FROM THE MARYLAND PUBLIC SCHOOL SUPPLEMENTAL
20 FUND TO EACH QUALIFYING COUNTY BOARD.

21 (b) Amounts due shall be made in equal payments once every 2 months.

22 (c) Within 5 days before the end of each of these months, the State Comptroller
23 shall draw the Comptroller's warrant on the State Treasurer for the amount due to
24 Baltimore City and the treasurer of each county board.

25 (d) On receipt of the warrant of the State Comptroller, the State Treasurer
26 immediately shall pay the amount due to Baltimore City and the treasurer of each county
27 board.

28 5-205.

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

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

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

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1 (3) Upon receipt of certification of noncompliance by the Superintendent or
2 the State Board, as the case may be, the Comptroller shall suspend, until notification of
3 compliance is received, payment of:

4 (I) [any] ANY funds due the county for the current fiscal year, as
5 provided under § 5-202 of this article which are appropriated in the General State School
6 Fund, to the extent that the State's aid due the county in the current fiscal year under that
7 section in the Fund exceeds the amount which the county received in the prior fiscal year;
8 AND

9 (II) UNLESS THE GENERAL ASSEMBLY EXEMPTS A COUNTY FROM
10 THE MAINTENANCE OF LOCAL EFFORT PROVISIONS OF § 5-202 OF THIS SUBTITLE,
11 ANY MONEY DUE THE COUNTY FROM THE MARYLAND PUBLIC SCHOOL
12 SUPPLEMENTAL FUND UNDER § 5-202.3 OF THIS SUBTITLE.

13 **Article - State Government**

14 9-120.

15 (a) The Comptroller shall distribute the State Lottery Fund to pay:

16 (1) on a pro rata basis for the daily and nondaily State lottery games, the
17 expenses of administering and operating the State lottery, as authorized under this
18 subtitle and the State budget; and

19 (2) then, except as provided in § 10-113.1 of the Family Law Article and
20 Article 27, § 640B of the Code, the holder of each winning ticket or share.

21 (b) (1) Promptly after the 1st day of each month, the Comptroller shall pay:

22 (i) into the Maryland Stadium Facilities Fund the money that remains
23 in the State Lottery Fund from the proceeds of the sports lotteries conducted for the
24 benefit of the Maryland Stadium Authority, after the distribution under subsection (a) of
25 this section; [and]

26 (II) SUBJECT TO THE PROVISIONS OF SUBSECTION (C)(2) OF THIS
27 SECTION, IF AN EDUCATION LOTTERY WAS CONDUCTED DURING THE PREVIOUS
28 MONTH, INTO THE MARYLAND PUBLIC SCHOOL SUPPLEMENTAL FUND THE MONEY
29 THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF THE
30 EDUCATION LOTTERY, AFTER THE DISTRIBUTION UNDER SUBSECTION (A) OF THIS
31 SECTION; AND

32 [(ii)] (III) into the General Fund of the State the money that remains in
33 the State Lottery Fund from the proceeds of all other lotteries after the distribution
34 under subsection (a) of this section.

35 (2) The money paid into the General Fund under this subsection is available
36 in the fiscal year in which the money accumulates in the State Lottery Fund.

37 (c) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS
38 SUBSECTION, [The] THE regulations of the Agency shall apportion the money in the
39 State Lottery Fund.

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1 (2) (I) WHEN DISTRIBUTING MONEY TO THE MARYLAND PUBLIC
2 SCHOOL SUPPLEMENTAL FUND UNDER SUBSECTION (B)(1)(II) OF THIS SECTION, THE
3 COMPTROLLER SHALL INDICATE, BY COUNTY, THE AMOUNT OF MONEY COLLECTED
4 FROM:

5 1. SELLERS OF EDUCATION LOTTERY TICKETS IN EACH
6 COUNTY; AND

7 2. IF APPLICABLE, SUBSCRIBERS TO THE EDUCATION
8 LOTTERY WHO RESIDE IN EACH COUNTY.

9 (II) THE AMOUNT OF MONEY ATTRIBUTED TO A COUNTY UNDER
10 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DISTRIBUTED SOLELY FOR USE
11 BY THAT COUNTY.

12 9-120.2.

13 (A) DURING EACH FISCAL YEAR THE AGENCY SHALL CONDUCT AT LEAST
14 TWO, BUT NO MORE THAN FOUR, EDUCATION LOTTERIES FOR THE BENEFIT OF THE
15 MARYLAND PUBLIC SCHOOL SUPPLEMENTAL FUND.

16 (B) IN ALL ADVERTISING AND ON ALL TICKETS, THE AGENCY SHALL
17 IDENTIFY ANY LOTTERY UNDER THIS SECTION AS BEING CONDUCTED FOR THE
18 BENEFIT OF THE MARYLAND PUBLIC SCHOOL SUPPLEMENTAL FUND.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 1996.