Unofficial Copy F3 1997 Regular Session 7lr2074

By: Delegate Schisler Introduced and read first time: January 29, 1997 Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 Education - State Aid to Education - County Share - Maintenance of Effort - Waiver

3 FOR the purpose of expanding the conditions under which the State Board of Education

- 4 may waive a county's local appropriation amount of the basic current expenses for
- 5 education in the county; and generally relating to a waiver by the State Board of
- 6 Education of the local maintenance of effort for education by a county under
- 7 certain circumstances.

8 BY repealing and reenacting, with amendments,

- 9 Article Education
- 10 Section 5-202(b)
- 11 Annotated Code of Maryland
- 12 (1997 Replacement Volume)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF14 MARYLAND, That the Laws of Maryland read as follows:

15 Article - Education

16 5-202.

(b) (1) Each county board and the Mayor and City Council of Baltimore City
shall receive from the State, in the manner and subject to the limitations under this
section, an amount for each school year to be known as the "State share of basic current
expenses" for each county, which shall be calculated as indicated in this subsection.

(2) (i) The basic current expenses to be shared shall equal the per pupilbasic current expense figure multiplied by full-time equivalent enrollment.

(ii) 1. If State aid for public elementary and secondary education
exceeds 31.5% of the projected general funds of the State in any fiscal year, then the
amount required for the per pupil basic current expense figure may not be implemented
for the next fiscal year unless the General Assembly, at the regular session immediately

27 preceding that next fiscal year, affirms by joint resolution that the additional State aid 28 required using the per pupil basic current expense figure is within the State's fiscal

29 resources.

HOUSE BILL 536

1 2. As provided under item 1 of this subparagraph, if State aid 2 for public elementary and secondary education exceeds the percentage amount specified 3 and a joint resolution of affirmation is not enacted by the General Assembly, then the per 4 pupil basic current expense figure in which the State shall share for the next fiscal year 5 shall be the lesser of the per pupil basic current expense figure for the fiscal year or an 6 amount equal to 108 percent of the prior year's per pupil basic current expense figure. 7 3. By January 14 of each year, the Department of Fiscal 8 Services shall calculate State aid as a percentage of the projected State General Fund 9 revenues for the current fiscal year. State aid shall include State funds provided to the 10 county boards whether pursuant to formula or on a grant basis and State payments on 11 behalf of the county boards such as retirement and debt service for State bonds for school 12 construction. 13 (3) (i) In this paragraph, "enrollment" means the full-time equivalent 14 enrollment used in calculating the current expense aid for a county. (ii) To be eligible to receive the State share of basic current expenses: 15 16 1. The county governing body shall levy an annual tax sufficient 17 to provide an amount of revenue for elementary and secondary public education purposes 18 equal to the product of the wealth of the county and a local contribution rate determined 19 for each fiscal year; and 20 2. The county governing body shall appropriate local funds to 21 the school operating budget in an amount no less than the product of the enrollment for 22 the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal 23 year. 24 (iii) 1. Except as provided in sub-subparagraph 2 of this 25 subparagraph, for purposes of this paragraph, the local appropriation on a per pupil basis 26 for the prior fiscal year for a county is derived by dividing the county's highest local 27 appropriation to its school operating budget for the prior fiscal year by the enrollment for 28 the prior fiscal year. For example, the calculation of the current expense aid for Fiscal 29 Year 1985 shall be based on the highest local appropriation for the school operating 30 budget for a county for Fiscal Year 1984. Program shifts between a county operating 31 budget and a county school operating budget may not be used to artificially satisfy the

32 requirements of this paragraph.

2. For purposes of this paragraph, for Fiscal Year 1997 and
each subsequent fiscal year, 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 qualifies under regulations adopted by the State
Board; and

B. A cost of a program that has been shifted from the county40 school operating budget to the county operating budget.

41 3. The county board must present satisfactory evidence to the 42 county government that any appropriation under sub-subparagraph 2 A of this

2

HOUSE BILL 536

	subparagraph is used only for the purpose designated by the county government in its request for approval.
5	4. Any appropriation that is not excluded under sub-subparagraph 2 A of this subparagraph as a qualifying nonrecurring cost shall be included in calculating the county's highest local appropriation to its school operating budget.
7 8	5. Qualifying nonrecurring costs, as defined in regulations adopted by the State Board, shall include but are not limited to:
9	A. Computer laboratories;
10	B. Technology enhancement;
11	C. New instructional program start-up costs; and
12	D. Books other than classroom textbooks.
	(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:
16 17	A. [the] THE county's fiscal condition significantly impedes the county's ability to fund the maintenance of effort requirement; OR
20 21 22	B. THE COUNTY HAS PROVIDED AN APPROPRIATION TO THE COUNTY BOARD IN THE PRIOR FISCAL YEAR TO OFFSET A SIGNIFICANT DECREASE IN THE STATE SHARE OF BASIC CURRENT EXPENSES RECEIVED BY THE COUNTY BOARD IN THE PRIOR FISCAL YEAR THAT RESULTED FROM AN EXTRAORDINARY, NONRECURRING, ONE-TIME INCREASE IN THE COUNTY'S NET TAXABLE INCOME OR ASSESSED VALUATION OF PROPERTY.
24 25	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.
32	(4) The local contribution rate is calculated as follows:
33 34	(i) Multiply the full-time equivalent enrollment by \$624, and multiply this product by 0.45.
35 36	(ii) Multiply the full-time equivalent enrollment by the amount that the per pupil basic current expense figure exceeds \$624, and multiply this product by 0.50.

3

1 (iii) Add the two products arrived at in subparagraphs (i) and (ii) of 2 this paragraph, and divide the resulting sum by the sum of the wealth of all of the counties 3 in this State.

4 (iv) The resulting quotient, rounded to 7 decimal places, and expressed 5 as a percent with 5 decimal places, is the local contribution rate.

6 (5) (i) Except as provided in subparagraph (ii) of this paragraph, the 7 State share of basic current expenses for each county is the difference between the county 8 share calculated under paragraph (3) of this subsection and the basic current expense to

9 be shared, as indicated in paragraph (2) of this subsection.

10 (ii) If the State share of basic current expenses, as calculated under

11 subparagraph (i) of this paragraph, is less than the product of \$60 and the county's

12 full-time equivalent enrollment, the State share of basic current expenses for the county

 $13\,$ shall be the product of \$60 and the county's full-time equivalent enrollment.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 15 October 1, 1997.

4