

BY: Committee on Ways and Means and Appropriations Committee

AMENDMENTS TO SENATE BILL NO. 894

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 16, after “reports;” insert “requiring a local school system to provide certain information to the Office of Legislative Audits under certain circumstances;”; in line 17, after “Superintendent” insert “, with the approval of the State Board of Education,”; in line 20, after “education” insert “and the Chief Executive Officer of the Baltimore City Board of School Commissioners”; and in line 23, after “report;” insert “requiring certain plan updates to be submitted for review and approval by the State Superintendent; providing that certain letters of recommendation included in certain audits are a matter of public record;”.

On page 2, in line 5, after “audits;” insert “providing for the order of certain audits; repealing certain provisions of law related to the Office of Legislative Audits’ review of audit reports of local boards of education and local library boards; requiring the Baltimore City Board of School Commissioners to eliminate a certain deficit by a certain date; requiring the Office of Legislative Audits to submit certain information to the Joint Committee by a certain time;”; in line 15, after “Section” insert “4-309(a), 5-109, and”; and after line 22, insert:

“BY repealing and reenacting, with amendments,

Article - State Government

Section 2-1220(e)

Annotated Code of Maryland

(1999 Replacement Volume and 2003 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 25, insert:

“4-309.

(Over)

(a) (1) On or before June 1, 2002, the Chief Executive Officer shall submit a 5-year comprehensive master plan to the Board for its review, modification, and final approval.

(2) On or before August 30, 2002, the Board shall approve and commence implementation of the master plan.

(3) Following approval of the master plan or by July 30, 2002, whichever is earlier, the master plan shall be submitted to the State Board and to the State Superintendent for their review and approval.

(4) The Chief Executive Officer or designee shall consult with parents, teachers, students, representatives of the business community, and educational instruction and administration experts during the course of the development of the master plan.

(5) (I) The master plan shall be updated annually and submitted to the State Board and the State Superintendent for review and approval on or before [July 1] AUGUST 15 of each year.

(II) THE CHIEF EXECUTIVE OFFICER SHALL SUBMIT WITH THE UPDATE REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH A DETAILED SUMMARY OF HOW THE BALTIMORE CITY PUBLIC SCHOOL SYSTEM'S CURRENT YEAR APPROVED BUDGET AND INCREASES IN EXPENDITURES OVER THE PRIOR YEAR ARE CONSISTENT WITH THE MASTER PLAN.

(III) BY OCTOBER 1 OF EACH YEAR, THE CHIEF EXECUTIVE OFFICER SHALL SUPPLEMENT THE UPDATE WITH A SUMMARY OF HOW THE BALTIMORE CITY PUBLIC SCHOOL SYSTEM'S ACTUAL PRIOR YEAR BUDGET AND ADDITIONAL EXPENDITURES IN THE PRIOR YEAR'S BUDGET ALIGNED WITH THE MASTER PLAN.

(6) Notwithstanding any other provision of law or regulation, the master plan requirement shall be the sole master plan required of the Baltimore City Public School System.

(a) Each county board shall provide for an annual audit of its financial transactions and accounts.

(b) (1) The audit shall be made by a certified public accountant or a partnership of certified public accountants who are:

(i) Licensed by the State Board of Public Accountancy; and

(ii) Approved by the State Superintendent.

(2) The audit shall be made in accordance with the standards and regulations adopted by the State Board.

(c) (1) The results of the audit, INCLUDING THE LETTER OF RECOMMENDATION SUBMITTED BY THE AUDITOR, are a matter of public record.

(2) The results shall be reported within 3 months after the close of the fiscal year for the county board on the form and in the manner required by the State Board to:

(i) The State Superintendent;

(ii) The county fiscal authority;

(iii) The Joint Audit Committee of the General Assembly;

(iv) The Senate Budget and Taxation Committee;

(v) The Senate Education, Health, and Environmental Affairs Committee;

(vi) The House Appropriations Committee; and

(vii) The House Committee on Ways and Means.

(d) In addition to the audit required by this section, the county commissioners or county council may conduct an audit using auditors employed by the county.”.

AMENDMENT NO. 3

On page 3, in line 4, strike “ANY” and substitute “AND”; in line 5, strike “JUNE 30” and substitute “APRIL 30”; and in line 24, after “ASSEMBLY” insert “, THE DEPARTMENT OF LEGISLATIVE SERVICES”.

On page 4, after line 6, insert:

“(4) IF A LOCAL SCHOOL SYSTEM HAS A DEFICIT:

(I) THE OFFICE OF LEGISLATIVE AUDITS MAY REQUEST ANY FINANCIAL INFORMATION PERTAINING TO THE DEFICIT AND THE CORRECTIVE ACTION COST CONTAINMENT PLAN; AND

(II) THE LOCAL SUPERINTENDENT OR CHIEF EXECUTIVE OFFICER OF A LOCAL SCHOOL SYSTEM SHALL PROVIDE THE REQUESTED INFORMATION.”;

and in line 8, after “SUPERINTENDENT” insert “, WITH THE APPROVAL OF THE STATE BOARD OF EDUCATION,”.

AMENDMENT NO. 4

On page 4, in line 31, strike “(h)” and substitute “(I)”; and in line 34, after “board” insert “AND SUBMITTED FOR REVIEW AND APPROVAL BY THE STATE SUPERINTENDENT OF SCHOOLS”.

On page 5, in line 1, strike the first “THE” and substitute “EACH COUNTY”; and in line 5, strike “THE” and substitute “EACH”.

On page 7, in line 1, after “BODY,” insert “THE COUNTY BOARD OF EDUCATION,”.

AMENDMENT NO. 5

On page 8, after line 6, insert:

“(e) (1) The Office of Legislative Audits shall review any audit report prepared under the authority of:

(i) Article 19, § 40 of the Code, with respect to a county, municipal corporation, or taxing district; OR

(ii) § 16-315 of the Education Article, with respect to a community college];

(iii) § 5-109 of the Education Article, with respect to a board of education;
or

(iv) § 23-405 of the Education Article with respect to a library board].

(2) The results of any review made by the Office of Legislative Audits under paragraph (1) of this subsection shall be reported as provided in § 2-1224 of this subtitle.”.

AMENDMENT NO. 6

On page 8, in line 7, strike “AT LEAST ONCE EVERY 3 YEARS” and substitute “BETWEEN JULY 1, 2004 AND JUNE 30, 2010”; in line 8, strike “AUDITS” and substitute “AN AUDIT”; in line 29, after “SECTION” insert “OR PURSUANT TO A REQUEST FOR INFORMATION AS PROVIDED IN § 5-114(E)(4) OF THE EDUCATION ARTICLE”; and after line 32, insert:

“(5) IN ADDITION TO THE REQUIREMENTS OF § 2-1224 OF THIS SUBTITLE, EACH AUDIT SHALL BE DISTRIBUTED TO THE HOUSE WAYS AND MEANS COMMITTEE AND THE JOINT COMMITTEE ON THE MANAGEMENT OF PUBLIC FUNDS.”.

AMENDMENT NO. 7

On page 9, in line 4, after “years.” insert “Thereafter, the Office of Legislative Audits shall give priority in the order of audits to local school systems that have failed to comply with any of the

(Over)

provisions of this Act.”; after line 4, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding § 5-114(e) of the Education Article, the Baltimore City Board of School Commissioners shall eliminate the general fund deficit as reported in the annual audit required by § 5-109 of the Education Article by no later than the fiscal year ending June 30, 2006.

SECTION 5. AND BE IT FURTHER ENACTED, That 45 days prior to the initiation of the first financial management practices audit required by this Act, the Office of Legislative Audits shall submit the scope, measurements, and process the Office plans to use in conducting the required audits to the Joint Audit Committee for approval.”;

and in line 5, strike “4.” and substitute “6.”.