
By: **Delegates Haynes, Hammen, Kirk, Krysiak, McHale, Murray, Oaks, and Paige**

Introduced and read first time: February 23, 2004

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Education - Baltimore City Board of School Commissioners - Budget and**
3 **Audit Requirements**

4 FOR the purpose of requiring the Baltimore City Board of School Commissioners to
5 submit certain financial statements with the State Superintendent of Schools;
6 authorizing the State Superintendent to require the Board of School
7 Commissioners to submit a certain cost containment plan approved by the State
8 Superintendent and certain reports under certain circumstances; authorizing
9 the State Superintendent to withhold from the Baltimore City Public School
10 System a certain percent of certain State education funds under certain
11 circumstances; and generally relating to budget and audit requirements
12 applicable to the Baltimore City Board of School Commissioners.

13 BY adding to
14 Article - Education
15 Section 4-313.1
16 Annotated Code of Maryland
17 (2001 Replacement Volume and 2003 Supplement)

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

20 **Article - Education**

21 4-313.1.

22 (A) BEGINNING IN FISCAL YEAR 2005, IN ADDITION TO THE ANNUAL AUDIT
23 REPORT REQUIRED UNDER § 5-109 OF THIS ARTICLE, THE BOARD SHALL SUBMIT
24 QUARTERLY FINANCIAL STATEMENTS WITH THE STATE SUPERINTENDENT OF
25 SCHOOLS.

26 (B) IF THE ANNUAL AUDIT REPORT OR A QUARTERLY FINANCIAL STATEMENT
27 DISCLOSES THAT THE BOARD HAS EXPENDITURES AND DEBITS THAT EXCEED ITS

1 REVENUES BY 1.5% OR MORE, THE STATE SUPERINTENDENT MAY REQUIRE THE
2 BOARD TO SUBMIT:

3 (1) A CORRECTIVE ACTION COST CONTAINMENT PLAN WITHIN 30 DAYS
4 THAT IS APPROVED BY THE STATE SUPERINTENDENT; AND

5 (2) MONTHLY STATUS REPORTS SHOWING ACTIONS TAKEN TO CLOSE
6 THE DEFICIT.

7 (C) IF THE BOARD FAILS TO COMPLY WITH ANY OF THE REQUIREMENTS OF
8 THIS SECTION, THE STATE SUPERINTENDENT MAY WITHHOLD UP TO 10% OF THE
9 NEXT INSTALLMENT AND EACH SUBSEQUENT INSTALLMENT DUE THE BALTIMORE
10 CITY PUBLIC SCHOOL SYSTEM FROM THE GENERAL STATE SCHOOL FUND UNTIL THE
11 BOARD COMES INTO FULL COMPLIANCE WITH THIS SECTION.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2004.