

# SENATE BILL 229

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By: **Senators Greenip, Colburn, and Mooney**

Introduced and read first time: January 23, 2008

Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **Education – Classroom Instruction Expenditures – Required Funding**

3 FOR the purpose of requiring a county board of education to spend certain revenues in  
4 accordance with certain requirements; requiring each county board to spend a  
5 certain percentage of total operating expenditures on direct classroom  
6 expenditures beginning in a certain fiscal year; requiring a county board to  
7 increase direct classroom expenditures by a certain percentage over a certain  
8 period of time until the county board reaches a certain percentage if the county  
9 board is spending less than a certain required percentage; establishing a certain  
10 fiscal year as a baseline year; authorizing a county board to apply for a certain  
11 achievement waiver or hardship waiver if the county board does not meet  
12 certain requirements; providing for the requirements of an achievement waiver  
13 request and a hardship waiver request; prohibiting the State Superintendent of  
14 Schools from granting certain hardship waivers except in certain circumstances;  
15 authorizing the State Board of Education to impose certain sanctions; requiring  
16 the State Board to adopt certain regulations; authorizing the State  
17 Superintendent to require certain information for certain purposes; requiring  
18 the State Superintendent to adopt certain regulations; defining certain terms;  
19 and generally relating to required funding for classroom instruction  
20 expenditures.

21 BY repealing and reenacting, with amendments,  
22 Article – Education  
23 Section 5–105  
24 Annotated Code of Maryland  
25 (2006 Replacement Volume and 2007 Supplement)

26 BY adding to  
27 Article – Education  
28 Section 5–105.1  
29 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2006 Replacement Volume and 2007 Supplement)

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

4 **Article – Education**

5 5–105.

6 (a) All revenues received by a county board shall be spent by the board in  
7 accordance with:

8 (1) [the] **THE** major categories of its annual budget as provided under  
9 § 5–101 of this subtitle; **AND**

10 (2) **THE REQUIREMENTS OF § 5–105.1 OF THIS SUBTITLE.**

11 (b) (1) (i) A transfer may be made within the major categories without  
12 recourse to the county commissioners or county council except that a report of the  
13 transfer shall be submitted to the county commissioners or county council within 15  
14 days after the end of each month.

15 (ii) A report under subparagraph (i) of this paragraph shall  
16 include a narrative summary that clearly indicates each transfer.

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

19 (3) If the county commissioners or county council fail to take action on  
20 a request for transfer between major categories within 30 days after the receipt of a  
21 written request substantiating the transfer, the failure to take action constitutes  
22 approval.

23 (4) A county board shall submit to the county governing body a report  
24 within 15 days after the end of each month if during that month the county board  
25 takes any action that would commit the county board to spend more for the current  
26 fiscal year in any major category than the amount approved in the annual budget for  
27 that category.

28 (5) A report under paragraph (4) of this subsection shall include a  
29 narrative explanation of the action taken, indicating any request for transfer between  
30 categories that may become necessary for the fiscal year as a result of the action.

31 (c) Nonlocal funds received by a county board after the adoption of the  
32 annual budget by the county fiscal authority may be spent by the county board if the  
33 county fiscal authority is notified and approves of:

1 (1) The source and amount of the funds; and

2 (2) The manner of spending the funds.

3 **5-105.1.**

4 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
5 MEANINGS INDICATED.

6 (2) (I) "DIRECT CLASSROOM EXPENDITURES" MEANS ALL  
7 EXPENDITURES BY A COUNTY BOARD DURING A FISCAL YEAR FOR COSTS AND  
8 ACTIVITIES DIRECTLY ASSOCIATED WITH THE INTERACTION BETWEEN  
9 TEACHERS AND STUDENTS.

10 (II) "DIRECT CLASSROOM EXPENDITURES" INCLUDES:

11 1. SALARIES AND BENEFITS FOR TEACHERS AND  
12 PARAPROFESSIONALS;

13 2. COSTS FOR INSTRUCTIONAL MATERIALS AND  
14 SUPPLIES;

15 3. COSTS ASSOCIATED WITH CLASSROOM-RELATED  
16 ACTIVITIES, INCLUDING FIELD TRIPS, PHYSICAL EDUCATION, MUSIC, AND ARTS;  
17 AND

18 4. TUITION PAID TO OUT-OF-STATE SCHOOL  
19 DISTRICTS AND PRIVATE INSTITUTIONS FOR SPECIAL NEEDS STUDENTS.

20 (III) "DIRECT CLASSROOM EXPENDITURES" DOES NOT  
21 INCLUDE COSTS ASSOCIATED WITH:

22 1. ADMINISTRATION;

23 2. PLANT OPERATIONS AND MAINTENANCE;

24 3. FOOD SERVICES;

25 4. TRANSPORTATION;

26 5. INSTRUCTIONAL SUPPORT, INCLUDING MEDIA  
27 CENTERS AND TEACHER TRAINING; AND

1                                   **6. STUDENT SUPPORT, INCLUDING NURSES AND**  
2 **GUIDANCE COUNSELORS.**

3                                   **(3) (I) "TOTAL OPERATING EXPENDITURES" MEANS ALL**  
4 **OPERATING EXPENDITURES BY A COUNTY BOARD DURING A FISCAL YEAR.**

5                                   **(II) "TOTAL OPERATING EXPENDITURES" INCLUDES ALL**  
6 **FEDERAL, STATE, AND LOCAL FUNDS AND ANY OTHER FUNDS RECEIVED BY THE**  
7 **COUNTY BOARD.**

8                                   **(III) "TOTAL OPERATING EXPENDITURES" DOES NOT**  
9 **INCLUDE:**

10                                   **1. CAPITAL OUTLAY EXPENDITURES;**

11                                   **2. DEBT OR BOND PAYMENTS;**

12                                   **3. INTEREST ON DEBT OR BONDS;**

13                                   **4. FACILITY LEASES; OR**

14                                   **5. RENTAL PAYMENTS.**

15                                   **(B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, BEGINNING IN**  
16 **FISCAL YEAR 2010, EACH COUNTY BOARD SHALL SPEND A MINIMUM OF 65**  
17 **PERCENT OF ITS TOTAL OPERATING EXPENDITURES ON DIRECT CLASSROOM**  
18 **EXPENDITURES.**

19                                   **(C) (1) FOR ANY FISCAL YEAR IN WHICH A COUNTY BOARD HAS**  
20 **DIRECT CLASSROOM EXPENDITURES THAT ARE LESS THAN 65 PERCENT OF ITS**  
21 **TOTAL OPERATING EXPENDITURES, BEGINNING IN THE NEXT FISCAL YEAR AND**  
22 **EACH FISCAL YEAR THEREAFTER, THE COUNTY BOARD SHALL INCREASE DIRECT**  
23 **CLASSROOM EXPENDITURES BY A MINIMUM OF 2 PERCENT EACH FISCAL YEAR**  
24 **AS A PERCENTAGE OF TOTAL OPERATING EXPENDITURES UNTIL THE COUNTY**  
25 **BOARD REACHES 65 PERCENT.**

26                                   **(2) FOR FISCAL YEAR 2010, THE BASELINE YEAR FOR WHICH THE**  
27 **REQUIRED INCREASE WILL BE DETERMINED SHALL BE BASED ON EXPENDITURE**  
28 **DATA FROM FISCAL YEAR 2009.**

29                                   **(D) (1) A COUNTY BOARD THAT HAS DIRECT CLASSROOM**  
30 **EXPENDITURES THAT ARE LESS THAN 65 PERCENT OF ITS TOTAL OPERATING**  
31 **EXPENDITURES AND THAT IS UNABLE TO MEET THE EXPENDITURE**

1 REQUIREMENTS IN SUBSECTION (C) OF THIS SECTION, MAY APPLY TO THE  
2 STATE SUPERINTENDENT FOR A 1-YEAR RENEWABLE ACHIEVEMENT WAIVER.

3 (2) AN ACHIEVEMENT WAIVER REQUEST SHALL INCLUDE:

4 (I) DOCUMENTATION THAT SCHOOLS WITHIN THE  
5 JURISDICTION OF THE COUNTY BOARD ARE EXCEEDING THE STATE AVERAGES  
6 IN ACADEMIC CATEGORIES DESIGNATED BY THE STATE SUPERINTENDENT;

7 (II) DOCUMENTATION THAT THE COUNTY BOARD HAS A  
8 PLAN FOR COMPLYING WITH THE REQUIREMENTS OF THIS SECTION; AND

9 (III) ANY OTHER REQUIREMENTS DETERMINED BY THE  
10 STATE SUPERINTENDENT.

11 (E) (1) A COUNTY BOARD THAT HAS DIRECT CLASSROOM  
12 EXPENDITURES THAT ARE LESS THAN 65 PERCENT OF ITS TOTAL OPERATING  
13 EXPENDITURES AND THAT IS UNABLE TO MEET THE EXPENDITURE  
14 REQUIREMENTS IN SUBSECTION (C) OF THIS SECTION, MAY APPLY TO THE  
15 STATE SUPERINTENDENT FOR A 1-YEAR RENEWABLE HARDSHIP WAIVER.

16 (2) A HARDSHIP WAIVER REQUEST SHALL INCLUDE:

17 (I) REVENUE AND EXPENDITURE REPORTS WITH SPECIFIC  
18 DETAILS THAT PROVIDE COMPELLING EVIDENCE OF THE IMPACT THAT AN  
19 INTERVENING EXTREME SITUATION HAD ON THE COUNTY BOARD'S ABILITY TO  
20 COMPLY WITH EXPENDITURE REQUIREMENTS; AND

21 (II) ANY OTHER REQUIREMENTS DETERMINED BY THE  
22 STATE SUPERINTENDENT.

23 (3) (I) THE STATE SUPERINTENDENT SHALL GRANT A  
24 HARDSHIP WAIVER ONLY ON EVIDENCE OF AN EXTREME SITUATION THAT IS  
25 SOLELY RESPONSIBLE FOR THE COUNTY BOARD'S INABILITY TO MEET  
26 EXPENDITURE REQUIREMENTS.

27 (II) AN EXTREME SITUATION MAY INCLUDE:

28 1. AN ACT OF GOD;

29 2. A NATURAL DISASTER; OR

30 3. AN INORDINATE UNEXPECTED INCREASE IN  
31 ENERGY AND FUEL COSTS.

1           **(F) (1) THE STATE BOARD MAY IMPOSE SANCTIONS AGAINST A**  
2 **COUNTY BOARD FOR FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS**  
3 **SECTION.**

4           **(2) (I) THE STATE BOARD SHALL ADOPT REGULATIONS**  
5 **ESTABLISHING SANCTIONS FOR VIOLATIONS OF THE REQUIREMENTS OF THIS**  
6 **SECTION, INCLUDING:**

7                               **1. REQUIRING A COUNTY BOARD TO DEVELOP AND**  
8 **IMPLEMENT A PLAN TO COMPLY WITH THE EXPENDITURE REQUIREMENTS OF**  
9 **THIS SECTION BY THE NEXT FISCAL YEAR; AND**

10                              **2. WITHHOLDING ALL OR ANY PORTION OF STATE**  
11 **FUNDS.**

12           **(G) THE STATE SUPERINTENDENT MAY REQUIRE A COUNTY BOARD TO**  
13 **SUBMIT BUDGET INFORMATION AND EXPENDITURE DATA FOR PURPOSES OF**  
14 **VERIFYING COMPLIANCE WITH THIS SECTION.**

15           **(H) THE STATE SUPERINTENDENT SHALL ADOPT REGULATIONS TO**  
16 **CARRY OUT THE PROVISIONS OF THIS SECTION.**

17           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 June 1, 2008.