

# HOUSE BILL 869

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11r2270  
CF 11r2280

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By: **Delegates Hixson, Arora, Barkley, Barve, Feldman, Frick, Gilchrist,  
Kaiser, Luedtke, A. Miller, Reznik, and F. Turner**

Introduced and read first time: February 11, 2011

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 30, 2011

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Education – Maintenance of Effort – Penalty**

3 FOR the purpose of making the imposition of a penalty for a county's noncompliance  
4 with certain maintenance of effort provisions for funding public education  
5 applicable in a certain fiscal year; ~~waiving the maintenance of effort penalty for~~  
6 ~~a certain fiscal year~~; providing for the application of this Act; and generally  
7 relating to the maintenance of effort penalty.

8 BY repealing and reenacting, with amendments,  
9 Article – Education  
10 Section 5–213  
11 Annotated Code of Maryland  
12 (2008 Replacement Volume and 2010 Supplement)

13 Preamble

14 WHEREAS, The process for waiving the maintenance of effort requirement was  
15 established in 1996 and no county had applied for a waiver under that process until  
16 fiscal year 2010; and

17 WHEREAS, When the maintenance of effort waiver process was used for the  
18 first time in fiscal year 2010, numerous policy issues were identified, including the  
19 lack of clarity in the factors used to guide the decision of the State Board of Education  
20 whether to grant a waiver; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 WHEREAS, Significant policy issues were also identified regarding the  
2 appropriate penalty for not meeting the maintenance of effort requirement; now,  
3 therefore,

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 5–213.

8 (a) After notification from the State Superintendent that a county is not  
9 complying with the provisions of the State program of public education, the State  
10 Comptroller shall withhold any installment due the county from the General State  
11 School Fund.

12 (b) (1) If the Superintendent finds that a county is not complying with the  
13 maintenance of local effort provisions of § 5–202 of this subtitle or that a county fails  
14 to meet the requirements of Subtitle 4 of this title, the Superintendent shall notify the  
15 county of such noncompliance.

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

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

22 **(I) FOR NONCOMPLIANCE WITH SUBTITLE 4 OF THIS TITLE,**  
23 payment of any funds due the county for the current fiscal year, as provided under §  
24 5–202 of this subtitle which are appropriated in the General State School Fund, to the  
25 extent that the State’s aid due the county in the current fiscal year under that section  
26 in the Fund exceeds the amount which the county received in the prior fiscal year;  
27 **AND**

28 **(II) FOR NONCOMPLIANCE WITH § 5–202(D) OF THIS**  
29 **SUBTITLE, PAYMENT OF ANY FUNDS DUE THE COUNTY FOR THE FOLLOWING**  
30 **FISCAL YEAR, AS PROVIDED UNDER § 5–202 OF THIS SUBTITLE, WHICH ARE**  
31 **APPROPRIATED IN THE GENERAL STATE SCHOOL FUND, IN THE AMOUNT THAT**  
32 **THE STATE’S AID DUE THE COUNTY IN THE CURRENT FISCAL YEAR UNDER THAT**  
33 **SECTION IN THE FUND EXCEEDED THE AMOUNT THAT THE COUNTY RECEIVED**  
34 **IN THE PRIOR FISCAL YEAR.**

1       ~~SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any~~  
2 ~~other provision of law, for fiscal year 2011 only, the penalty provision under § 5-213 of~~  
3 ~~the Education Article may not be applied to any State aid increase provided under §~~  
4 ~~5-202 of the Education Article.~~

5       ~~SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to~~  
6 ~~any penalty that would otherwise be imposed for not meeting the maintenance of~~  
7 ~~effort requirement in fiscal year 2011.~~

8       SECTION ~~4.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take  
9 effect June 1, 2011.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.