

# HOUSE BILL 1145

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4lr2591

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By: **Delegates Kaiser, Bohanan, and Guzzone**

Introduced and read first time: February 7, 2014

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maintenance of Effort – Qualifying Nonrecurring Costs – Methods of**  
3 **Approval**

4 FOR the purpose of authorizing a county board of education and a county governing  
5 body to request certain information regarding certain agreements, meetings, or  
6 negotiations relating to certain cooperation and partnership elements when a  
7 certain budget is submitted; adding certain qualifying nonrecurring costs to the  
8 list of qualifying nonrecurring costs in relation to the maintenance of effort  
9 calculation; establishing processes for how certain qualifying nonrecurring costs  
10 are to be approved; requiring the State Board of Education and the State  
11 Department of Education to convene a certain workgroup to work on certain  
12 issues and develop certain guidelines; stating the intent of the General  
13 Assembly that the State Board approve certain start-up costs to implement  
14 certain standards and a certain test as certain qualifying nonrecurring costs;  
15 and generally relating to education funding.

16 BY adding to  
17 Article – Education  
18 Section 5–101(g)  
19 Annotated Code of Maryland  
20 (2008 Replacement Volume and 2013 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – Education  
23 Section 5–202(d)(6)  
24 Annotated Code of Maryland  
25 (2008 Replacement Volume and 2013 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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## Article – Education

2 5–101.

3 (G) IN ADDITION TO ALL OTHER INFORMATION REQUIRED BY THIS  
4 SECTION, WHEN A COUNTY BOARD’S BUDGET IS SUBMITTED TO A COUNTY  
5 GOVERNING BODY, AT THE REQUEST OF EITHER PARTY, INFORMATION SHALL  
6 BE PROVIDED ON ANY AGREEMENTS, MEETINGS, OR NEGOTIATIONS REGARDING  
7 THE COOPERATION AND PARTNERSHIP ELEMENTS AUTHORIZED UNDER §  
8 4–123 OF THIS ARTICLE AND § 5–202(D)(6) AND (8) OF THIS TITLE.

9 5–202.

10 (d) (6) (I) Qualifying nonrecurring costs, as defined in regulations  
11 adopted by the State Board, shall include but are not limited to:

12 [(i)] 1. Computer laboratories;

13 [(ii)] 2. Technology enhancement;

14 [(iii)] 3. New instructional program start–up costs; [and]

15 [(iv)] 4. Books other than classroom textbooks;

16 5. CAPITAL ITEMS WITH A USEFUL LIFE OF 5 OR  
17 MORE YEARS THAT INCLUDE THE COST TO ACQUIRE FIXED ASSETS OTHER THAN  
18 LAND AND BUILDINGS; AND

19 6. OTHER UNIQUE ONETIME COSTS THAT THE  
20 COUNTY BOARD AND COUNTY GOVERNING BODY MUTUALLY AGREE ON.

21 (II) 1. SUBJECT TO SUBPARAGRAPH (III) OF THIS  
22 PARAGRAPH, ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE STATE BOARD  
23 SHALL RELEASE AND DISTRIBUTE TO COUNTY BOARDS AND COUNTY  
24 GOVERNING BODIES DOCUMENTS THAT INCLUDE:

25 A. A LIST OF SPECIFIC ITEMS, PROGRAMS, OR  
26 CATEGORIES OF QUALIFYING NONRECURRING COSTS, INCLUDING THE COSTS  
27 ESTABLISHED IN SUBPARAGRAPH (I)1 THROUGH 5 OF THIS PARAGRAPH, THAT  
28 WOULD BE SUBJECT TO DIRECT ADMINISTRATIVE APPROVAL FOR THE  
29 UPCOMING FISCAL YEAR; AND

1                   **B. AN APPLICATION AND INSTRUCTIONS FOR**  
2 **SUBMITTING AN EXPENDITURE FOR APPROVAL THAT FITS WITHIN THE LIST OF**  
3 **SPECIFIC ITEMS, PROGRAMS, OR CATEGORIES.**

4                   **2. EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF**  
5 **THIS PARAGRAPH, THE STATE BOARD SHALL APPROVE AN EXPENDITURE AS A**  
6 **QUALIFYING NONRECURRING COST FOR THE UPCOMING FISCAL YEAR IF A**  
7 **COUNTY BOARD AND A COUNTY GOVERNING BODY:**

8                   **A. AGREE THAT AN EXPENDITURE FITS WITHIN THE**  
9 **LIST OF SPECIFIC ITEMS, PROGRAMS, OR CATEGORIES OF QUALIFYING**  
10 **NONRECURRING COSTS ESTABLISHED UNDER ITEM 1A OF THIS**  
11 **SUBPARAGRAPH; AND**

12                   **B. ON OR BEFORE JUNE 1 OF EACH YEAR, SUBMIT**  
13 **AN APPLICATION TO THE STATE BOARD WITH EVIDENCE THAT THE**  
14 **NONRECURRING COST FALLS WITHIN THE LIST ESTABLISHED UNDER ITEM 1A**  
15 **OF THIS SUBPARAGRAPH.**

16                   **(III) UNIQUE ONETIME COSTS AS DESCRIBED IN**  
17 **SUBPARAGRAPH (I)6 OF THIS PARAGRAPH ARE SUBJECT TO THE REGULATIONS**  
18 **ADOPTED BY THE STATE BOARD REGARDING WRITTEN REQUESTS TO EXCLUDE**  
19 **QUALIFYING NONRECURRING COSTS THAT ARE SUPPLEMENTAL TO THE**  
20 **REGULAR SCHOOL OPERATING BUDGET.**

21           SECTION 2. AND BE IT FURTHER ENACTED, That the State Board of  
22 Education and the State Department of Education shall convene a workgroup that  
23 includes representatives from the Maryland Association of Boards of Education, the  
24 Public School Superintendents' Association of Maryland, and the Maryland  
25 Association of Counties to discuss issues relating to qualifying nonrecurring costs and,  
26 before December 31, 2014, develop the initial list of specific items, programs, or  
27 categories of expenditure that would be subject to direct administrative approval  
28 under this Act as qualifying nonrecurring costs under the maintenance of effort  
29 calculation.

30           SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the  
31 General Assembly that the State Board of Education approve start-up costs to  
32 implement the Maryland College and Career-Ready Standards and the Partnership  
33 for Assessment of Readiness for College and Careers (PARCC) tests, including the  
34 equipment necessary to implement the PARCC test online for all students by the  
35 2016-2017 school year, as qualifying nonrecurring costs under § 5-202(d)(6)(i) of the  
36 Education Article, as enacted by this Act, for the calculation of maintenance of effort.

37           SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
38 July 1, 2014.