HOUSE BILL 349

F1 4lr1574 CF SB 388

By: Delegates Vitale, Bates, Beidle, Eckardt, Elliott, Frank, Frush, George, Krebs, Love, McConkey, McMillan, Norman, Pena-Melnyk, Schuh, Sophocleus, and Stocksdale Stocksdale, and Smigiel

Introduced and read first time: January 22, 2014

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2014

CHAPTER

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I	AN	ACT	concerning

- Education Maintenance of Effort Lease Payment Exclusion Study of
 Alternative Financing Methods for the Purpose of School Construction
- FOR the purpose of excluding certain lease payments made by a county board of education from the maintenance of effort calculation; and generally relating to maintenance of effort funding requiring the Department of Legislative Services to conduct a certain study on the use of certain alternative financing methods by certain local school systems for school construction; requiring the Department to make a certain report on or before a certain date; and generally relating to the Study of Alternative Financing Methods for the Purpose of
- 11 School Construction.
- 12 BY repealing and reenacting, with amendments,
- 13 Article Education
- 14 Section 5-202(d)(3)(i)
- 15 Annotated Code of Maryland
- 16 (2008 Replacement Volume and 2013 Supplement)
- 17 (As enacted by Chapter 647 of the Acts of the General Assembly of 2013)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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



1 2 3	(a) The Department of Legislative Services shall conduct a study that examines the use of lease payments or other alternative financing methods as defined in § 4–126 of the Education Article by local school systems for school construction.			
4 5 6	(b) In conducting the study, the Department shall examine how lease payments and alternative financing methods affect the maintenance of effort calculation established in § 5–202 of the Education Article.			
7 8 9	(c) On or before December 15, 2014, the Department shall report its findings and recommendations to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.			
10	Article - Education			
11	5-202.			
12 13 14	(d) (3) (i) For purposes of this subsection, for fiscal year 1997 and each subsequent fiscal year, the calculation of the county's highest local appropriation to its school operating budget for the prior fiscal year shall exclude:			
15 16 17	1. A nonrecurring cost that is supplemental to the regular school operating budget, if the exclusion qualifies under regulations adopted by the State Board;			
18 19	2. A cost of a program that has been shifted from the county school operating budget to the county operating budget;			
20 21	3. The cost of debt service incurred for school construction projects; [and]			
22 23 24 25	4. For a county that shifts the recurring costs associated with providing retiree health benefits for current retirees to the county board, any reduction in those retiree health costs from the amount the county was required to appropriate in the previous year; AND			
26 27 28 29	5. Lease payments made by a county board to a private entity holding title to property used for a particular public school by a county board as described in § 4–114(c)(1) of this article.			
30 31 32 33	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014, the effective date of Chapter 6 of the Acts of the General Assembly of 2012. If the effective date of Chapter 6 is amended, this Act shall take effect on the taking effect of Chapter 6.			