

HOUSE BILL 502

F1

5lr2194

By: **Delegates Kaiser, Frush, Lam, and Patterson**

Introduced and read first time: February 11, 2015

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **State Department of Education – Financial Advisory Board – Establishment**

3 FOR the purpose of establishing the Financial Advisory Board within the State Department
4 of Education; providing for the purpose and membership of the Board; requiring the
5 Board to review certain documents relating to certain maintenance of effort waiver
6 requests; requiring the Board to take certain factors into account when making a
7 certain recommendation; requiring the Board to prepare a certain analysis in plain
8 English and make the certain analysis available to the public; requiring certain
9 preliminary assessments of certain maintenance of effort requests to be developed in
10 consultation with the Board; and generally relating to the establishment of the
11 Financial Advisory Board.

12 BY repealing and reenacting, without amendments,
13 Article – Education
14 Section 5–202(d)(1) and (8)(i)
15 Annotated Code of Maryland
16 (2014 Replacement Volume and 2014 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Education
19 Section 5–202(d)(8)(iii)
20 Annotated Code of Maryland
21 (2014 Replacement Volume and 2014 Supplement)

22 BY adding to
23 Article – Education
24 Section 5–202.1
25 Annotated Code of Maryland
26 (2014 Replacement Volume and 2014 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Education**

4 5–202.

5 (d) (1) (i) Subject to § 5–213.1 of this subtitle, the county governing body
6 shall levy and appropriate an annual tax sufficient to provide an amount of revenue for
7 elementary and secondary public education purposes equal to the local share of the
8 foundation program.

9 (ii) 1. Except as provided in subsubparagraph 2 of this
10 subparagraph and subject to § 5–213 of this subtitle, the county governing body shall
11 appropriate local funds to the school operating budget in an amount no less than the
12 product of the county’s full–time equivalent enrollment for the current fiscal year and the
13 local appropriation on a per pupil basis for the prior fiscal year.

14 2. Except as provided in paragraph (3)(ii) of this subsection
15 and subject to subparagraph (iii) of this paragraph, in each fiscal year if a county’s
16 education effort, as defined in paragraph (10) of this subsection, is below 100% of the
17 statewide 5–year moving average of education effort, the required maintenance of effort
18 amount for the county shall be adjusted by increasing the per pupil amount by the lesser
19 of:

20 A. A county’s increase in the local wealth per pupil;

21 B. The statewide average increase in local wealth per pupil;
22 or

23 C. 2.5%.

24 (8) (i) The maintenance of effort requirement in paragraph (1)(ii) of this
25 subsection does not apply to a county if the county requests and is granted a waiver from
26 the requirement by the State Board based on:

27 1. A determination under this paragraph that the county’s
28 fiscal condition significantly impedes the county’s ability to fund the maintenance of effort
29 requirement;

30 2. Subject to paragraph (9) of this subsection, an agreement
31 between the county and the county board to reduce recurring costs; or

32 3. Subject to paragraph (10) of this subsection, a
33 determination that a county’s ability to meet the maintenance of effort requirement is
34 permanently impeded.

1 (iii) 1. The State Superintendent shall provide a preliminary
2 assessment of a waiver request to the State Board before a public hearing held in
3 accordance with subparagraph (iv) of this paragraph.

4 2. THE STATE SUPERINTENDENT'S PRELIMINARY
5 ASSESSMENT SHALL BE DEVELOPED IN CONSULTATION WITH THE FINANCIAL
6 ADVISORY BOARD ESTABLISHED UNDER § 5-202.1 OF THIS SUBTITLE.

7 5-202.1.

8 (A) IN THIS SECTION, "BOARD" MEANS THE FINANCIAL ADVISORY BOARD.

9 (B) THERE IS A FINANCIAL ADVISORY BOARD IN THE DEPARTMENT.

10 (C) THE PURPOSE OF THE BOARD IS TO ASSIST THE STATE
11 SUPERINTENDENT IN MAKING PRELIMINARY ASSESSMENTS OF WAIVER REQUESTS
12 IN ACCORDANCE WITH § 5-202(D)(8)(III) OF THIS SUBTITLE.

13 (D) THE BOARD SHALL CONSIST OF THE FOLLOWING MEMBERS:

14 (1) THE CHIEF OPERATING OFFICER OF THE DEPARTMENT;

15 (2) THE DIRECTOR OF THE DEPARTMENT OF ASSESSMENTS AND
16 TAXATION, OR THE DIRECTOR'S DESIGNEE; AND

17 (3) THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE
18 SECRETARY'S DESIGNEE.

19 (E) (1) THE BOARD SHALL:

20 (I) REVIEW THE DOCUMENTS SUBMITTED AS PART OF A
21 WAIVER REQUEST BY THE COUNTY; AND

22 (II) CONSIDER THE FACTORS LISTED IN § 5-202(D)(8)(V)1
23 THROUGH 4, 7, AND 9 OF THIS SUBTITLE WHEN ADVISING THE STATE
24 SUPERINTENDENT IN ACCORDANCE WITH § 5-202(D)(8)(III) OF THIS SUBTITLE.

25 (2) (I) AFTER THE BOARD ADVISES THE STATE SUPERINTENDENT
26 IN ACCORDANCE WITH § 5-202(D)(8)(III) OF THIS SUBTITLE, THE BOARD SHALL
27 PREPARE A PLAIN ENGLISH ANALYSIS OF THE ADVICE.

28 (II) THE ANALYSIS REQUIRED IN SUBPARAGRAPH (I) OF THIS
29 PARAGRAPH SHALL BE MADE AVAILABLE TO THE PUBLIC.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
2 1, 2015.