

SENATE BILL 803

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4lr2857
CF HB 909

By: **Senator Brooks**

Introduced and read first time: February 2, 2024

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Education – Local Share of Major Education Aid – Nonrecurring Costs**
3 **Exclusion**

4 FOR the purpose of authorizing the exclusion of certain costs from the calculation of a
5 county's highest local appropriation to its school operating budget if a county board
6 of education and a county governing body agree annually to designate certain
7 spending as nonrecurring costs; requiring the State Department of Education to
8 submit a certain report to certain county governing bodies under certain
9 circumstances; and generally relating to the local share of major education aid.

10 BY repealing and reenacting, without amendments,
11 Article – Education
12 Section 5–235(a) and (d) through (g)
13 Annotated Code of Maryland
14 (2022 Replacement Volume and 2023 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Education
17 Section 5–235(c) and (n)
18 Annotated Code of Maryland
19 (2022 Replacement Volume and 2023 Supplement)

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

22 **Article – Education**

23 5–235.

24 (a) (1) (i) Subject to subsection (o) of this section and beginning in fiscal
25 year 2023, the county governing body shall levy and appropriate an annual tax sufficient

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



to provide an amount of revenue for elementary and secondary public education purposes equal to the local share of major education aid as adjusted under § 5–239 of this subtitle.

(ii) For the purposes of calculating the local share of major education aid and regardless of the source of the funds, all funds that a county board, including the Baltimore City Board of School Commissioners, is authorized to expend for schools may be considered as levied by the county council, board of county commissioners, or the Mayor and City Council of Baltimore except for:

1. State appropriations;
2. Federal education aid payments; and
3. The amount of the expenditure authorized for debt service and capital outlay.

(2) Subject to subsection (o) of this section and except as provided in subsection (a–1) of this section, the county governing body shall appropriate local funds to the school operating budget in an amount no less than the product of the county’s enrollment count for the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year using enrollment count.

(c) (1) **[For] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, FOR** purposes of this subsection, the calculation of the county’s highest local appropriation to its school operating budget for the prior fiscal year shall exclude:

(i) A nonrecurring cost that is supplemental to the regular school operating budget, if the exclusion qualifies under regulations adopted by the State Board;

(ii) A cost of a program that has been shifted from the county school operating budget to the county operating budget;

(iii) The cost of debt service incurred for school construction projects; and

(iv) 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.

(2) For purposes of the adjustment required under subsection (a)(2)(ii) of this section, a county that dedicates to public school construction any additional State funds received from recurring retiree health costs shifted to the county board may exclude those retiree health costs from the highest local appropriation on a per pupil basis.

(3) A COUNTY BOARD AND A COUNTY GOVERNING BODY MAY AGREE, ON OR BEFORE JUNE 1 EACH YEAR, TO DESIGNATE CERTAIN SPENDING THAT IS IN

1 **EXCESS OF THE LOCAL SHARE OF MAJOR EDUCATION AID REQUIRED UNDER**
2 **SUBSECTION (A) OF THIS SECTION, AS NONRECURRING COSTS THAT ARE**
3 **SUPPLEMENTAL TO THE REGULAR SCHOOL OPERATING BUDGET.**

4 (d) The county board must present satisfactory evidence to the county
5 government that any appropriation under subsection (c)(1) of this section is used only for
6 the purpose designated by the county government in its request for approval.

7 (e) Any appropriation that is not excluded under subsection (c)(1) of this section
8 as a qualifying nonrecurring cost shall be included in calculating the county's highest local
9 appropriation to its school operating budget.

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

12 (1) Computer laboratories;

13 (2) Technology enhancement;

14 (3) New instructional program start-up costs; and

15 (4) Books other than classroom textbooks.

16 (g) (1) Subject to paragraph (2) of this subsection, if a county's ability to fund
17 the maintenance of effort requirement in subsection (a) of this section is impeded, the
18 county shall apply under subsection (h) of this section to the State Board for a waiver.

19 (2) If a county fails to apply to the State Board for a waiver from the
20 maintenance of effort requirement and fails to meet the maintenance of effort requirement:

21 (i) The county shall be assessed in accordance with subsection (o) of
22 this section; and

23 (ii) The minimum appropriation of local funds required under this
24 section for the next fiscal year shall be calculated based on the per pupil local appropriation
25 for the prior fiscal year in which the county met the maintenance of effort requirement
26 under subsection (a) of this section.

27 (n) On or before December 31 of each year the Department shall report to the
28 Governor, **THE APPROPRIATE COUNTY GOVERNING BODY**, and, in accordance with §
29 2-1257 of the State Government Article, the General Assembly, on all waiver requests,
30 maintenance of effort calculations made by the Department and the county, the
31 Department's decisions regarding waiver requests, the Department's certification of
32 whether a county has met the requirement, and any other information relating to a county's
33 request for a waiver and the Department's maintenance of effort decisions.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2024.