

HOUSE BILL 1323

F1, F3

4lr1827
CF SB 927

By: Delegates Kaiser, Olszewski, Ivey, Arora, Aumann, Barkley, Barnes, Barve, Boteler, Braveboy, Bromwell, Burns, Cardin, Carr, Cluster, Cullison, Davis, DeBoy, Frank, Fraser-Hidalgo, Frick, Frush, Gilchrist, Gutierrez, Healey, Hixson, Holmes, Howard, Hubbard, Hucker, Impallaria, Kach, A. Kelly, Kramer, Lee, Luedtke, McDonough, A. Miller, Minnick, Mizeur, Morhaim, Nathan-Pulliam, Niemann, Pena-Melnyk, Proctor, Reznik, S. Robinson, Simmons, Stein, Summers, Swain, Szeliga, V. Turner, Valderrama, Valentino-Smith, Vallario, Vaughn, Waldstreicher, Walker, A. Washington, Weir, ~~and Zucker~~ Zucker, Jones, Griffith, Eckardt, Sophocleus, Conway, Gaines, Haynes, James, and Guzzone

Introduced and read first time: February 7, 2014

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 27, 2014

CHAPTER _____

1 AN ACT concerning

2 ~~Supplemental Public School Construction Matching Fund Program -~~
3 Creative Financing Study

4 ~~FOR the purpose of establishing the Supplemental Public School Construction~~
5 ~~Matching Fund Program; providing for the purpose of the Program and~~
6 ~~requiring the Department of Budget and Management to implement and~~
7 ~~administer the Program; establishing certain requirements a county must meet~~
8 ~~to be eligible for the Program; requiring the Department to provide to each~~
9 ~~county that is eligible for the Program up to a certain amount of State funding~~
10 ~~each fiscal year to be used for certain purposes related to the cost of public~~
11 ~~school construction projects and public school capital improvements in the~~
12 ~~county; requiring that certain funding provided under the Program shall be~~
13 ~~pledged or used for certain purposes; requiring that certain funding provided~~
14 ~~under the Program shall end at certain times; specifying that certain bonds~~
15 ~~issued in accordance with this Act are not a debt, liability, moral obligation, or~~

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.



~~pledge of the faith and credit or taxing power of the State; requiring certain projects to be approved by the Department and the Interagency Committee on School Construction before certain funding may be released; requiring a qualifying county, the Department, and the Interagency Committee on School Construction to enter into a certain memorandum of understanding regarding certain projects before certain funding may be released; specifying the requirements of the memorandum of understanding; specifying that funding provided under the Program is supplemental to public school construction funding from other sources; establishing the Supplemental Public School Construction Fund as a continuing, nonlapsing fund; specifying the contents of the Fund and the uses of the Fund; exempting the Fund from a certain provision of law requiring interest on State money in special funds to accrue to the General Fund of the State; altering the distribution of certain State lottery revenues and requiring the Comptroller to distribute certain State lottery revenues into the Fund; defining certain terms; and generally relating to the Supplemental Public School Construction Matching Fund Program.~~

~~BY adding to~~

~~Article — Education~~

~~Section 5-3A-01 through 5-3A-04 to be under the new subtitle “Subtitle 3A- Supplemental Public School Construction Matching Fund Program”~~

~~Annotated Code of Maryland~~

~~(2008 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, without amendments,~~

~~Article — State Finance and Procurement~~

~~Section 6-226(a)(2)(i)~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — State Finance and Procurement~~

~~Section 6-226(a)(2)(ii) 76. and 77.~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2013 Supplement)~~

~~BY adding to~~

~~Article — State Finance and Procurement~~

~~Section 6-226(a)(2)(ii) 78.~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — State Government~~

~~Section 9-120~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2013 Supplement)~~

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

3 ~~Article — Education~~

4 ~~SUBTITLE 3A. SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION MATCHING~~
 5 ~~FUND PROGRAM.~~

6 ~~5-3A-01.~~

7 ~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS~~
 8 ~~INDICATED.~~

9 ~~(B) “FUND” MEANS THE SUPPLEMENTAL PUBLIC SCHOOL~~
 10 ~~CONSTRUCTION FUND ESTABLISHED UNDER § 5-3A-04 OF THIS SUBTITLE.~~

11 ~~(C) “PROGRAM” MEANS THE SUPPLEMENTAL PUBLIC SCHOOL~~
 12 ~~CONSTRUCTION MATCHING FUND PROGRAM ESTABLISHED UNDER § 5-3A-02~~
 13 ~~OF THIS SUBTITLE.~~

14 ~~(D) “QUALIFYING COUNTY” MEANS A COUNTY THAT:~~

15 ~~(1) HAS AT LEAST 100,000 FULL TIME EQUIVALENT STUDENTS~~
 16 ~~ENROLLED IN THE PUBLIC SCHOOL SYSTEM IN FISCAL YEAR 2014; AND~~

17 ~~(2) CONSISTENTLY MAINTAINS A BOND RATING OF AAA FROM AT~~
 18 ~~LEAST TWO OF THE FOLLOWING RATING AGENCIES:~~

19 ~~(I) FITCH;~~

20 ~~(II) MOODY’S; AND~~

21 ~~(III) STANDARD & POOR’S.~~

22 ~~(E) “QUALIFYING COUNTY BOND” MEANS A NOTE, AN INTERIM~~
 23 ~~CERTIFICATE, A REFUNDING BOND, AND ANY EVIDENCE OF OBLIGATION ISSUED~~
 24 ~~UNDER THIS SUBTITLE BY OR ON BEHALF OF A QUALIFYING COUNTY TO~~
 25 ~~FINANCE THE COST OF PUBLIC SCHOOL CONSTRUCTION PROJECTS AND PUBLIC~~
 26 ~~SCHOOL CAPITAL IMPROVEMENTS IN THE QUALIFYING COUNTY.~~

27 ~~5-3A-02.~~

28 ~~(A) (1) THERE IS A SUPPLEMENTAL PUBLIC SCHOOL~~
 29 ~~CONSTRUCTION MATCHING FUND PROGRAM.~~

1 ~~(2) THE PURPOSE OF THE PROGRAM IS TO PROVIDE~~
2 ~~SUPPLEMENTAL STATE FUNDING TO EACH QUALIFYING COUNTY TO ASSIST~~
3 ~~WITH FUNDING THE COST OF PUBLIC SCHOOL CONSTRUCTION PROJECTS AND~~
4 ~~PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN THE QUALIFYING COUNTY.~~

5 ~~(3) THE PROGRAM SHALL BE IMPLEMENTED AND ADMINISTERED~~
6 ~~BY THE DEPARTMENT OF BUDGET AND MANAGEMENT IN ACCORDANCE WITH~~
7 ~~THIS SUBTITLE.~~

8 ~~(B) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL PROVIDE~~
9 ~~TO EACH QUALIFYING COUNTY THAT MEETS THE REQUIREMENTS OF~~
10 ~~SUBSECTION (C) OF THIS SECTION UP TO \$20,000,000 OF STATE FUNDING EACH~~
11 ~~FISCAL YEAR TO BE USED:~~

12 ~~(1) TO PAY UP TO ONE THIRD OF THE COST OF DEBT SERVICE ON~~
13 ~~BONDS ISSUED BY OR ON BEHALF OF EACH QUALIFYING COUNTY TO FUND THE~~
14 ~~COST OF PUBLIC SCHOOL CONSTRUCTION PROJECTS AND PUBLIC SCHOOL~~
15 ~~CAPITAL IMPROVEMENTS IN EACH QUALIFYING COUNTY; OR~~

16 ~~(2) TO PROVIDE STATE FUNDING TO PAY THE COST OF PUBLIC~~
17 ~~SCHOOL CONSTRUCTION PROJECTS AND PUBLIC SCHOOL CAPITAL~~
18 ~~IMPROVEMENTS IN EACH QUALIFYING COUNTY AT A RATIO OF \$1 OF STATE~~
19 ~~FUNDING FOR EVERY \$2 OF QUALIFYING COUNTY FUNDING.~~

20 ~~(C) TO BE ELIGIBLE FOR THE PROGRAM, A QUALIFYING COUNTY SHALL~~
21 ~~FILE AN APPLICATION FOR THE PROGRAM WITH THE DEPARTMENT OF BUDGET~~
22 ~~AND MANAGEMENT ON OR BEFORE JUNE 30, 2019, THAT INCLUDES:~~

23 ~~(1) APPROPRIATE DOCUMENTATION EVIDENCING THAT THE~~
24 ~~COUNTY MEETS THE REQUIREMENTS OF A QUALIFYING COUNTY UNDER §~~
25 ~~5-3A-01(D) OF THIS SUBTITLE;~~

26 ~~(2) A PLAN FOR THE PUBLIC SCHOOL CONSTRUCTION PROJECTS~~
27 ~~AND PUBLIC SCHOOL CAPITAL IMPROVEMENTS FOR WHICH THE COUNTY IS~~
28 ~~REQUESTING ASSISTANCE FROM THE PROGRAM;~~

29 ~~(3) IF THE QUALIFYING COUNTY IS REQUESTING ASSISTANCE~~
30 ~~WITH DEBT SERVICE COSTS, A PLEDGE TO ISSUE QUALIFYING COUNTY BONDS~~
31 ~~ON OR BEFORE JUNE 30, 2020, THAT MATURE WITHIN A PERIOD NOT TO EXCEED~~
32 ~~20 YEARS AFTER THEIR DATE OF ISSUANCE; AND~~

33 ~~(4) IF THE QUALIFYING COUNTY IS REQUESTING ASSISTANCE~~
34 ~~WITH STATE FUNDING TO FUND PUBLIC SCHOOL CONSTRUCTION COSTS, A~~

1 ~~PLEDGE TO MATCH EVERY \$1 OF STATE FUNDING WITH \$2 OF QUALIFYING~~
2 ~~COUNTY FUNDING.~~

3 ~~(D) (1) THE STATE FUNDING PROVIDED UNDER SUBSECTION (B)(1)~~
4 ~~OF THIS SECTION:~~

5 ~~(I) SHALL BE PLEDGED TO THE PAYMENT OF DEBT~~
6 ~~SERVICE ON BONDS ISSUED BY OR ON BEHALF OF EACH QUALIFYING COUNTY TO~~
7 ~~FUND THE COST OF PUBLIC SCHOOL CONSTRUCTION PROJECTS AND PUBLIC~~
8 ~~SCHOOL CAPITAL IMPROVEMENTS IN EACH QUALIFYING COUNTY; AND~~

9 ~~(II) SHALL END WHEN THE BONDS THAT HAVE BEEN ISSUED~~
10 ~~TO FUND THE COST OF PUBLIC SCHOOL CONSTRUCTION PROJECTS AND PUBLIC~~
11 ~~SCHOOL CAPITAL IMPROVEMENTS IN THE QUALIFYING COUNTY UNDER THIS~~
12 ~~SECTION ARE NO LONGER OUTSTANDING AND UNPAID.~~

13 ~~(2) THE STATE FUNDING PROVIDED UNDER SUBSECTION (B)(2)~~
14 ~~OF THIS SECTION:~~

15 ~~(I) SHALL BE USED TO FUND THE COST OF PUBLIC SCHOOL~~
16 ~~CONSTRUCTION PROJECTS AND PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN~~
17 ~~EACH QUALIFYING COUNTY; AND~~

18 ~~(II) SHALL END NO LATER THAN 20 YEARS AFTER THE~~
19 ~~FUNDING WAS FIRST RECEIVED UNDER THIS SECTION.~~

20 ~~(E) A QUALIFYING COUNTY BOND ISSUED IN ACCORDANCE WITH THIS~~
21 ~~SUBTITLE:~~

22 ~~(1) IS NOT A DEBT, LIABILITY, OR PLEDGE OF THE FAITH AND~~
23 ~~CREDIT OR THE TAXING POWER OF THE STATE;~~

24 ~~(2) MAY NOT GIVE RISE TO ANY PECUNIARY LIABILITY OF THE~~
25 ~~STATE; AND~~

26 ~~(3) IS NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY A MORAL~~
27 ~~OR OTHER OBLIGATION OF THE STATE TO LEVY OR PLEDGE ANY TAX OR TO~~
28 ~~MAKE AN APPROPRIATION TO PAY THE BOND.~~

29 ~~5-3A-03.~~

30 ~~(A) (1) PROJECTS FUNDED UNDER THIS SUBTITLE MUST BE~~
31 ~~APPROVED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE~~

~~1 INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION BEFORE ANY RELEASE
2 OF FUNDING UNDER THIS SUBTITLE.~~

~~3 (2) A QUALIFYING COUNTY, THE DEPARTMENT OF BUDGET AND
4 MANAGEMENT, AND THE INTERAGENCY COMMITTEE ON SCHOOL
5 CONSTRUCTION SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING
6 WITH RESPECT TO PROCEDURES REQUIRED UNDER PARAGRAPH (1) OF THIS
7 SUBSECTION BEFORE ANY RELEASE OF FUNDING UNDER THIS SUBTITLE.~~

~~8 (3) THE ELIGIBLE COSTS AND STATE AND LOCAL COST SHARE
9 PERCENTAGES SET FORTH IN REGULATION DO NOT APPLY TO PROJECTS
10 FUNDED UNDER THIS SUBTITLE IN A QUALIFYING COUNTY.~~

~~11 (B) THE MEMORANDUM OF UNDERSTANDING SHALL:~~

~~12 (1) IDENTIFY THE ELIGIBLE COSTS AND STATE AND LOCAL
13 COST SHARE PERCENTAGES THAT WILL BE APPLICABLE TO PROJECTS
14 FINANCED UNDER THIS SUBTITLE IN A QUALIFYING COUNTY;~~

~~15 (2) REQUIRE A QUALIFYING COUNTY THAT RECEIVES STATE
16 FUNDING IN ACCORDANCE WITH § 5-3A-02(B)(1) OF THIS SUBTITLE TO
17 DEPOSIT FUNDS IN THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION
18 FUND ESTABLISHED UNDER § 5-3A-04 OF THIS SUBTITLE TO PAY AT LEAST
19 TWO THIRDS OF THE COST OF DEBT SERVICE ON QUALIFYING COUNTY BONDS;~~

~~20 (3) REQUIRE A QUALIFYING COUNTY THAT RECEIVES STATE
21 FUNDING IN ACCORDANCE WITH § 5-3A-02(B)(2) OF THIS SUBTITLE TO PLEDGE
22 TO MATCH EVERY \$1 OF STATE FUNDING WITH \$2 OF QUALIFYING COUNTY
23 FUNDING AND TO IDENTIFY THE SOURCE OF FUNDING FOR THE MATCH; AND~~

~~24 (4) PROVIDE ANY OTHER PROVISIONS NECESSARY TO
25 IMPLEMENT THE FUNDING OF PROJECTS UNDER THIS SUBTITLE.~~

~~26 (C) THE STATE FUNDING PROVIDED UNDER THIS SUBTITLE IS
27 SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING
28 THAT WOULD OTHERWISE BE APPROPRIATED FOR PUBLIC SCHOOL
29 CONSTRUCTION PURPOSES IN A QUALIFYING COUNTY FROM ANY OTHER
30 SOURCE.~~

~~31 5-3A-04.~~

~~32 (A) (1) THERE IS A SUPPLEMENTAL PUBLIC SCHOOL
33 CONSTRUCTION FUND.~~

1 ~~(2) THE FUND IS A CONTINUING, NONLAPSING FUND THAT SHALL~~
2 ~~BE AVAILABLE IN PERPETUITY TO IMPLEMENT THIS SUBTITLE CONCERNING~~
3 ~~QUALIFYING COUNTY PUBLIC SCHOOL CONSTRUCTION PROJECTS AND PUBLIC~~
4 ~~SCHOOL CAPITAL IMPROVEMENTS.~~

5 ~~(3) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL~~
6 ~~USE THE FUND AS A REVOLVING FUND FOR CARRYING OUT THIS SUBTITLE~~
7 ~~CONCERNING QUALIFYING COUNTY PUBLIC SCHOOL CONSTRUCTION PROJECTS~~
8 ~~AND PUBLIC SCHOOL CAPITAL IMPROVEMENTS.~~

9 ~~(B) THE MONEY ON DEPOSIT IN THE FUND SHALL BE PLEDGED TO AND~~
10 ~~USED TO PAY THE FOLLOWING RELATING TO QUALIFYING COUNTY PUBLIC~~
11 ~~SCHOOL CONSTRUCTION PROJECTS AND PUBLIC SCHOOL CAPITAL~~
12 ~~IMPROVEMENTS:~~

13 ~~(1) DEBT SERVICE ON QUALIFYING COUNTY BONDS;~~

14 ~~(2) DEBT SERVICE RESERVES UNDER A TRUST AGREEMENT;~~

15 ~~(3) ALL REASONABLE CHARGES AND EXPENSES RELATED TO~~
16 ~~QUALIFYING COUNTY BORROWING; AND~~

17 ~~(4) COSTS INCURRED FOR PUBLIC SCHOOL CONSTRUCTION~~
18 ~~PROJECTS AND PUBLIC SCHOOL CAPITAL IMPROVEMENTS BY A QUALIFYING~~
19 ~~COUNTY THAT RECEIVES STATE FUNDING IN ACCORDANCE WITH §~~
20 ~~5-3A-02(B)(2) OF THIS SUBTITLE.~~

21 ~~(C) THE FUND CONSISTS OF:~~

22 ~~(1) MONEY DEPOSITED IN THE FUND;~~

23 ~~(2) REVENUES COLLECTED OR RECEIVED IN ACCORDANCE WITH~~
24 ~~§ 9-120 OF THE STATE GOVERNMENT ARTICLE;~~

25 ~~(3) MONEY DEPOSITED BY A QUALIFYING COUNTY IN~~
26 ~~ACCORDANCE WITH THE REQUIREMENTS OF THE MEMORANDUM OF~~
27 ~~UNDERSTANDING UNDER § 5-3A-03 OF THIS SUBTITLE; AND~~

28 ~~(4) ANY ADDITIONAL MONEY MADE AVAILABLE FROM ANY PUBLIC~~
29 ~~SOURCE FOR THE PURPOSES ESTABLISHED FOR THE FUND.~~

30 ~~(D) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE~~
31 ~~FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.~~

1 ~~(2) ANY INVESTMENT EARNINGS SHALL BE CREDITED TO THE~~
2 ~~FUND.~~

3 ~~(3) NO PART OF THE FUND MAY REVERT OR BE CREDITED TO THE~~
4 ~~GENERAL FUND OR ANY SPECIAL FUND OF THE STATE.~~

5 ~~Article — State Finance and Procurement~~

6 ~~6-226.~~

7 ~~(a) (2) (i) Notwithstanding any other provision of law, and unless~~
8 ~~inconsistent with a federal law, grant agreement, or other federal requirement or with~~
9 ~~the terms of a gift or settlement agreement, net interest on all State money allocated~~
10 ~~by the State Treasurer under this section to special funds or accounts, and otherwise~~
11 ~~entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue~~
12 ~~to the General Fund of the State.~~

13 ~~(ii) The provisions of subparagraph (i) of this paragraph do not~~
14 ~~apply to the following funds:~~

15 ~~76. the Baltimore City Public School Construction~~
16 ~~Financing Fund; [and]~~

17 ~~77. the Spay/Neuter Fund; AND~~

18 ~~78. THE SUPPLEMENTAL PUBLIC SCHOOL~~
19 ~~CONSTRUCTION FUND.~~

20 ~~Article — State Government~~

21 ~~9-120.~~

22 ~~(a) The Comptroller shall distribute, or cause to be distributed, the State~~
23 ~~Lottery Fund to pay:~~

24 ~~(1) on a pro rata basis for the daily and nondaily State lottery games,~~
25 ~~the expenses of administering and operating the State lottery, as authorized under~~
26 ~~this subtitle and the State budget; and~~

27 ~~(2) then, except as provided in § 10-113.1 of the Family Law Article~~
28 ~~and § 11-618 of the Criminal Procedure Article, the holder of each winning ticket or~~
29 ~~share.~~

30 ~~(b) (1) By the end of the month following collection, the Comptroller shall~~
31 ~~deposit or cause to be deposited:~~

1 ~~(i) into the Maryland Stadium Facilities Fund established~~
2 ~~under § 7-312 of the State Finance and Procurement Article from the money that~~
3 ~~remains in the State Lottery Fund, after the distribution under subsection (a) of this~~
4 ~~section, an amount not to exceed \$20,000,000 in any fiscal year;~~

5 ~~(ii) after June 30, 2014, into the Maryland Veterans Trust Fund~~
6 ~~10% of the money that remains in the State Lottery Fund from the proceeds of sales of~~
7 ~~tickets from instant ticket lottery machines by veterans' organizations under §~~
8 ~~9-112(d) of this subtitle, after the distribution under subsection (a) of this section;~~

9 ~~(iii) after June 30, 2014, into the Baltimore City Public School~~
10 ~~Construction Financing Fund established under § 10-656 of the Economic~~
11 ~~Development Article the money that remains in the State Lottery Fund from the~~
12 ~~proceeds of all lotteries after the distributions under subsection (a) of this section and~~
13 ~~items (i) and (ii) of this paragraph, an amount equal to \$20,000,000 in each fiscal year~~
14 ~~that bonds are outstanding and unpaid, to be paid in two installments with at least~~
15 ~~\$10,000,000 paid no later than December 1 of each fiscal year; [and]~~

16 ~~(iv) AFTER JUNE 30, 2015, INTO THE SUPPLEMENTAL~~
17 ~~PUBLIC SCHOOL CONSTRUCTION FUND ESTABLISHED UNDER § 5-3A-04 OF~~
18 ~~THE EDUCATION ARTICLE THE MONEY THAT REMAINS IN THE STATE LOTTERY~~
19 ~~FUND FROM THE PROCEEDS OF ALL LOTTERIES AFTER THE DISTRIBUTIONS~~
20 ~~UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I), (II), AND (III) OF THIS~~
21 ~~PARAGRAPH, AN AMOUNT EQUAL TO \$20,000,000 FOR EACH QUALIFYING~~
22 ~~COUNTY THAT RECEIVES FUNDING UNDER TITLE 5, SUBTITLE 3A OF THE~~
23 ~~EDUCATION ARTICLE FOR EACH FISCAL YEAR, TO BE PAID IN TWO~~
24 ~~INSTALLMENTS WITH AT LEAST \$10,000,000 PAID NO LATER THAN DECEMBER 1~~
25 ~~OF EACH FISCAL YEAR; AND~~

26 ~~[(iv)] (v) into the General Fund of the State the money that~~
27 ~~remains in the State Lottery Fund from the proceeds of all lotteries after the~~
28 ~~distributions under subsection (a) of this section and items (i), (ii), [and] (iii), AND (IV)~~
29 ~~of this paragraph.~~

30 ~~(2) The money paid into the General Fund under this subsection is~~
31 ~~available in the fiscal year in which the money accumulates in the State Lottery Fund.~~

32 ~~(e) The regulations of the Agency shall apportion the money in the State~~
33 ~~Lottery Fund in accordance with subsection (b) of this section.~~

34 FOR the purpose of requiring the Interagency Committee on School Construction to
35 conduct a certain study and make certain recommendations regarding the
36 development of certain alternative financing methods; requiring the
37 Interagency Committee to solicit input from certain entities; requiring the
38 Interagency Committee to submit certain reports on or before certain dates; and
39 generally relating to the financing of public school construction.

1 Preamble

2 WHEREAS, School facilities are critical to a strong education system and a
3 strong community; and

4 WHEREAS, Investment in school facilities is needed now to ensure that 21st
5 century teaching and learning environments are available to prepare our students for
6 the future; and

7 WHEREAS, Investment in school facilities is in the interest of the State as a
8 whole as it will help ensure a prosperous economy, strong business growth, and our
9 students' ability to compete for good jobs in the global, high-technology economy; and

10 WHEREAS, Despite the large infusions of State and local funding for capital
11 improvements that have been invested since fiscal year 2006, the gap between
12 Maryland's public school facility needs and funding capacity remains large; and

13 WHEREAS, Rapid enrollment growth and maintenance or renovation needs in
14 older schools continue to place enormous pressure on all school facilities; and

15 WHEREAS, If the State intends to continue to position itself as a global leader
16 in education, the State and counties must collectively pursue a path forward by
17 looking at all available options for meeting the financial demands of public school
18 construction; now, therefore,

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That:

21 (a) The Interagency Committee on School Construction shall conduct a study
22 and make recommendations on:

23 (1) developing creative means, financing or otherwise, to increase
24 funding for public school construction;

25 (2) creating more reliable revenue streams that could include
26 leveraging funds by counties to meet public school construction needs; and

27 (3) examining the use of lease payments for other alternative
28 financing methods, as defined in § 4-126 of the Education Article, by local school
29 systems for public school construction.

30 (b) In conducting the study required under subsection (a) of this section, the
31 Interagency Committee on School Construction shall solicit input and collaborate with
32 the State Treasurer's Office, local school systems, and county governments.

1 (c) (1) On or before December 1, 2014, the Interagency Committee on
 2 School Construction shall submit an interim report of its findings and
 3 recommendations to the Governor and, in accordance with § 2-1246 of the State
 4 Government Article, the Senate Budget and Taxation Committee and the House
 5 Appropriations Committee.

6 (2) On or before September 1, 2015, the Interagency Committee on
 7 School Construction shall submit a final report of its findings and recommendations to
 8 the Governor and, in accordance with § 2-1246 of the State Government Article, the
 9 Senate Budget and Taxation Committee and the House Appropriations Committee.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 11 July 1, 2014.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.