

HOUSE BILL 156

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9lr0169
CF SB 172

By: **The Speaker (By Request – Administration)**

Introduced and read first time: January 23, 2019

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Public Charter School Facility Fund**

3 FOR the purpose of establishing the Public Charter School Facility Fund as a special,
4 nonlapsing fund; specifying the purpose of the Fund; requiring the State Department
5 of Education to administer the Fund; requiring the State Treasurer to hold the Fund
6 and the Comptroller to account for the Fund; specifying the contents of the Fund;
7 specifying the purpose for which the Fund may be used; providing for the investment
8 of money in and expenditures from the Fund; requiring interest earnings of the Fund
9 to be credited to the Fund; exempting the Fund from a certain provision of law
10 requiring interest earnings on State money to accrue to the General Fund of the
11 State; requiring the amount of funding provided to a public charter school for each
12 fiscal year to be equal to certain facility expenses, subject to a certain limitation;
13 requiring the Governor to appropriate a certain amount to the Fund each year;
14 requiring the Department to establish certain procedures for public charter schools
15 to request funds; requiring the Department to establish certain award procedures;
16 defining certain terms; providing for the construction of this Act; and generally
17 relating to the Public Charter School Facility Fund.

18 BY repealing and reenacting, without amendments,
19 Article – Education
20 Section 1–101(f)
21 Annotated Code of Maryland
22 (2018 Replacement Volume and 2018 Supplement)

23 BY adding to
24 Article – Education
25 Section 5–324
26 Annotated Code of Maryland
27 (2018 Replacement Volume and 2018 Supplement)

28 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement
2 Section 6–226(a)(2)(i)
3 Annotated Code of Maryland
4 (2015 Replacement Volume and 2018 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article – State Finance and Procurement
7 Section 6–226(a)(2)(ii)112. and 113.
8 Annotated Code of Maryland
9 (2015 Replacement Volume and 2018 Supplement)

10 BY adding to
11 Article – State Finance and Procurement
12 Section 6–226(a)(2)(ii)114.
13 Annotated Code of Maryland
14 (2015 Replacement Volume and 2018 Supplement)

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

17 **Article – Education**

18 1–101.

19 (f) “Department” means the State Department of Education.

20 **5–324.**

21 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
22 INDICATED.

23 (2) “ELIGIBLE FACILITY EXPENSES” MEANS EXPENSES INCURRED BY
24 A PUBLIC CHARTER SCHOOL TO ACQUIRE, PLAN, DEVELOP, FINANCE, CONSTRUCT,
25 LEASE, IMPROVE, REPAIR, AND MAINTAIN PUBLIC CHARTER SCHOOL FACILITIES.

26 (3) “FUND” MEANS THE PUBLIC CHARTER SCHOOL FACILITY FUND.

27 (4) “PUBLIC CHARTER SCHOOL” HAS THE MEANING STATED IN §
28 9–102 OF THIS ARTICLE.

29 (5) “PUBLIC CHARTER SCHOOL FACILITIES” MEANS PREMISES THAT
30 ARE:

31 (I) OWNED OR LEASED BY A PUBLIC CHARTER SCHOOL; AND

1 **(II) OCCUPIED AND UTILIZED BY A PUBLIC CHARTER SCHOOL**
2 **TO PROVIDE A PROGRAM OF PRIMARY OR SECONDARY EDUCATION TO ITS STUDENTS**
3 **UNDER TITLE 9 OF THIS ARTICLE.**

4 **(B) THERE IS A PUBLIC CHARTER SCHOOL FACILITY FUND.**

5 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING ON AN ANNUAL**
6 **BASIS TO PUBLIC CHARTER SCHOOLS IN THE STATE TO ACQUIRE, PLAN, DEVELOP,**
7 **FINANCE, CONSTRUCT, LEASE, IMPROVE, REPAIR, AND MAINTAIN PUBLIC CHARTER**
8 **SCHOOL FACILITIES.**

9 **(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

10 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
11 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

12 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
13 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

14 **(F) THE FUND CONSISTS OF:**

15 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

16 **(2) ANY INTEREST EARNINGS OF THE FUND; AND**

17 **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
18 **THE BENEFIT OF THE FUND.**

19 **(G) THE FUND MAY BE USED ONLY TO PROVIDE FUNDING TO PUBLIC**
20 **CHARTER SCHOOLS IN THE STATE TO ACQUIRE, PLAN, DEVELOP, FINANCE,**
21 **CONSTRUCT, LEASE, IMPROVE, REPAIR, AND MAINTAIN PUBLIC CHARTER SCHOOL**
22 **FACILITIES.**

23 **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
24 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

25 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
26 **THE FUND.**

27 **(I) (1) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE AMOUNT**
28 **OF FUNDING PROVIDED TO A PUBLIC CHARTER SCHOOL UNDER THIS SECTION FOR**
29 **EACH FISCAL YEAR SHALL BE EQUAL TO THE ELIGIBLE FACILITY EXPENSES THAT**
30 **THE PUBLIC CHARTER SCHOOL DEMONSTRATES THAT IT INCURRED DURING THE**

1 IMMEDIATELY PRECEDING FISCAL YEAR.

2 **(2) THE GOVERNOR ANNUALLY SHALL APPROPRIATE TO THE FUND**
 3 **AN AMOUNT THAT EQUALS OR EXCEEDS THE TOTAL AGGREGATE ENROLLMENT IN**
 4 **PUBLIC CHARTER SCHOOLS IN THE STATE MULTIPLIED BY \$1,600.**

5 **(3) THE AMOUNT OF FUNDING PROVIDED TO A PUBLIC CHARTER**
 6 **SCHOOL UNDER THIS SECTION FOR A SINGLE FISCAL YEAR MAY NOT EXCEED \$1,600**
 7 **PER PUPIL ENROLLED IN THE PUBLIC CHARTER SCHOOL AS OF SEPTEMBER 30 OF**
 8 **THAT FISCAL YEAR.**

9 **(J) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
 10 **DEPARTMENT SHALL ESTABLISH APPLICATION PROCEDURES FOR PUBLIC CHARTER**
 11 **SCHOOLS TO REQUEST FUNDS UNDER THIS SECTION.**

12 **(2) THE DEPARTMENT SHALL ESTABLISH AWARD PROCEDURES TO**
 13 **MAKE AWARDS DISTRIBUTED FROM THE FUND NOT MORE THAN 45 DAYS AFTER**
 14 **RECEIVING AN APPLICATION.**

15 **(K) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO REDUCE THE**
 16 **AMOUNT OF FUNDING TO WHICH PUBLIC CHARTER SCHOOLS ARE ENTITLED UNDER**
 17 **§ 9–109 OF THIS ARTICLE.**

18 **Article – State Finance and Procurement**

19 6–226.

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

26 (ii) The provisions of subparagraph (i) of this paragraph do not apply
 27 to the following funds:

28 112. the Pretrial Services Program Grant Fund; [and]

29 113. the Veteran Employment and Transition Success Fund;

30 **AND**

31 **114. THE PUBLIC CHARTER SCHOOL FACILITY FUND.**

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

1 1, 2019.