



Nancy S. Grasmick
State Superintendent of Schools

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TO: Members of the Maryland State Board of Education
FROM: Nancy S. Grasmick *Nancy*
DATE: September 21, 2009
SUBJECT: COMAR 13A.02.01.02C Records and Reports (AMEND)
COMAR 13A.04.02.03 Federal Funds (AMEND)
ADOPTION

PURPOSE:

The purpose of this item is to request State Board adoption of proposed amendments to COMAR 13A.02.01.02C, Records and Reports, and COMAR 13A.04.02.03, Federal Funds. The proposed regulatory amendments are required to provide for the use of an updated Financial Reporting Manual for Maryland Public Schools that includes forms and procedures for submission of annual school budgets by the local boards of education.

EXECUTIVE SUMMARY:

The State Board of Education, at its meeting on May 27-28, 2009, granted permission to publish proposed amendments to COMAR 13A.02.01.02C, Records and Reports, and COMAR 13A.04.02.03, Federal Funds, to incorporate by reference a revised Financial Reporting Manual for Maryland Public Schools. The revised manual includes forms and procedures for submission and reporting of annual school budgets by local boards of education.

The last revision to the Manual occurred in 1996 and since then there have been many major statutory changes affecting financing of public education and accountability, such as the Bridge to Excellence In Education Act in 2002 and the establishment of Charter Schools. Two major changes to the manual include raising the threshold for capital equipment from \$1,000.00 to \$5,000.00, bringing it into line with industry standards and adding guidance on reporting on-behalf-of payments to local school systems to assure comprehensive reporting on financial statements.

The proposed amendments were published in the July 17, 2009, issue of the Maryland Register (Attached). The 30 day open comment period ended on August 17, 2009. No comments were received on the proposed amendments.



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ACTION:

I am requesting State Board approval of the proposed amendments to COMAR 13A.02.01.02C, Records and Reports, and COMAR 13A.04.02.03, Federal Funds.

Attachment

C. The Authority shall accept oral comments during at least one public meeting held during the public comment period. The Executive Secretary of the Authority may conduct additional public meetings during the public comment period.

D. The Authority shall take action on the toll schedule at a public meeting after the public comment period has ended. The date and location of the meeting shall be advertised on the Authority's official website at least 10 days in advance. The Executive Secretary of the Authority shall submit a report to the members on the nature of the public comments received and may recommend modifications to the proposed toll schedule at least 5 working days prior to the meeting. If changes are recommended, the report shall include the effects of the modifications on projected revenues.

E. The Authority shall post a notice of the adopted service fee, administrative fee, or toll schedule on the Authority's official website, in public areas of Authority facilities, in the Maryland Register, and through rate advisories to local media outlets after a new service fee, administrative fee, or toll schedule is approved. The new service fee, administrative fee, or toll schedule shall take effect not less than 30 days after final action by the Authority.

.04 Procedures for Changing Mileage Rate Ranges, Pricing Periods, Toll Zones, and Administrative Fees for Variably Priced Toll Facilities.

A. The Chairman of the Authority shall issue a notice to the Governor, the Senate Budget and Taxation Committee, Senate Finance Committee, House Appropriations Committee, the House Ways and Means Committee, and to the public of proposed changes at least 60 days prior to the adoption of any changes to mileage rate ranges, pricing periods, toll zones, administrative fees, or service fees for variably priced toll facilities. Notice to the public shall be provided on the Authority's official website, in public areas of Authority facilities, in the Maryland Register, and through rate advisories to local media outlets.

B. The Authority shall accept comments from the public on the proposed changes for at least 60 days from the date of the notice to the Governor, the legislature, and the public as set forth in §A of this regulation. Comments shall be accepted in writing and through electronic submission.

C. The Authority shall accept oral comments during at least one public meeting held during the public comment period. The Executive Secretary of the Authority may conduct additional public meetings during the public comment period.

D. The Authority shall take action on the mileage rate ranges, pricing periods, toll zones, administrative fees, or service fees at a public meeting after the public comment period has ended. The date and location of the meeting shall be advertised on the Authority's official website at least 10 days in advance. The Executive Secretary of the Authority shall submit a report to the members on the nature of the public comments received and shall recommend modifications to the proposed mileage rate ranges, pricing periods, toll zones, administrative fees, or service fees at least 5 working days prior to the meeting, if appropriate. If changes are recommended, the report shall include the effects of the modifications on projected revenues.

E. The Authority shall post a notice of the adopted mileage rate ranges, pricing periods, toll zones, administrative fees, or service fees on the Authority's official website, in public areas of Authority facilities, in the Maryland Register, and through rate advisories to local media outlets after new mileage rate ranges, pricing periods, toll zones, administra-

tive fees, or service fees are approved. The mileage rate ranges, pricing periods, toll zones, administrative fees, or service fees shall take effect not less than 30 days after final action by the Authority.

F. The Executive Secretary of the Authority may from time to time set or adjust the toll schedule, toll zones, or pricing periods consistent with the approval granted by the Authority in §§A — E of this regulation. The Authority shall post the approved toll schedule on the Authority's official website at least 10 days prior to the effective date.

.05 Emergency Procedures.

A. If the Authority determines that it must take actions to remain in compliance with the provisions of any trust agreement, escrow deposit agreement, or resolution that provides for the payment of bonds issued by the Authority or that unforeseen circumstances affect the continuity of operations at one or more of the transportation facilities operated by the Authority, the Authority shall determine that an emergency status exists. The Authority shall adopt temporary adjustments to service fees, administrative fees, frequency of use or commuter programs, or tolls on fixed-price facilities and variably priced toll facilities.

B. If the Authority approves the temporary adjustment, the tolls, fees, or program changes are given emergency status. After the Authority has granted emergency status, the temporary adjustments shall be published in the next available issue of the Maryland Register and the public notice procedures outlined above shall commence immediately.

C. The approval of emergency status shall be subject to a time limit not to exceed 180 days and may be subject to one or more additional conditions. When the emergency status expires, the temporary toll, mileage rate range, service fee, administrative fee, or program change ends.

RONALD L. FREELAND
Executive Secretary
Maryland Transportation Authority

**Title 13A
STATE BOARD OF EDUCATION**

Notice of Proposed Action

[09-220-P-1]

The Maryland State Board of Education proposes to amend:

(1) Regulation .02 under 13A.02.01 **Local Boards of Education**; and

(2) Regulation .03 under COMAR 13A.04.02 **Secondary School Career and Technology Education**.

This action was considered at the Maryland State Board of Education meeting held on May 27 and 28, 2009.

Statement of Purpose

The purpose of this action is to provide an updated Financial Reporting Manual for Maryland Public Schools that includes forms and procedures for submission of annual school budgets by the local boards of education.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Robert Crawford, Director, Division of Business Services, Maryland State Department of Education, 200 West Baltimore Street, Baltimore, MD 21201, or call 410-767-0142, or email to rcrawford@msde.state.md.us, or fax to 410-333-8723. Comments will be accepted through August 17, 2009. A public hearing has not been scheduled.

Open Meeting

Final action on the proposal will be considered by the Maryland State Board of Education during a public meeting to be held on September 21 and 22, 2009, at the Nancy S. Grasmick State Education Building, 200 West Baltimore Street, Baltimore, MD 21201.

Editor's Note on Incorporation by Reference

Pursuant to State Government Article, §7-207, Annotated Code of Maryland, the Financial Reporting Manual for Maryland Public Schools, Revised 2009, has been declared a document generally available to the public and appropriate for incorporation by reference. For this reason, it will not be printed in the Maryland Register or the Code of Maryland Regulations (COMAR). Copies of this document are filed in special public depositories located throughout the State. A list of these depositories was published in 36:3 Md. R. 194 (January 30, 2009), and is available online at www.dsd.state.md.us. The document may also be inspected at the office of the Division of State Documents, 16 Francis Street, Annapolis, Maryland 21401.

Subtitle 02 LOCAL SCHOOL ADMINISTRATION**13A.02.01 Local Boards of Education**

Authority: Education Article, §§2-205, 4-101, 4-105, 4-106, 5-101, 5-109, and 7-103,
Annotated Code of Maryland

.02 Records and Reports.

A. — B. (text unchanged)

C. Annual School Budget. The annual school budget shall be submitted by the local board of education to the board of county commissioners or county council or the city council according to the form and procedures adopted by the State Board of Education and set forth in the "Financial Reporting Manual for Maryland Public Schools Revised [1996 and Supplement 1] 2009", which is incorporated by reference. The forms and procedures in the manual shall apply to the annual school budgets beginning with fiscal year [1998] 2010.

D. — E. (text unchanged)

Subtitle 04 SPECIFIC SUBJECTS**13A.04.02 Secondary School Career and Technology Education**

Authority: Education Article, §§2-205(h), 5-202(f), 21-201, and 21-202,
Annotated Code of Maryland

.03 Federal Funds.

A. (text unchanged)

B. Application for Funds.

(1) — (3) (text unchanged)

(4) Reporting Requirements.

(a) Financial reports shall be submitted according to the forms and procedures in the "Financial Reporting Manual for Maryland Public Schools Revised [1996] 2009", which is incorporated by reference in COMAR 13A.02.01.02C.

(b) (text unchanged)

(5) — (6) (text unchanged)

C. (text unchanged)

NANCY S. GRASMICK
State Superintendent of Schools

Subtitle 09 NONPUBLIC SCHOOLS**13A.09.09 Educational Programs in Nonpublic Schools**

Authority: Education Article, §§2-205, 2-206, 2-206.1, 2-304, 7-301, and 7-302; Family Law Article, §§5-561 and 5-704;
Annotated Code of Maryland

Notice of Proposed Action

[09-219-P]

The Maryland State Board of Education proposes to amend Regulations .02, .03, .06, .07, and .10, repeal existing Regulation .12, and adopt new Regulation .12 under COMAR 13A.09.09 Educational Programs in Nonpublic Schools.

This action was considered at the Maryland State Board of Education meeting on May 27 and 28, 2009.

Statement of Purpose

The purpose of this action is to clarify due process procedures that are now an implemented policy and to add specific due process for revocation of a school's Certificate of Approval as a result of violating Education Article, §2-206.1, Annotated Code of Maryland. Additional changes are being proposed to clarify current regulatory elements pertaining to the approval of Montessori Educational Programs.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.