

1 H.361

2 Representative [XXX] of [XXX] moves that the bill be amended in Sec. 27,
3 education spending cap, by striking out the section in its entirety and inserting
4 in lieu thereof the following:

5 Sec. 27. EDUCATION SPENDING CAP

6 (a) It is the intent of the General Assembly that, to the extent possible,
7 adherence to the education spending cap is accomplished by adjustment of the
8 student to adult ratio.

9 (b) Definitions. As used in this section:

10 (1) “District allowable growth rate” means 2.0 percent divided by the
11 district spending index.

12 (2) “District spending index” means a district’s education spending per
13 equalized pupil in the prior year divided by the statewide average education
14 spending per equalized pupil in the prior year.

15 (c) Adjusted district education spending cap. Notwithstanding any other
16 provision of law, beginning with the fiscal year 2017 school budget, there shall
17 be an adjusted district education spending cap amount for each school district
18 that shall be determined in each fiscal year by multiplying the district’s
19 allowable growth rate by the greater of either:

20 (1) the total district education spending amount adopted in the previous
21 year’s budget; or

1 (2) the district education spending per equalized pupil amount adopted
2 in the previous year's budget.

3 (d) Nonoperating **and partially operating** districts.

4 **(1) Nonoperating districts.** Notwithstanding any other provisions of
5 law, in the case of nonoperating districts, in no case shall elementary and
6 secondary tuition, as appropriate, paid by a district exceed the highest amount
7 of tuition paid by the district for one student in the fiscal year for which the
8 amount is being determined, increased by the **district allowable growth rate.** A
9 public school district shall not charge any additional tuition to the student, the
10 student's parent or guardian, or the student's school district of residence, but
11 may require the student or the student's parent or guardian to pay fees and
12 other charges that nonpublicly funded students are also required to pay.

13 **(2) Partially operating districts.** If a district provides for the education
14 of its resident students both by operating a school for all students in one or
15 more grades and by paying tuition for all students in the remaining grade or
16 grades, then:

17 **(A)** the cap set forth in subsection (c) of this section shall apply to
18 that portion of the district's budget that is not attributable to tuition payments;

19 **and**

20 **(B)** the cap set forth in subdivision (1) of this subsection shall apply
21 to that portion of the district's budget that is attributable to tuition payments.

1 (e) School budget. If any school district approves a budget that contains
2 education spending in excess of the applicable cap described in subsection (c)
3 of this section, then the budget shall be deemed to have failed to pass.

4 (f) Appeals.

5 (1) A school district shall have the right to appeal the amount of the
6 education spending cap to the Secretary of Education if the appeal is submitted
7 five months or more prior to the date that the school district votes on the
8 budget. The Secretary shall make a determination to grant or deny an appeal
9 within 30 days of receipt of an appeal, and his or her decision shall be final and
10 not subject to review.

11 (2) The Secretary is authorized to grant an appeal for extraordinary
12 expenses, including a twenty percent projected increase in the costs of special
13 education needs and emergency infrastructure repair projects.

14 (3) The Secretary shall adopt guidelines to administer this subsection.