

**AMENDMENT TO THE RULES COMMITTEE PRINT
FOR H.R. 5
OFFERED BY MS. FUDGE OF OHIO**

Page 92, strike lines 8 through 14 and insert the following:

1 SEC. 121. FISCAL REQUIREMENTS.

2 Section 1120A (20 U.S.C. 6321) is amended by strik-
3 ing “part” each place such term appears and inserting
4 “subpart”.

Page 563, after line 16, insert the following (and re-designate provisions accordingly):

5 “SEC. 6541. MAINTENANCE OF EFFORT.

6 “(a) IN GENERAL.—A local educational agency may
7 receive funds under a covered program for any fiscal year
8 only if the State educational agency finds that either the
9 combined fiscal effort per student or the aggregate ex-
10 penditures of the agency and the State with respect to
11 the provision of free public education by the agency for
12 the preceding fiscal year was not less than 90 percent of
13 the combined fiscal effort or aggregate expenditures for
14 the second preceding fiscal year.

15 “(b) REDUCTION IN CASE OF FAILURE TO MEET.—

1 “(1) IN GENERAL.—The State educational
2 agency shall reduce the amount of the allocation of
3 funds under a covered program in any fiscal year in
4 the exact proportion by which a local educational
5 agency fails to meet the requirement of subsection
6 (a) of this section by falling below 90 percent of
7 both the combined fiscal effort per student and ag-
8 gregate expenditures (using the measure most favor-
9 able to the local agency).

10 “(2) SPECIAL RULE.—No such lesser amount
11 shall be used for computing the effort required
12 under subsection (a) of this section for subsequent
13 years.

14 “(c) WAIVER.—The Secretary may waive the require-
15 ments of this section if the Secretary determines that a
16 waiver would be equitable due to—

17 “(1) exceptional or uncontrollable cir-
18 cumstances, such as a natural disaster; or

19 “(2) a precipitous decline in the financial re-
20 sources of the local educational agency.”.

