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-
5 designate provisions accordingly):

6 “SEC. 6541. MAINTENANCE OF EFFORT.

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

16 “(b) REDUCTION IN CASE OF FAILURE TO MEET.—
“(1) IN GENERAL.—The State educational agency shall reduce the amount of the allocation of funds under a covered program in any fiscal year in the exact proportion by which a local educational agency fails to meet the requirement of subsection (a) of this section by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to the local agency).

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

“(c) WAIVER.—The Secretary may waive the requirements of this section if the Secretary determines that a waiver would be equitable due to—

“(1) exceptional or uncontrollable circumstances, such as a natural disaster; or

“(2) a precipitous decline in the financial resources of the local educational agency.”.