

HOUSE BILL 1247

Unofficial Copy  
F1

2000 Regular Session  
(01r0043)

**ENROLLED BILL**

-- *Ways and Means/Budget and Taxation and Economic and Environmental Affairs* --

Introduced by **The Speaker (Administration) and Delegates Taylor, Hixson, Rawlings, R. Baker, W. Baker, Barkley, Benson, Bobo, Boutin, Branch, Bronrott, Brown, Cane, Cole, Conway, C. Davis, Donoghue, Doory, Edwards, Franchot, Glassman, Grosfeld, Hecht, Heller, Hubbard, Hubers, James, A. Jones, V. Jones, K. Kelly, Malone, McHale, McIntosh, McKee, Menes, Moe, Montague, Owings, Proctor, Riley, Rudolph, Shriver, Turner, and ~~Zirkin~~ Zirkin, Healey, Bartlett, Bohanan, Bozman, Carlson, Conroy, Cryor, Finifter, Howard, Marriott, Patterson, Phillips, Ports, Rosso, and Rzepkowski**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~**Governor's Teacher Salary Challenge Program - Public School Teacher**~~  
3 ~~**Salary Enhancement**~~  
4 ~~**Public School Funding Enhancement and Teacher Salary Challenge Act of**~~  
5 ~~**2000**~~  
6 ~~**Governor's Teacher Salary Challenge Program - Public School Funding**~~  
7 ~~**Enhancement**~~

8 FOR the purpose of establishing the Governor's Teacher Salary Challenge Program;

1 requiring the State Board of Education to make certain grants to ~~local education~~  
2 ~~agencies~~ county boards of education under certain circumstances; specifying  
3 certain formulas for calculating certain grants; requiring ~~local education~~  
4 ~~agencies~~ county boards of education under certain circumstances to submit  
5 certain applications to the Department of Budget and Management and the  
6 State Superintendent of ~~Education~~ Schools by a certain date; requiring the  
7 Governor to include certain funding in the *State* budget; establishing certain  
8 requirements and procedures for the operation of the Governor's Teacher Salary  
9 Challenge Program; establishing a transitional education fund to be used for a  
10 certain purpose; requiring that certain reimbursements for retirement  
11 contributions be credited to the fund; providing that certain fund balances  
12 remain in the fund for a certain period; providing for the termination of the fund;  
13 establishing the Maryland Academic Intervention and Support Program;  
14 providing that the Program be funded in a certain manner and that the funds be  
15 used for certain purposes; requiring the State Board of Education to develop  
16 certain criteria by which county boards of education may submit certain plans  
17 for approval with regard to the Program; authorizing schools to determine  
18 student eligibility for the Program; providing for parental consent for student  
19 participation in the Program; requiring the State Board to establish criteria for  
20 evaluating the Program and to make a certain report; requiring the State  
21 Department of Education to adopt certain regulations; authorizing the Cigarette  
22 Restitution Fund to be used for certain purposes for a certain fiscal year;  
23 providing that a certain amount of funds credited to the Cigarette Restitution  
24 Fund in a certain fiscal year may only be used for certain purposes; defining  
25 certain terms; providing for the termination of part of this Act; ~~providing that~~  
26 ~~the State Retirement Agency may not seek reimbursement for retirement~~  
27 ~~contributions made after a certain date on the basis of certain sources of~~  
28 ~~payment of the salary of certain members of the Teachers' Retirement System or~~  
29 ~~Teachers' Pension System;~~ providing that certain property granted certain tax  
30 credits or exemptions for certain purposes may not be treated as taxable  
31 personal property for purposes of calculating the payment of certain State aid;  
32 updating certain statutory provisions; altering the dates by which certain  
33 counties are required to submit certain information to the Department of  
34 Assessments and Taxation; requiring certain counties that grant certain tax  
35 credits or exemptions for certain personal property to submit certain  
36 information to the Department of Assessments and Taxation by certain dates;  
37 providing for the application of this Act; establishing a special transitional  
38 reimbursement fund for certain education programs; requiring that certain  
39 reimbursements for retirement contributions be credited to the fund; providing  
40 that expenditures from the fund may be used only for certain purposes;  
41 providing that certain fund balances remain in the fund for a certain period;  
42 providing for the termination of the fund; establishing a special retirement  
43 contribution reimbursement fund for certain grants to county boards of  
44 education; requiring that certain reimbursements for retirement contributions  
45 be credited to the fund; providing that the fund shall be used only to make  
46 certain grants to county boards of education; providing that certain fund  
47 balances remain in the fund for a certain period; providing for the termination of  
48 the fund; expressing the intent of the General Assembly that county boards of

1 ~~education use certain funds for certain purposes; providing for the effective~~  
2 ~~dates of this Act; requiring the Governor to include certain appropriations in the~~  
3 ~~State budget for certain fiscal years for certain education purposes; and generally~~  
4 relating to ~~education grants to local education agencies~~ State aid for public  
5 education in the State.

6 BY adding to  
7 Article - Education  
8 Section 5-213 ~~and 7-208 and 5-214~~  
9 Annotated Code of Maryland  
10 (1999 Replacement Volume)

11 ~~BY repealing and reenacting, with amendments,~~  
12 ~~Article - Education~~  
13 ~~Section 5-203, 16-306, and 23-504~~  
14 ~~Annotated Code of Maryland~~  
15 ~~(1999 Replacement Volume)~~

16 ~~BY repealing and reenacting, with amendments,~~  
17 ~~Article - Tax - Property~~  
18 ~~Section 7-225, 9-201, 9-205, and 9-302(i)~~  
19 ~~Annotated Code of Maryland~~  
20 ~~(1994 Replacement Volume and 1999 Supplement)~~

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

23 **Article - Education**

24 5-213.

25 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
26 INDICATED.

27 (2) (I) "COST OF LIVING ADJUSTMENT" MEANS ~~AN INCREASE IN~~  
28 ~~SALARY SCHEDULES~~ THE MAXIMUM A PERCENTAGE INCREASE IN SALARIES THAT  
29 ENCOMPASSES APPLIES TO APPLIES ALL EMPLOYEES, AMONG ALL GRADES AND  
30 STEPS, EMPLOYED BY A COUNTY BOARD.

31 (II) "COST OF LIVING ~~ADJUSTMENTS~~ ADJUSTMENT" DOES NOT  
32 INCLUDE SALARY INCREASES FOR PROMOTIONS, INCREMENTS, OR STEP INCREASES  
33 AND, OR SIMILAR SALARY INCREASES RECEIVED BY EMPLOYEES AS A REGULAR PART  
34 OF THE OPERATION OF A PERSONNEL SYSTEM.

35 (3) "FULL-TIME EQUIVALENT ENROLLMENT" HAS THE MEANING  
36 INDICATED IN § 5-202 OF THIS SUBTITLE.

1 (4) "STATE SHARE" MEANS THE STATE SHARE OF BASIC CURRENT  
 2 EXPENSES PROVIDED UNDER § 5-202 OF THIS SUBTITLE DIVIDED BY THE AMOUNT OF  
 3 THE BASIC CURRENT EXPENSES TO BE SHARED FOR THAT COUNTY.

4 (5) "TEACHER SALARY BASE" MEANS THE TOTAL SALARIES AND WAGES  
 5 OF ~~CERTIFICATED PROFESSIONAL PUBLIC SCHOOL EMPLOYEES, EXCLUDING~~  
 6 ~~ADMINISTRATORS;~~ TEACHERS IN A LOCAL EDUCATION AGENCY EMPLOYED BY A  
 7 COUNTY BOARD FOR THE FISCAL YEAR PRECEDING THE FISCAL YEAR FOR WHICH  
 8 THE GOVERNOR'S CHALLENGE GRANT IS CALCULATED, AS DETERMINED BY THE  
 9 DEPARTMENT OF BUDGET AND MANAGEMENT AND THE STATE SUPERINTENDENT.

10 (6) "TEACHER" MEANS ANY CERTIFICATED PROFESSIONAL PUBLIC  
 11 SCHOOL EMPLOYEE WHO IS NOT AN ADMINISTRATOR.

12 (6) (7) "WEALTH" HAS THE MEANING ~~INDICATED~~ STATED IN § 5-202 OF  
 13 THIS SUBTITLE.

14 (7) (8) "WEALTH PER PUPIL" MEANS WEALTH DIVIDED BY FULL-TIME  
 15 EQUIVALENT ENROLLMENT.

16 (B) THERE IS A GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM.

17 (C) THE GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM SHALL  
 18 PROVIDE GRANTS TO ~~LOCAL EDUCATION AGENCIES~~ COUNTY BOARDS FOR THE  
 19 PURPOSE OF INCREASING TEACHER SALARIES IN ORDER TO IMPROVE RECRUITMENT  
 20 AND RETENTION OF WELL QUALIFIED TEACHERS.

21 (D) (1) EACH GRANT MADE TO A ~~LOCAL EDUCATION AGENCY~~ COUNTY  
 22 BOARD ~~MAY~~ SHALL BE CALCULATED BASED ON:

23 (I) A PERCENTAGE COMPONENT;

24 (II) A WEALTH-ADJUSTED COMPONENT; ~~AND~~

25 ~~(III)~~ (III) A HOLD HARMLESS COMPONENT;

26 ~~(III)~~ ~~A HOLD HARMLESS COMPONENT; AND~~

27 ~~(IV)~~ ~~A DISTRESSED JURISDICTION COMPONENT.~~

28 ~~(III)~~ (IV) A TARGETED COMPONENT; AND

29 (V) A TRANSITIONAL COMPONENT.

30 (2) THE PERCENTAGE COMPONENT SHALL BE CALCULATED AS  
 31 FOLLOWS:

32 (I) FOR FISCAL YEAR 2001, MULTIPLY THE TEACHER SALARY BASE  
 33 FOR THE ~~LOCAL EDUCATION AGENCY~~ COUNTY BOARD BY 0.01-; ~~AND~~

1 (II) FOR FISCAL YEAR 2002, ~~MULTIPLY THE TEACHER SALARY BASE~~  
 2 ~~FOR THE LOCAL EDUCATION AGENCY COUNTY BOARD BY 0.01 AND ADD AN AMOUNT~~  
 3 ~~EQUAL TO THE PERCENTAGE COMPONENT GRANTED TO THE LOCAL EDUCATION~~  
 4 ~~AGENCY COUNTY BOARD IN FISCAL YEAR 2001;~~

5 1. IF THE COUNTY BOARD MEETS THE LOCAL MATCH  
 6 REQUIREMENT ESTABLISHED UNDER SUBSECTION (F)(2) OF THIS SECTION IN  
 7 FISCAL YEAR 2001 AND MEETS THE LOCAL MATCH REQUIREMENT FOR FISCAL YEAR  
 8 2002, MULTIPLY THE TEACHER SALARY BASE FOR THE COUNTY BOARD BY 0.02;

9 2. IF THE COUNTY BOARD DOES NOT MEET THE LOCAL  
 10 MATCH REQUIREMENT ESTABLISHED UNDER SUBSECTION (F)(2) OF THIS SECTION  
 11 IN FISCAL YEAR 2001 AND MEETS THE LOCAL MATCH REQUIREMENT IN FISCAL YEAR  
 12 2002, MULTIPLY THE TEACHER SALARY BASE FOR THE COUNTY BOARD BY 0.01; AND

13 3. IF THE COUNTY BOARD MEETS THE LOCAL MATCH  
 14 REQUIREMENT ESTABLISHED UNDER SUBSECTION (F)(2) OF THIS SECTION IN  
 15 FISCAL YEAR 2001 AND DOES NOT MEET THE LOCAL MATCH REQUIREMENT IN  
 16 FISCAL YEAR 2002, MULTIPLY THE TEACHER SALARY BASE FOR THE COUNTY BOARD  
 17 BY 0.01.

18 (3) FOR EACH FISCAL YEAR, THE WEALTH-ADJUSTED COMPONENT  
 19 SHALL BE CALCULATED AS FOLLOWS:

20 ~~(4) 1. FOR FISCAL YEAR 2001, MULTIPLY THE TEACHER SALARY~~  
 21 ~~BASE FOR THE LOCAL EDUCATION AGENCY BY 0.02.~~

22 ~~2. FOR FISCAL YEAR 2002, MULTIPLY THE TEACHER SALARY~~  
 23 ~~BASE FOR THE LOCAL EDUCATION AGENCY BY 0.02 AND ADD AN AMOUNT EQUAL TO~~  
 24 ~~THE WEALTH ADJUSTED COMPONENT GRANTED TO THE LOCAL EDUCATION~~  
 25 ~~AGENCY IN FISCAL YEAR 2001.~~

26 ~~(1) 1. MULTIPLY THE PERCENTAGE COMPONENT FOR THE~~  
 27 ~~COUNTY BOARD BY 2; AND~~

28 ~~(4) 2. FOR EACH FISCAL YEAR, MULTIPLY THE PRODUCT~~  
 29 ~~CALCULATED IN ITEM (4) OF THIS PARAGRAPH ITEM 1 OF THIS ITEM FOR THAT~~  
 30 ~~FISCAL YEAR BY THE STATE SHARE FOR THE LOCAL EDUCATION AGENCY COUNTY~~  
 31 ~~BOARD; ; AND~~

32 ~~(4) (II) (4) 1. IF THE PRODUCT CALCULATED IN PARAGRAPH (3) OF~~  
 33 ~~THIS SUBSECTION ITEM (1) OF THIS PARAGRAPH IS GREATER THAN THE~~  
 34 ~~PERCENTAGE COMPONENT FOR THE LOCAL EDUCATION AGENCY COUNTY BOARD,~~  
 35 ~~THEN THE WEALTH-ADJUSTED COMPONENT SHALL BE THE AMOUNT OF THE~~  
 36 ~~DIFFERENCE.~~

37 ~~(4) 2. IF THE PRODUCT CALCULATED IN PARAGRAPH (3) OF THIS~~  
 38 ~~SUBSECTION ITEM (1) OF THIS PARAGRAPH IS LESS THAN THE PERCENTAGE~~  
 39 ~~COMPONENT FOR THE LOCAL EDUCATION AGENCY COUNTY BOARD, THEN THE~~  
 40 ~~WEALTH-ADJUSTED COMPONENT SHALL BE ZERO.~~

1           (4)    (I)    THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT TO A  
 2 COUNTY BOARD SHALL CONTAIN A HOLD HARMLESS COMPONENT EQUAL TO THE  
 3 AMOUNT, IF ANY, BY WHICH THE COUNTY BOARD'S STATE SHARE OF BASIC CURRENT  
 4 EXPENSE CALCULATED UNDER § 5-202 OF THIS SUBTITLE FOR THE YEAR OF THE  
 5 GOVERNOR'S TEACHER SALARY CHALLENGE GRANT IS LESS THAN THE COUNTY  
 6 BOARD'S STATE SHARE OF BASIC CURRENT EXPENSE CALCULATED UNDER § 5-202 OF  
 7 THIS SUBTITLE FOR THE PREVIOUS YEAR.

8                   (II)    A COUNTY BOARD SHALL RECEIVE ITS HOLD HARMLESS  
 9 COMPONENT REGARDLESS OF WHETHER IT MEETS THE LOCAL MATCH  
 10 REQUIREMENT ESTABLISHED UNDER SUBSECTION (F)(2) OF THIS SECTION.

11           (5)    THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT TO A LOCAL  
 12 EDUCATION AGENCY SHALL INCLUDE A HOLD HARMLESS COMPONENT EQUAL TO  
 13 THE AMOUNT, IF ANY, BY WHICH THE LOCAL EDUCATION AGENCY'S STATE SHARE OF  
 14 BASIC CURRENT EXPENSE CALCULATED UNDER § 5-202 OF THIS SUBTITLE FOR THE  
 15 YEAR OF THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT IS LESS THAN THE  
 16 LOCAL EDUCATION AGENCY'S STATE SHARE OF BASIC CURRENT EXPENSE  
 17 CALCULATED UNDER § 5-202 OF THIS SUBTITLE FOR THE PREVIOUS YEAR.

18           (6)    (5)    (I)    THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT  
 19 TO A LOCAL EDUCATION AGENCY COUNTY BOARD SHALL CONTAIN A DISTRESSED  
 20 JURISDICTION COMPONENT EQUAL TO \$25 TIMES THE LOCAL EDUCATION AGENCY'S  
 21 FULL TIME EQUIVALENT ENROLLMENT IF: TARGETED COMPONENT AS PROVIDED IN  
 22 SUBPARAGRAPHS (II) AND (III) THROUGH (V) OF THIS PARAGRAPH.

23                   (I)    THE LOCAL EDUCATION AGENCY'S FULL TIME EQUIVALENT  
 24 ENROLLMENT FOR THE YEAR OF THE GOVERNOR'S TEACHER SALARY CHALLENGE  
 25 GRANT IS LESS THAN ITS FULL TIME EQUIVALENT ENROLLMENT FOR THE PREVIOUS  
 26 YEAR; AND

27                   (II)    THE LOCAL EDUCATION AGENCY'S WEALTH PER PUPIL FOR  
 28 THE YEAR OF THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT IS LESS THAN  
 29 THE WEALTH PER PUPIL FOR THE STATE AS A WHOLE.

30                   (II)    FOR FISCAL YEAR 2001 AND FISCAL YEAR 2002, THE GOVERNOR  
 31 SHALL INCLUDE IN THE STATE BUDGET AT LEAST \$5,300,000 FOR THE TARGETED  
 32 COMPONENT.

33                   (II)    FOR FISCAL YEAR 2001, THE GOVERNOR SHALL INCLUDE IN  
 34 THE ANNUAL BUDGET BILL AN APPROPRIATION OF AT LEAST \$5,300,000 FOR THE  
 35 TARGETED COMPONENT.

36                   (III)   FOR FISCAL YEAR 2002, THE GOVERNOR SHALL INCLUDE IN  
 37 THE ANNUAL BUDGET BILL AN APPROPRIATION OF AT LEAST \$10,600,000 FOR THE  
 38 TARGETED COMPONENT.

39                   (III)   (IV)   THE COUNTY BOARD IN EACH COUNTY THAT HAS A  
 40 WEALTH PER PUPIL THAT IS LESS THAN 75 PERCENT OF THE STATEWIDE WEALTH  
 41 PER PUPIL SHALL RECEIVE A PROPORTIONATE SHARE OF THE TARGETED

1 COMPONENT THAT IS EQUAL TO THE COUNTY BOARD'S PROPORTIONAL SHARE OF  
2 THE ~~SUM OF THE~~ TOTAL FULL-TIME EQUIVALENT ENROLLMENT FOR ALL COUNTIES  
3 WITH A WEALTH PER PUPIL THAT IS LESS THAN 75 PERCENT OF THE STATEWIDE  
4 WEALTH PER PUPIL.

5 (V) A COUNTY BOARD SHALL RECEIVE ITS PROPORTIONATE SHARE  
6 OF THE TARGETED COMPONENT REGARDLESS OF WHETHER IT MEETS THE LOCAL  
7 MATCH REQUIREMENT ESTABLISHED UNDER SUBSECTION (F)(2) OF THIS SECTION.

8 (6) (I) THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT  
9 SHALL CONTAIN A TRANSITIONAL COMPONENT AS PROVIDED IN SUBPARAGRAPHS  
10 (II) AND (III) OF THIS PARAGRAPH.

11 (II) FOR FISCAL YEAR 2001, THE GOVERNOR SHALL INCLUDE IN  
12 THE STATE BUDGET AN APPROPRIATION OF AT LEAST \$9 MILLION FOR THE  
13 TRANSITIONAL COMPONENT.

14 (III) A COUNTY BOARD SHALL RECEIVE A PROPORTIONATE SHARE  
15 OF THE TRANSITIONAL COMPONENT THAT IS EQUAL TO THE COUNTY BOARD'S  
16 PROPORTIONATE SHARE OF ALL REIMBURSEMENTS RECEIVED BY THE STATE FROM  
17 THE COUNTY BOARD THAT:

18 1. ARE FOR RETIREMENT CONTRIBUTIONS RECEIVED  
19 AFTER JUNE 30, 1999 BUT BEFORE JULY 1, 2000; AND

20 2. ARE SOUGHT BY THE STATE RETIREMENT AGENCY ON  
21 THE BASIS THAT THE SALARY OF AN ELIGIBLE MEMBER OF THE TEACHERS'  
22 RETIREMENT SYSTEM OR TEACHERS' PENSION SYSTEM IS PAID IN WHOLE OR IN  
23 PART FROM:

24 A. STATE AID, WHETHER GENERAL OR CATEGORICAL IN  
25 NATURE; OR

26 B. FEDERAL FUNDS, WHETHER THE FUNDS ARE PAID  
27 DIRECTLY TO A COUNTY BOARD OR ARE PASSED THROUGH FROM A UNIT OF STATE  
28 GOVERNMENT.

29 (IV) A COUNTY BOARD SHALL RECEIVE ITS PROPORTIONATE SHARE  
30 OF THE TRANSITIONAL COMPONENT REGARDLESS OF WHETHER IT MEETS THE  
31 LOCAL MATCH REQUIREMENT ESTABLISHED UNDER SUBSECTION (F)(2) OF THIS  
32 SECTION.

33 (E) (1) ON OR BEFORE JUNE 1, 2000, AND ON OR BEFORE JUNE 1, 2001, EACH  
34 LOCAL EDUCATION AGENCY COUNTY BOARD SHALL MAY SUBMIT A GOVERNOR'S  
35 TEACHER SALARY CHALLENGE GRANT APPLICATION TO THE DEPARTMENT OF  
36 BUDGET AND MANAGEMENT AND THE STATE SUPERINTENDENT FOR THE  
37 PERCENTAGE COMPONENT AND THE WEALTH ADJUSTED COMPONENT OF THE  
38 GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM.

39 (2) THE APPLICATION SHALL INCLUDE:

1 (I) THE ESTIMATED TEACHER SALARY BASE ~~IN FOR~~ THE LOCAL  
2 ~~EDUCATION AGENCY COUNTY BOARD~~ FOR THE CURRENT FISCAL YEAR;

3 (II) ~~THE NEGOTIATED INCREASE IN THE LOCAL EDUCATION~~  
4 ~~AGENCY'S COUNTY BOARD'S TEACHER SALARY SCHEDULE~~ FOR THE NEXT FISCAL  
5 YEAR, THE NEGOTIATED AND FUNDED COST OF LIVING ADJUSTMENT FOR  
6 TEACHERS AND THE AGGREGATE COST OF NEGOTIATED AND FUNDED CHANGES TO  
7 THE TEACHER SALARY SCHEDULES, TO BE FUNDED FROM SOURCES OTHER THAN  
8 THE PERCENTAGE COMPONENT OF THE GOVERNOR'S TEACHER SALARY CHALLENGE  
9 GRANT, EXPRESSED IN TOTAL DOLLARS AND AS A PERCENTAGE; AND

10 (III) ANY OTHER INFORMATION NECESSARY TO DETERMINE  
11 ELIGIBILITY FOR THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT.

12 (3) THE APPLICATION SHALL BE IN A FORM AND FORMAT SPECIFIED BY  
13 THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE STATE  
14 SUPERINTENDENT.

15 (F) (1) THE PERCENTAGE COMPONENT AND THE WEALTH ADJUSTED  
16 COMPONENT OF A GOVERNOR'S TEACHER SALARY CHALLENGE GRANT SHALL BE  
17 AWARDED TO EACH LOCAL EDUCATION AGENCY COUNTY BOARD THAT SUBMITS AN  
18 APPLICATION AND THAT MEETS THE REQUIREMENTS OF THIS SECTION, AS  
19 DETERMINED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE STATE  
20 SUPERINTENDENT.

21 (2) ~~EACH LOCAL EDUCATION AGENCY COUNTY BOARD THAT PROVIDES~~  
22 ~~A NEGOTIATED COST OF LIVING ADJUSTMENT FOR TEACHERS EQUIVALENT TO AT~~  
23 ~~LEAST 4%, IN ADDITION TO ANY PREVIOUSLY NEGOTIATED STEP INCREASES AND~~  
24 ~~STIPENDS, FROM SOURCES OTHER THAN THE PERCENTAGE COMPONENT OF THE~~  
25 ~~GOVERNOR'S TEACHER SALARY CHALLENGE GRANT, SHALL QUALIFY FOR THE~~  
26 ~~PERCENTAGE COMPONENT AND THE WEALTH ADJUSTED COMPONENT OF THE~~  
27 ~~GOVERNOR'S CHALLENGE GRANT.~~

28 (2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH AND  
29 PARAGRAPH (3) OF THIS SUBSECTION, A COUNTY BOARD THAT PROVIDES A  
30 NEGOTIATED AND FUNDED COST OF LIVING INCREASE FOR TEACHERS OF AT LEAST  
31 4% OR A NEGOTIATED AND FUNDED ADJUSTMENT TO THE TEACHER SALARY  
32 SCHEDULES THAT HAS AN AGGREGATE COST THAT IS AT LEAST EQUIVALENT TO  
33 THE COST OF PROVIDING A 4% COST OF LIVING ADJUSTMENT FOR TEACHERS SHALL  
34 QUALIFY FOR THE PERCENTAGE COMPONENT AND THE WEALTH ADJUSTED  
35 COMPONENT OF THE GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM.

36 (II) THE FUNDS PROVIDED BY A COUNTY BOARD FOR THE PURPOSE  
37 OF MEETING THE LOCAL MATCH REQUIREMENT ESTABLISHED UNDER  
38 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE:

39 1. IN ADDITION TO ANY PREVIOUSLY NEGOTIATED AND  
40 FUNDED STEP INCREASES AND STIPENDS; AND

1 2. OBTAINED FROM SOURCES OTHER THAN THE  
 2 PERCENTAGE COMPONENT OF THE GOVERNOR'S TEACHER SALARY CHALLENGE  
 3 PROGRAM.

4 (3) IF A COUNTY BOARD MEETS THE LOCAL MATCH REQUIREMENT  
 5 ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION IN FISCAL YEAR 2001  
 6 AND DOES NOT MEET THE LOCAL MATCH REQUIREMENT IN FISCAL YEAR 2002, THE  
 7 COUNTY BOARD SHALL RECEIVE:

8 (I) A PERCENTAGE COMPONENT IN FISCAL YEAR 2002 AS  
 9 PROVIDED UNDER SUBSECTION (D)(2)(II)3 OF THIS SECTION; AND

10 (II) A WEALTH ADJUSTED COMPONENT IN FISCAL YEAR 2002 AS  
 11 PROVIDED UNDER SUBSECTION (D)(3) OF THIS SECTION.

12 ~~(3)~~ (4) THE PERCENTAGE COMPONENT OF THE GOVERNOR'S TEACHER  
 13 SALARY CHALLENGE GRANT:

14 ~~(4)~~ (4) SHALL BE USED TO PROVIDE AN ADDITIONAL 1% COST OF  
 15 LIVING ADJUSTMENT FOR TEACHERS; ~~AND~~

16 ~~(4)~~ (4) MAY NOT BE USED TO SUPPLANT OTHER STATE OR LOCAL  
 17 FUNDS FOR THE COST OF SALARY INCREASES PAID PURSUANT TO A NEGOTIATED  
 18 AGREEMENT OR OTHER CONTRACTUAL OBLIGATION EXISTING PRIOR TO THE  
 19 EFFECTIVE DATE OF THIS ACT JUNE 1, 2000.

20 (G) THE GOVERNOR SHALL INCLUDE FUNDS IN THE STATE BUDGET TO  
 21 ACCOMPLISH THE PURPOSES OF THIS SECTION.

22 (H) THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE STATE  
 23 SUPERINTENDENT MAY ESTABLISH GUIDELINES OR REGULATIONS TO IMPLEMENT  
 24 THE GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM.

25 ~~5-214.~~

26 ~~(A)~~ (1) THERE IS A SPECIAL TRANSITIONAL REIMBURSEMENT FUND FOR  
 27 EDUCATION PROGRAMS.

28 ~~(2)~~ (2) THE FUND CONSISTS OF ALL REIMBURSEMENTS UNDER § 5-203 OF  
 29 THIS SUBTITLE OR § 16-306 OR § 23-504 OF THIS ARTICLE THAT:

30 (1) ARE FOR RETIREMENT CONTRIBUTIONS MADE AFTER JUNE 30,  
 31 1999 BUT BEFORE JULY 1, 2000; AND

32 (2) ARE SOUGHT BY THE STATE RETIREMENT AGENCY ON THE  
 33 BASIS THAT THE SALARY OF AN ELIGIBLE MEMBER OF THE TEACHERS' RETIREMENT  
 34 SYSTEM OR TEACHERS' PENSION SYSTEM IS PAID IN PART OR IN WHOLE FROM:

35 1: STATE AID, WHETHER GENERAL OR CATEGORICAL IN  
 36 NATURE; OR

1 ~~2. FEDERAL FUNDS, WHETHER THE FUNDS ARE PAID~~  
2 ~~DIRECTLY TO A LOCAL SCHOOL SYSTEM, PUBLIC JUNIOR OR COMMUNITY COLLEGE,~~  
3 ~~OR PUBLIC LIBRARY OR ARE PASSED THROUGH FROM A UNIT OF STATE~~  
4 ~~GOVERNMENT.~~

5 ~~(3) NOTWITHSTANDING § 5-203(D) OF THIS SUBTITLE AND §§ 16-306(D)~~  
6 ~~AND 23-504(D) OF THIS ARTICLE, ALL REIMBURSEMENTS DESCRIBED IN PARAGRAPH~~  
7 ~~(2) OF THIS SUBSECTION SHALL BE CREDITED TO THE FUND.~~

8 ~~(B) (1) THE STATE TREASURER SHALL HOLD THE FUND AND SHALL INVEST~~  
9 ~~THE MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE~~  
10 ~~INVESTED.~~

11 ~~(2) ALL INTEREST ON THE FUND SHALL ACCRUE TO THE GENERAL~~  
12 ~~FUND.~~

13 ~~(3) THE STATE COMPTROLLER SHALL ACCOUNT FOR THE FUND.~~

14 ~~(C) AN EXPENDITURE FROM THE FUND:~~

15 ~~(1) MAY BE MADE ONLY PURSUANT TO AN APPROPRIATION APPROVED~~  
16 ~~BY THE GENERAL ASSEMBLY; AND~~

17 ~~(2) SHALL BE USED ONLY FOR:~~

18 ~~(I) A COMPREHENSIVE PRE-KINDERGARTEN THROUGH GRADE 12~~  
19 ~~ACADEMIC INTERVENTION PROGRAM CONSISTENT WITH THE RECOMMENDATIONS~~  
20 ~~OF THE STATE BOARD OF EDUCATION;~~

21 ~~(II) TARGETED ASSISTANCE TO QUALIFIED COUNTY BOARDS OF~~  
22 ~~EDUCATION BASED ON FISCAL CAPACITY, SCHOOL OR STUDENT PERFORMANCE, OR~~  
23 ~~AS NECESSARY TO MEET EXISTING LEGAL OBLIGATIONS TO AVOID FUTURE~~  
24 ~~LITIGATION; OR~~

25 ~~(III) OTHER GRANTS FOR ASSISTANCE FOR PUBLIC EDUCATION AS~~  
26 ~~DETERMINED BY THE GOVERNOR.~~

27 ~~(D) ANY FUND BALANCE AT THE END OF FISCAL YEAR 2000 SHALL REMAIN IN~~  
28 ~~THE FUND AND BE AVAILABLE FOR APPROPRIATION IN THE NEXT FISCAL YEAR.~~

29 ~~(E) THE FUND SHALL TERMINATE AT THE END OF JUNE 30, 2001 AND ANY~~  
30 ~~FUND BALANCE THAT REMAINS AT THE END OF JUNE 30, 2001 SHALL REVERT TO THE~~  
31 ~~GENERAL FUND.~~

32 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~  
33 ~~read as follows:~~

1 Article – Education2 ~~5-203.~~3 (a) ~~In this section, "Agency" means the State Retirement Agency.~~4 (b) ~~The Agency may at any time examine the records of local school systems to~~  
5 ~~determine whether the State's payments for retirement contributions for employees of~~  
6 ~~the school systems are in accordance with the provisions of Division II of the State~~  
7 ~~Personnel and Pensions Article.~~8 (c) (1) (i) ~~If an examination of the records of a local school system shows~~  
9 ~~that the State has paid more than is required under Division II of the State Personnel~~  
10 ~~and Pensions Article, within 30 days after the date of the notice to the school system~~  
11 ~~of the State overpayment, the school system may appeal the notice of State~~  
12 ~~overpayment to the Secretary of Budget and Management who shall appoint a~~  
13 ~~hearing examiner who is an attorney.~~14 (ii) ~~The hearing examiner shall make recommendations to the~~  
15 ~~Secretary of Budget and Management who shall make a determination regarding the~~  
16 ~~amount, if any, of the State overpayment.~~17 (iii) ~~Should a local school system request a transcript of an audit~~  
18 ~~appeals hearing, the local school system shall provide and pay for the production of~~  
19 ~~the transcript.~~20 (2) ~~At the request of the Department of Education the moneys owed shall~~  
21 ~~be deducted from any other State funds that would otherwise be paid to the school~~  
22 ~~system if:~~23 (i) ~~A local school system does not appeal to the Secretary of Budget~~  
24 ~~and Management or to the Office of Administrative Hearings; or~~25 (ii) ~~The Office of Administrative Hearings determines that the~~  
26 ~~State is due reimbursement for excess payments as provided in paragraph (3) of this~~  
27 ~~subsection.~~28 (3) (i) ~~The local school system may appeal to the Office of~~  
29 ~~Administrative Hearings a determination by the Secretary of the Department of~~  
30 ~~Budget and Management regarding the amount, if any, of the State overpayment.~~31 (ii) ~~Within 45 days after the close of the hearing record, the Office~~  
32 ~~of Administrative Hearings shall issue a written decision to the parties and may grant~~  
33 ~~any appropriate remedy.~~34 (iii) ~~The written decision issued by the Office of Administrative~~  
35 ~~Hearings is the final finding of fact and conclusion of law and binding on all parties~~  
36 ~~and is not subject to judicial review.~~37 (d) ~~Any reimbursements which result from audits under this section:~~

1           (1)     ~~Shall be applied first to reimburse the Agency for the expenses of the~~  
2 ~~audits; and~~

3           (2)     ~~After reimbursement to the Agency under item (1) of this subsection,~~  
4 ~~shall be credited to the General Fund.~~

5     ~~(E)     THE AGENCY MAY NOT SEEK REIMBURSEMENT FOR RETIREMENT~~  
6 ~~CONTRIBUTIONS MADE AFTER JUNE 30, 2000, ON THE BASIS THAT THE SALARY OF AN~~  
7 ~~ELIGIBLE MEMBER OF THE TEACHERS' RETIREMENT SYSTEM OR TEACHERS' PENSION~~  
8 ~~SYSTEM IS PAID IN PART OR IN WHOLE FROM:~~

9           (1)     ~~STATE AID, WHETHER GENERAL OR CATEGORICAL IN NATURE; OR~~

10          (2)     ~~FEDERAL FUNDS, WHETHER PAID DIRECTLY TO A LOCAL SCHOOL~~  
11 ~~SYSTEM OR PASSED THROUGH A UNIT OF STATE GOVERNMENT.~~

12     ~~(E)     (1)     THERE IS A SPECIAL RETIREMENT CONTRIBUTION~~  
13 ~~REIMBURSEMENT FUND FOR SUPPLEMENTAL GRANTS TO COUNTY BOARDS~~  
14 ~~TRANSITIONAL EDUCATIONAL FUND.~~

15          (2)     ~~THE FUND CONSISTS OF \$16,500,000 OF REIMBURSEMENTS FOR~~  
16 ~~FISCAL YEAR 2000 AND ALL REIMBURSEMENTS FOR FISCAL YEARS 2001 AND 2002~~  
17 ~~RECEIVED BY THE AGENCY STATE FROM COUNTY BOARDS THAT:~~

18                 (I)     ~~ARE FOR RETIREMENT CONTRIBUTIONS MADE AFTER JUNE 30,~~  
19 ~~2000 1999 BUT BEFORE JULY 1, 2002; AND~~

20                 (II)    ~~ARE SOUGHT BY THE AGENCY STATE ON THE BASIS THAT THE~~  
21 ~~SALARY OF AN ELIGIBLE MEMBER OF THE TEACHERS' RETIREMENT SYSTEM OR~~  
22 ~~TEACHERS' PENSION SYSTEM IS PAID IN PART OR IN WHOLE FROM:~~

23                                 1.     ~~STATE AID, WHETHER GENERAL OR CATEGORICAL IN~~  
24 ~~NATURE; OR~~

25                                 2.     ~~FEDERAL FUNDS, WHETHER THE FUNDS ARE PAID~~  
26 ~~DIRECTLY TO A LOCAL SCHOOL SYSTEM OR ARE PASSED THROUGH FROM A UNIT OF~~  
27 ~~STATE GOVERNMENT.~~

28          (3)     ~~NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION § 5-203(D) OF~~  
29 ~~THIS SUBTITLE, ALL REIMBURSEMENTS DESCRIBED IN PARAGRAPH (2) OF THIS~~  
30 ~~SUBSECTION SHALL BE CREDITED TO THE FUND.~~

31          (4)     (I)     ~~THE STATE TREASURER SHALL HOLD THE FUND AND SHALL~~  
32 ~~INVEST THE MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY~~  
33 ~~MAY BE INVESTED.~~

34                                 (II)    ~~ALL INTEREST ON THE FUND SHALL ACCRUE TO THE GENERAL~~  
35 ~~FUND.~~

36                                 (III)   ~~THE STATE COMPTROLLER SHALL ACCOUNT FOR THE FUND.~~

1 (5) THE FUND SHALL BE USED TO IMPLEMENT THE GOVERNOR'S  
 2 TEACHER SALARY CHALLENGE PROGRAM ESTABLISHED UNDER THIS SECTION.

3 ~~(5) (6) AN EXPENDITURE EXPENDITURES FROM THE FUND MAY BE~~  
 4 ~~MADE ONLY PURSUANT TO AN APPROPRIATION APPROVED BY THE GENERAL~~  
 5 ~~ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY APPROVED BUDGET AMENDMENT.~~

6 ~~(6) (f) THE FUND SHALL BE USED ONLY TO MAKE GRANTS TO COUNTY~~  
 7 ~~BOARDS AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH.~~

8 ~~(H) FOR EACH OF FISCAL YEARS 2001 AND 2002, A GRANT SHALL BE~~  
 9 ~~MADE TO EACH COUNTY BOARD IN AN AMOUNT EQUAL TO THE AMOUNT OF THE~~  
 10 ~~REIMBURSEMENTS DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION THAT~~  
 11 ~~ARE MADE BY THE COUNTY BOARD FOR THE FISCAL YEAR.~~

12 ~~(III) THE GRANTS TO THE COUNTY BOARDS UNDER THIS~~  
 13 ~~SUBSECTION MAY BE USED FOR ANY EDUCATIONAL PURPOSES.~~

14 ~~(7) EXCEPT AS PROVIDED IN PARAGRAPH (8) OF THIS SUBSECTION, ANY~~  
 15 ~~FUND BALANCE AT THE END OF EACH FISCAL YEAR SHALL REMAIN IN THE FUND~~  
 16 ~~AND MAY NOT REVERT TO THE GENERAL FUND.~~

17 ~~(8) THE FUND SHALL TERMINATE AT THE END OF DECEMBER 31 JUNE~~  
 18 ~~30, 2002 AND ANY FUND BALANCE THAT REMAINS AT THE END OF DECEMBER 31~~  
 19 ~~JUNE 30, 2002 SHALL REVERT TO THE GENERAL FUND.~~

20 ~~16-306.~~

21 ~~(a) In this section, "Agency" means the State Retirement Agency.~~

22 ~~(b) The Agency may at any time examine the records of public junior or~~  
 23 ~~community colleges to determine whether the State's payments for retirement~~  
 24 ~~contributions for employees of the public junior or community colleges are in~~  
 25 ~~accordance with the provisions of Division II of the State Personnel and Pensions~~  
 26 ~~Article.~~

27 ~~(c) (1) (i) If an examination of the records of a public junior or community~~  
 28 ~~college shows that the State has paid more than is required under Division II of the~~  
 29 ~~State Personnel and Pensions Article, within 30 days after the date of the notice to~~  
 30 ~~the junior or community college of the State overpayment, the junior or community~~  
 31 ~~college may appeal the notice of State overpayment to the Secretary of Budget and~~  
 32 ~~Management who shall appoint a hearing examiner.~~

33 ~~(ii) The hearing examiner shall make recommendations to the~~  
 34 ~~Secretary of Budget and Management who shall make a final determination~~  
 35 ~~regarding the amount, if any, of the State overpayment.~~

36 ~~(2) If a public junior or community college does not appeal to the~~  
 37 ~~Secretary of Budget and Management or if the Secretary of Budget and Management~~  
 38 ~~determines that the State is due reimbursement for excess payments, as provided in~~

1 ~~paragraph (1) of this subsection, at the request of the Agency the moneys owed shall~~  
 2 ~~be deducted from any other State funds that would otherwise be paid to the public~~  
 3 ~~junior or community college.~~

4 ~~(3) For purposes of the Administrative Procedure Act, an appeal taken~~  
 5 ~~under this section is not a contested case.~~

6 ~~(d) Any reimbursements which result from audits under this section:~~

7 ~~(1) Shall be applied first to reimburse the Agency for the expenses of the~~  
 8 ~~audits; and~~

9 ~~(2) After reimbursement to the Agency under item (1) of this subsection,~~  
 10 ~~shall be credited to the General Fund.~~

11 ~~(E) THE AGENCY MAY NOT SEEK REIMBURSEMENT FOR RETIREMENT~~  
 12 ~~CONTRIBUTIONS MADE AFTER JUNE 30, 2000, ON THE BASIS THAT THE SALARY OF AN~~  
 13 ~~ELIGIBLE MEMBER OF THE TEACHERS' RETIREMENT SYSTEM OR TEACHERS'~~  
 14 ~~PENSION SYSTEM IS PAID IN PART OR IN WHOLE FROM:~~

15 ~~(1) STATE AID, WHETHER GENERAL OR CATEGORICAL IN NATURE; OR~~

16 ~~(2) FEDERAL FUNDS, WHETHER PAID DIRECTLY TO A PUBLIC JUNIOR OR~~  
 17 ~~COMMUNITY COLLEGE OR PASSED THROUGH A UNIT OF STATE GOVERNMENT.~~

18 ~~23-504.~~

19 ~~(a) In this section, "Agency" means the State Retirement Agency.~~

20 ~~(b) The Agency may at any time examine the records of public libraries to~~  
 21 ~~determine whether the State's payments for retirement contributions for employees of~~  
 22 ~~the public libraries are in accordance with the provisions of Division II of the State~~  
 23 ~~Personnel and Pensions Article.~~

24 ~~(c) (1) (i) If an examination of the records of a public library shows that~~  
 25 ~~the State has paid more than is required under Division II of the State Personnel and~~  
 26 ~~Pensions Article, within 30 days after the date of the notice to the library of the State~~  
 27 ~~overpayment, the public library may appeal the notice of State overpayment to the~~  
 28 ~~Secretary of Budget and Management who shall appoint a hearing examiner.~~

29 ~~(ii) The hearing examiner shall make recommendations to the~~  
 30 ~~Secretary of Budget and Management who shall make a final determination~~  
 31 ~~regarding the amount, if any, of the State overpayment.~~

32 ~~(2) If a public library does not appeal to the Secretary of Budget and~~  
 33 ~~Management or if the Secretary of Budget and Management determines that the~~  
 34 ~~State is due reimbursement for excess payments as provided in paragraph (1) of this~~  
 35 ~~subsection, at the request of the Department of Education the moneys owed shall be~~  
 36 ~~deducted from any other State funds that would otherwise be paid to the public~~  
 37 ~~library.~~

1 ~~(3) For purposes of the Administrative Procedure Act, an appeal taken~~  
 2 ~~under this section is not a contested case.~~

3 ~~(d) Any reimbursements which result from audits under this section:~~

4 ~~(1) Shall be applied first to reimburse the Agency for the expenses of the~~  
 5 ~~audits; and~~

6 ~~(2) After reimbursement to the Agency under item (1) of this subsection,~~  
 7 ~~shall be credited to the General Fund.~~

8 ~~(E) THE AGENCY MAY NOT SEEK REIMBURSEMENT FOR RETIREMENT~~  
 9 ~~CONTRIBUTIONS MADE AFTER JUNE 30, 2000, ON THE BASIS THAT THE SALARY OF AN~~  
 10 ~~ELIGIBLE MEMBER OF THE TEACHERS' RETIREMENT SYSTEM OR TEACHERS'~~  
 11 ~~PENSION SYSTEM IS PAID IN PART OR IN WHOLE FROM:~~

12 ~~(1) STATE AID, WHETHER GENERAL OR CATEGORICAL IN NATURE; OR~~

13 ~~(2) FEDERAL FUNDS, WHETHER PAID DIRECTLY TO A PUBLIC LIBRARY~~  
 14 ~~OR PASSED THROUGH A UNIT OF STATE GOVERNMENT.~~

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 16 read as follows:

17 Article - Education

18 7-208.

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
 20 INDICATED.

21 (2) "ACADEMIC INTERVENTION PROGRAMS" MEANS ACADEMIC  
 22 PROGRAMS WITH CURRICULUM-BASED INSTRUCTION THAT MAY TAKE PLACE:

23 (I) BEFORE SCHOOL STARTS EACH DAY AND AFTER SCHOOL ENDS  
 24 EACH DAY;

25 (II) DURING THE REGULAR SCHOOL DAY, PROVIDED THERE IS NO  
 26 CONTINUAL CONFLICT WITH CURRICULUM-BASED INSTRUCTION;

27 (III) ON WEEKENDS;

28 (IV) ON HOLIDAYS;

29 (V) DURING VACATIONS; OR

30 (VI) DURING SUMMER BREAK.

31 (3) "CURRICULUM-BASED INSTRUCTION" MEANS INSTRUCTION BASED  
 32 ON CURRICULUM GUIDES AND COURSES OF STUDY DEVELOPED BY EACH COUNTY IN  
 33 ACCORDANCE WITH § 4-111 OF THIS ARTICLE.

1           (4)     "PROGRAM" MEANS THE MARYLAND ACADEMIC INTERVENTION AND  
2 SUPPORT PROGRAM ESTABLISHED UNDER THIS SECTION.

3     (B)     (1)     THERE IS A MARYLAND ACADEMIC INTERVENTION AND SUPPORT  
4 PROGRAM IN THE DEPARTMENT.

5           (2)     THE PURPOSE OF THE PROGRAM IS TO PROVIDE ACADEMIC  
6 INTERVENTION PROGRAMS FOR STUDENTS WHO HAVE DEMONSTRATED  
7 DEFICIENCIES IN READING OR MATHEMATICS.

8           (3)     THE PROGRAM SHALL BE FUNDED AS PROVIDED IN THE STATE  
9 BUDGET.

10          (4)     THE FUNDS THAT ARE ALLOCATED TO THE PROGRAM IN THE STATE  
11 BUDGET SHALL BE USED TO:

12                 (I)     COVER THE COSTS INCURRED BY THE DEPARTMENT IN  
13 IMPLEMENTING AND ADMINISTERING THE PROGRAM; AND

14                 (II)    PROVIDE GRANTS TO COUNTY BOARDS AS AUTHORIZED UNDER  
15 SUBSECTION (G) OF THIS SECTION.

16     (C)     (1)     THE STATE BOARD SHALL DEVELOP CRITERIA BY WHICH COUNTY  
17 BOARDS MAY SUBMIT PLANS FOR APPROVAL THAT ADDRESS GOALS AND  
18 STRATEGIES FOR INTERVENING WITH STUDENTS WHO HAVE DEMONSTRATED  
19 DEFICIENCIES IN READING OR MATHEMATICS, INCLUDING:

20                 (I)     STATE APPROVED BEST PRACTICES FOR ACADEMIC  
21 INTERVENTION;

22                 (II)    A CATALOG OF PROMISING STATE APPROVED PRACTICES THAT  
23 WOULD QUALIFY FOR A COUNTY BOARD'S IMPLEMENTATION OF ACADEMIC  
24 INTERVENTION PROGRAMS; AND

25                 (III)    A LIST OF APPROVED PERSONS THAT MAY PROVIDE ACADEMIC  
26 INTERVENTION PROGRAMS, IN ACCORDANCE WITH PARAGRAPH (2)(II) OF THIS  
27 SUBSECTION.

28           (2)     (1)     EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
29 SUBSECTION, A SCHOOL SHALL PROVIDE INSTRUCTION USING SCHOOL STAFF AND  
30 MATERIALS.

31                 (II)    IF A COUNTY BOARD IS UNABLE TO PROVIDE THE  
32 CURRICULUM-BASED INSTRUCTION OF THE ACADEMIC INTERVENTION PROGRAM  
33 WITH SCHOOL STAFF AND MATERIALS, A COUNTY BOARD MAY SELECT A PERSON  
34 APPROVED BY THE STATE BOARD TO PROVIDE EXTENDED ACADEMIC INSTRUCTION.

35     (D)     THE SCHOOLS SHALL DETERMINE A STUDENT'S ELIGIBILITY FOR THE  
36 PROGRAM BASED ON THE STUDENT'S PERFORMANCE ON MARYLAND SCHOOL

1 PERFORMANCE ASSESSMENT PROGRAM TESTS, STANDARDIZED TESTS, CLASSROOM  
2 TESTS, AND ANY OTHER CRITERIA THE STATE BOARD DEEMS APPROPRIATE.

3 (E) (1) THE COUNTY BOARDS SHALL DEVELOP OR APPROPRIATELY ADAPT  
4 AN EXISTING PARENTAL CONSENT FORM FOR THE PROVISION OF ACADEMIC  
5 INTERVENTION INSTRUCTION.

6 (2) A PARENT OR GUARDIAN OF A STUDENT SELECTED FOR THE  
7 PROGRAM SHALL PROVIDE WRITTEN CONSENT FOR THE STUDENT'S PARTICIPATION  
8 IN THE PROGRAM TO THE STUDENT'S SCHOOL PRIOR TO THE STUDENT'S  
9 PARTICIPATION IN THE PROGRAM.

10 (F) (1) THE STATE BOARD SHALL ESTABLISH CRITERIA FOR EVALUATING  
11 THE PROGRAM.

12 (2) ON OR BEFORE JUNE 30 OF EACH YEAR, EACH COUNTY BOARD SHALL  
13 SUBMIT A REPORT TO THE STATE BOARD THAT INCLUDES AN EVALUATION OF THE  
14 STATUS AND SUCCESS OF THE PROGRAM IN THAT COUNTY.

15 (3) THE REPORT SUBMITTED BY A COUNTY BOARD UNDER PARAGRAPH  
16 (2) OF THIS SUBSECTION SHALL:

17 (I) IDENTIFY THE NUMBER OF STUDENTS IN THE COUNTY WHO  
18 WERE ELIGIBLE TO PARTICIPATE IN THE PROGRAM DURING THE PRIOR SCHOOL  
19 YEAR;

20 (II) IDENTIFY THE NUMBER OF STUDENTS IN THE COUNTY WHO  
21 WERE SELECTED TO PARTICIPATE IN THE PROGRAM DURING THE PRIOR SCHOOL  
22 YEAR;

23 (III) INCLUDE, FOR EACH GRADE, AGGREGATE STUDENT  
24 PERFORMANCE RESULTS, BEFORE THE STUDENTS BEGAN PARTICIPATION IN THE  
25 PROGRAM, ON ANY TESTS OR MEASUREMENT TOOLS THAT WERE USED TO  
26 DETERMINE THE STUDENTS' ELIGIBILITY FOR THE PROGRAM;

27 (IV) INCLUDE FOR EACH GRADE, AGGREGATE STUDENT  
28 PERFORMANCE RESULTS, AFTER THE STUDENTS BEGAN PARTICIPATION IN THE  
29 PROGRAM, ON ANY TESTS OR MEASUREMENT TOOLS THAT WERE USED TO  
30 DETERMINE THE STUDENTS' ELIGIBILITY FOR THE PROGRAM; AND

31 (V) INCLUDE AN EVALUATION OF THE SUCCESS OF THE PROGRAM  
32 BASED ON THE DATA DESCRIBED IN ITEMS (III) AND (IV) OF THIS PARAGRAPH AND  
33 ANY OTHER CRITERIA ESTABLISHED BY THE STATE BOARD FOR EVALUATING THE  
34 PROGRAM.

35 (4) (I) THE STATE BOARD SHALL EVALUATE A REPORT SUBMITTED BY  
36 A COUNTY BOARD UNDER PARAGRAPH (2) OF THIS SUBSECTION TO DETERMINE  
37 WHETHER THE PROGRAM HAS BEEN SUCCESSFULLY IMPLEMENTED IN THE  
38 COUNTY.

1 (II) IF THE STATE BOARD DETERMINES THAT THE PROGRAM HAS  
 2 NOT BEEN SUCCESSFULLY IMPLEMENTED IN A COUNTY, THE STATE BOARD MAY  
 3 WITHHOLD GRANT MONEY THAT A COUNTY BOARD IS AUTHORIZED TO RECEIVE  
 4 UNDER SUBSECTION (G) OF THIS SECTION.

5 (5) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE STATE BOARD  
 6 SHALL SUBMIT A REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE  
 7 STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY THAT INCLUDES AN  
 8 EVALUATION OF THE STATUS AND SUCCESS OF THE PROGRAM IN EACH COUNTY  
 9 AND ON A STATEWIDE BASIS.

10 (G) OF THE TOTAL AMOUNT THAT IS ALLOCATED FOR GRANTS UNDER  
 11 SUBSECTION (B)(4)(II) OF THIS SECTION, EACH COUNTY BOARD SHALL RECEIVE A  
 12 FRACTION:

13 (1) THE NUMERATOR OF WHICH IS THE NUMBER OF STUDENTS IN THE  
 14 COUNTY SCORING LESS THAN 70% ON THE READING OR MATHEMATICS PORTION OF  
 15 THE MARYLAND SCHOOL PERFORMANCE ASSESSMENT PROGRAM TEST; AND

16 (2) THE DENOMINATOR OF WHICH IS THE NUMBER OF STUDENTS IN  
 17 THE STATE SCORING LESS THAN 70% ON THE READING OR MATHEMATICS PORTION  
 18 OF THE MARYLAND SCHOOL PERFORMANCE ASSESSMENT PROGRAM TEST.

19 (H) THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY FOR THE  
 20 IMPLEMENTATION OF THIS SECTION.

21 **Article - Tax - Property**

22 7-225.

23 (a) Except as provided in § 7-109 of this title and in subsection (b) of this  
 24 section, if used in manufacturing, the following personal property, however operated  
 25 and whether or not in use, is not subject to property tax:

26 (1) tools;

27 (2) implements;

28 (3) machinery; or

29 (4) manufacturing apparatus or engines.

30 (b) Except as provided by § 7-108 of this title, the personal property listed in  
 31 subsection (a) of this section is subject to a county property tax on:

32 (1) 100% of its assessment in [Allegany County,] Garrett County,  
 33 Somerset County, Wicomico County, and Worcester County; and

34 (2) [60%] 75% of its assessment in [Dorchester]ALLEGANY County.

1 (c) Property does not qualify for the exemption under this section if the  
2 property is used primarily in administration, management, sales, storage, shipping,  
3 receiving, or any other nonmanufacturing activity.

4 (d) In order to qualify for the exemption under this section, a person claiming  
5 the exemption must apply for and be granted the exemption by the Department.

6 9-201.

7 (a) In this section, "property tax credit" means a property tax credit OR  
8 EXEMPTION that is granted under § 9-205 or § 9-209 of this subtitle or Subtitle 3 of  
9 this title.

10 (b) Annually on or before [December] OCTOBER 31, the Mayor and City  
11 Council of Baltimore City or each governing body that grants a property tax credit  
12 shall submit to the Department on the form that the Department provides THE  
13 FOLLOWING INFORMATION FOR THE CURRENT TAXABLE YEAR:

14 (1) the total value of all property tax credits granted;

15 (2) an itemized list of all of the property tax credits granted for real  
16 property; and

17 (3) an itemized list of the property tax credits granted for personal  
18 property.

19 (c) The Mayor and City Council of Baltimore City or each governing body that  
20 grants a property tax credit shall:

21 (1) in the same manner as the assessment roll, make available for public  
22 inspection bound copies of the form required by subsection (b) of this section; and

23 (2) identify clearly on the tax roll the properties that are granted a  
24 property tax credit under this section.

25 9-205.

26 (a) The Mayor and City Council of Baltimore City or the governing body of a  
27 county or of a municipal corporation may grant, by law, a property tax credit under  
28 this section against the county or municipal corporation property tax imposed on part  
29 or all of the property of any manufacturing, fabricating, or assembling facility that:

30 (1) locates in the county or municipal corporation;

31 (2) expands in the county or municipal corporation; or

32 (3) develops a new product or industrial process.

33 (b) A property tax credit under this section may be granted on up to 100% of  
34 the county or municipal corporation property tax against the property described in  
35 subsection (a) of this section.

1 (c) A property tax credit granted under this section may be granted for the  
2 period of years from the date of completion of a new facility or expansion of a facility  
3 that the Mayor and City Council of Baltimore City or the appropriate governing body  
4 determines.

5 (d) The Mayor and City Council of Baltimore City or the appropriate  
6 governing body may:

7 (1) adopt regulations necessary to carry out this section; and

8 (2) provide any other restriction or condition considered desirable.

9 (e) The Mayor and City Council of Baltimore City or each governing body shall  
10 designate the administrative unit or official to administer the property tax credit  
11 granted under this section.

12 (f) When a tax bill is sent to a taxpayer who may be eligible for a property tax  
13 credit under this section, the Mayor and City Council of Baltimore City or the  
14 appropriate governing body shall give notice of the property tax credit under this  
15 section to the taxpayer.

16 (g) (1) A taxpayer must apply to receive a tax credit under this section.

17 (2) Except in Frederick County, if a taxpayer fails to apply for a property  
18 tax credit under this section on or before October 1 of each taxable year, the property  
19 tax credit may not be granted.

20 (3) In Frederick County, a taxpayer may apply for a property tax credit  
21 under this section on or before October 1 of the taxable year, and the property tax  
22 credit received shall continue from year to year until the property is conveyed.

23 (4) A taxpayer shall state under oath that the facts in the application are  
24 true.

25 (h) Each governing body that grants a property tax credit under this section  
26 shall submit to the Department a copy of the law granting the credit.

27 (I) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, TO  
28 THE EXTENT THAT A COUNTY GRANTS A TAX CREDIT UNDER THIS SECTION FOR  
29 MANUFACTURING PERSONAL PROPERTY DESCRIBED IN § 7-225 OF THIS ARTICLE,  
30 THE PERSONAL PROPERTY MAY NOT BE TREATED AS TAXABLE PERSONAL PROPERTY  
31 FOR THE PURPOSE OF COMPUTING ANY PAYMENTS OF STATE AID TO EDUCATION  
32 UNDER § 5-202 OF THE EDUCATION ARTICLE OR OTHER PAYMENTS OF STATE AID TO  
33 COUNTIES OR MUNICIPAL CORPORATIONS THAT BY LAW ARE BASED ON THE  
34 ASSESSMENT OF PROPERTY.

35 (2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO  
36 PROPERTY UNLESS THE COUNTY THAT GRANTS A TAX CREDIT UNDER THIS SECTION  
37 FOR THE PROPERTY SUBMITS TO THE DEPARTMENT, ON OR BEFORE OCTOBER 31 OF  
38 THE TAXABLE YEAR FOR WHICH THE CREDIT IS GRANTED:

1 (I) THE INFORMATION REQUIRED UNDER § 9-201(B) OF THIS  
 2 SUBTITLE REGARDING THE TAX CREDIT; AND

3 (II) AN ITEMIZED LIST OF THE PROPERTY TAX CREDITS GRANTED  
 4 FOR MANUFACTURING PERSONAL PROPERTY DESCRIBED IN § 7-225 OF THIS  
 5 ARTICLE.

6 9-302.

7 (i) (1) The governing body of Allegany County may grant a county property  
 8 tax credit or exemption for machinery and equipment used in manufacturing,  
 9 assembling, processing, or refining products for sale or in the generation of electricity  
 10 and may define, fix, or limit the amount, terms, scope, and duration of any credit or  
 11 exemption provided for or affirmed under this subsection.

12 (2) TO THE EXTENT THAT A TAX CREDIT OR EXEMPTION IS GRANTED  
 13 FOR PERSONAL PROPERTY UNDER THIS SUBSECTION FOR MACHINERY AND  
 14 EQUIPMENT USED IN MANUFACTURING, ASSEMBLING, PROCESSING, OR REFINING  
 15 PRODUCTS FOR SALE, THE PERSONAL PROPERTY MAY NOT BE TREATED AS TAXABLE  
 16 PERSONAL PROPERTY FOR THE PURPOSE OF COMPUTING ANY PAYMENTS OF STATE  
 17 AID TO EDUCATION UNDER § 5-202 OF THE EDUCATION ARTICLE OR OTHER  
 18 PAYMENTS OF STATE AID TO COUNTIES OR MUNICIPAL CORPORATIONS THAT BY LAW  
 19 ARE BASED ON THE ASSESSMENT OF PROPERTY.

20 (3) TO THE EXTENT THAT A TAX CREDIT OR EXEMPTION IS GRANTED  
 21 UNDER THIS SUBSECTION FOR MACHINERY AND EQUIPMENT THAT IS USED IN THE  
 22 GENERATION OF ELECTRICITY FOR A FACILITY THAT STARTED GENERATING  
 23 ELECTRICITY PRIOR TO JUNE 1, 2000, THE PROPERTY MAY NOT BE TREATED AS  
 24 TAXABLE PERSONAL PROPERTY FOR THE PURPOSE OF COMPUTING ANY PAYMENTS  
 25 OF STATE AID TO EDUCATION UNDER § 5-202 OF THE EDUCATION ARTICLE OR OTHER  
 26 PAYMENTS OF STATE AID TO COUNTIES OR MUNICIPAL CORPORATIONS THAT BY  
 27 LAW ARE BASED ON THE ASSESSMENT OF PROPERTY.

28 ~~(3)~~ (4) PARAGRAPH (2) PARAGRAPHS (2) AND (3) OF THIS SUBSECTION  
 29 DOES DO NOT APPLY TO ANY PERSONAL PROPERTY UNLESS ALLEGANY COUNTY  
 30 SUBMITS TO THE DEPARTMENT, ON OR BEFORE OCTOBER 31 OF THE TAXABLE YEAR  
 31 FOR WHICH THE TAX CREDIT OR EXEMPTION FOR THE PROPERTY IS GRANTED, THE  
 32 INFORMATION REQUIRED UNDER § 9-201(B) OF THIS TITLE REGARDING THE TAX  
 33 CREDIT OR EXEMPTION.

34 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before June 1,  
 35 2000, each county that for the taxable year ending June 30, 2000, has granted a tax  
 36 credit under § 9-205 of the Tax - Property Article for manufacturing personal  
 37 property described in § 7-225 of the Tax - Property Article or has granted a tax credit  
 38 or exemption for personal property under § 9-302(i) of the Tax - Property Article shall  
 39 submit to the Department of Assessments and Taxation the information for the  
 40 current taxable year required under § 9-201(b) of the Tax - Property Article  
 41 regarding the tax credit or exemption and an itemized list of any property tax credits  
 42 granted under § 9-205 of the Tax - Property Article for manufacturing personal

1 property described in § 7-225 of the Tax - Property Article. For the fiscal year that  
 2 begins July 1, 2000, the provisions of §§ 9-205(i) and 9-302(i)(2) of the Tax - Property  
 3 Article do not apply to any property unless the county that grants a tax credit or  
 4 exemption for that property submits the information required under this section to  
 5 the Department of Assessments and Taxation on or before June 1, 2000.

6 ~~SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the~~  
 7 ~~General Assembly that any additional funding made available to county boards of~~  
 8 ~~education in fiscal year 2001 and fiscal year 2002 as a result of this Act, including the~~  
 9 ~~reimbursements for retirement contributions that would have been required to be~~  
 10 ~~transferred to the State Retirement Agency but for Section 2 of this Act, shall be used~~  
 11 ~~to assist the county boards in meeting pressing public education needs in the~~  
 12 ~~counties, including:~~

13 (a) ~~employee salary enhancements;~~

14 (b) ~~student intervention, enrichment, and remediation programs;~~  
 15 ~~including summer school and extended day programs;~~

16 (c) ~~early childhood education initiatives;~~

17 (d) ~~alternative learning programs;~~

18 (e) ~~student transportation;~~

19 (f) ~~technology initiatives; and~~

20 (g) ~~student equipment and supplies.~~

21 ~~SECTION 2. 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act~~  
 22 ~~shall take effect June 1, 2000. It shall remain effective for a period of 2 years and 1~~  
 23 ~~month and, at the end of June 30, 2002, with no further action required by the~~  
 24 ~~General Assembly, Section 1 of this Act shall be abrogated and of no further force and~~  
 25 ~~effect.~~

26 ~~SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall~~  
 27 ~~take effect June 1, 2000.~~

28 ~~SECTION 7. AND BE IT FURTHER ENACTED, That, subject to Sections 5 and~~  
 29 ~~6 of this Act, this Act shall take effect July 1, 2000.~~

30 ~~SECTION 4. AND BE IT FURTHER ENACTED, That the Governor shall~~  
 31 ~~include in the State budget for each of fiscal years 2001 and 2002 an appropriation of~~  
 32 ~~at least \$8,000,000 to meet the State's existing legal obligations for educational~~  
 33 ~~funding and avoid future litigation.~~

34 ~~SECTION 5. AND BE IT FURTHER ENACTED, That, notwithstanding §~~  
 35 ~~7-317(d) and (g) of the State Finance and Procurement Article, in fiscal year 2001, the~~  
 36 ~~Cigarette Restitution Fund established under § 7-317 of the State Finance and~~  
 37 ~~Procurement Article may be used to fund the implementation of: (i) the Governor's~~

~~1 Teacher Salary Challenge Program established under § 5-213 of the Education Article;~~  
~~2 and (2) Section 4 of this Act. In fiscal year 2001, the Governor may transfer funds by~~  
~~3 budget amendment from the Cigarette Restitution Fund to the Transitional Education~~  
~~4 Fund created under this Act as necessary to fund the Governor's Teacher Salary~~  
~~5 Challenge Program in fiscal year 2001.~~

6       SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the  
7 General Assembly that the Governor include in the State budget for fiscal year 2001 an  
8 appropriation of at least \$19.5 million to fund the Maryland Academic Intervention  
9 and Support Program established under § 7-208 of the Education Article as enacted  
10 by this Act. In fiscal year 2002, the Governor shall include in the State budget an  
11 appropriation of \$19.5 million to fund the Program.

12       SECTION 6. AND BE IT FURTHER ENACTED, That if the fiscal year 2001  
13 appropriation for the transitional component established under § 5-213(d)(6) of the  
14 Education Article is less than \$9 million, the Governor shall include an appropriation  
15 of at least \$9 million for the transitional component for fiscal year 2002 allocated as  
16 provided under § 5-213(d)(6) of the Education Article.

17       SECTION 7. AND BE IT FURTHER ENACTED, That, notwithstanding §  
18 7-208(b)(4) and (g) of the Education Article, in fiscal year 2001, from the amount  
19 appropriated for the Maryland Academic Intervention and Support Program, the State  
20 Board shall distribute \$70,000 to each county board to cover start-up costs associated  
21 with implementing the program.

22       SECTION 8. AND BE IT FURTHER ENACTED, That, notwithstanding §  
23 7-317(d) and (g) of the State Finance and Procurement Article, in fiscal year 2001, the  
24 Cigarette Restitution Fund established under § 7-317 of the State Finance and  
25 Procurement Article may be used to fund the implementation of: (i) the Governor's  
26 Teacher Salary Challenge Program established under § 5-213 of the Education Article;  
27 (ii) Section 4 of this Act; and (iii) Section 5 of this Act. In fiscal year 2001 and 2002, the  
28 Governor may transfer or appropriate funds by budget amendment or otherwise from  
29 the Cigarette Restitution Fund: (i) to the Transitional Education Fund created under  
30 this Act as necessary to fund the Governor's Teacher Salary Challenge Program in  
31 fiscal years 2001 and 2002; and (ii) to support the expenditures required under  
32 Sections 4 and 5 of this Act in fiscal years 2001 and 2002.

33       SECTION 9. AND BE IT FURTHER ENACTED, That \$19.5 million of the funds  
34 credited in fiscal year 2001 to the Cigarette Restitution Fund established under §  
35 7-317 of the State Finance and Procurement Article may only be used to fund the  
36 Maryland Academic Intervention and Support Program established under § 7-208 of  
37 the Education Article as enacted by this Act.

38       ~~SECTION 6- 10. AND BE IT FURTHER ENACTED, That this Act shall take~~  
39 effect June 1, 2000. Section 1 of this Act shall remain effective for a period of 2 years  
40 and 1 month and, at the end of June 30, 2002, with no further action required by the  
41 General Assembly, Section 1 of this Act shall be abrogated and of no further force and  
42 effect.

