

HOUSE BILL 1379

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HB 860/99 - W&M

2000 Regular Session
0lr2842

By: **Delegates La Vay, Sher, Cryor, Stern, Frush, Dembrow, Carlson, Barkley, Flanagan, Kittleman, Hixson, Kagan, Heller, Shriver, Franchot, Bronrott, Moe, Howard, Pitkin, Griffith, Hubbard, Greenip, Giannetti, and R. Baker**

Introduced and read first time: February 24, 2000
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Education - State Funding - Social Security Contributions**

3 FOR the purpose of repealing certain provisions of law relating to the obligations of
4 certain employers for Social Security contributions; requiring the State to pay
5 the employer Social Security contributions for certain employees of local boards
6 of education, community colleges, and county public library systems; expanding
7 certain authority of the State Retirement Agency in connection with the
8 examination of certain records of local boards of education, community colleges,
9 and county public library systems; requiring the State Retirement Agency to
10 adopt certain regulations; and generally relating to the Social Security
11 contributions of employers of certain local employees.

12 BY repealing

13 Article - Education
14 Section 5-202(d), 16-305(c)(8), and 23-503(c)
15 Annotated Code of Maryland
16 (1999 Replacement Volume)

17 BY repealing and reenacting, with amendments,

18 Article - Education
19 Section 5-202(e) and (f), 5-203(b) and (c)(1)(i), 16-305(c)(9), 16-306(b) and
20 (c)(1)(i), and 23-504(b) and (c)(1)(i)
21 Annotated Code of Maryland
22 (1999 Replacement Volume)

23 BY adding to

24 Article - Education
25 Section 5-203.1, 16-305(c)(8), and 23-503(c)
26 Annotated Code of Maryland
27 (1999 Replacement Volume)

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

3 **Article - Education**

4 5-202.

5 [(d) Any employer Social Security contributions required by federal law for any
6 employee of a county board or local school system shall remain the obligation of the
7 employer.]

8 [(e)] (D) (1) Each county board and the Mayor and City Council of Baltimore
9 City shall receive from the State, in the manner and subject to the limitations under
10 this section, an amount for each school year to be known as the "compensatory
11 education funds", which shall be calculated as indicated in this subsection.

12 (2) (i) For each fiscal year, the compensatory education funds program
13 level is the product of 25 percent of the per pupil basic current expense figure for the
14 current fiscal year, rounded down to the nearest dollar, and the statewide Chapter 1
15 eligible count for the prior fiscal year.

16 (ii) The amount to be provided to each county under this program is
17 determined as follows:

18 1. For each fiscal year, the product of the Chapter 1 eligible
19 count for the prior fiscal year for each county and the equivalent of 25 percent of the
20 per pupil basic current expense figure for the current fiscal year, rounded down to the
21 nearest dollar.

22 2. This product shall be divided by the ratio, rounded to 7
23 decimal places, of county wealth per county full-time equivalent enrollment to
24 statewide wealth per full-time equivalent enrollment.

25 3. These results shall be multiplied by a factor rounded to 7
26 decimal places and calculated by dividing the compensatory education funds program
27 level by the sum of the quotients determined in item 2 of this subparagraph.

28 (3) (i) The compensatory education funds shall be used for expenses of
29 instruction except that a county must expend no less than the amount provided in
30 subparagraph (ii) of this paragraph to provide dedicated compensatory programs for
31 children with special education needs that have resulted from educationally
32 disadvantaged environments.

33 (ii) For each fiscal year, the amount required to be expended by a
34 county under subparagraph (i) of this paragraph is the sum of:

35 1. The product of \$70 multiplied by its Chapter 1 eligible
36 count for the prior fiscal year; and

1 (v) Each county's unadjusted set-aside for career and technology
2 education as derived in (iii) is multiplied by the adjustment factor derived in (iv). The
3 resulting product is the set-aside from basic current expense aid for career and
4 technology education for the county.

5 5-203.

6 (b) The Agency may at any time examine the records of local school systems to
7 determine whether the State's payments for SOCIAL SECURITY TAXES AND
8 retirement contributions for employees of the school systems are in accordance with
9 the provisions of Division II of the State Personnel and Pensions Article AND THIS
10 ARTICLE.

11 (c) (1) (i) If an examination of the records of a local school system shows
12 that the State has paid more than is required under THIS ARTICLE AND Division II of
13 the State Personnel and Pensions Article, within 30 days after the date of the notice
14 to the school system of the State overpayment, the school system may appeal the
15 notice of State overpayment to the Secretary of Budget and Management who shall
16 appoint a hearing examiner who is an attorney.

17 5-203.1.

18 (A) (1) FOR THE PURPOSES OF THIS SECTION, THE STATE RETIREMENT
19 AGENCY SHALL ADOPT REGULATIONS THAT, SUBJECT TO AND CONSISTENT WITH
20 THE PROVISIONS OF PARAGRAPH (2) OF THIS SUBSECTION, DEFINE "ELIGIBLE
21 POSITION".

22 (2) EFFECTIVE JULY 1, 2000, EXCEPT AS OTHERWISE PROVIDED IN THIS
23 SUBSECTION, "ELIGIBLE POSITION" MEANS A POSITION THAT IS HELD BY AN
24 EMPLOYEE OF A COUNTY BOARD OR LOCAL SCHOOL SYSTEM WHO IS A MEMBER OF
25 THE TEACHERS' RETIREMENT SYSTEM OR THE TEACHERS' PENSION SYSTEM AND:

26 (I) WHO PERFORMS INSTRUCTIONAL DUTIES IN A PUBLIC DAY
27 SCHOOL DURING THE NORMAL 10-MONTH SCHOOL YEAR AS A SUPERVISORY
28 TEACHER, A TEACHER WHO IS CERTIFIED, A HELPING TEACHER, OR A CLASSROOM
29 TEACHER AIDE; OR

30 (II) WHO HOLDS ANY OTHER POSITION IN A CLASS THAT WAS
31 CONSIDERED ELIGIBLE FOR STATE PAYMENT OF EMPLOYER CONTRIBUTIONS FOR
32 SOCIAL SECURITY UNDER THE STANDARDS APPLIED BY THE DEPARTMENT OF
33 PERSONNEL AS OF JANUARY 11, 1980.

34 (B) FOR FISCAL YEAR 2002, AND EACH FISCAL YEAR THEREAFTER, THE
35 EMPLOYER SOCIAL SECURITY CONTRIBUTIONS FOR ANY ELIGIBLE POSITION SHALL
36 BE PAID IN FULL BY THE STATE.

1 16-305.

2 (c) [(8) Any employer Social Security contributions required by federal law
3 for any employee of a board of community college trustees shall remain the obligation
4 of the employer.]

5 (8) (I) FOR THE PURPOSES OF THIS PARAGRAPH, THE STATE
6 RETIREMENT AGENCY SHALL ADOPT REGULATIONS TO DEFINE "ELIGIBLE
7 POSITION".

8 (II) FOR FISCAL YEAR 2002, AND EACH FISCAL YEAR THEREAFTER,
9 THE EMPLOYER SOCIAL SECURITY CONTRIBUTIONS FOR ANY ELIGIBLE POSITION
10 SHALL BE PAID IN FULL BY THE STATE.

11 (9) The State contribution to THE EMPLOYER'S SOCIAL SECURITY,
12 retirement and fringe benefit costs is not included in the calculations of amounts
13 under this subsection.

14 16-306.

15 (b) The Agency may at any time examine the records of public junior or
16 community colleges to determine whether the State's payments for SOCIAL SECURITY
17 TAXES AND retirement contributions for employees of the public junior or community
18 colleges are in accordance with the provisions of THIS ARTICLE AND Division II of the
19 State Personnel and Pensions Article.

20 (c) (1) (i) If an examination of the records of a public junior or community
21 college shows that the State has paid more than is required under THIS ARTICLE AND
22 Division II of the State Personnel and Pensions Article, within 30 days after the date
23 of the notice to the junior or community college of the State overpayment, the junior
24 or community college may appeal the notice of State overpayment to the Secretary of
25 Budget and Management who shall appoint a hearing examiner.

26 23-503.

27 [(c) Any employer Social Security contributions required by federal law for any
28 employee in a county public library system shall remain the obligation of the
29 employer.]

30 (C) (1) FOR THE PURPOSES OF THIS PARAGRAPH, THE STATE RETIREMENT
31 AGENCY SHALL ADOPT REGULATIONS TO DEFINE "ELIGIBLE POSITION".

32 (2) FOR FISCAL YEAR 2002, AND EACH FISCAL YEAR THEREAFTER, THE
33 EMPLOYER SOCIAL SECURITY CONTRIBUTIONS FOR ANY ELIGIBLE POSITION SHALL
34 BE PAID IN FULL BY THE STATE.

35 23-504.

36 (b) The Agency may at any time examine the records of public libraries to
37 determine whether the State's payments for SOCIAL SECURITY TAXES AND retirement

1 contributions for employees of the public libraries are in accordance with the
2 provisions of THIS ARTICLE AND Division II of the State Personnel and Pensions
3 Article.

4 (c) (1) (i) If an examination of the records of a public library shows that
5 the State has paid more than is required under THIS ARTICLE AND Division II of the
6 State Personnel and Pensions Article, within 30 days after the date of the notice to
7 the library of the State overpayment, the public library may appeal the notice of State
8 overpayment to the Secretary of Budget and Management who shall appoint a
9 hearing examiner.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 July 1, 2000.