
By: **Senators Stoltzfus, Harris, and Kittleman**
Introduced and read first time: February 6, 2004
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Education - Bridge to Excellence in Public Schools Act - Extension of**
3 **Phase-In Period**

4 FOR the purpose of altering the Bridge to Excellence in Public Schools Act to extend
5 by a certain number of years the phase-in period required to reach the targeted
6 annual amount for the additional State funding for elementary and secondary
7 education in the State; altering certain definitions; altering certain provisions
8 relating to the calculation of the amount of State funding provided under certain
9 education programs; altering the amount of and extending for an additional
10 period certain education grants to certain counties; altering the termination
11 date for a certain provision; phasing in over a longer period of time increases in
12 State funding for compensatory education, students with limited English
13 proficiency, and students with special needs; altering the amount of the State
14 guaranteed tax base grant for certain years; repealing a provision relating to the
15 adoption of a certain resolution by the General Assembly by a certain date at the
16 2004 Session; repealing a provision that limits State funding for education for
17 public elementary and secondary schools to a certain percentage annual
18 increase if the General Assembly does not adopt a certain resolution by a certain
19 date; and generally relating to alterations to the Bridge to Excellence in Public
20 Schools Act to extend the phase-in period for certain additional State funding
21 for elementary and secondary schools in the State.

22 BY repealing and reenacting, with amendments,
23 Article - Education
24 Section 5-202, 5-205 through 5-210, and 5-402
25 Annotated Code of Maryland
26 (2001 Replacement Volume and 2003 Supplement)

27 BY repealing
28 Chapter 288 of the Acts of the General Assembly of 2002
29 Section 20(d) and (e)

30 BY repealing and reenacting, with amendments,
31 Chapter 288 of the Acts of the General Assembly of 2002

1 Section 23

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

4 **Article - Education**

5 5-202.

6 (a) (1) In this section the following words have the meanings indicated.

7 (2) "Annual per pupil foundation amount" means:

8 (i) For fiscal years 2004 through [2008] 2012, the sum, rounded to
9 the nearest dollar, of:

10 1. The fiscal year 2002 per pupil foundation amount of
11 \$4,124; and

12 2. The product of the difference between the target per pupil
13 foundation amount and \$4,124 and:

14 A. 0.40 in fiscal year 2004;

15 B. 0.52 in fiscal year 2005;

16 C. [0.71] 0.60 in fiscal year 2006; [and]

17 D. [0.83] 0.67 in fiscal year 2007; [and]

18 E. 0.74 IN FISCAL YEAR 2008;

19 F. 0.81 IN FISCAL YEAR 2009;

20 G. 0.88 IN FISCAL YEAR 2010; AND

21 H. 0.95 IN FISCAL YEAR 2011; AND

22 (ii) For fiscal year [2008] 2012 and each fiscal year thereafter, the
23 target per pupil foundation amount.

24 (3) "Assessed valuation of real property" means the most recent estimate
25 made by the State Department of Assessments and Taxation before the annual State
26 budget is submitted to the General Assembly, of the assessed value of real property for
27 State purposes as of July 1 of the first completed fiscal year before the school year for
28 which the calculation of State aid is made under this section.

29 (4) "Assessed value of personal property" means the most recent
30 estimate by the State Department of Assessments and Taxation before the annual
31 State budget is submitted to the General Assembly of the assessed value for county

1 purposes of personal property as of July 1 of the first completed fiscal year before the
2 school year for which the calculation is made under this section.

3 (5) "Foundation program" means the product of the annual per pupil
4 foundation amount and a county's full-time equivalent enrollment.

5 (6) "Full-time equivalent enrollment" means the sum of:

6 (i) The number of students enrolled in grades 1 through 12 or their
7 equivalent in regular day school programs on September 30 of the previous school
8 year;

9 (ii) Except as provided in item (iii) of this paragraph, the product of
10 the number of students enrolled in kindergarten programs on September 30 of the
11 prior school year and:

- 12 1. 0.60 in fiscal year 2004;
- 13 2. 0.70 in fiscal year 2005;
- 14 3. 0.80 in fiscal year 2006;
- 15 4. 0.90 in fiscal year 2007; and
- 16 5. 1.00 in fiscal year 2008 and each fiscal year thereafter;

17 (iii) In Garrett County, the number of students enrolled in
18 kindergarten programs on September 30 of the prior school year; and

19 (iv) The number of full-time equivalent students, as determined by
20 a regulation of the Department, enrolled in evening high school programs during the
21 previous school year.

22 (7) "Local contribution rate" means the figure that is calculated as
23 follows:

24 (i) Multiply the statewide full-time equivalent enrollment by \$624,
25 and multiply this product by:

- 26 1. 0.46 in fiscal year 2004;
- 27 2. 0.47 in fiscal year 2005;
- 28 3. 0.48 in fiscal year 2006;
- 29 4. 0.49 in fiscal year 2007; and
- 30 5. 0.50 in fiscal year 2008 and each fiscal year thereafter;

1 (ii) Multiply the statewide full-time equivalent enrollment by the
 2 amount that the annual per pupil foundation amount exceeds \$624, and multiply this
 3 product by 0.50;

4 (iii) Add the two products calculated in items (i) and (ii) of this
 5 paragraph, and divide the resulting sum by the sum of the wealth of all of the
 6 counties in this State; and

7 (iv) Round the result obtained in item (iii) of this paragraph to
 8 seven decimal places and express as a percent with five decimal places.

9 (8) "Local share of the foundation program" means the product of the
 10 local contribution rate and a county's wealth.

11 (9) "Net taxable income" means the amount certified by the State
 12 Comptroller for the second completed calendar year before the school year for which
 13 the calculation of State aid under this section is made, based on tax returns filed on
 14 or before September 1 after this calendar year.

15 (10) "Personal property" means all property classified as personal
 16 property under § 8-101(c) of the Tax - Property Article.

17 (11) "Real property" means all property classified as real property under §
 18 8-101(b) of the Tax - Property Article.

19 (12) "State share of the foundation program" means the greater of:

20 (i) The difference between the foundation program and the local
 21 share of the foundation program; and

22 (ii) The result obtained by multiplying the annual per pupil
 23 foundation amount by the county's full-time equivalent enrollment, and multiplying
 24 this product by:

- 25 1. 0.25 in fiscal year 2004;
- 26 2. 0.24 in fiscal year 2005;
- 27 3. [0.22] 0.23 in fiscal year 2006;
- 28 4. [0.19] 0.21 in fiscal year 2007; [and]
- 29 5. [0.15] 0.19 in fiscal year 2008 [and each fiscal year
 30 thereafter];
- 31 6. 0.18 IN FISCAL YEAR 2009;
- 32 7. 0.17 IN FISCAL YEAR 2010;
- 33 8. 0.16 IN FISCAL YEAR 2011; AND

1 revenues for the current fiscal year. State aid shall include State funds provided to
2 the county boards whether pursuant to formula or on a grant basis and State
3 payments on behalf of the county boards such as retirement and debt service for State
4 bonds for school construction.

5 (d) (1) To be eligible to receive the State share of the foundation program:

6 (i) The county governing body shall levy an annual tax sufficient to
7 provide an amount of revenue for elementary and secondary public education
8 purposes equal to the local share of the foundation program; and

9 (ii) The county governing body shall appropriate local funds to the
10 school operating budget in an amount no less than the product of the county's
11 full-time equivalent enrollment for the current fiscal year and the local appropriation
12 on a per pupil basis for the prior fiscal year.

13 (2) Except as provided in paragraph (3) of this subsection, for purposes of
14 this subsection, the local appropriation on a per pupil basis for the prior fiscal year for
15 a county is derived by dividing the county's highest local appropriation to its school
16 operating budget for the prior fiscal year by the county's full-time equivalent
17 enrollment for the prior fiscal year. For example, the calculation of the foundation aid
18 for fiscal year 2003 shall be based on the highest local appropriation for the school
19 operating budget for a county for fiscal year 2002. Program shifts between a county
20 operating budget and a county school operating budget may not be used to artificially
21 satisfy the requirements of this paragraph.

22 (3) For purposes of this subsection, for fiscal year 1997 and each
23 subsequent fiscal year, the calculation of the county's highest local appropriation to
24 its school operating budget for the prior fiscal year shall exclude:

25 (i) A nonrecurring cost that is supplemental to the regular school
26 operating budget, if the exclusion qualifies under regulations adopted by the State
27 Board; and

28 (ii) A cost of a program that has been shifted from the county school
29 operating budget to the county operating budget.

30 (4) The county board must present satisfactory evidence to the county
31 government that any appropriation under paragraph (3)(i) of this subsection is used
32 only for the purpose designated by the county government in its request for approval.

33 (5) Any appropriation that is not excluded under paragraph (3)(i) of this
34 subsection as a qualifying nonrecurring cost shall be included in calculating the
35 county's highest local appropriation to its school operating budget.

36 (6) Qualifying nonrecurring costs, as defined in regulations adopted by
37 the State Board, shall include but are not limited to:

38 (i) Computer laboratories;

1 (ii) Technology enhancement;

2 (iii) New instructional program start-up costs; and

3 (iv) Books other than classroom textbooks.

4 (7) (i) The provisions of this subsection do not apply to a county if the
5 county is granted a temporary waiver or partial waiver from the provisions by the
6 State Board of Education based on a determination that the county's fiscal condition
7 significantly impedes the county's ability to fund the maintenance of effort
8 requirement.

9 (ii) After a public hearing, the State Board of Education may grant
10 a waiver under this paragraph in accordance with its regulations.

11 (iii) In order to qualify for the waiver under this paragraph for a
12 fiscal year, a county shall make a request for a waiver to the State Board of Education
13 by April 1 of the prior fiscal year.

14 (iv) The State Board of Education shall inform the county whether
15 the waiver for a fiscal year is approved or denied in whole or in part by May 15 of the
16 prior fiscal year.

17 (e) (1) In fiscal year 2004, the State shall distribute a partnership grant of
18 \$28,186,032 to the Baltimore City Board of School Commissioners.

19 (2) In fiscal [year] YEARS 2005 AND 2006, the State shall distribute a
20 partnership grant of \$21,139,524 to the Baltimore City Board of School
21 Commissioners.

22 (3) In fiscal [year 2006] YEARS 2007 AND 2008, the State shall distribute
23 a partnership grant of [\$14,093,016] \$17,616,270 to the Baltimore City Board of School
24 Commissioners.

25 (4) IN FISCAL YEAR 2009, THE STATE SHALL DISTRIBUTE A
26 PARTNERSHIP GRANT OF \$14,093,016 TO THE BALTIMORE CITY BOARD OF SCHOOL
27 COMMISSIONERS.

28 (5) IN FISCAL YEARS 2010 AND 2011, THE STATE SHALL DISTRIBUTE A
29 PARTNERSHIP GRANT OF \$7,046,508 TO THE BALTIMORE CITY BOARD OF SCHOOL
30 COMMISSIONERS.

31 (f) (1) For fiscal year 2004, the State share of the foundation program shall
32 be adjusted to reflect regional differences in the cost of education that are due to
33 factors outside the control of local jurisdictions, by increasing the State share of the
34 foundation program otherwise determined for the following counties by:

35 (i) 1% for Anne Arundel County;

36 (ii) 3% for Baltimore City;

1 (iii) 3% for Howard County; and

2 (iv) 4% for Montgomery County.

3 (2) For fiscal year 2005 and each fiscal year thereafter, the State share
4 of the foundation program shall be adjusted to reflect regional differences in the cost
5 of education that are due to factors outside the control of local jurisdictions.

6 (3) The Department shall contract with a private entity to conduct a
7 study to:

8 (i) Develop a Maryland specific geographic cost of education index
9 to be implemented no later than fiscal year 2005; and

10 (ii) Provide recommendations as to how the index should be used to
11 adjust State education funding.

12 (g) Any employer Social Security contributions required by federal law for any
13 employee of a county board or local school system shall remain the obligation of the
14 employer.

15 (h) (1) The Montgomery County Board shall provide from the Montgomery
16 County Public Schools Employees' Pension System Trust the supplemental retirement
17 allowance required under paragraph (2) of this subsection.

18 (2) (i) The Montgomery County Board, through the Montgomery
19 County Public Schools Employees' Pension System Trust, shall pay a supplemental
20 retirement allowance to an employee of the County Board who retires on or after July
21 1, 1999, as a member of the Teachers' Pension System of the State of Maryland.

22 (ii) The supplemental retirement allowance shall equal the product
23 of the member's years of creditable service earned in the Montgomery County Public
24 Schools Employees' Pension System times the sum of:

25 1. 0.08% of the retiree's average final compensation that does
26 not exceed the Social Security integration level; and

27 2. 0.15% of the retiree's average final compensation that
28 exceeds the Social Security integration level.

29 5-205.

30 (a) The State shall distribute grants as provided under this section to the
31 county boards to provide transportation services for public school students and
32 disabled children for whom transportation is to be provided under § 8-410 of this
33 article. Appropriations for student transportation shall be budgeted in a separate
34 budget category as provided in § 5-101 of this article. If the amount that is
35 appropriated to a county under this section in a fiscal year is more than the actual
36 cost of providing student transportation services in that county, a county board may
37 apply any excess funds to costs of pupil transportation in subsequent years. None of

1 these funds may be paid to or claimed by any subdivision, nor may any of these funds
2 be reverted to any subdivision. A county board may not transfer State revenues from
3 the student transportation category to any other category as a result of this section.

4 (b) For the purpose of calculating the 2004 base grants for student
5 transportation to county boards, the following amounts shall be used as the fiscal
6 year 2003 base grant amounts:

7	(1)	Allegany	.....	\$2,838,327
8	(2)	Anne Arundel	.....	\$12,716,216
9	(3)	Baltimore City	.....	\$10,303,967
10	(4)	Baltimore	.....	\$15,715,504
11	(5)	Calvert	.....	\$3,294,141
12	(6)	Caroline	.....	\$1,580,176
13	(7)	Carroll	.....	\$5,738,454
14	(8)	Cecil	.....	\$2,997,774
15	(9)	Charles	.....	\$5,813,595
16	(10)	Dorchester	.....	\$1,465,299
17	(11)	Frederick	.....	\$6,620,447
18	(12)	Garrett	.....	\$1,886,605
19	(13)	Harford	.....	\$7,277,627
20	(14)	Howard	.....	\$8,460,292
21	(15)	Kent	.....	\$985,359
22	(16)	Montgomery	.....	\$18,663,456
23	(17)	Prince George's	.....	\$21,018,217
24	(18)	Queen Anne's	.....	\$1,952,856
25	(19)	St. Mary's	.....	\$3,673,545
26	(20)	Somerset	.....	\$1,143,107
27	(21)	Talbot	.....	\$981,334
28	(22)	Washington	.....	\$3,784,100

1 (23) Wicomico \$3,001,531

2 (24) Worcester \$1,856,978

3 (c) (1) In this subsection, "full-time equivalent enrollment" has the
4 meaning stated in § 5-202 of this subtitle.

5 (2) Subject to the limitations under paragraph (3) of this subsection, for
6 fiscal year 2004 and every year thereafter the amount of a county's base grant for
7 student transportation shall be equal to the amount of the county's base grant for
8 student transportation for the previous year increased by the same percentage as the
9 increase in the private transportation category of the Consumer Price Index for all
10 urban consumers, for the Washington-Baltimore metropolitan area, as of July of the
11 fiscal year preceding the year for which the amount is being calculated, plus an
12 additional amount equal to the product of:

13 (i) The total amount of funds distributed by the State as base
14 grants for student transportation for the previous fiscal year divided by the statewide
15 full-time equivalent enrollment for the previous fiscal year; and

16 (ii) The difference between the full-time equivalent enrollment in a
17 county for the current fiscal year and the full-time equivalent enrollment in the
18 county for the previous fiscal year, or, if the full-time equivalent enrollment in a
19 county for the current fiscal year is less than the full-time equivalent enrollment in
20 the county for the previous fiscal year, zero.

21 (3) The increase in the amount of a base grant for student transportation
22 that is based on the increase in the private transportation category of the Consumer
23 Price Index may not be less than 3 percent nor more than 8 percent of the amount of
24 the grant for the previous year.

25 (d) For each fiscal year, in addition to the base grant for student
26 transportation provided under subsection (c) of this section, a disabled student
27 transportation grant shall be distributed to each county board. The amount of the
28 grant to each board shall be equal to the product of the number of disabled students
29 requiring special transportation services who are transported by the county board in
30 the second prior fiscal year and:

31 (1) \$600 in fiscal year 2004;

32 (2) \$700 in fiscal year 2005;

33 (3) [\$800] \$750 in fiscal year 2006;

34 (4) [\$900] \$800 in fiscal year 2007; [and]

35 (5) \$850 IN FISCAL YEAR 2008;

36 (6) \$900 IN FISCAL YEAR 2009;

1 (7) \$950 IN FISCAL YEAR 2010; AND

2 [(5)] (8) \$1,000 in fiscal year [2008] 2011 and each fiscal year thereafter.

3 (e) For the purposes of determining the amount of the grant provided under
4 subsection (d) of this section, the State Board shall develop a procedure and adopt
5 regulations for determining the number of disabled students transported in each
6 jurisdiction in the second prior fiscal year.

7 (f) The State Board shall adopt rules and regulations that provide for the safe
8 operation of the student transportation system of each county board of education.

9 5-206.

10 (f) In fiscal year 2004 and in each fiscal year thereafter, the State shall
11 distribute grants to county boards under the Aging Schools Program administered by
12 the Interagency Committee on School Construction in the following amounts:

13	(1)	Allegany County	\$355,000
14	(2)	Anne Arundel County	\$570,000
15	(3)	Baltimore City	\$1,635,000
16	(4)	Baltimore County.....	\$2,940,000
17	(5)	Calvert County	\$65,000
18	(6)	Caroline County	\$85,000
19	(7)	Carroll County	\$385,000
20	(8)	Cecil County	\$355,000
21	(9)	Charles County	\$65,000
22	(10)	Dorchester County	\$65,000
23	(11)	Frederick County	\$85,000
24	(12)	Garrett County	\$85,000
25	(13)	Harford County	\$400,000
26	(14)	Howard County	\$65,000
27	(15)	Kent County	\$65,000
28	(16)	Montgomery County	\$1,170,000
29	(17)	Prince George's County	\$970,000

1	(18)	Queen Anne's County	.....	\$85,000
2	(19)	St. Mary's County	.....	\$85,000
3	(20)	Somerset County	.....	\$65,000
4	(21)	Talbot County	.....	\$155,000
5	(22)	Washington County	.....	\$200,000
6	(23)	Wicomico County	.....	\$355,000
7	(24)	Worcester County	.....	\$65,000

8 (g) (1) In [each of fiscal years 2004 through 2007] FISCAL YEAR 2005, the
 9 State shall distribute a grant to each county board that is equal to the amount
 10 received by the county board in fiscal year 2002 for the extended elementary
 11 education program.

12 (2) IN FISCAL YEAR 2006, THE STATE SHALL DISTRIBUTE A GRANT TO
 13 EACH COUNTY BOARD THAT IS EQUAL TO 75% OF THE AMOUNT RECEIVED BY THE
 14 COUNTY BOARD IN FISCAL YEAR 2002 FOR THE EXTENDED ELEMENTARY EDUCATION
 15 PROGRAM.

16 (3) IN FISCAL YEAR 2007, THE STATE SHALL DISTRIBUTE A GRANT TO
 17 EACH COUNTY BOARD THAT IS EQUAL TO 50% OF THE AMOUNT RECEIVED BY THE
 18 COUNTY BOARD IN FISCAL YEAR 2002 FOR THE EXTENDED ELEMENTARY EDUCATION
 19 PROGRAM.

20 (4) IN FISCAL YEAR 2008, THE STATE SHALL DISTRIBUTE A GRANT TO
 21 EACH COUNTY BOARD THAT IS EQUAL TO 25% OF THE AMOUNT RECEIVED BY THE
 22 COUNTY BOARD IN FISCAL YEAR 2002 FOR THE EXTENDED ELEMENTARY EDUCATION
 23 PROGRAM.

24 5-207.

25 (a) (1) In this section the following words have the meanings indicated.

26 (2) "Aggregate State funding level for the compensatory education
 27 formula" means the product of the compensatory education per pupil amount and the
 28 statewide compensatory education enrollment count.

29 (3) (i) Except as provided in subparagraph (ii) of this paragraph,
 30 "compensatory education enrollment count" means the number of students eligible for
 31 free or reduced price meals for the prior fiscal year.

32 (ii) For fiscal year 2004, "compensatory education enrollment
 33 count" means the greater of:

- 34 1. The number of students eligible for free or reduced price
- 35 meals for the prior fiscal year; or

1 (3) For each county, divide the result calculated under paragraph (2) of
 2 this subsection by the ratio, rounded to seven decimal places, of local wealth per pupil
 3 to statewide wealth per pupil.

4 (4) For each county, multiply the result calculated under paragraph (3) of
 5 this subsection for the county by the result, rounded to seven decimal places, that
 6 results from dividing the aggregate State funding level for the compensatory
 7 education formula by the sum of all of the results calculated under paragraph (3) of
 8 this subsection for all counties.

9 (d) (1) If the amount calculated under subsection (c)(4) of this section for any
 10 county is less than the minimum compensatory education grant amount determined
 11 under paragraph (2) of this subsection, the State shall distribute an additional grant
 12 to the county in the amount by which the minimum compensatory education grant
 13 amount exceeds the result calculated under subsection (c)(4) of this section.

14 (2) For purposes of paragraph (1) of this subsection, the minimum
 15 compensatory education grant amount for each county is the result obtained by
 16 multiplying the compensatory education per pupil amount by the county's
 17 compensatory education enrollment count, and multiplying this product by:

18 (i) 0.50 for fiscal year 2004;

19 (ii) 0.66 for fiscal year 2005;

20 (iii) [0.70] 0.68 for fiscal year 2006;

21 (iv) [0.76] 0.72 for fiscal year 2007; [and]

22 (v) [0.80] 0.76 for fiscal year 2008 [and each fiscal year
 23 thereafter];

24 (VI) 0.78 FOR FISCAL YEAR 2009; AND

25 (VII) 0.80 FOR FISCAL YEAR 2010 AND EACH FISCAL YEAR
 26 THEREAFTER.

27 5-208.

28 (a) (1) In this section the following words have the meanings indicated.

29 (2) "Aggregate State funding for the LEP formula" means the product of
 30 the LEP per pupil amount and the statewide LEP enrollment count.

31 (3) "Full-time equivalent enrollment" has the meaning stated in § 5-202
 32 of this subtitle.

33 (4) "LEP" means limited English proficiency.

1 (5) (i) Except as provided in subparagraph (ii) of this paragraph, "LEP
2 enrollment count" means the number of students with limited English proficiency for
3 the prior fiscal year.

4 (ii) For fiscal year 2004, "LEP enrollment count" means the greater
5 of:

6 1. The number of students with limited English proficiency
7 for the prior fiscal year; or

8 2. The number of students with limited English proficiency
9 for the second prior fiscal year.

10 (6) "LEP per pupil amount" means 99% of the annual per pupil
11 foundation amount calculated under § 5-202 of this subtitle multiplied by the State
12 share of LEP funding.

13 (7) "Limited English proficiency" means non-English or limited English
14 proficiency under the reporting requirements established by the Department for the
15 Maryland School Performance Program.

16 (8) "Local wealth per pupil" means a county's wealth divided by the
17 county's full-time equivalent enrollment.

18 (9) "State share of LEP funding" means:

19 (i) 0.29 in fiscal year 2004;

20 (ii) 0.37 in fiscal year 2005;

21 (iii) [0.41] 0.38 in fiscal year 2006;

22 (iv) [0.46] 0.40 in fiscal year 2007; [and]

23 (v) [0.50] 0.42 in fiscal year 2008 [and each fiscal year thereafter];

24 (VI) 0.44 IN FISCAL YEAR 2009;

25 (VII) 0.46 IN FISCAL YEAR 2010;

26 (VIII) 0.48 IN FISCAL YEAR 2011; AND

27 (IX) 0.50 IN FISCAL YEAR 2012 AND EACH FISCAL YEAR
28 THEREAFTER.

29 (10) "Statewide wealth per pupil" means the sum of the wealth of all
30 counties divided by the statewide full-time equivalent enrollment.

31 (11) "Tier I LEP funding" means:

32 (i) For fiscal year 2008 and each fiscal year thereafter, \$0; and

1 (ii) For fiscal years 2004 through 2007, the result obtained by
2 multiplying \$1,350 by the statewide LEP enrollment count, and multiplying this
3 product by:

- 4 1. 1.0 for fiscal year 2004;
- 5 2. 0.75 for fiscal year 2005;
- 6 3. 0.50 for fiscal year 2006; and
- 7 4. 0.25 for fiscal year 2007.

8 (12) "Tier II LEP funding" means the difference between aggregate State
9 funding for the LEP formula and Tier I LEP funding.

10 (13) "Tier II LEP per pupil amount" means the result obtained by dividing
11 Tier II LEP funding by the statewide LEP enrollment count.

12 (14) "Wealth" has the meaning stated in § 5-202 of this subtitle.

13 (b) (1) For fiscal years 2004 through 2007, the State shall distribute Tier I
14 LEP grants and Tier II LEP grants to county boards.

15 (2) For fiscal year 2008 and each fiscal year thereafter, the State shall
16 distribute Tier II LEP grants to county boards.

17 (c) (1) For fiscal years 2004 through 2007, the amount of the Tier I LEP
18 grant distributed to a county board shall be equal to the result obtained by
19 multiplying \$1,350 by the county's LEP enrollment count, and multiplying this
20 product by:

- 21 (i) 1.0 for fiscal year 2004;
- 22 (ii) 0.75 for fiscal year 2005;
- 23 (iii) 0.50 for fiscal year 2006; and
- 24 (iv) 0.25 for fiscal year 2007.

25 (2) For fiscal year 2008 and each fiscal year thereafter, the State may
26 not make Tier I LEP grants to county boards.

27 (d) (1) The amount of the Tier II LEP grant distributed to a county board
28 shall be calculated as provided in this subsection.

29 (2) For each county, multiply the county's LEP enrollment count by the
30 Tier II LEP per pupil amount.

31 (3) For each county, divide the result calculated under paragraph (2) of
32 this subsection by the ratio, rounded to seven decimal places, of local wealth per pupil
33 to statewide wealth per pupil.

1 (4) For each county, multiply the result calculated under paragraph (3) of
 2 this subsection for the county by the result, rounded to seven decimal places, that
 3 results from dividing Tier II LEP funding by the sum of all of the results calculated
 4 under paragraph (3) of this subsection for all counties.

5 (e) (1) If the amount calculated under subsection (d)(4) of this section for
 6 any county is less than the minimum Tier II LEP grant amount determined under
 7 paragraph (2) of this subsection, the State shall distribute an additional grant to the
 8 county in the amount by which the minimum Tier II LEP grant amount exceeds the
 9 result calculated under subsection (d)(4) of this section.

10 (2) For purposes of paragraph (1) of this subsection, the minimum Tier II
 11 LEP grant amount for each county is the result obtained by multiplying the Tier II
 12 LEP per pupil amount by the county's LEP enrollment count, and multiplying this
 13 product by:

14 (i) 0.50 for fiscal year 2004;

15 (ii) 0.66 for fiscal year 2005;

16 (iii) [0.70] 0.68 for fiscal year 2006;

17 (iv) [0.76] 0.72 for fiscal year 2007; [and]

18 (v) [0.80] 0.76 for fiscal year 2008 [and each fiscal year
 19 thereafter];

20 (VI) 0.78 FOR FISCAL YEAR 2009; AND

21 (VII) 0.80 FOR FISCAL YEAR 2010 AND EACH FISCAL YEAR
 22 THEREAFTER.

23 5-209.

24 (a) (1) In this section the following words have the meanings indicated.

25 (2) "Aggregate State funding for the special education formula" means
 26 the product of the special education per pupil amount and the statewide special
 27 education enrollment count.

28 (3) "Full-time equivalent enrollment" has the meaning stated in § 5-202
 29 of this subtitle.

30 (4) "Local wealth per pupil" means a county's wealth divided by the
 31 county's full-time equivalent enrollment.

32 (5) (i) Except as provided in subparagraph (ii) of this paragraph,
 33 "special education enrollment count" means the number of special education students
 34 for the prior fiscal year in a public school operated by a county board other than those
 35 students who are enrolled in or attend:

1 (11) "Tier II special education funding" means the difference between the
2 aggregate State funding for the special education formula and Tier I special education
3 funding.

4 (12) "Tier II special education per pupil amount" means the result
5 obtained by dividing the Tier II special education funding by the statewide special
6 education enrollment count.

7 (13) "Wealth" has the meaning stated in § 5-202 of this subtitle.

8 (b) Each year the State shall distribute Tier II special education grants to
9 county boards.

10 (c) (1) The amount of the Tier II special education grant distributed to a
11 county board shall be calculated as provided in this subsection.

12 (2) For each county, multiply the county's special education enrollment
13 count by the Tier II special education per pupil amount.

14 (3) For each county, divide the result calculated under paragraph (2) of
15 this subsection by the ratio, rounded to seven decimal places, of local wealth per pupil
16 to statewide wealth per pupil.

17 (4) For each county, multiply the result calculated under paragraph (3) of
18 this subsection by the result, rounded to seven decimal places, that results from
19 dividing Tier II special education funding by the sum of all of the results calculated
20 under paragraph (3) of this subsection for all counties.

21 (d) (1) If the amount calculated under subsection (c)(4) of this section for any
22 county is less than the minimum Tier II special education grant amount determined
23 under paragraph (2) of this subsection, the State shall distribute an additional grant
24 to the county in the amount by which the minimum Tier II special education grant
25 amount exceeds the result calculated under subsection (c)(4) of this section.

26 (2) For purposes of paragraph (1) of this subsection, the minimum Tier II
27 special education grant amount for each county is the result obtained by multiplying
28 the Tier II special education per pupil amount by the county's special education
29 enrollment count, and multiplying this product by:

30 (i) 0.50 for fiscal year 2004;

31 (ii) 0.66 for fiscal year 2005;

32 (iii) [0.70] 0.68 for fiscal year 2006;

33 (iv) [0.76] 0.72 for fiscal year 2007; [and]

34 (v) [0.80] 0.76 for fiscal year 2008 [and each fiscal year
35 thereafter];

36 (VI) 0.78 FOR FISCAL YEAR 2009; AND

1 (VII) 0.80 FOR FISCAL YEAR 2010 AND EACH FISCAL YEAR
2 THEREAFTER.

3 5-210.

4 (a) (1) In this section the following terms have the meanings indicated.

5 (2) "Additional education appropriation" means the difference between a
6 county's education appropriation for the prior fiscal year and the county's local share
7 of the foundation program calculated under § 5-202 of this subtitle.

8 (3) "Additional education effort" means a county's additional education
9 appropriation divided by the county's wealth, rounded to seven decimal places.

10 (4) "Full-time equivalent enrollment" has the meaning stated in § 5-202
11 of this subtitle.

12 (5) "Guaranteed wealth per pupil" means 80% of the statewide wealth
13 per pupil.

14 (6) "Guaranteed tax base program per pupil amount" means the lesser
15 of:

16 (i) 20% of the annual per pupil foundation amount calculated
17 under § 5-202 of this subtitle; and

18 (ii) The product of a county's additional education effort and the
19 difference between guaranteed wealth per pupil and local wealth per pupil.

20 (7) "Local wealth per pupil" means a county's wealth divided by the
21 county's full-time equivalent enrollment.

22 (8) "Statewide wealth per pupil" means the sum of the wealth of all
23 counties divided by the statewide full-time equivalent enrollment.

24 (9) "Wealth" has the meaning stated in § 5-202 of this subtitle.

25 (b) For fiscal year 2005 and each fiscal year thereafter, the State shall
26 distribute guaranteed tax base grants to county boards as provided in this section.

27 (c) A county board is eligible to receive a guaranteed tax base grant if the
28 county's:

29 (1) Additional education effort is greater than zero; and

30 (2) Local wealth per pupil is less than the guaranteed wealth per pupil.

31 (d) The amount of the guaranteed tax base grant shall be equal to the product
32 of the county's guaranteed tax base program per pupil amount and the county's
33 full-time equivalent enrollment multiplied by:

- 1 (1) 0.25 in fiscal year 2005;
- 2 (2) 0.50 in fiscal year 2006;
- 3 (3) [0.75] 0.70 in fiscal year 2007; [and]
- 4 (4) 0.75 IN FISCAL YEAR 2008;
- 5 (5) 0.85 IN FISCAL YEAR 2009;
- 6 (6) 0.90 IN FISCAL YEAR 2010;
- 7 (7) 0.95 IN FISCAL YEAR 2011; AND
- 8 [(4)] (8) 1.00 in fiscal year [2008] 2012 and each fiscal year thereafter.

9 5-402.

10 (a) (1) Subject to paragraph (2) of this subsection, the Department shall
11 evaluate the effect of increased State aid for education on student and school
12 performance in each local school system.

13 (2) The Department may contract with a public or private entity to
14 conduct or assist in conducting the evaluation required by this subsection.

15 (b) (1) The Department shall submit an initial report on the results of the
16 evaluation required by this section to the Governor and, subject to § 2-1246 of the
17 State Government Article, the General Assembly on or before December 31, [2006]
18 2008.

19 (2) The Department shall submit a final report on the results of the
20 evaluation required by this section to the Governor and, subject to § 2-1246 of the
21 State Government Article, the General Assembly on or before December 31, [2008]
22 2012.

23 (c) The reports required by this section shall include:

24 (1) A detailed description of how local school systems are using State
25 education aid;

26 (2) A comparison of school systems that show significant improvements
27 in student and school performance to school systems that do not show significant
28 improvements in student and school performance;

29 (3) An assessment of the extent to which county boards are successful in
30 implementing the comprehensive master plans required by § 5-401 of this subtitle;

31 (4) An analysis of the amount of funding that local governments provide
32 for education each year;

