

BY: Delegate La Vay

AMENDMENTS TO HOUSE BILL NO. 190

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after "Tax" insert "- Social Security Contributions - State Funding"; in line 3, after "of" insert "providing for the distribution of certain tobacco tax revenue to a special fund to be used only for certain purposes; requiring the Comptroller to make a certain computation;"; and in line 15, after the second "Act;" insert "repealing certain provisions of law relating to the obligations of certain employers for Social Security contributions; requiring the State to pay the employer Social Security contributions for certain employees of local boards of education, community colleges, and county public library systems; expanding certain authority of the State Retirement Agency in connection with the examination of certain records of local boards of education, community colleges, and county public library systems; requiring the State Retirement Agency to adopt certain regulations;".

On page 2, in line 16, after "Section" insert "2-1603,"; and after line 25, insert:

"BY repealing

Article - Education

Section 5-202(d), 16-305(c)(8), and 23-503(c)

Annotated Code of Maryland

(1997 Replacement Volume and 1998 Supplement)

BY repealing and reenacting, with amendments,

Article - Education

Section 5-202(e) and (f), 5-203(b) and (c)(1)(i), 16-305(c)(9), 16-306(b) and (c)(1)(i),
and 23-504(b) and (c)(1)(i)

Annotated Code of Maryland

(1997 Replacement Volume and 1998 Supplement)

(Over)

BY adding to

Article - Education

Section 5-203.1, 16-305(c)(8), and 23-503(c)

Annotated Code of Maryland

(1997 Replacement Volume and 1998 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 28, insert:

“2-1603.

(A) [After] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AFTER making the distributions required under §§ 2-1601 and 2-1602 of this subtitle, the Comptroller shall distribute the remaining tobacco tax revenue to the General Fund of the State.

(B) (1) FOR EACH FISCAL YEAR, BEFORE MAKING THE DISTRIBUTION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, THE COMPTROLLER SHALL DISTRIBUTE TO A SPECIAL FUND 100% OF THE ADDITIONAL TOBACCO TAX REVENUE RESULTING FROM THE INCREASE IN THE TOBACCO TAX RATE UNDER CHAPTER (H.B. 190) OF THE ACTS OF THE GENERAL ASSEMBLY OF 1999, AS DETERMINED BY THE COMPTROLLER.

(2) THE MONEYS IN THE SPECIAL FUND ESTABLISHED UNDER THIS SUBSECTION MAY BE USED ONLY TO PAY FOR THE STATE SOCIAL SECURITY CONTRIBUTIONS REQUIRED UNDER § 5-203.1, § 16-305(C)(8), OR § 23-503(C) OF THE EDUCATION ARTICLE.”.

AMENDMENT NO. 3

On page 10, after line 23, insert:

“Article - Education

5-202.

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

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

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

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

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

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

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

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

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

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

2. The product of 25 percent of a county's increased State aid for the current fiscal year over the Fiscal Year 1985 level under this program.

(4) (i) The county superintendent for any county qualifying for compensatory education funds under this subsection shall secure the approval of the State Superintendent for plans that outline the use of the dedicated compensatory funds and shall meet any other requirements established by the State Board of Education for use of these funds.

(ii) The State Board shall advise the Accountability Task Force as to any county that does not comply with the requirements established by the State Board for the use of the funds.

(5) If, because of changes from one fiscal year to the next in the statewide full-time equivalent enrollment or the statewide Chapter 1 eligible count, the compensatory education funds allocated to a county under this section is calculated to be less than 85 percent of the allocation to the county in the prior fiscal year, the funds for the county shall be increased to 85 percent of the prior fiscal year amount.

[f] (E) (1) An amount as determined in paragraph (2) of this subsection shall annually be set aside from the State shares of basic current expense aid to each county; these amounts are to be utilized for career and technology education programs in accordance with guidelines adopted by the State Board of Education. These funds shall not be used to supplant local contributions for career and technology education programs. A county board of education shall maintain its fiscal effort on either a per student basis or on an aggregate basis for career and technology education, compared with the amount expended in the previous fiscal year, to be eligible to receive its career and technology set-aside from basic current expense aid.

(2) The career and technology set-asides from basic current expense aid for each subdivision are calculated as follows for each county:

(i) The number of full-time equivalent students in grades 10 through 12 enrolled in career and technology education programs in each county on September 30 of the previous year is divided by the statewide number of full-time equivalent students in grades 10 through 12 enrolled in career and technology education programs on September 30 of the previous school year.

(ii) The quotient derived in (i) is multiplied by \$3.9 million.

(iii) As determined under subsection (b) of this section, the State per pupil current expense aid in each county is divided by the statewide average per pupil basic current expense aid to determine an equalizing factor. The equalizing factor for each county is multiplied by the product derived in (ii) to determine the unadjusted set-aside for career and technology education.

(iv) \$3.9 million is divided by the sum of the unadjusted set-asides for all counties derived in (iii) and this quotient is rounded to 7 decimal places to determine the adjustment factor.

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

5-203.

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

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

(Over)

5-203.1.

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

(2) EFFECTIVE JULY 1, 1999, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, "ELIGIBLE POSITION" MEANS A POSITION THAT IS HELD BY AN EMPLOYEE OF A COUNTY BOARD OR LOCAL SCHOOL SYSTEM WHO IS A MEMBER OF THE TEACHERS' RETIREMENT SYSTEM OR THE TEACHERS' PENSION SYSTEM AND:

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

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

(B) FOR FISCAL YEAR 2001, AND EACH FISCAL YEAR THEREAFTER, THE EMPLOYER SOCIAL SECURITY CONTRIBUTIONS FOR ANY ELIGIBLE POSITION SHALL BE PAID IN FULL BY THE STATE.

16-305.

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

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

POSITION”.

(II) FOR FISCAL YEAR 2001, AND EACH FISCAL YEAR THEREAFTER, THE EMPLOYER SOCIAL SECURITY CONTRIBUTIONS FOR ANY ELIGIBLE POSITION SHALL BE PAID IN FULL BY THE STATE.

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

16-306.

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

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

23-503.

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

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

(Over)

(2) FOR FISCAL YEAR 2001, AND EACH FISCAL YEAR THEREAFTER, THE EMPLOYER SOCIAL SECURITY CONTRIBUTIONS FOR ANY ELIGIBLE POSITION SHALL BE PAID IN FULL BY THE STATE.

23-504.

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

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