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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**

Introduced and read first time: February 11, 2000  
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Governor's Teacher Salary Challenge Program - Public School Teacher**  
3 **Salary Enhancement**

4 FOR the purpose of establishing the Governor's Teacher Salary Challenge Program;  
5 requiring the State Board of Education to make certain grants to local education  
6 agencies; specifying certain formulas for calculating certain grants; requiring  
7 local education agencies to submit certain applications to the Department of  
8 Budget and Management and the State Superintendent of Education by a  
9 certain date; requiring the Governor to include certain funding in the budget;  
10 establishing certain requirements and procedures for the operation of the  
11 Governor's Teacher Salary Challenge Program; defining certain terms;  
12 providing for the termination of this Act; and generally relating to education  
13 grants to local education agencies.

14 BY adding to  
15 Article - Education  
16 Section 5-213  
17 Annotated Code of Maryland  
18 (1999 Replacement Volume)

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

21 **Article - Education**

22 5-213.

23 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
24 INDICATED.

1           (2)   (I)    "COST OF LIVING ADJUSTMENT" MEANS AN INCREASE IN  
2 SALARY SCHEDULES.

3                   (II)   "COST OF LIVING ADJUSTMENTS" DOES NOT INCLUDE  
4 INCREASES FOR PROMOTIONS, INCREMENTS, STEP INCREASES AND SIMILAR SALARY  
5 INCREASES RECEIVED BY EMPLOYEES AS A REGULAR PART OF THE OPERATION OF A  
6 PERSONNEL SYSTEM.

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

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

12           (5)    "TEACHER SALARY BASE" MEANS THE TOTAL SALARIES AND WAGES  
13 OF CERTIFICATED PROFESSIONAL PUBLIC SCHOOL EMPLOYEES, EXCLUDING  
14 ADMINISTRATORS, IN A LOCAL EDUCATION AGENCY FOR THE FISCAL YEAR  
15 PRECEDING THE FISCAL YEAR FOR WHICH THE GOVERNOR'S CHALLENGE GRANT IS  
16 CALCULATED, AS DETERMINED BY THE DEPARTMENT OF BUDGET AND  
17 MANAGEMENT AND THE STATE SUPERINTENDENT.

18           (6)    "WEALTH" HAS THE MEANING INDICATED IN § 5-202 OF THIS  
19 SUBTITLE.

20           (7)    "WEALTH PER PUPIL" MEANS WEALTH DIVIDED BY FULL-TIME  
21 EQUIVALENT ENROLLMENT.

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

23   (C)    THE GOVERNOR'S TEACHER SALARY CHALLENGE PROGRAM SHALL  
24 PROVIDE GRANTS TO LOCAL EDUCATION AGENCIES FOR THE PURPOSE OF  
25 INCREASING TEACHER SALARIES IN ORDER TO IMPROVE RECRUITMENT AND  
26 RETENTION OF WELL QUALIFIED TEACHERS.

27   (D)    (1)    EACH GRANT MADE TO A LOCAL EDUCATION AGENCY MAY BE  
28 CALCULATED BASED ON:

29                   (I)    A PERCENTAGE COMPONENT;

30                   (II)   A WEALTH-ADJUSTED COMPONENT;

31                   (III)   A HOLD-HARMLESS COMPONENT; AND

32                   (IV)   A DISTRESSED JURISDICTION COMPONENT.

33           (2)    THE PERCENTAGE COMPONENT SHALL BE CALCULATED AS  
34 FOLLOWS:

35                   (I)    FOR FISCAL YEAR 2001, MULTIPLY THE TEACHER SALARY BASE  
36 FOR THE LOCAL EDUCATION AGENCY BY 0.01.

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

5 (3) THE WEALTH-ADJUSTED COMPONENT SHALL BE CALCULATED AS  
6 FOLLOWS:

7 (I) 1. FOR FISCAL YEAR 2001, MULTIPLY THE TEACHER SALARY  
8 BASE FOR THE LOCAL EDUCATION AGENCY BY 0.02.

9 2. FOR FISCAL YEAR 2002, MULTIPLY THE TEACHER SALARY  
10 BASE FOR THE LOCAL EDUCATION AGENCY BY 0.02 AND ADD AN AMOUNT EQUAL TO  
11 THE WEALTH-ADJUSTED COMPONENT GRANTED TO THE LOCAL EDUCATION  
12 AGENCY IN FISCAL YEAR 2001.

13 (II) FOR EACH FISCAL YEAR, MULTIPLY THE PRODUCT  
14 CALCULATED IN ITEM (I) OF THIS PARAGRAPH FOR THAT FISCAL YEAR BY THE STATE  
15 SHARE FOR THE LOCAL EDUCATION AGENCY.

16 (4) (I) IF THE PRODUCT CALCULATED IN PARAGRAPH (3) OF THIS  
17 SUBSECTION IS GREATER THAN THE PERCENTAGE COMPONENT FOR THE LOCAL  
18 EDUCATION AGENCY, THEN THE WEALTH-ADJUSTED COMPONENT SHALL BE THE  
19 AMOUNT OF THE DIFFERENCE.

20 (II) IF THE PRODUCT CALCULATED IN PARAGRAPH (3) OF THIS  
21 SUBSECTION IS LESS THAN THE PERCENTAGE COMPONENT FOR THE LOCAL  
22 EDUCATION AGENCY, THEN THE WEALTH-ADJUSTED COMPONENT SHALL BE ZERO.

23 (5) THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT TO A LOCAL  
24 EDUCATION AGENCY SHALL INCLUDE A HOLD HARMLESS COMPONENT EQUAL TO  
25 THE AMOUNT, IF ANY, BY WHICH THE LOCAL EDUCATION AGENCY'S STATE SHARE OF  
26 BASIC CURRENT EXPENSE CALCULATED UNDER § 5-202 OF THIS SUBTITLE FOR THE  
27 YEAR OF THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT IS LESS THAN THE  
28 LOCAL EDUCATION AGENCY'S STATE SHARE OF BASIC CURRENT EXPENSE  
29 CALCULATED UNDER § 5-202 OF THIS SUBTITLE FOR THE PREVIOUS YEAR.

30 (6) THE GOVERNOR'S TEACHER SALARY CHALLENGE GRANT TO A LOCAL  
31 EDUCATION AGENCY SHALL CONTAIN A DISTRESSED JURISDICTION COMPONENT  
32 EQUAL TO \$25 TIMES THE LOCAL EDUCATION AGENCY'S FULL-TIME EQUIVALENT  
33 ENROLLMENT IF:

34 (I) THE LOCAL EDUCATION AGENCY'S FULL-TIME EQUIVALENT  
35 ENROLLMENT FOR THE YEAR OF THE GOVERNOR'S TEACHER SALARY CHALLENGE  
36 GRANT IS LESS THAN ITS FULL-TIME EQUIVALENT ENROLLMENT FOR THE PREVIOUS  
37 YEAR; AND

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

1 (E) (1) ON OR BEFORE JUNE 1, 2000, AND ON OR BEFORE JUNE 1, 2001, EACH  
2 LOCAL EDUCATION AGENCY SHALL SUBMIT A GOVERNOR'S TEACHER SALARY  
3 CHALLENGE GRANT APPLICATION TO THE DEPARTMENT OF BUDGET AND  
4 MANAGEMENT AND THE STATE SUPERINTENDENT.

5 (2) THE APPLICATION SHALL INCLUDE:

6 (I) THE ESTIMATED TEACHER SALARY BASE IN THE LOCAL  
7 EDUCATION AGENCY FOR THE CURRENT FISCAL YEAR;

8 (II) THE NEGOTIATED INCREASE IN THE LOCAL EDUCATION  
9 AGENCY'S TEACHER SALARY SCHEDULE FOR THE NEXT FISCAL YEAR, TO BE FUNDED  
10 FROM SOURCES OTHER THAN THE PERCENTAGE COMPONENT OF THE GOVERNOR'S  
11 TEACHER SALARY CHALLENGE GRANT, EXPRESSED IN TOTAL DOLLARS AND AS A  
12 PERCENTAGE; AND

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

15 (3) THE APPLICATION SHALL BE IN A FORM AND FORMAT SPECIFIED BY  
16 THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE STATE  
17 SUPERINTENDENT.

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

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

29 (3) THE PERCENTAGE COMPONENT OF THE GOVERNOR'S TEACHER  
30 SALARY CHALLENGE GRANT:

31 (I) SHALL BE USED TO PROVIDE AN ADDITIONAL 1% COST OF  
32 LIVING ADJUSTMENT FOR TEACHERS; AND

33 (II) MAY NOT BE USED TO SUPPLANT OTHER STATE OR LOCAL  
34 FUNDS FOR THE COST OF SALARY INCREASES PAID PURSUANT TO A NEGOTIATED  
35 AGREEMENT OR OTHER CONTRACTUAL OBLIGATION EXISTING PRIOR TO THE  
36 EFFECTIVE DATE OF THIS ACT.

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

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

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