
By: **Delegates Campbell and D. Davis**
Introduced and read first time: March 6, 2000
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland School Telecommunications Fund**

3 FOR the purpose of establishing the Maryland School Telecommunications Fund to
4 support rates for certain telecommunication services provided to public schools;
5 providing for the management and administration of the Fund; specifying what
6 moneys may constitute the Fund; providing that the Fund may not exceed a
7 certain amount; authorizing moneys to be expended from the Fund under
8 certain conditions and for certain purposes; authorizing the Public Service
9 Commission to adopt certain regulations and issue certain orders; authorizing
10 the Commission to establish certain rate discounts and designate certain
11 funding sources to support the Fund; requiring the Commission to consider
12 certain reductions in intrastate access charges and the impact of those
13 reductions on a certain service; requiring certain reports; defining certain
14 terms; and generally relating to the Maryland School Telecommunications
15 Fund.

16 BY adding to
17 Article - Education
18 Section 7-1101 through 7-1106, inclusive, to be under the new subtitle "Subtitle
19 11. Maryland School Telecommunications Fund"
20 Annotated Code of Maryland
21 (1999 Replacement Volume)

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

24 **Article - Education**

25 **SUBTITLE 11. MARYLAND SCHOOL TELECOMMUNICATIONS FUND.**

26 7-1101.

27 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
28 INDICATED.

1 (B) "ADMINISTRATOR" MEANS THE INDEPENDENT ADMINISTRATOR
2 SELECTED BY THE COMMISSION TO ADMINISTER THE MARYLAND SCHOOL
3 TELECOMMUNICATIONS FUND.

4 (C) "COMMISSION" MEANS THE MARYLAND PUBLIC SERVICE COMMISSION.

5 (D) "FUND" MEANS THE MARYLAND SCHOOL TELECOMMUNICATIONS FUND.

6 (E) "SCHOOL" MEANS A SCHOOL IN THE PUBLIC ELEMENTARY AND
7 SECONDARY EDUCATION SYSTEM OF THIS STATE.

8 7-1102.

9 (A) THE MARYLAND SCHOOL TELECOMMUNICATIONS FUND IS ESTABLISHED
10 TO SUPPORT RATES FOR UNIVERSAL INTRASTATE TELECOMMUNICATION SERVICES
11 PROVIDED TO PUBLIC SCHOOLS.

12 (B) THE FUND IS A CONTINUING, NONLAPSING FUND WHICH IS NOT SUBJECT
13 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

14 (C) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER
15 SHALL ACCOUNT FOR THE FUND.

16 (D) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO THE
17 FUND.

18 (E) THE FUND CONSISTS OF:

19 (1) REDUCTIONS IN INTRASTATE ACCESS CHARGES AS DESIGNATED BY
20 THE COMMISSION;

21 (2) OTHER FUNDING SOURCES DESIGNATED BY THE COMMISSION; AND

22 (3) EARNINGS FROM THE INVESTMENT OF MONEYS IN THE FUND.

23 (F) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (E) OF THIS
24 SECTION, THE FUND MAY NOT EXCEED \$20 MILLION IN A FISCAL YEAR.

25 7-1103.

26 (A) MONEYS IN THE FUND MAY BE USED TO:

27 (1) SUPPORT THE COST OF HIGH-SPEED INTERNET ACCESS IN PUBLIC
28 SCHOOLS;

29 (2) SUPPORT THE COST OF VOICE TELEPHONE SERVICE IN PUBLIC
30 SCHOOL CLASSROOMS; AND

31 (3) PAY THE COST OF ADMINISTERING THE FUND.

32 (B) THE FUND MAY NOT BE USED TO REIMBURSE A SCHOOL FOR:

- 1 (1) EQUIPMENT COSTS;
2 (2) NONRECURRING COSTS; OR
3 (3) CHARGES INCURRED AS A RESULT OF SERVICES ACCESSED VIA THE
4 INTERNET.

5 (C) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT, MAY
6 ADOPT REGULATIONS OR ISSUE ORDERS FOR THE IMPLEMENTATION AND
7 ADMINISTRATION OF THE FUND.

8 (D) THE COMMISSION MAY CONTRACT WITH A THIRD PARTY ADMINISTRATOR
9 TO ADMINISTER THE FUND.

10 7-1104.

11 (A) THE COMMISSION OR ITS DESIGNEE MAY, IN ACCORDANCE WITH
12 REGULATIONS OR ORDERS ADOPTED BY THE COMMISSION:

13 (1) REVIEW AND APPROVE APPLICATIONS FOR SUPPORT FROM THE
14 FUND;

15 (2) REIMBURSE A TELECOMMUNICATIONS CARRIER PROVIDING
16 SERVICES APPROVED BY THE COMMISSION; AND

17 (3) REIMBURSE A SCHOOL FOR EXPENSES PAID FOR SERVICES
18 APPROVED BY THE COMMISSION.

19 (B) PRIOR TO RECEIVING SUPPORT FROM THE FUND, A SCHOOL SHALL APPLY
20 FOR DISCOUNTED RATES FOR TELECOMMUNICATION SERVICES TO THE ENTITY
21 DESIGNATED BY THE FEDERAL COMMUNICATIONS COMMISSION, AS REQUIRED IN
22 REGULATION.

23 (C) TO QUALIFY FOR A DISBURSEMENT OF MONEY FROM THE FUND, A
24 TELECOMMUNICATIONS SERVICE PROVIDER MUST:

25 (1) MEET ANY REQUIREMENTS FOR ELIGIBILITY ESTABLISHED BY THE
26 COMMISSION; AND

27 (2) PROVIDE SERVICES APPROVED BY THE COMMISSION.

28 (D) MONEYS FROM THE FUND MAY ONLY BE USED TO REIMBURSE A
29 TELECOMMUNICATIONS CARRIER OR SCHOOL FOR THE SERVICES APPROVED BY THE
30 COMMISSION.

31 (E) THE COMMISSION MAY WITHHOLD ALL OR A PORTION OF THE FUNDS TO
32 BE DISTRIBUTED TO ANY TELECOMMUNICATIONS CARRIER OR SCHOOL THAT FAILS
33 TO COMPLY WITH THE COMMISSION'S ORDERS OR REGULATIONS.

34 (F) THE COMMISSION MAY ESTABLISH RATE DISCOUNTS FOR
35 TELECOMMUNICATION SERVICES FOR ELIGIBLE SCHOOLS.

1 7-1105.

2 (A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ON OR BEFORE
3 DECEMBER 1, 2000, THE COMMISSION SHALL CONSIDER REDUCTIONS IN INTRASTATE
4 ACCESS CHARGES OF WHICH A PORTION SHALL BE USED TO SUPPORT THE FUND.

5 (B) THE COMMISSION MAY DESIGNATE OTHER FUNDING SOURCES TO
6 SUPPORT THE FUND, INCLUDING A PERCENTAGE RATE TO BE APPLIED TO THE
7 REVENUES OF THE PROVIDERS OF TELECOMMUNICATIONS SERVICE.

8 7-1106.

9 THE ADMINISTRATOR OF THE FUND SHALL:

10 (1) CONDUCT PERIODIC AUDITS OF THE FUND;

11 (2) VERIFY THE QUALIFICATIONS OF AN APPLICANT WHO REQUESTS
12 SUPPORT FROM THE FUND;

13 (3) COLLECT ASSESSMENTS FROM APPLICABLE TELECOMMUNICATION
14 SERVICE PROVIDERS AND DEPOSIT THAT MONEY INTO THE FUND;

15 (4) DISBURSE MONEY FROM THE FUND TO PROVIDERS OF
16 TELECOMMUNICATION SERVICES OR SCHOOLS THAT QUALIFY FOR FUNDING IN
17 ACCORDANCE WITH THIS SUBTITLE;

18 (5) PREPARE AN ANNUAL REPORT OF ACTIVITIES OF THE FUND
19 INCLUDING:

20 (I) THE TOTAL ANNUAL PAYMENTS INTO THE FUND; AND

21 (II) AN ITEMIZATION OF ALL DISBURSEMENTS FROM THE FUND TO
22 QUALIFIED PROVIDERS OF TELECOMMUNICATION SERVICE AND SCHOOLS; AND

23 (6) PROVIDE ANY ADDITIONAL INFORMATION OR SERVICES REQUESTED
24 BY THE COMMISSION.

25 SECTION 2. AND BE IT FURTHER ENACTED, That, in implementing this
26 Act, the Public Service Commission shall consider the impact of access charge
27 reductions on universal service.

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
29 effect July 1, 2000.