
By: **Delegate Howard**

Introduced and read first time: January 30, 2002

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Education - Maryland Public School Supplemental Fund**

3 FOR the purpose of establishing a Maryland Public School Supplemental Fund to
4 assist the counties in the State to fund the operations of the public schools in the
5 respective counties for teacher retention and recruitment; establishing a
6 funding mechanism for the Fund; establishing procedures for holding moneys in
7 the Fund; requiring the State Board of Education to administer the Fund;
8 establishing criteria for determining appropriations from the Fund; specifying
9 certain duties of the State Superintendent of Schools and the State Comptroller
10 under this Act; requiring the State Lottery Agency to deposit into the Fund the
11 proceeds, after certain expenses, of certain lotteries; requiring the State Lottery
12 Agency to conduct a certain number of education lotteries; requiring the State
13 Lottery Agency to meet certain advertising criteria in conducting the education
14 lotteries; making a stylistic change; and generally relating to establishing the
15 Maryland Public School Supplemental Fund.

16 BY adding to
17 Article - Education
18 Section 5-202.1
19 Annotated Code of Maryland
20 (2001 Replacement Volume)

21 BY repealing and reenacting, with amendments,
22 Article - Education
23 Section 5-209 and 5-210
24 Annotated Code of Maryland
25 (2001 Replacement Volume)

26 BY repealing and reenacting, with amendments,
27 Article - State Government
28 Section 9-120
29 Annotated Code of Maryland
30 (1999 Replacement Volume and 2001 Supplement)

1 BY adding to
2 Article - State Government
3 Section 9-120.2
4 Annotated Code of Maryland
5 (1999 Replacement Volume and 2001 Supplement)

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

8 **Article - Education**

9 5-202.1.

10 (A) IN THIS SECTION, "FUND" MEANS THE MARYLAND PUBLIC SCHOOL
11 SUPPLEMENTAL FUND.

12 (B) IT IS THE POLICY OF THE STATE THAT THE PUBLIC SCHOOLS BE
13 ADEQUATELY FUNDED.

14 (C) THERE IS A MARYLAND PUBLIC SCHOOL SUPPLEMENTAL FUND
15 ESTABLISHED TO HELP CARRY OUT THIS POLICY.

16 (D) THE PURPOSE OF THE FUND IS TO SUPPLEMENT COUNTY FUNDING FOR
17 TEACHER RETENTION AND RECRUITMENT.

18 (E) THE FUND CONSISTS OF THE PROFITS DERIVED FROM THE EDUCATION
19 LOTTERY CONDUCTED UNDER TITLE 9, SUBTITLE 1 OF THE STATE GOVERNMENT
20 ARTICLE.

21 (F) THE FUND IS:

22 (1) A SPECIAL, NONLAPSING FUND; AND

23 (2) NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
24 PROCUREMENT ARTICLE.

25 (G) (1) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY.

26 (2) THE STATE COMPTROLLER SHALL:

27 (I) ACCOUNT FOR THE FUND; AND

28 (II) DEPOSIT INTO THE FUND FOR USE BY THE STATE BOARD THE
29 PROFITS DERIVED FROM THE EDUCATION LOTTERY.

30 (H) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE STATE
31 BOARD SHALL ADMINISTER THE FUND.

32 (2) THE STATE BOARD SHALL USE THE FUND SOLELY TO SUPPLEMENT
33 FUNDING FOR TEACHER RETENTION AND RECRUITMENT IN THE STATE.

1 (I) SUBJECT TO § 5-209(B)(3)(II) OF THIS SUBTITLE, A COUNTY IS ELIGIBLE TO
2 RECEIVE AN APPROPRIATION FROM THE FUND WITHOUT CONDITION BUT SUBJECT
3 TO § 9-120(C)(2) OF THE STATE GOVERNMENT ARTICLE.

4 (J) AN APPROPRIATION UNDER SUBSECTION (I) OF THIS SECTION:

5 (1) SHALL BE CERTIFIED AND PAID UNDER § 5-209 OF THIS SUBTITLE;
6 AND

7 (2) MAY NOT BE CONSIDERED AN APPROPRIATION TO THE COUNTY FOR
8 STATE ASSISTANCE FOR PUBLIC EDUCATION UNDER § 5-202 OF THIS SUBTITLE.

9 5-209.

10 (a) (1) Ten days before the end of July, September, November, January,
11 March, and May, the State Superintendent shall certify to the State Comptroller the
12 amount due at the end of each of these months to each county board for the annual
13 State share of:

14 [(1)] (I) Basic current expenses as provided under § 5-202 of this
15 subtitle;

16 [(2)] (II) Transportation aid as provided under § 5-205 of this subtitle;
17 and

18 [(3)] (III) Any money provided in the Department's budget for special
19 education services under § 8-414 of this article.

20 (2) DURING THE TIME INTERVALS SPECIFIED IN PARAGRAPH (1) OF THIS
21 SUBSECTION AND SUBJECT TO § 9-120(C)(2) OF THE STATE GOVERNMENT ARTICLE,
22 THE STATE SUPERINTENDENT SHALL CERTIFY TO THE STATE COMPTROLLER THE
23 AMOUNT OF MONEY DUE AT THE END OF EACH OF THESE MONTHS, IF ANY, FROM
24 THE MARYLAND PUBLIC SCHOOL SUPPLEMENTAL FUND TO EACH QUALIFYING
25 COUNTY BOARD.

26 (b) Amounts due shall be made in equal payments once every 2 months.

27 (c) Within 5 days before the end of each of these months, the State
28 Comptroller shall draw the Comptroller's warrant on the State Treasurer for the
29 amount due to Baltimore City and the treasurer of each county board.

30 (d) On receipt of the warrant of the State Comptroller, the State Treasurer
31 immediately shall pay the amount due to Baltimore City and the treasurer of each
32 county board.

33 5-210.

34 (a) After notification from the State Superintendent that a county is not
35 complying with the provisions of the State program of public education, the State

1 Comptroller shall withhold any installment due the county from the General State
2 School Fund.

3 (b) (1) If the Superintendent finds that a county is not complying with the
4 maintenance of local effort provisions of § 5-202 of this subtitle or that a county fails
5 to meet the requirements of Title 5, Subtitle 4 of this title, the Superintendent shall
6 notify the county of such noncompliance.

7 (2) If a county disputes the finding within 30 days of the issuance of such
8 notice, the dispute shall be promptly referred to the State Board of Education which
9 shall make a final determination.

10 (3) Upon receipt of certification of noncompliance by the Superintendent
11 or the State Board, as the case may be, the Comptroller shall suspend, until
12 notification of compliance is received, payment of:

13 (I) [any] ANY funds due the county for the current fiscal year, as
14 provided under § 5-202 of this [article] SUBTITLE which are appropriated in the
15 General State School Fund, to the extent that the State's aid due the county in the
16 current fiscal year under that section in the Fund exceeds the amount which the
17 county received in the prior fiscal year; AND

18 (II) UNLESS THE GENERAL ASSEMBLY EXEMPTS A COUNTY FROM
19 THE MAINTENANCE OF LOCAL EFFORT PROVISIONS OF § 5-202 OF THIS SUBTITLE,
20 ANY MONEY DUE THE COUNTY FROM THE MARYLAND PUBLIC SCHOOL
21 SUPPLEMENTAL FUND UNDER § 5-202.1 OF THIS SUBTITLE.

22 **Article - State Government**

23 9-120.

24 (a) The Comptroller shall distribute the State Lottery Fund to pay:

25 (1) on a pro rata basis for the daily and nondaily State lottery games, the
26 expenses of administering and operating the State lottery, as authorized under this
27 subtitle and the State budget; and

28 (2) then, except as provided in § 10-113.1 of the Family Law Article and
29 § 11-618 of the Criminal Procedure Article, the holder of each winning ticket or share.

30 (b) (1) Promptly after the 1st day of each month, the Comptroller shall pay:

31 (i) into the Maryland Stadium Facilities Fund the money that
32 remains in the State Lottery Fund from the proceeds of the sports lotteries conducted
33 for the benefit of the Maryland Stadium Authority, after the distribution under
34 subsection (a) of this section; [and]

35 (II) SUBJECT TO SUBSECTION (C)(2) OF THIS SECTION, IF AN
36 EDUCATION LOTTERY WAS CONDUCTED DURING THE PREVIOUS MONTH, INTO THE
37 MARYLAND PUBLIC SCHOOL SUPPLEMENTAL FUND, AS ESTABLISHED UNDER §

1 5-202.1 OF THE EDUCATION ARTICLE, THE MONEY THAT REMAINS IN THE STATE
2 LOTTERY FUND FROM THE PROCEEDS OF THE EDUCATION LOTTERY, AFTER THE
3 DISTRIBUTION UNDER SUBSECTION (A) OF THIS SECTION; AND

4 [(ii)] (III) into the General Fund of the State the money that
5 remains in the State Lottery Fund from the proceeds of all other lotteries after the
6 distribution under subsection (a) of this section.

7 (2) The money paid into the General Fund under this subsection is
8 available in the fiscal year in which the money accumulates in the State Lottery
9 Fund.

10 (c) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
11 regulations of the Agency shall apportion the money in the State Lottery Fund.

12 (2) (I) WHEN DISTRIBUTING MONEY TO THE MARYLAND PUBLIC
13 SCHOOL SUPPLEMENTAL FUND UNDER SUBSECTION (B)(1)(II) OF THIS SECTION, THE
14 COMPTROLLER SHALL INDICATE, BY COUNTY, THE AMOUNT OF MONEY COLLECTED
15 FROM:

16 1. SELLERS OF EDUCATION LOTTERY TICKETS IN EACH
17 COUNTY; AND

18 2. IF APPLICABLE, SUBSCRIBERS TO THE EDUCATION
19 LOTTERY WHO RESIDE IN EACH COUNTY.

20 (II) THE AMOUNT OF MONEY ATTRIBUTED TO A COUNTY UNDER
21 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DISTRIBUTED SOLELY FOR USE
22 BY THAT COUNTY.

23 9-120.2.

24 (A) DURING EACH FISCAL YEAR THE AGENCY SHALL CONDUCT AT LEAST ONE
25 EDUCATION LOTTERY FOR THE BENEFIT OF THE MARYLAND PUBLIC SCHOOL
26 SUPPLEMENTAL FUND.

27 (B) IN ALL ADVERTISING AND ON ALL TICKETS, THE AGENCY SHALL IDENTIFY
28 EACH LOTTERY UNDER THIS SECTION AS BEING CONDUCTED FOR THE BENEFIT OF
29 THE MARYLAND PUBLIC SCHOOL SUPPLEMENTAL FUND.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2002.