

SENATE BILL 563

Unofficial Copy  
F1

2002 Regular Session  
2lr2479  
CF 2lr2070

---

By: **Senator Jimeno**

Introduced and read first time: February 1, 2002

Assigned to: Budget and Taxation and Education, Health, and Environmental Affairs

---

A BILL ENTITLED

1 AN ACT concerning

2 **Education - Governor's School Salary Challenge Program - Principals**

3 FOR the purpose of renaming the Governor's Teacher Salary Challenge Program to be  
4 the Governor's School Salary Challenge Program; requiring the program to  
5 provide grants to county boards to provide a certain increase in the salaries of  
6 certain principals; establishing that the salary base used to determine certain  
7 components of a salary grant under the program includes the salaries and wages  
8 for certain principals; requiring an application for certain components of a  
9 salary grant to include certain information regarding salary adjustments for  
10 certain principals; requiring that certain components of a salary grant also be  
11 contingent on certain local salary adjustments for certain principals; defining a  
12 certain term; clarifying the application of this Act; and generally relating to  
13 State salary grants for certain principals.

14 BY repealing and reenacting, with amendments,  
15 Article - Education  
16 Section 5-213  
17 Annotated Code of Maryland  
18 (2001 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 indicated.

24 (2) (i) "Cost of living adjustment" means a percentage increase in  
25 salaries that applies among all grades and steps.

26 (ii) "Cost of living adjustment" does not include salary increases for  
27 promotions, increments, or step increases, or similar salary increases received by  
28 employees as a regular part of the operation of a personnel system.

1 (3) "ELIGIBLE PRINCIPAL" MEANS A CERTIFICATED AND SCHOOL-BASED  
2 PRINCIPAL, VICE-PRINCIPAL, ASSISTANT PRINCIPAL, OR ADMINISTRATIVE  
3 ASSISTANT.

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

6 [(4)] (5) "State share" means the State share of basic current expenses  
7 provided under § 5-202 of this subtitle divided by the amount of the basic current  
8 expenses to be shared for that county.

9 [(5)] (6) "[Teacher salary] SALARY base" means the total salaries and  
10 wages of teachers AND ELIGIBLE PRINCIPALS employed by a county board for the  
11 fiscal year preceding the fiscal year for which the Governor's Challenge Grant is  
12 calculated, as determined by the Department of Budget and Management and the  
13 State Superintendent.

14 [(6)] (7) "Teacher" means any certificated professional public school  
15 employee who is not an administrator.

16 [(7)] (8) "Wealth" has the meaning stated in § 5-202 of this subtitle.

17 [(8)] (9) "Wealth per pupil" means wealth divided by full-time  
18 equivalent enrollment.

19 (b) There is a Governor's [Teacher] SCHOOL Salary Challenge Program.

20 (c) The Governor's [Teacher] SCHOOL Salary Challenge Program shall  
21 provide grants to county boards for the purpose of increasing teacher AND ELIGIBLE  
22 PRINCIPAL salaries in order to improve recruitment and retention of well qualified  
23 teachers AND ELIGIBLE PRINCIPALS.

24 (d) (1) Each grant made to a county board shall be calculated based on:

25 (i) A percentage component;

26 (ii) A wealth adjusted component;

27 (iii) A hold harmless component;

28 (iv) A targeted component; and

29 (v) A transitional component.

30 (2) The percentage component shall be calculated as follows:

31 (i) For fiscal year 2001, multiply the [teacher] salary base for the  
32 county board by 0.01;

33 (ii) For fiscal year 2002:

1                                   1.        If the county board meets the local match requirement  
2 established under subsection (f)(2) of this section in fiscal year 2001 and meets the  
3 local match requirement for fiscal year 2002, multiply the [teacher] salary base for  
4 the county board by 0.02;

5                                   2.        If the county board does not meet the local match  
6 requirement established under subsection (f)(2) of this section in fiscal year 2001 and  
7 meets the local match requirement in fiscal year 2002, multiply the [teacher] salary  
8 base for the county board by 0.01; and

9                                   3.        If the county board meets the local match requirement  
10 established under subsection (f)(2) of this section in fiscal year 2001 and does not  
11 meet the local match requirement in fiscal year 2002, multiply the [teacher] salary  
12 base for the county board by 0.01; and

13                                   (iii)     For fiscal year 2003, the county board shall receive an amount  
14 that is equal to the percentage component received by the county board in fiscal year  
15 2002.

16                                   (3)     (i)       For fiscal years 2001 and 2002, the wealth adjusted component  
17 shall be calculated as follows:

18   1.        A.       Multiply the percentage component for the county  
19 board by 2; and

20   B.       Multiply the product calculated in item 1 of this item for  
21 that fiscal year by the State share for the county board; and

22   2.        A.       If the product calculated in item (i) of this paragraph  
23 is greater than the percentage component for the county board, the wealth adjusted  
24 component shall be the amount of the difference.

25   B.       If the product calculated in item (i) of this paragraph is  
26 less than the percentage component for the county board, the wealth adjusted  
27 component shall be zero.

28                                   (ii)     For fiscal year 2003, the county board shall receive an amount  
29 that is equal to the wealth adjusted component received by the county board in fiscal  
30 year 2002.

31                                   (4)     (i)       The Governor's [Teacher] SCHOOL Salary Challenge Grant to a  
32 county board shall contain a hold harmless component equal to the amount, if any, by  
33 which the county board's State share of basic current expense calculated under §  
34 5-202 of this subtitle for the year of the Governor's [Teacher] SCHOOL Salary  
35 Challenge Grant is less than the county board's State share of basic current expense  
36 calculated under § 5-202 of this subtitle for the previous year.

37                                   (ii)     A county board shall receive its hold harmless component  
38 regardless of whether it meets the local match requirement established under  
39 subsection (f)(2) of this section.

1                   (5)     (i)     The Governor's [Teacher] SCHOOL Salary Challenge Grant to a  
2 county board shall contain a targeted component as provided in subparagraphs (ii)  
3 through (vi) of this paragraph.

4                               (ii)     For fiscal year 2001, the Governor shall include in the annual  
5 budget bill an appropriation of at least \$5,300,000 for the targeted component.

6                               (iii)    For fiscal year 2002, the Governor shall include in the annual  
7 budget bill an appropriation of at least \$10,600,000 for the targeted component.

8                               (iv)     For fiscal years 2001 and 2002, the county board in each county  
9 that has a wealth per pupil that is less than 75 percent of the statewide wealth per  
10 pupil shall receive a proportionate share of the targeted component that is equal to  
11 the county board's proportionate share of the total full-time equivalent enrollment for  
12 all counties with a wealth per pupil that is less than 75 percent of the statewide  
13 wealth per pupil.

14                              (v)     For fiscal years 2001 and 2002, the county board shall receive  
15 its proportionate share of the targeted component regardless of whether it meets the  
16 local match requirement established under subsection (f)(2) of this section.

17                              (vi)    For fiscal year 2003, the county board shall receive an amount  
18 that is equal to the targeted component received by the county board in fiscal year  
19 2002.

20                   (6)     (i)     The Governor's [Teacher] SCHOOL Salary Challenge Grant  
21 shall contain a transitional component as provided in subparagraphs (ii) and (iii) of  
22 this paragraph.

23                               (ii)     For fiscal year 2001, the Governor shall include in the State  
24 budget an appropriation of at least \$9 million for the transitional component.

25                               (iii)    A county board shall receive a proportionate share of the  
26 transitional component that is equal to the county board's proportionate share of all  
27 reimbursements received by the State from the county board that:

28   1.     Are for retirement contributions received after June 30,  
29 1999 but before July 1, 2000; and

30   2.     Are sought by the State Retirement Agency on the basis  
31 that the salary of an eligible member of the Teachers' Retirement System or Teachers'  
32 Pension System is paid in whole or in part from:

33   A.     State aid, whether general or categorical in nature; or

34   B.     Federal funds, whether the funds are paid directly to a  
35 county board or are passed through from a unit of State government.

1 (iv) A county board shall receive its proportionate share of the  
2 transitional component regardless of whether it meets the local match requirement  
3 established under subsection (f)(2) of this section.

4 (e) (1) On or before June 1, 2000, and on or before June 1, 2001, each county  
5 board may submit a Governor's [Teacher] SCHOOL Salary Challenge Grant  
6 application to the Department of Budget and Management and the State  
7 Superintendent for the percentage component and the wealth adjusted component of  
8 the Governor's [Teacher] SCHOOL Salary Challenge Program.

9 (2) The application shall include:

10 (i) The estimated [teacher] salary base for the county board for  
11 the current fiscal year;

12 (ii) For the next fiscal year, the negotiated and funded cost of living  
13 adjustment for teachers AND ELIGIBLE PRINCIPALS and the aggregate cost of  
14 negotiated and funded changes to the teacher AND ELIGIBLE PRINCIPAL salary  
15 schedules, to be funded from sources other than the percentage component of the  
16 Governor's [Teacher] SCHOOL Salary Challenge Grant, expressed in total dollars and  
17 as a percentage; and

18 (iii) Any other information necessary to determine eligibility for the  
19 Governor's [Teacher] SCHOOL Salary Challenge Grant.

20 (3) The application shall be in a form and format specified by the  
21 Department of Budget and Management and the State Superintendent.

22 (f) (1) For fiscal years 2001 and 2002, the percentage component and the  
23 wealth adjusted component of a Governor's [Teacher] SCHOOL Salary Challenge  
24 Grant shall be awarded to each county board that submits an application and that  
25 meets the requirements of this section, as determined by the Department of Budget  
26 and Management and the State Superintendent.

27 (2) (i) Subject to subparagraph (ii) of this paragraph and paragraph  
28 (3) of this subsection, a county board that provides a negotiated and funded cost of  
29 living adjustment for teachers AND ELIGIBLE PRINCIPALS of at least 4% or a  
30 negotiated and funded adjustment to the teacher AND ELIGIBLE PRINCIPAL salary  
31 schedules that has an aggregate cost that is at least equivalent to the cost of  
32 providing a 4% cost of living adjustment for teachers AND ELIGIBLE PRINCIPALS shall  
33 qualify for the percentage component and the wealth adjusted component of the  
34 Governor's [Teacher] SCHOOL Salary Challenge Program.

35 (ii) The funds provided by a county board for the purpose of  
36 meeting the local match requirement established under subparagraph (i) of this  
37 paragraph shall be:

38 1. In addition to any previously negotiated and funded step  
39 increases and stipends; and



1 (iii) The State Comptroller shall account for the Fund.

2 (5) The Fund shall be used to implement the Governor's [Teacher]  
3 SCHOOL Salary Challenge Program established under this section.

4 (6) Expenditures from the Fund may only be made pursuant to an  
5 appropriation approved by the General Assembly in the annual State budget or by  
6 approved budget amendment.

7 (7) Except as provided in paragraph (8) of this subsection, any Fund  
8 balance at the end of each fiscal year shall remain in the Fund and may not revert to  
9 the General Fund.

10 (8) The Fund shall terminate at the end of June 30, 2003 and any Fund  
11 balance that remains at the end of June 30, 2003 shall revert to the General Fund.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
13 construed to apply to eligible principals beginning in fiscal year 2004 and may not be  
14 applied or interpreted to have any effect on or application to eligible principals before  
15 July 1, 2003.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take  
17 effect October 1, 2002.