

SENATE BILL 856

Unofficial Copy
F1

2002 Regular Session
(2r1902)

ENROLLED BILL

-- Budget and Taxation and Education, Health, and Environmental Affairs/Ways and Means --

Introduced by **Senators Hoffman, Lawlah, and Neall (Commission on Education Finance, Equity, and Excellence) and Senator Collins**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Adequate and Equitable Funding for Public Schools Act**
3 **Bridge to Excellence in Public Schools Act**

4 FOR the purpose of ~~authorizing a county council in a charter county, under certain~~
5 ~~circumstances, to set a property tax rate that is higher than the rate authorized~~
6 ~~under the county's charter or collect more property tax revenues than are~~
7 ~~authorized under the county's charter; requiring a county that takes this action~~
8 ~~to appropriate to the local board of education all property tax revenues~~
9 ~~exceeding the amount that would have been authorized if the property tax or~~
10 ~~revenue limitation in the county charter had been applied; requiring the results~~
11 ~~of certain audits of county boards of education to report to certain committees of~~
12 ~~the General Assembly;~~ modifying a certain basic current expense formula for
13 State education funding to create a new foundation program for State education
14 funding; requiring that certain features of the new foundation program be
15 phased in over a certain number of years; creating a compensatory education
16 funding program under which the State provides certain grants to local boards

1 of education under certain circumstances; creating a funding program for
2 students with limited English proficiency under which the State provides
3 certain grants to local boards of education under certain circumstances; creating
4 a special education funding program under which the State provides certain
5 grants to local boards of education under certain circumstances; creating a
6 Guaranteed Tax Base program under which the State provides grants to local
7 boards of education under certain circumstances; requiring the State to
8 distribute certain grants to the New Baltimore City Board of School
9 Commissioners in certain fiscal years; requiring that the State share of the
10 foundation program be adjusted to reflect regional differences in certain costs by
11 a certain fiscal year; requiring the State to contract with a private entity to
12 conduct a certain study relating to regional differences in certain costs;
13 requiring the State to pay the retirement costs associated with certain
14 employees of local school systems; increasing certain base grants for student
15 transportation distributed to local boards of education; increasing,
16 incrementally over a certain period, the amount of a certain grant distributed to
17 local boards of education to cover the costs associated with transportation of
18 disabled students; requiring that the Management Oversight Panel for the
19 Prince George's County schools continue to monitor the implementation of
20 certain audit recommendations until the State Superintendent of Schools
21 determines that the audit recommendations have been addressed; requiring the
22 State to provide funding for the coordination office for the Management
23 Oversight Panel up to a certain maximum amount each fiscal year;
24 consolidating certain grants distributed under the Aging Schools Program;
25 clarifying that the State Superintendent of Schools shall certify to the State
26 Comptroller that certain funds are due to each local board of education at least
27 a certain number of days before the end of certain months; extending certain
28 parts of the Governor's Teacher Salary Challenge Program for a certain period;
29 modifying the amounts of certain grants received under the Governor's Teacher
30 Salary Challenge Program in certain fiscal years; ~~requiring the Transitional~~
31 ~~Education Fund to terminate on a certain date~~; requiring that each local board
32 of education submit a comprehensive master plan to the State Department of
33 Education on or before a certain date; establishing requirements for the content
34 of a plan; authorizing the State Superintendent of Schools to take certain
35 actions relating to a plan; requiring the State Superintendent of Schools to take
36 certain actions relating to a plan under certain circumstances; authorizing the
37 State Board of Education to withhold certain funds from local boards of
38 education under certain circumstances; requiring the Department to conduct a
39 certain evaluation; authorizing the Department to contract with a public or
40 private entity to conduct the evaluation; requiring that certain reports relating
41 to the evaluation be submitted to the Governor and General Assembly on or
42 before a certain date; requiring local boards of education to provide full-day
43 kindergarten to all kindergarten students by a certain date; requiring that
44 certain children be admitted free of charge to certain publicly funded
45 prekindergarten programs by a certain date; exempting publicly funded
46 prekindergarten programs from certain requirements regarding hours and days
47 of operation; establishing a phase-out period for certain funding for special
48 education students; repealing certain provisions relating to various education

1 funding programs; establishing a Task Force to Study Public School Facilities;
2 requiring the Task Force to submit findings and recommendations to the
3 Governor and General Assembly on or before a certain date; requiring the
4 Department to form a committee of stakeholders to study issues relating to
5 enrollment counts; requiring the committee to submit findings and
6 recommendations to the Governor and General Assembly on or before a certain
7 date; requiring the Department to conduct a certain study relating to adequacy
8 of education funding within a certain number of years; authorizing the
9 Department to contract with a public or private entity to conduct the study;
10 declaring that it is the intent of the General Assembly that funding for certain
11 discretionary education programs be included in certain State budgets;
12 declaring that it is the intent of the General Assembly that funding for certain
13 discretionary education programs be eliminated; providing that this Act
14 constitutes further action of the General Assembly for a certain purpose relating
15 to the appointment of members of the New Baltimore City Board of School
16 Commissioners; ~~repealing a requirement that certain funds be included in the~~
17 ~~State budget for a certain fiscal year for the Baltimore City Public school~~
18 ~~system; establishing a new termination date for certain programs relating to~~
19 ~~targeted poverty grants, students with limited English proficiency, extended~~
20 ~~elementary education, teacher mentoring, gifted and talented students, and~~
21 ~~magnet schools; repealing certain sunset provisions relating to the Management~~
22 ~~Oversight Panel; extending for a certain period certain requirements relating to~~
23 ~~the State and local share of costs for school construction projects in Prince~~
24 ~~George's County; repealing a requirement that certain funds be included in the~~
25 ~~State budget for a certain fiscal year to meet the State's existing legal~~
26 ~~obligations for educational funding and avoid future litigation; extending the~~
27 ~~termination date for provisions relating to the Governor's Teacher Salary~~
28 ~~Challenge Program; extending for a certain period certain requirements relating~~
29 ~~to the State and local share of costs for school construction projects in Baltimore~~
30 ~~City; providing for certain State grants for a certain fiscal year to the county~~
31 ~~boards of education and the New Baltimore City Board of School~~
32 ~~Commissioners; providing that certain provisions of this Act shall be null and~~
33 ~~void under certain circumstances; providing for a certain State grant for a~~
34 ~~certain fiscal year to the Prince George's County Board of Education under~~
35 ~~certain circumstances; providing for certain State grants for a certain fiscal year~~
36 ~~under certain circumstances to certain local agencies for certain services for~~
37 ~~eligible infants and toddlers and their families; providing for certain State~~
38 ~~grants for a certain fiscal year under certain circumstances to certain eligible~~
39 ~~recipients for certain adult education and literacy services; providing that~~
40 ~~certain provisions of another Act regarding certain funding in the State budget~~
41 ~~for the Baltimore City Public Schools shall be null and void under certain~~
42 ~~circumstances; altering the tobacco tax rate for cigarettes; providing for the~~
43 ~~distribution of certain tobacco tax revenues for a certain fiscal year to a special~~
44 ~~fund, to be used only for certain purposes; requiring certain counties and~~
45 ~~Baltimore City to appropriate certain amounts received from the State under a~~
46 ~~certain grant for the school operating budget in addition to a certain minimum~~
47 ~~required local appropriation for education; providing for the effective dates of~~
48 ~~this Act; providing that a certain provision relating to the Aging Schools~~

1 Program shall terminate on a certain date; providing that a certain provision
 2 relating to the hours and operations of kindergarten programs shall terminate
 3 on a certain date; providing that a certain provision relating to special education
 4 funding shall terminate on a certain date; making certain clarifying changes;
 5 correcting certain cross-references; making certain stylistic changes; defining
 6 certain terms; providing that, in order for certain additional State aid to
 7 education to be appropriated in certain fiscal years, the General Assembly must
 8 make a certain affirmation and pass a certain joint resolution at the 2004
 9 regular session; providing that if the General Assembly does not adopt a certain
 10 joint resolution at the 2004 regular session, certain State aid for education in
 11 certain future fiscal years shall be funded, for each county, at a certain level;
 12 providing that certain appropriations proposed by the Governor revert to the
 13 General Fund, under certain circumstances; providing that certain counties, each
 14 of whose State share of basic current expenses is less than a certain amount, are
 15 subject to a certain appropriation limitation under certain circumstances;
 16 making the provisions of this Act severable; requiring the Comptroller to make
 17 and submit a certain report; and generally relating to the State's public schools
 18 and the State's school finance system.

19 BY renumbering

20 Article - Education
 21 Section 5-208, 5-210, 5-211, 5-214, and 5-215, respectively
 22 to be Section 5-211, 5-213, 5-214, 5-215, and 5-217, respectively
 23 Annotated Code of Maryland
 24 (2001 Replacement Volume)

25 BY repealing and reenacting, with amendments,

26 Article 83C - Juvenile Justice
 27 Section 2-134(e)(2)
 28 Annotated Code of Maryland
 29 (1998 Replacement Volume and 2001 Supplement)

30 BY repealing and reenacting, without amendments,

31 Article - Education
 32 Section ~~3-108.1~~ and 5-203(a)
 33 Annotated Code of Maryland
 34 (2001 Replacement Volume)

35 BY repealing and reenacting, with amendments,

36 Article - Education
 37 Section 4-121(d)(2), ~~5-104~~, ~~5-109~~, 5-201, 5-202, 5-203(b), 5-205, 5-206, 5-209,
 38 5-213, 7-101, 7-103, 8-414, and 11-105(j)(6)
 39 Annotated Code of Maryland
 40 (2001 Replacement Volume)

- 1 BY repealing
2 Article - Education
3 Section 5-206.1, 5-207, 5-212, 5-216, 5-401, 5-402, 7-208, and 7-301(g); and
4 8-2A-01 through 8-2A-03 and the subtitle "Subtitle 2A. Excellence in
5 Education Incentive Grant Program"
6 Annotated Code of Maryland
7 (2001 Replacement Volume)
- 8 BY adding to
9 Article - Education
10 Section 5-207 through 5-210, 5-401, 5-402, and 7-101.1
11 Annotated Code of Maryland
12 (2001 Replacement Volume)
- 13 ~~BY repealing and reenacting, with amendments,
14 Chapter 105 of the Acts of the General Assembly of 1997, as amended by
15 Chapter 420 of the Acts of the General Assembly of 2001
16 Section 7 and 29-2(a)~~
- 17 ~~BY repealing and reenacting, without amendments,
18 Chapter 105 of the Acts of the General Assembly of 1997, as amended by
19 Chapter 420 of the Acts of the General Assembly of 2001
20 Section 29-3~~
- 21 BY repealing and reenacting, with amendments,
22 Chapter 565 of the Acts of the General Assembly of 1998, as amended by
23 Chapter 420 of the Acts of the General Assembly of 2001
24 Section 2 and 3
- 25 BY repealing and reenacting, with amendments,
26 Chapter 704 of the Acts of the General Assembly of 1998, as amended by
27 Chapter 420 of the Acts of the General Assembly of 2001
28 Section 2, 3, 4, and 5
- 29 BY repealing
30 Chapter 464 of the Acts of the General Assembly of 1999, as amended by
31 Chapter 420 of the Acts of the General Assembly of 2001
32 Section 4
- 33 BY repealing and reenacting, with amendments,
34 Chapter 493 of the Acts of the General Assembly of 2000, as amended by
35 Chapter 420 of the Acts of the General Assembly of 2001
36 Section 4 and 10
- 37 BY repealing and reenacting, with amendments,

1 Chapter 280 of the Acts of the General Assembly of 2001
2 Section 1, 2, and 3

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
4 MARYLAND, That Section(s) 5-208, 5-210, 5-211, 5-214, and 5-215, respectively, of
5 Article - Education of the Annotated Code of Maryland be renumbered to be
6 Section(s) 5-211, 5-213, 5-214, 5-215, and 5-217, respectively.

7 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
8 read as follows:

9 **Article 83C - Juvenile Justice**

10 2-134.

11 (e) (2) Appropriations made under this section for extending the contracts of
12 participating teachers may not be used to supplant the existing State share of [basic
13 current expenses] THE FOUNDATION PROGRAM under § 5-202 of the Education
14 Article.

15 **Article - Education**

16 ~~3-108.1.~~

17 (a) ~~In this section, "Board" means the New Baltimore City Board of School~~
18 ~~Commissioners of the Baltimore City Public School System.~~

19 (b) ~~There is a New Baltimore City Board of School Commissioners of the~~
20 ~~Baltimore City Public School System.~~

21 (c) ~~The Board consists of:~~

22 (1) ~~Nine voting members jointly appointed by the Mayor of Baltimore~~
23 ~~City and the Governor from a list of qualified individuals submitted to the Mayor and~~
24 ~~the Governor by the State Board; and~~

25 (2) ~~One voting student member appointed as provided in subsection (e) of~~
26 ~~this section.~~

27 (d) ~~Each member of the Board shall be a resident of Baltimore City.~~

28 (e) ~~To the extent practicable, the membership of the Board shall reflect the~~
29 ~~demographic composition of Baltimore City.~~

30 (f) ~~At least four of the voting members shall possess a high level of knowledge~~
31 ~~and expertise concerning the successful administration of a large business, nonprofit,~~
32 ~~or governmental entity and shall have served in a high level management position~~
33 ~~within such an entity.~~

1 (g) At least three of the voting members shall possess a high level of
2 knowledge and expertise concerning education.

3 (h) At least one voting member shall be a parent of a student enrolled in the
4 Baltimore City Public School System as of the date of appointment of the member.

5 (i) (1) Among the nine voting members, at least one member shall also
6 possess knowledge or experience in the education of children with disabilities.

7 (2) The knowledge or experience may be derived from being the parent of
8 a child with a disability.

9 (j) (1) The term of a voting member is 3 years.

10 (2) The terms of the voting members are staggered as required by the
11 terms provided for members of the Board on the effective date of this Act.

12 (3) At the end of a term, a voting member continues to serve until a
13 successor is appointed and qualifies.

14 (4) A voting member who is appointed after a term has begun serves only
15 for the remainder of the term and until a successor is appointed and qualifies.

16 (5) A voting member may not serve more than two consecutive full
17 terms.

18 (6) To the extent practicable, the Governor and the Mayor shall fill any
19 vacancy on the Board within 60 days of the date of the vacancy from a list of qualified
20 individuals submitted to the Mayor and the Governor by the State Board.

21 (k) On the joint approval of the Mayor of Baltimore City and the Governor, a
22 member may be removed only for cause in accordance with § 3-108 of this subtitle.

23 (l) Each member of the Board serves without compensation.

24 (m) On appointment of the Board, the Governor and the Mayor shall jointly
25 select one of the voting members to serve as the Chairman of the Board who shall
26 serve through June 30, 1999.

27 (n) Beginning on July 1, 1999 and every 2 years thereafter, from among its
28 voting members the Board shall elect a chairman.

29 (o) (1) One student member shall be a student enrolled in the Baltimore
30 City Public School System who shall be selected by the Associated Student Congress
31 of Baltimore City.

32 (2) The term of a student member is 1 year.

33 (3) A student member may not serve more than two consecutive full
34 terms.

1 (4) The student member may vote on all matters before the Board except
2 those relating to:

3 (i) Personnel;

4 (ii) Capital and operating budgets;

5 (iii) School closings, reopenings, and boundaries;

6 (iv) Collective bargaining decisions;

7 (v) Student disciplinary matters; and

8 (vi) Appeals to the Board as provided under §§ 4-205 and 6-202 of
9 this article.

10 (5) The student member may not attend or participate in an executive or
11 special session of the Board.

12 (p) ~~Any action by the Board shall require:~~

13 (1) A quorum of a majority of the voting members then serving; and

14 (2) The affirmative vote of a majority of the voting members then
15 serving.

16 4-121.

17 (d) (2) If the local current expense per student for the sending county is less
18 than the local current expense per student for the receiving county, the difference,
19 plus the appropriate State share of [basic current expenses] THE FOUNDATION
20 PROGRAM, for each student who resides in a sending county who attends a public
21 school in the receiving county, shall be:

22 (i) Paid by the State to the receiving county; and

23 (ii) Provided for in the appropriation to the State Board.

24 5-104.

25 (a) ~~Each county council or board of county commissioners shall levy and collect
26 a tax on the assessable property of the county which, together with other local
27 revenue available, including income tax revenues and bond money, and together with
28 estimated revenues and funds from all sources, will produce the amounts necessary to
29 meet the appropriations made in the approved annual budget of the county board.~~

30 (b) (1) ~~Local funds provided for appropriations shall be paid in accordance
31 with the expenditure requirements, as certified by the county board, to the treasurer
32 of the county board on a monthly basis.~~

1 (2) Appropriations for school construction, permanent improvements,
2 and repairs for special purposes may be required to be paid more frequently on the
3 order of the president and secretary of the county board to the county commissioners,
4 county council, or the county executive.

5 (e) (1) Notwithstanding any other provision in this article, this subsection
6 applies to Wicomico County.

7 (2) The Wicomico County Council annually shall pay to the Wicomico
8 County Board the amount of the budget of the County Board that has been approved
9 by the County Council:

10 (i) In 12 equal monthly installments; or

11 (ii) At the times on which the County Council and County Board
12 mutually agree.

13 (3) Taxes levied under this section shall be retained by the county and
14 any annual deficiencies in the tax are the responsibility of Wicomico County.

15 (D) (1) THIS SUBSECTION APPLIES TO ANY COUNTY THAT HAS A CHARTER
16 THAT PLACES A LIMIT ON ITS PROPERTY TAX RATE OR REVENUES.

17 (2) NOTWITHSTANDING ANY PROVISION OF A COUNTY CHARTER AND
18 SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A COUNTY COUNCIL, BY A
19 TWO-THIRDS VOTE OF THE FULL MEMBERSHIP OF THE COUNCIL, MAY SET A
20 PROPERTY TAX RATE THAT IS HIGHER THAN THE RATE AUTHORIZED UNDER THE
21 COUNTY'S CHARTER OR COLLECT MORE PROPERTY TAX REVENUES THAN THE
22 REVENUES AUTHORIZED UNDER THE COUNTY'S CHARTER FOR THE SOLE PURPOSE
23 OF FUNDING THE APPROVED BUDGET OF THE COUNTY BOARD.

24 (3) IF THE COUNTY COUNCIL SETS A COUNTY PROPERTY TAX RATE THAT
25 IS GREATER THAN THE RATE AUTHORIZED UNDER THE COUNTY'S CHARTER OR
26 COLLECTS MORE PROPERTY TAX REVENUES THAN THE REVENUES AUTHORIZED
27 UNDER THE COUNTY'S CHARTER, THE COUNTY:

28 (4) MAY NOT REDUCE FUNDING PROVIDED TO THE COUNTY BOARD
29 FROM ANY OTHER LOCAL REVENUE SOURCE BELOW THE FUNDING LEVEL IN THE
30 CURRENT COUNTY BUDGET; AND

31 (H) SHALL APPROPRIATE TO THE COUNTY BOARD ALL PROPERTY
32 TAX REVENUES EXCEEDING THE AMOUNT THAT WOULD HAVE BEEN AVAILABLE IF
33 THE COUNTY CHARTER LIMITATION HAD APPLIED.

34 5-109.

35 (a) Each county board shall provide for an annual audit of its financial
36 transactions and accounts.

1 (b) (1) The audit shall be made by a certified public accountant or a
2 partnership of certified public accountants who are:

3 (i) Licensed by the State Board of Public Accountancy; and

4 (ii) Approved by the State Superintendent.

5 (2) The audit shall be made in accordance with the standards and
6 regulations adopted by the State Board.

7 (c) (1) The results of the audit are a matter of public record.

8 (2) The results shall be reported within 3 months after the close of the
9 fiscal year for the county board [to the State Superintendent and the county fiscal
10 authority] on the form and in the manner required by the State Board TO:

11 (I) THE STATE SUPERINTENDENT;

12 (II) THE COUNTY FISCAL AUTHORITY;

13 (III) THE JOINT AUDIT COMMITTEE OF THE GENERAL ASSEMBLY;

14 (IV) THE SENATE BUDGET AND TAXATION COMMITTEE;

15 (V) THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL
16 AFFAIRS COMMITTEE;

17 (VI) THE HOUSE APPROPRIATIONS COMMITTEE; AND

18 (VII) THE HOUSE COMMITTEE ON WAYS AND MEANS.

19 (d) In addition to the audit required by this section, the county commissioners
20 or county council may conduct an audit using auditors employed by the county.

21 5-201.

22 (a) Except for money appropriated for the purposes of § 5-301(a), (b), and (d)
23 through (k) of this title, all money appropriated by the General Assembly to aid in
24 support of public schools constitutes the General State School Fund.

25 (b) Money in the General State School Fund may be appropriated by the
26 General Assembly to the Annuity Bond Fund, as provided in the State budget, and
27 shall be used for principal and interest payments on State debt incurred for public
28 school construction or public school capital improvements.

29 (c) The State Comptroller shall charge against and, as provided in this
30 section, pay from the General State School Fund the following annual appropriations
31 for:

32 (1) The support of the Department, including the expenses of the State
33 Board and the support and expenses of the office of the State Superintendent;

- 1 (2) The Maryland Teachers' Retirement System;
- 2 (3) The education of [handicapped] DISABLED children;
- 3 (4) Subsidized or free feeding programs;
- 4 (5) The administration and supervision of career and technology
5 education in public high schools and career and technology centers;
- 6 (6) Physical education and recreation;
- 7 (7) Case and guidance service for individuals with disabilities who need
8 vocational rehabilitation;
- 9 (8) Equivalence examinations;
- 10 (9) Public libraries;
- 11 (10) Adult education;
- 12 (11) The State share of [basic current expenses] THE FOUNDATION
13 PROGRAM as provided in § 5-202 of this subtitle;
- 14 (12) Student transportation, as provided in § 5-205 of this subtitle; [and]
- 15 (13) The school building construction aid as provided in § 5-301(c) of this
16 title;
- 17 (14) ~~THE STATE SHARE OF FUNDING FOR COMPENSATORY EDUCATION~~
18 UNDER § 5-207 OF THIS SUBTITLE;
- 19 (15) ~~THE STATE SHARE OF FUNDING FOR STUDENTS WITH LIMITED~~
20 ENGLISH PROFICIENCY UNDER § 5-208 OF THIS SUBTITLE;
- 21 (16) ~~THE STATE SHARE OF FUNDING FOR SPECIAL EDUCATION UNDER §~~
22 5-209 OF THIS SUBTITLE; AND
- 23 (17) THE GUARANTEED TAX BASE PROGRAM UNDER § 5-210 OF THIS
24 SUBTITLE.
- 25 (d) Except as provided in this section, the Comptroller may not charge against
26 and pay from the General State School Fund any appropriations made to accomplish
27 the purposes of § 5-301(a), (b), or (d) of this title.
- 28 (e) (1) For the purposes of calculating the local share OF THE FOUNDATION
29 PROGRAM under § 5-202 of this subtitle and regardless of the source of the funds, all
30 funds that a county board or the Mayor and City Council of Baltimore City are
31 authorized to expend for schools may be considered as levied by the county council,
32 board of county commissioners, or the Mayor and City Council of Baltimore except for:
- 33 (i) State appropriations;

- 1 (ii) Federal education aid payments; and
- 2 (iii) The amount of the expenditure authorized for debt service and
3 capital outlay.

4 (2) Except as provided in this section, these appropriations to a county,
5 academy, college, or university may not be paid from the General State School Fund.

6 5-202.

7 (a) (1) In this section the following words have the meanings indicated.

8 (2) "ANNUAL PER PUPIL FOUNDATION AMOUNT" MEANS:

9 (I) FOR FISCAL YEARS ~~2003~~ 2004 THROUGH ~~2006~~ 2008, THE SUM,
10 ROUNDED TO THE NEAREST DOLLAR, OF:

11 1. THE FISCAL YEAR 2002 PER PUPIL FOUNDATION AMOUNT
12 OF \$4,124; AND

13 2. THE PRODUCT OF THE DIFFERENCE BETWEEN THE
14 TARGET PER PUPIL FOUNDATION AMOUNT AND \$4,124 AND:

15 A. ~~0.25~~ 0.40 IN FISCAL YEAR ~~2003~~ 2004;

16 B. ~~0.45~~ 0.52 IN FISCAL YEAR ~~2004~~ 2005;

17 C. ~~0.65~~ 0.71 IN FISCAL YEAR ~~2005~~ 2006; AND

18 D. ~~0.85~~ 0.83 IN FISCAL YEAR ~~2006~~ 2007; AND

19 (II) FOR FISCAL YEAR ~~2007~~ 2008 AND EACH FISCAL YEAR
20 THEREAFTER, THE TARGET PER PUPIL FOUNDATION AMOUNT.

21 (3) (⊕) "Assessed valuation of real property" means the most recent
22 estimate made by the State Department of Assessments and Taxation before the
23 annual State budget is submitted to the General Assembly, of the assessed value of
24 real property for State purposes as of July 1 of the first completed fiscal year before
25 the school year for which the calculation of State aid is made under this section.

26 (ii) ~~In all assessable bases, for the purpose of this paragraph,~~
27 ~~preferentially assessed agricultural land shall be included at 50 percent of farm use~~
28 ~~valuation as determined in accordance with farm use assessment standards~~
29 ~~established by the Department of Assessments and Taxation.~~

30 [(3) (i) "Basic current expenses" means expenditures for elementary
31 and secondary education for a fiscal year calculated as follows:

32 1. Statewide aggregate expenditures from the current
33 expense fund for administration, instruction, public school special education

1 programs, student personnel services, health services, operation of plant, and
2 maintenance of plant;

3 2. Plus statewide aggregate expenditures from the current
4 expense fund for fixed charges (including employee benefits), additional equipment,
5 and replacement equipment, to the extent these expenditures relate to the
6 expenditure categories in item 1 of this subparagraph; and

7 3. Minus the statewide aggregate of all State and federal
8 funds for elementary and secondary education supporting the expenditures in items 1
9 and 2 of this subparagraph, except the State share of basic current expenses.

10 (ii) "Basic current expenses" does not include expenditures for
11 adult education, community services, pupil transportation, capital outlay, or outgoing
12 transfers, or expenditures reported in the Food Service Fund, the Student Body
13 Activities Fund, the School Construction Fund, or the Debt Service Fund.]

14 (5) "FOUNDATION PROGRAM" MEANS THE PRODUCT OF THE ANNUAL
15 PER PUPIL FOUNDATION AMOUNT AND A COUNTY'S FULL-TIME EQUIVALENT
16 ENROLLMENT.

17 (7) "LOCAL CONTRIBUTION RATE" MEANS THE FIGURE THAT IS
18 CALCULATED AS FOLLOWS:

19 (I) MULTIPLY THE STATEWIDE FULL-TIME EQUIVALENT
20 ENROLLMENT BY \$624, AND MULTIPLY THIS PRODUCT BY:

- 21 1. 0.46 IN FISCAL YEAR ~~2003~~ 2004;
- 22 2. 0.47 IN FISCAL YEAR ~~2004~~ 2005;
- 23 3. 0.48 IN FISCAL YEAR ~~2005~~ 2006;
- 24 4. 0.49 IN FISCAL YEAR ~~2006~~ 2007; AND
- 25 5. 0.50 IN FISCAL YEAR ~~2007~~ 2008 AND EACH FISCAL YEAR
26 THEREAFTER;

27 ~~(II) MULTIPLY THE STATEWIDE FULL-TIME EQUIVALENT
28 ENROLLMENT BY \$1,750, WHICH IS EQUAL TO THE PRODUCT OF 0.50 AND THE
29 DIFFERENCE BETWEEN \$4,124 AND \$624;~~

30 ~~(III)~~ ~~(II)~~ MULTIPLY THE STATEWIDE FULL-TIME EQUIVALENT
31 ENROLLMENT BY THE AMOUNT THAT THE ANNUAL PER PUPIL FOUNDATION
32 AMOUNT EXCEEDS ~~\$4,124~~ \$624, AND MULTIPLY THIS PRODUCT BY: 0.50.

- 33 ~~1. 0.51 IN FISCAL YEAR 2003;~~
- 34 ~~2. 0.52 IN FISCAL YEAR 2004;~~
- 35 ~~3. 0.53 IN FISCAL YEAR 2005;~~

1 4. 0.54 IN FISCAL YEAR 2006; AND
 2 5. 0.55 IN FISCAL YEAR 2007 AND EACH FISCAL YEAR
 3 THEREAFTER.

4 ~~(IV)~~ (III) ADD THE ~~THREE~~ TWO PRODUCTS CALCULATED IN ITEMS
 5 ~~(I) THROUGH (III)~~ AND (II) OF THIS PARAGRAPH, AND DIVIDE THE RESULTING SUM BY
 6 THE SUM OF THE WEALTH OF ALL OF THE COUNTIES IN THIS STATE; AND

7 ~~(V)~~ (IV) ROUND THE RESULT OBTAINED IN ITEM ~~(IV)~~ (III) OF THIS
 8 PARAGRAPH TO SEVEN DECIMAL PLACES AND EXPRESS AS A PERCENT WITH FIVE
 9 DECIMAL PLACES.

10 (8) "LOCAL SHARE OF THE FOUNDATION PROGRAM" MEANS THE
 11 PRODUCT OF THE LOCAL CONTRIBUTION RATE AND A COUNTY'S WEALTH.

12 [(4)] (9) "Net taxable income" means the amount certified by the State
 13 Comptroller for the second completed calendar year before the school year for which
 14 the calculation of State aid under this section is made, based on tax returns filed on
 15 or before September 1 after this calendar year.

16 (10) "PERSONAL PROPERTY" INCLUDES:

17 ~~(I)~~ TANGIBLE PERSONAL PROPERTY;

18 ~~(II)~~ RAILROAD PROPERTY;

19 ~~(III)~~ PUBLIC UTILITY PERSONAL PROPERTY; AND

20 ~~(IV)~~ PUBLIC UTILITY SHARES MEANS ALL PROPERTY CLASSIFIED AS
 21 PERSONAL PROPERTY UNDER § 8-101(C) OF THE TAX - PROPERTY ARTICLE.

22 [(5)] (11) "Real property" includes:

23 ~~(i)~~ Any interest in land or improvements to land;

24 ~~(ii)~~ Land and nonoperating property of railroads and public
 25 utilities; and

26 ~~(iii)~~ Operating property of public utilities classified as real property
 27 by the Department of Assessments and Taxation MEANS ALL PROPERTY CLASSIFIED
 28 AS REAL PROPERTY UNDER § 8-101(B) OF THE TAX - PROPERTY ARTICLE.

29 [(6)] (4) "Assessed value of personal property" means the [assessed
 30 valuation for county purposes of tangible personal property, railroad property, public
 31 utility personal property, and public utility shares] MOST RECENT ESTIMATE BY THE
 32 STATE DEPARTMENT OF ASSESSMENTS AND TAXATION BEFORE THE ANNUAL STATE
 33 BUDGET IS SUBMITTED TO THE GENERAL ASSEMBLY OF THE ASSESSED VALUE FOR
 34 COUNTY PURPOSES OF PERSONAL PROPERTY AS OF JULY 1 OF THE FIRST
 35 COMPLETED FISCAL YEAR BEFORE THE SCHOOL YEAR FOR WHICH THE
 36 CALCULATION IS MADE UNDER THIS SECTION.

1 [(7)] (6) "Full-time equivalent enrollment" means THE SUM OF:

2 (i) [All] THE NUMBER OF students enrolled in grades 1 through 12
3 or their equivalent in regular day school programs on September 30 of the previous
4 school year;

5 (ii) [One half of the number of students enrolled in kindergarten
6 programs on September 30 of the previous school year, except that in Garrett County
7 the full number of kindergarten students is included; and] EXCEPT AS PROVIDED IN
8 ITEM (III) OF THIS PARAGRAPH, THE PRODUCT OF THE NUMBER OF STUDENTS
9 ENROLLED IN KINDERGARTEN PROGRAMS ON SEPTEMBER 30 OF THE PRIOR SCHOOL
10 YEAR AND:

- 11 1. 0.60 IN FISCAL YEAR ~~2003~~ 2004;
- 12 2. 0.70 IN FISCAL YEAR ~~2004~~ 2005;
- 13 3. 0.80 IN FISCAL YEAR ~~2005~~ 2006;
- 14 4. 0.90 IN FISCAL YEAR ~~2006~~ 2007; AND
- 15 5. 1.00 IN FISCAL YEAR ~~2007~~ 2008 AND EACH FISCAL YEAR
16 THEREAFTER;

17 (III) IN GARRETT COUNTY, THE NUMBER OF STUDENTS ENROLLED
18 IN KINDERGARTEN PROGRAMS ON SEPTEMBER 30 OF THE PRIOR SCHOOL YEAR; AND

19 [(iii)] (IV) The number of full-time equivalent students, as
20 determined by a regulation of the Department, enrolled in evening high school
21 programs during the previous school year.

22 (12) "STATE SHARE OF THE FOUNDATION PROGRAM" MEANS THE
23 GREATER OF:

24 (I) THE DIFFERENCE BETWEEN THE FOUNDATION PROGRAM AND
25 THE LOCAL SHARE OF THE FOUNDATION PROGRAM; AND

26 (II) ~~THE PRODUCT OF 15% OF RESULT OBTAINED BY MULTIPLYING~~
27 ~~THE ANNUAL PER PUPIL FOUNDATION AMOUNT AND BY THE COUNTY'S FULL-TIME~~
28 ~~EQUIVALENT ENROLLMENT, AND MULTIPLYING THIS PRODUCT BY:~~

- 29 1. 0.25 IN FISCAL YEAR 2004;
- 30 2. 0.24 IN FISCAL YEAR 2005;
- 31 3. 0.22 IN FISCAL YEAR 2006;
- 32 4. 0.19 IN FISCAL YEAR 2007; AND
- 33 5. 0.15 IN FISCAL YEAR 2008 AND EACH FISCAL YEAR
34 THEREAFTER.

1 (13) "TARGET PER PUPIL FOUNDATION AMOUNT" MEANS:

2 (I) IN FISCAL YEAR ~~2003, \$5,634~~ 2004, \$5,730; AND

3 (II) IN SUBSEQUENT FISCAL YEARS:

4 1. THE TARGET PER PUPIL FOUNDATION AMOUNT FOR THE
5 PRIOR FISCAL YEAR INCREASED BY THE SAME PERCENTAGE AS THE INCREASE IN
6 THE IMPLICIT PRICE DEFLATOR FOR STATE AND LOCAL GOVERNMENT
7 EXPENDITURES FOR THE SECOND PRIOR FISCAL YEAR; OR

8 2. IF THERE IS NO INCREASE IN THE IMPLICIT PRICE
9 DEFLATOR FOR STATE AND LOCAL GOVERNMENT EXPENDITURES FOR THE SECOND
10 PRIOR FISCAL YEAR, THE TARGET PER PUPIL FOUNDATION AMOUNT FOR THE PRIOR
11 FISCAL YEAR.

12 [(8)] (14) "Wealth" means the sum of:

13 (i) Net taxable income;

14 (II) 100 PERCENT OF THE ASSESSED VALUE OF THE OPERATING
15 REAL PROPERTY OF PUBLIC UTILITIES;

16 (ii) (III) 40 percent of the assessed valuation of real property; and

17 (iii) (IV) 50 percent of assessed value of personal property.

18 [(9)] For calculation of State aid under this section, the percentage of
19 assessed value of personal property as of July 1 of the first completed fiscal year
20 before the school year for which the calculation is made shall be used.

21 (10) "Chapter 1 eligible count" means the number of children eligible to
22 receive services under the provisions of Chapter 1 of the Hawkins-Stafford
23 Elementary and Secondary School Improvement Amendments of 1988 as determined
24 by the U.S. Department of Education.

25 (11) "Dedicated compensatory funds" means funds allocated by subsection
26 (e)(3) of this section.

27 (12) "Basic current expenses per pupil" means the basic current expenses
28 for a fiscal year divided by the statewide full-time equivalent enrollment on
29 September 30 of the fiscal year.

30 (13) "Per pupil basic current expense figure" means:

31 (i) \$2,976 for fiscal year 1993; and

32 (ii) The average of the basic current expenses per pupil for the third
33 and fourth preceding fiscal years multiplied by 0.75 for fiscal year 1994 and for each
34 fiscal year thereafter, as calculated by the Department on or before July 1 prior to the
35 fiscal year.]

1 (b) [(1) Each county board and the Mayor and City Council of Baltimore City
 2 shall receive from the State, in the manner and subject to the limitations under this
 3 section, an amount for each school year to be known as the "State share of basic
 4 current expenses" for each county, which shall be calculated as indicated in this
 5 subsection.

6 (2) (i) The basic current expenses to be shared shall equal the per
 7 pupil basic current expense figure multiplied by full-time equivalent enrollment.]
 8 SUBJECT TO THE OTHER PROVISIONS OF THIS SECTION, EACH YEAR THE STATE
 9 SHALL DISTRIBUTE THE STATE SHARE OF THE FOUNDATION PROGRAM TO EACH
 10 COUNTY BOARD.

11 [(ii) 1.] (C) (1) If State aid for public elementary and secondary
 12 education exceeds 31.5% of the projected general funds of the State in any fiscal year,
 13 then the amount required for the ANNUAL per pupil [basic current expense figure]
 14 FOUNDATION AMOUNT may not be implemented for the next fiscal year unless the
 15 General Assembly, at the regular session immediately preceding that next fiscal year,
 16 affirms by joint resolution that the additional State aid required using the ANNUAL
 17 per pupil [basic current expense figure] FOUNDATION AMOUNT is within the State's
 18 fiscal resources.

19 [2.] (2) As provided under [item 1 of this subparagraph]
 20 PARAGRAPH (1) OF THIS SUBSECTION, if State aid for public elementary and
 21 secondary education exceeds the percentage amount specified and a joint resolution of
 22 affirmation is not enacted by the General Assembly, then the ANNUAL per pupil
 23 [basic current expense figure] FOUNDATION AMOUNT in which the State shall share
 24 for the next fiscal year shall be the lesser of the ANNUAL per pupil [basic current
 25 expense figure] FOUNDATION AMOUNT for the fiscal year or an amount equal to 108
 26 percent of the prior year's ANNUAL per pupil [basic current expense figure]
 27 FOUNDATION AMOUNT.

28 [3.] (3) By January 14 of each year, the Department of
 29 Legislative Services shall calculate State aid as a percentage of the projected State
 30 General Fund revenues for the current fiscal year. State aid shall include State funds
 31 provided to the county boards whether pursuant to formula or on a grant basis and
 32 State payments on behalf of the county boards such as retirement and debt service for
 33 State bonds for school construction.

34 [(3) (i) In this paragraph, "enrollment" means the full-time equivalent
 35 enrollment used in calculating the current expense aid for a county.

36 [(ii)] (D) (1) To be eligible to receive the State share of [basic
 37 current expenses] THE FOUNDATION PROGRAM:

38 [1.] (I) The county governing body shall levy an annual tax
 39 sufficient to provide an amount of revenue for elementary and secondary public
 40 education purposes equal to the [product of the wealth of the county and a local
 41 contribution rate determined for each fiscal year] LOCAL SHARE OF THE
 42 FOUNDATION PROGRAM; and

1 [2.] (II) The county governing body shall appropriate local
2 funds to the school operating budget in an amount no less than the product of the
3 [enrollment] COUNTY'S FULL-TIME EQUIVALENT ENROLLMENT for the current fiscal
4 year and the local appropriation on a per pupil basis for the prior fiscal year.

5 [(iii) 1.] (2) Except as provided in [sub-subparagraph 2 of this
6 subparagraph] PARAGRAPH (3) OF THIS SUBSECTION, for purposes of this
7 [paragraph] SUBSECTION, the local appropriation on a per pupil basis for the prior
8 fiscal year for a county is derived by dividing the county's highest local appropriation
9 to its school operating budget for the prior fiscal year by the [enrollment for the prior
10 fiscal year] COUNTY'S FULL-TIME EQUIVALENT ENROLLMENT FOR THE PRIOR
11 FISCAL YEAR. For example, the calculation of the [current expense] FOUNDATION
12 aid for fiscal year [1985] 2003 shall be based on the highest local appropriation for
13 the school operating budget for a county for fiscal year [1984] 2002. Program shifts
14 between a county operating budget and a county school operating budget may not be
15 used to artificially satisfy the requirements of this paragraph.

16 [2.] (3) For purposes of this [paragraph] SUBSECTION, for
17 fiscal year 1997 and each subsequent fiscal year, the calculation of the county's
18 highest local appropriation to its school operating budget for the prior fiscal year shall
19 exclude:

20 [A.] (I) A nonrecurring cost that is supplemental to the
21 regular school operating budget, if the exclusion qualifies under regulations adopted
22 by the State Board; and

23 [B.] (II) A cost of a program that has been shifted from the
24 county school operating budget to the county operating budget.

25 [3.] (4) The county board must present satisfactory evidence
26 to the county government that any appropriation under [sub-subparagraph 2 A of
27 this subparagraph] PARAGRAPH (3)(I) OF THIS SUBSECTION is used only for the
28 purpose designated by the county government in its request for approval.

29 [4.] (5) Any appropriation that is not excluded under
30 [sub-subparagraph 2 A of this subparagraph] PARAGRAPH (3)(I) OF THIS
31 SUBSECTION as a qualifying nonrecurring cost shall be included in calculating the
32 county's highest local appropriation to its school operating budget.

33 [5.] (6) Qualifying nonrecurring costs, as defined in
34 regulations adopted by the State Board, shall include but are not limited to:

35 [A.] (I) Computer laboratories;

36 [B.] (II) Technology enhancement;

37 [C.] (III) New instructional program start-up costs; and

38 [D.] (IV) Books other than classroom textbooks.

1 [(iv) 1.] (7) (I) The provisions of this [paragraph] SUBSECTION do
2 not apply to a county if the county is granted a temporary waiver or partial waiver
3 from the provisions by the State Board of Education based on a determination that
4 the county's fiscal condition significantly impedes the county's ability to fund the
5 maintenance of effort requirement.

6 [2.] (II) After a public hearing, the State Board of Education
7 may grant a waiver under this [subparagraph] PARAGRAPH in accordance with its
8 regulations.

9 [3.] (III) In order to qualify for the waiver under this
10 [subparagraph] PARAGRAPH for a fiscal year, a county shall make a request for a
11 waiver to the State Board of Education by April 1 of the prior fiscal year.

12 [4.] (IV) The State Board of Education shall inform the
13 county whether the waiver for a fiscal year is approved or denied in whole or in part
14 by May 15 of the prior fiscal year.

15 [(4) The local contribution rate is calculated as follows:

16 (i) Multiply the full-time equivalent enrollment by \$624, and
17 multiply this product by 0.45.

18 (ii) Multiply the full-time equivalent enrollment by the amount
19 that the per pupil basic current expense figure exceeds \$624 and multiply this
20 product by 0.50.

21 (iii) Add the two products arrived at in subparagraphs (i) and (ii) of
22 this paragraph, and divide the resulting sum by the sum of the wealth of all of the
23 counties in this State.

24 (iv) The resulting quotient, rounded to 7 decimal places, and
25 expressed as a percent with 5 decimal places, is the local contribution rate.

26 (5) (i) Except as provided in subparagraph (ii) of this paragraph, the
27 State share of basic current expenses for each county is the difference between the
28 county share calculated under paragraph (3) of this subsection and the basic current
29 expense to be shared, as indicated in paragraph (2) of this subsection.

30 (ii) If the State share of basic current expenses, as calculated under
31 subparagraph (i) of this paragraph, is less than the product of \$60 and the county's
32 full-time equivalent enrollment, the State share of basic current expenses for the
33 county shall be the product of \$60 and the county's full-time equivalent enrollment.]

34 (E) (1) ~~IN FISCAL YEAR 2003, THE STATE SHALL DISTRIBUTE A~~
35 ~~PARTNERSHIP GRANT OF \$31,709,286 TO THE NEW BALTIMORE CITY BOARD OF~~
36 ~~SCHOOL COMMISSIONERS.~~

1 (2) IN FISCAL YEAR 2004, THE STATE SHALL DISTRIBUTE A
2 PARTNERSHIP GRANT OF \$28,186,032 TO THE NEW BALTIMORE CITY BOARD OF
3 SCHOOL COMMISSIONERS.

4 (2) IN FISCAL YEAR 2005, THE STATE SHALL DISTRIBUTE A
5 PARTNERSHIP GRANT OF \$21,139,524 TO THE NEW BALTIMORE CITY BOARD OF
6 SCHOOL COMMISSIONERS.

7 (3) IN FISCAL YEAR 2006, THE STATE SHALL DISTRIBUTE A
8 PARTNERSHIP GRANT OF \$14,093,016 TO THE NEW BALTIMORE CITY BOARD OF
9 SCHOOL COMMISSIONERS.

10 (F) (1) FOR FISCAL YEAR 2004, THE STATE SHARE OF THE FOUNDATION
11 PROGRAM SHALL BE ADJUSTED TO REFLECT REGIONAL DIFFERENCES IN THE COST
12 OF EDUCATION THAT ARE DUE TO FACTORS OUTSIDE THE CONTROL OF LOCAL
13 JURISDICTIONS. BY INCREASING THE STATE SHARE OF THE FOUNDATION PROGRAM
14 OTHERWISE DETERMINED FOR THE FOLLOWING COUNTIES BY:

15 (I) 1% FOR ANNE ARUNDEL COUNTY;

16 (II) 3% FOR BALTIMORE CITY;

17 (III) 3% FOR HOWARD COUNTY; AND

18 (IV) 4% FOR MONTGOMERY COUNTY.

19 (2) FOR FISCAL YEAR 2005 AND EACH FISCAL YEAR THEREAFTER, THE
20 STATE SHARE OF THE FOUNDATION PROGRAM SHALL BE ADJUSTED TO REFLECT
21 REGIONAL DIFFERENCES IN THE COST OF EDUCATION THAT ARE DUE TO FACTORS
22 OUTSIDE THE CONTROL OF LOCAL JURISDICTIONS.

23 (2) (3) THE STATE DEPARTMENT SHALL CONTRACT WITH A PRIVATE
24 ENTITY NO LATER THAN SEPTEMBER 30, 2002 TO CONDUCT A STUDY TO:

25 (I) DEVELOP A MARYLAND SPECIFIC GEOGRAPHIC COST OF
26 EDUCATION INDEX TO BE IMPLEMENTED NO LATER THAN FISCAL YEAR 2005; AND

27 (II) PROVIDE RECOMMENDATIONS AS TO HOW THE INDEX SHOULD
28 BE USED TO ADJUST STATE EDUCATION FUNDING.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 year, the funds for the county shall be increased to 85 percent of the prior fiscal year
2 amount.

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

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

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

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

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

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

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

32 (g)] (H) (1) The Montgomery County Board shall provide from the
33 Montgomery County Public Schools Employees' Pension System Trust the
34 supplemental retirement allowance required under paragraph (2) of this subsection.

35 (2) (i) The Montgomery County Board, through the Montgomery
36 County Public Schools Employees' Pension System Trust, shall pay a supplemental
37 retirement allowance to an employee of the County Board who retires on or after July
38 1, 1999, as a member of the Teachers' Pension System of the State of Maryland.

1 (ii) The supplemental retirement allowance shall equal the product
2 of the member's years of creditable service earned in the Montgomery County public
3 schools employees' pension system times the sum of:

4 1. 0.08% of the retiree's average final compensation that does
5 not exceed the Social Security integration level; and

6 2. 0.15% of the retiree's average final compensation that
7 exceeds the Social Security integration level.

8 5-203.

9 (a) In this section, "Agency" means the State Retirement Agency.

10 (b) (1) The Agency may at any time examine the records of local school
11 systems to determine whether the State's payments for retirement contributions for
12 employees of the school systems are in accordance with the provisions of Division II of
13 the State Personnel and Pensions Article.

14 (2) IN MAKING THE DETERMINATION UNDER PARAGRAPH (1) OF THIS
15 SUBSECTION, THE AGENCY SHALL INCLUDE AS EMPLOYEES ELIGIBLE FOR STATE
16 PAYMENT OF RETIREMENT CONTRIBUTIONS THOSE EMPLOYEES:

17 (I) WHOSE SALARIES ARE FUNDED BY STATE OR LOCAL AID,
18 WHETHER GENERAL OR CATEGORICAL IN NATURE; AND

19 (II) WHO ARE MEMBERS OF THE TEACHERS' PENSION SYSTEM OR
20 TEACHERS' RETIREMENT SYSTEM.

21 5-205.

22 (a) [For fiscal year 1993, grants in the following amounts shall be
23 distributed] THE STATE SHALL DISTRIBUTE GRANTS AS PROVIDED UNDER THIS
24 SECTION to the county boards to provide transportation services for public school
25 students and [handicapped] DISABLED children for whom transportation is to be
26 provided under § 8-410 of this article. Appropriations for student transportation shall
27 be budgeted in a separate budget category as provided in § 5-101 of this article. If the
28 amount that is appropriated to a county under this section in a fiscal year is more
29 than the actual cost of providing student transportation services in that county, a
30 county board [or the Board of School Commissioners of Baltimore City] may apply
31 any excess funds to costs of pupil transportation in subsequent years. None of these
32 funds may be paid to or claimed by any subdivision, nor may any of these funds be
33 reverted to any subdivision. A county board [or the Board of School Commissioners of
34 Baltimore City] may not transfer State revenues from the student transportation
35 category to any other category as a result of this section.

36 ~~(B) IN FISCAL YEAR 2003, THE STATE SHALL DISTRIBUTE BASE GRANTS FOR~~
37 ~~STUDENT TRANSPORTATION TO COUNTY BOARDS IN THE FOLLOWING AMOUNTS:~~

1 (B) FOR THE PURPOSE OF CALCULATING THE 2004 BASE GRANTS FOR
 2 STUDENT TRANSPORTATION TO COUNTY BOARDS, THE FOLLOWING AMOUNTS SHALL
 3 BE USED AS THE FISCAL YEAR 2003 BASE GRANT AMOUNTS:

4	(1)	Allegany.....	[\$ 1,980,822]	\$2,838,327
5	(2)	Anne Arundel	[8,425,949]	\$12,716,216
6	(3)	Baltimore City	[7,190,970]	\$10,303,967
7	(4)	Baltimore.....	[10,367,659]	\$15,715,504
8	(5)	Calvert.....	[1,416,467]	\$3,294,141
9	(6)	Caroline.....	[1,006,102]	\$1,580,176
10	(7)	Carroll.....	[3,187,617]	\$5,738,454
11	(8)	Cecil.....	[1,804,270]	\$2,997,774
12	(9)	Charles	[3,451,989]	\$5,813,595
13	(10)	Dorchester	[1,019,763]	\$1,465,299
14	(11)	Frederick	[3,190,417]	\$6,620,447
15	(12)	Garrett.....	[1,316,631]	\$1,886,605
16	(13)	Harford.....	[4,243,590]	\$7,277,627
17	(14)	Howard.....	[3,771,266]	\$8,460,292
18	(15)	Kent	[682,517]	\$985,359
19	(16)	Montgomery	[9,288,324]	\$18,663,456
20	(17)	Prince George's.....	[13,405,820]	\$21,018,217
21	(18)	Queen Anne's.....	[1,124,034]	\$1,952,856
22	(19)	St. Mary's	[2,281,410]	\$3,673,545
23	(20)	Somerset.....	[793,869]	\$1,143,107
24	(21)	Talbot.....	[639,498]	\$981,334
25	(22)	Washington.....	[2,592,124]	\$3,784,100
26	(23)	Wicomico.....	[1,905,063]	\$3,001,531
27	(24)	Worcester	[1,159,874]	\$1,856,978

1 [(b)] (C) (1) In this subsection, "full-time equivalent enrollment" [means
2 the full-time equivalent enrollment used to calculate the State share of basic current
3 expenses for a fiscal year under] HAS THE MEANING STATED IN § 5-202 of this
4 subtitle.

5 (2) Subject to the limitations under paragraph (3) of this subsection, for
6 fiscal year [2001] 2004 and every year thereafter the amount of [the] A COUNTY'S
7 BASE grant FOR STUDENT TRANSPORTATION shall be equal to the amount of the
8 COUNTY'S BASE grant FOR STUDENT TRANSPORTATION for the previous year
9 increased by the same percentage as the increase in the private transportation
10 category of the Consumer Price Index for all urban consumers, for the
11 Washington-Baltimore metropolitan area, as of July of the fiscal year preceding the
12 year for which the amount is being calculated, plus an additional amount equal to the
13 product of:

14 (i) The total [State grant for school] AMOUNT OF FUNDS
15 DISTRIBUTED BY THE STATE AS BASE GRANTS FOR STUDENT transportation for the
16 previous fiscal year divided by the STATEWIDE full-time equivalent enrollment for
17 the previous fiscal year; and

18 (ii) [For fiscal year 1999 and each fiscal year thereafter, the] THE
19 difference between the full-time equivalent enrollment in a county for the current
20 fiscal year and the full-time equivalent enrollment in the county for the previous
21 fiscal year, or, if the full-time equivalent enrollment in a county for the current fiscal
22 year is less than the full-time equivalent enrollment in the county for the previous
23 fiscal year, zero.

24 (3) The increase in the amount of [the] A BASE grant FOR STUDENT
25 TRANSPORTATION that is based on the increase in the private transportation category
26 of the Consumer Price Index may not be less than 3 percent nor more than 8 percent
27 of the amount of the grant for the previous year.

28 [(c)] (D) For each fiscal year, in addition to the BASE grant FOR STUDENT
29 TRANSPORTATION provided under ~~subsections (a) and (b) AND SUBSECTION(C)~~ of
30 this section, a [handicapped] DISABLED student transportation grant shall be
31 distributed to each county board. The amount of the grant to each board shall be
32 [\$500 times] EQUAL TO THE PRODUCT OF the number of [handicapped] DISABLED
33 students requiring special transportation services who are transported by the county
34 board [in excess of the number transported during the 1980-1981 school year] IN
35 THE SECOND PRIOR FISCAL YEAR AND:

- 36 (1) \$600 IN FISCAL YEAR ~~2003~~ 2004;
- 37 (2) \$700 IN FISCAL YEAR ~~2004~~ 2005;
- 38 (3) \$800 IN FISCAL YEAR ~~2005~~ 2006;
- 39 (4) \$900 IN FISCAL YEAR ~~2006~~ 2007; AND

1 (5) \$1,000 IN FISCAL YEAR ~~2007~~ 2008 AND EACH FISCAL YEAR
2 THEREAFTER.

3 [(d)] (E) For the purposes of determining the amount of the grant provided
4 under subsection [(c)] (D) of this section, the State Board shall develop a procedure
5 and adopt regulations for determining the number of [handicapped] DISABLED
6 students transported in each jurisdiction [in excess of the number transported in the
7 1980-1981 school year] IN THE SECOND PRIOR FISCAL YEAR.

8 [(e)] (F) The State Board shall adopt rules and regulations that provide for
9 the safe operation of the student transportation system of each county board of
10 education.

11 5-206.

12 (a) [This section may be cited as the School Accountability Funding for
13 Excellence Program.

14 (b) (1) In this section the following words have the meanings indicated.

15 (2) "Full-time equivalent enrollment" has the meaning provided in §
16 5-202 of this subtitle.

17 (3) "Non- and limited-English proficient student" means a student
18 identified as non- or limited-English proficient under the Maryland State
19 Department of Education's Maryland School Performance Program reporting
20 requirements. This definition should be consistent with federal guidelines for the
21 identification of students with limited English proficiency, as defined by the following
22 criteria: the student was born outside of the United States or whose native language
23 is not English; the student comes from an environment where a language other than
24 English is dominant; or the student is an American Indian or Alaskan native and
25 comes from an environment where a language other than English has had a
26 significant impact on his/her level of English language proficiency.

27 (4) "Non- and limited-English proficient student count" means the
28 number of non- and limited-English proficient students as of May 15 of a school year.

29 (5) "Wealth" has the meaning provided in § 5-202 of this subtitle.

30 (c) (1) Beginning in fiscal year 1995, the Department shall distribute
31 annually to each county board a grant for the purpose of providing instruction and
32 services to non- and limited-English proficient students.

33 (2) (i) In fiscal year 1995, the amount of the grant shall be distributed
34 on the basis of the non- and limited-English proficient student count for the school
35 year prior to the fiscal year for which the appropriation is provided.

36 (ii) For fiscal year 1996 through fiscal year 1998, the Governor
37 shall include in the State budget funding for the grant, in an amount at least equal to

1 \$500 times the non- and limited-English proficient student count for the second
2 preceding school year prior to the fiscal year for which the appropriation is provided.

3 (iii) For fiscal year 1999 and every fiscal year thereafter, the
4 Governor shall include in the State budget funding for the grant in an amount at least
5 equal to \$1,350 times the non- and limited-English proficient student count for the
6 second preceding school year prior to the fiscal year for which the appropriation is
7 provided.

8 (3) To be eligible to receive the grants provided under paragraph (2) of
9 this subsection, a county board shall:

10 (i) Have programs for providing instruction and services to non-
11 and limited-English proficient students that are approved by the Department; and

12 (ii) In accordance with Department guidelines, annually evaluate
13 non- and limited-English proficient students in listening, speaking, reading, and
14 writing English to determine eligibility.

15 (4) (i) The Department shall establish guidelines for programs and
16 grant eligibility for non- and limited-English proficient students.

17 (ii) The Department and the State Board shall report annually to
18 the General Assembly, subject to § 2-1246 of the State Government Article, on the
19 assessment process and effectiveness of programs for non- and limited-English
20 proficient students.

21 (5) A county board shall expend the State funds received under this
22 subsection for programs for non- and limited-English proficient students and shall
23 report annually to the Department on the actual expenditures of the State funds
24 received under this section.

25 (d) (1) Each county board shall receive from the State, in the manner and
26 subject to the limitations under this section, an amount for each school year to be
27 known as the "Targeted Improvement Grant", which shall be calculated as provided
28 in this subsection.

29 (2) For each fiscal year, the Targeted Improvement Grant funding level
30 shall be the product of 2.5 percent of the per pupil basic current expense figure for the
31 current fiscal year, rounded to the nearest dollar, and 85 percent of the statewide free
32 and reduced price meal eligible count for the second prior fiscal year.

33 (3) The amount to be provided under this Program to a county in a fiscal
34 year shall be:

35 (i) 1. The product of 85 percent of the free and reduced price
36 meal eligible count for the second prior fiscal year for each county and 2.5 percent of
37 the per pupil basic current expense figure for the current fiscal year rounded to the
38 nearest dollar; divided by

.....

1	(iii)	Baltimore City.....	694,491
2	(iv)	Baltimore County.....	100,759
3	(v)	Calvert County.....	143,029
4	(vi)	Caroline County.....	51,770
5	(vii)	Carroll County.....	14,270
6	(viii)	Cecil County.....	162,011
7	(ix)	Charles County.....	144,439
8	(x)	Dorchester County.....	70,036
9	(xi)	Frederick County.....	180,082
10	(xii)	Garrett County.....	36,312
11	(xiii)	Harford County.....	174,311
12	(xiv)	Howard County.....	72,500
13	(xv)	Kent County.....	55,541
14	(xvi)	Montgomery County.....	313,759
15	(xvii)	Prince George's County.....	336,226
16	(xviii)	Queen Anne's County.....	59,426
17	(xix)	St. Mary's County.....	261,134
18	(xx)	Somerset County.....	39,729
19	(xxi)	Talbot County.....	20,541
20	(xxii)	Washington County.....	103,416
21	(xxiii)	Wicomico County.....	22,541
22	(xxiv)	Worcester County.....	51,656

23 (2) In addition to the funds provided in paragraph (1) of this subsection,
24 a total of \$1,000,000 shall be provided annually to local school systems to address
25 early intervention for targeted 4-year-old populations whose needs are not fully met
26 by the existing extended elementary education programs. The State Superintendent
27 shall release these funds to local school systems based on the submission and
28 approval of comprehensive plans described in subsection (i) of this section. Funds
29 shall be provided as follows:

1	(i)	Allegany	\$ 18,315
2	(ii)	Anne Arundel.....	67,765
3	(iii)	Baltimore City.....	219,779
4	(iv)	Baltimore	62,270
5	(v)	Calvert.....	23,810
6	(vi)	Caroline	16,484
7	(vii)	Carroll	9,158
8	(viii)	Cecil	42,125
9	(ix)	Charles.....	54,945
10	(x)	Dorchester.....	21,978
11	(xi)	Frederick.....	42,125
12	(xii)	Garrett	16,484
13	(xiii)	Harford	40,293
14	(xiv)	Howard.....	12,821
15	(xv)	Kent.....	14,652
16	(xvi)	Montgomery	65,933
17	(xvii)	Prince George's	91,575
18	(xviii)	Queen Anne's	18,315
19	(xix)	St. Mary's.....	45,788
20	(xx)	Somerset	14,652
21	(xxi)	Talbot	14,652
22	(xxii)	Washington.....	31,136
23	(xxiii)	Wicomico.....	40,293
24	(xxiv)	Worcester.....	14,652

25 (g) (1) For fiscal year 1999 and every fiscal year thereafter, the Governor
 26 shall include in each year's operating budget funding for the following grants:

1 (i) Effective schools programs in Prince George's County -
2 \$2,000,000;

3 (ii) Pilot integrated student support services project in Prince
4 George's County - \$1,000,000;

5 (iii) Provisional teacher certification and teacher development
6 initiatives in Prince George's County - \$2,500,000; and

7 (iv) Provisional teacher certification and teacher development
8 initiatives statewide except in Prince George's County - \$500,000.

9 (2) The State Superintendent shall establish guidelines and criteria that
10 will be used to distribute funds provided in this subsection.

11 (3) (i) The Prince George's County Board of Education annually shall
12 submit to the Department a plan for the expenditure of funds provided in:

13 1. Paragraph (1) of this subsection for effective schools
14 programs; and

15 2. Chapter 105 of the Acts of the General Assembly of 1997
16 for the Magnet Schools Program, which, notwithstanding any other provision of law,
17 may be directed to support Magnet and other effective schools programs.

18 (ii) The plan shall include:

19 1. Funds for academic programs to support research-proven
20 strategies that enhance instruction and student performance; and

21 2. Strong monitoring and evaluation components.

22 (iii) The State Superintendent shall review the plan and approve it
23 before releasing the funds each year.

24 (4) (i) (1) There shall be a performance audit of the Prince George's
25 County public schools conducted by an independent audit firm.

26 [(ii)] (2) The Prince George's County Board shall provide the
27 Management Oversight Panel with prior notification of proposed personnel actions
28 related to senior positions and substantial procurement actions, allowing the
29 Management Oversight Panel the opportunity to assess whether the
30 recommendations of the performance audit have been considered.

31 [(iii)] (3) The State Superintendent of Schools shall determine
32 which personnel and procurement actions must be submitted to the Management
33 Oversight Panel as provided by [subparagraph (ii) of this paragraph] PARAGRAPH (2)
34 OF THIS SUBSECTION.

1 [(5)] (B) The fiscal 1998 financial audit of the Prince George's County
2 school system shall be performed by an independent auditor and shall include a
3 review of internal financial controls and proper classification of expenditures.

4 [(6)] (i) (C) (1) There shall be a Management Oversight Panel which
5 shall assist in developing the scope of the performance audit, meet periodically with
6 the auditors to monitor the progress of the performance audit and of the financial
7 audit, review the findings and recommendations of both audits, and monitor
8 implementation of the audits' recommendations [for a five-year period] UNTIL THE
9 STATE SUPERINTENDENT DETERMINES THAT ALL OF THE AUDITS'
10 RECOMMENDATIONS HAVE BEEN ADDRESSED.

11 [(ii)] (2) The Management Oversight Panel shall consist of nine
12 members jointly appointed by the Governor, the Prince George's County Executive,
13 and the Chairperson of the Prince George's County Board of Education from a list of
14 nominations submitted by the State Board of Education.

15 [(iii)] (3) The Management Oversight Panel shall be comprised of:

16 [1.] (I) Four individuals who have extensive expertise in
17 management or business enterprises;

18 [2.] (II) Three individuals who have extensive expertise in
19 the education field; and

20 [3.] (III) Two individuals who are parents of students in the
21 Prince George's County public schools, at least one of whom has a child in special
22 education.

23 [(iv)] (4) A majority of the members of the Management Oversight
24 Panel shall be residents of Prince George's County.

25 [(v)] (5) The Governor, the Prince George's County Executive, and
26 the Chairman of the Prince George's County Board of Education jointly shall
27 designate a Chairman of the Management Oversight Panel.

28 [(vi)] (6) The Management Oversight Panel shall assist in
29 developing the scope of a performance audit and shall meet periodically with the
30 Board Chairperson, the County Executive, and the County Council Chairperson to
31 monitor the progress of the audit.

32 [(vii)] (7) At the conclusion of the performance audit and the
33 financial audit, the Management Oversight Panel shall review the findings and
34 recommendations of the audits and report to the Governor, General Assembly, Prince
35 George's County Council, Prince George's County Executive, and Prince George's
36 County Board of Education:

37 [1.] (I) On the audits' findings and recommendations; and

1 [2.] (II) Annually on implementation of the audits'
2 recommendations.

3 [(viii)] (8) The Management Oversight Panel and the county board
4 shall promulgate and publish a protocol for joint communications with, and requests
5 for, information to the County Board and the County Superintendent and shall notify
6 the Prince George's County Senators and the Prince George's County Delegation, the
7 County Executive, the County Council and the State Superintendent of any breaches
8 of that protocol by the Management Oversight Panel, the County Board, or the
9 County Superintendent.

10 [(ix)] (9) The Management Oversight Panel may meet and
11 deliberate in executive session with the County Board, the County Superintendent,
12 and employees of the County Board to discuss any matter which the Management
13 Oversight Panel and the County Board may separately discuss in executive session.

14 [(x)] (10) The affirmative vote of the members of the Management
15 Oversight Panel for the passage of a motion by the Management Oversight Panel
16 shall be a majority of the members presently authorized to serve.

17 [(7)] (D) The State shall provide one-third of the total cost of the
18 performance audit up to \$200,000, with release of the funds contingent on
19 appointment of the Management Oversight Panel.

20 [(8) (i)] (E) (1) There shall be a coordination office with staff
21 appointed by the Management Oversight Panel.

22 [(ii)] (2) The coordination office shall provide support to the
23 Management Oversight Panel and serve as liaison between the State, Prince George's
24 County, and the Management Oversight Panel [for the duration of the five-year
25 period] UNTIL THE STATE SUPERINTENDENT DETERMINES THAT ALL OF THE
26 AUDITS' RECOMMENDATIONS HAVE BEEN ADDRESSED.

27 [(iii)] (3) The State shall fund the total operating costs of the
28 coordination office UP TO A MAXIMUM OF \$310,000 EACH FISCAL YEAR.

29 [(h) (1)] (1) In this subsection, "new local school board funds" means additional
30 funding provided by the local school boards for elementary, middle, and high school
31 libraries in excess of the fiscal 1998 funding provided by the local school boards for
32 elementary, middle, and high school libraries.

33 (2) For fiscal year 1999 and every fiscal year thereafter, the Governor
34 shall include in each year's operating budget a total of \$3,000,000 in grants to local
35 school systems for the purpose of enhancing elementary, middle, and high school
36 library programs.

37 (3) In order to receive funds under this subsection, each county board
38 shall match the State grant dollar for dollar with new local school board funds.

1 (4) To the extent that a local school board does not provide new local
 2 school board funds to meet the local match required in paragraph (3) of this
 3 subsection, the State grant shall revert to the General Fund.

4 (5) The State Superintendent shall establish guidelines and criteria for
 5 the expenditure of funds under this subsection. In developing guidelines, priority
 6 shall be given to updating library book and other resource collections.

7 (6) For fiscal year 1999 and every fiscal year thereafter, and subject to
 8 the provisions of this subsection, school library grants shall be provided to county
 9 boards as follows:

10	(i)	Allegany	\$ 40,266
11	(ii)	Anne Arundel.....	268,456
12	(iii)	Baltimore City.....	380,390
13	(iv)	Baltimore.....	376,316
14	(v)	Calvert.....	53,740
15	(vi)	Caroline	20,218
16	(vii)	Carroll	98,518
17	(viii)	Cecil	55,039
18	(ix)	Charles.....	78,281
19	(x)	Dorchester.....	18,382
20	(xi)	Frederick.....	125,881
21	(xii)	Garrett	19,170
22	(xiii)	Harford	139,416
23	(xiv)	Howard.....	147,977
24	(xv)	Kent.....	10,197
25	(xvi)	Montgomery	453,584
26	(xvii)	Prince George's	463,151
27	(xviii)	Queen Anne's.....	23,544
28	(xix)	St. Mary's.....	52,289
29	(xx)	Somerset	11,060

.....

1	(xxi)	Talbot	16,384
2	(xxii)	Washington.....	72,645
3	(xxiii)	Wicomico	50,492
4	(xxiv)	Worcester.....	24,604

5 (i) (1) In order to receive any of the funds described in subsections (c)
6 through (g) of this section, a local school system shall submit to the Department and
7 the Department shall have approved a comprehensive plan to increase the
8 performance of at-risk students based on the Department's criteria for measuring
9 student success.

10 (2) Each comprehensive plan shall integrate funding from State, federal,
11 and local programs targeting students at risk of academic failure in order to deliver a
12 more comprehensive and coordinated program.

13 (3) Each comprehensive plan shall include a description of the measures
14 that will be used and the process by which data will be collected and evaluated to
15 measure change in student learning and other educational performance attributable
16 to the school accountability funding for excellence program funds.

17 (4) The State Board shall adopt regulations regarding the information
18 requirements of and the approval process for the comprehensive plans. These
19 regulations shall include detailed time lines for approval of the comprehensive plans
20 by the Department.

21 (5) Each local school system shall submit to the Department semiannual
22 progress reports that include specific data about the nature and extent of changes in
23 student learning for students participating in the school accountability funding for
24 excellence program. The information gathered through the semiannual reporting
25 shall be used to modify and implement student performance strategies. Each progress
26 report submitted under this paragraph shall include an assessment of student
27 performance using the categories required by the Maryland School Performance
28 Program standards.

29 (6) The Department shall report annually to the General Assembly, in
30 accordance with § 2-1246 of the State Government Article, on the local
31 comprehensive plans and the effectiveness of the programs in increasing the
32 performance of at-risk students.

33 (j) (1) Funds appropriated under subsections (c) through (h) of this section
34 may not be used to supplant existing education funding for programs for students at
35 risk of academic failure.

36 (2) To the extent that a local school system achieves the intended
37 funding level in a particular targeted program for at-risk students, the local school
38 system may divert funds to other targeted programs if the programs are identified in
39 the school system's comprehensive plan and approved by the Department.

1 (k) Beginning with the fiscal year 1999 State budget, the Governor shall
 2 include not less than the amount appropriated in fiscal year 1998 for the Aging School
 3 Program, which shall be administered by the Interagency Committee on Public School
 4 Construction. In addition to that amount, the following additional funds shall be
 5 provided annually to county boards as follows:]

6 (F) ~~IN FISCAL YEARS 2003 AND YEAR 2004, THE STATE SHALL DISTRIBUTE~~
 7 ~~GRANTS TO COUNTY BOARDS UNDER THE AGING SCHOOLS PROGRAM ADMINISTERED~~
 8 ~~BY THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION IN THE FOLLOWING~~
 9 ~~AMOUNTS:~~

10	(1)	Allegany County.....	[\$ 205,000]	\$355,000
11	(2)	Anne Arundel County	[330,000]	\$570,000
12	(3)	Baltimore City	[1,515,000]	\$1,635,000
13	(4)	Baltimore County.....	[1,190,000]	\$2,940,000
14	(5)	Calvert County.....	[40,000]	\$65,000
15	(6)	Caroline County.....	[50,000]	\$85,000
16	(7)	Carroll County	[205,000]	\$385,000
17	(8)	Cecil County.....	[205,000]	\$355,000
18	(9)	Charles County	[40,000]	\$65,000
19	(10)	Dorchester County	[40,000]	\$85,000 <u>\$65,000</u>
20	(11)	Frederick County	[50,000]	\$85,000
21	(12)	Garrett County	[50,000]	\$85,000
22	(13)	Harford County.....	[220,000]	\$400,000
23	(14)	Howard County.....	[40,000]	\$65,000
24	(15)	Kent County	[40,000]	\$65,000
25	(16)	Montgomery County.....	[660,000]	\$1,170,000
26	(17)	Prince George's County.....	[550,000]	\$970,000
27	(18)	Queen Anne's County.....	[50,000]	\$85,000
28	(19)	St. Mary's County	[50,000]	\$85,000
29	(20)	Somerset County.....	[40,000]	\$65,000
30	(21)	Talbot County.....	[95,000]	\$155,000

1	(22)	Washington County	[110,000]	\$200,000
2	(23)	Wicomico County	[205,000]	\$355,000
3	(24)	Worcester County	[40,000]	\$65,000

4 (G) ~~IN FISCAL YEAR 2003~~ EACH OF FISCAL YEARS 2004 THROUGH 2007, THE
5 STATE SHALL DISTRIBUTE A GRANT TO EACH COUNTY BOARD THAT IS EQUAL TO ~~75%~~
6 ~~OF THE AMOUNT RECEIVED BY THE COUNTY BOARD IN FISCAL YEAR 2002 FOR THE~~
7 EXTENDED ELEMENTARY EDUCATION PROGRAM.

8 [5-206.1.

9 (a) It is the intent of this section to provide competitive grants to encourage
10 county boards to expand and develop mentoring programs.

11 (b) Subject to the appropriation of funds in the annual State budget, the State
12 Superintendent annually shall distribute in accordance with the criteria specified in
13 subsection (c) of this section competitive grants to county boards for expansion of
14 mentor programs.

15 (c) (1) A county board applying for a grant under this section shall submit a
16 plan for funding to the State Superintendent.

17 (2) The State Superintendent shall give priority to plans targeting funds
18 to schools in which 40% of the students receive free or reduced price meals.

19 (3) In addition to the criteria in paragraph (2) of this subsection, the
20 State Superintendent shall give priority to plans targeting funds to schools in which:

21 (i) 50% or more of the teachers have 5 years or less of teaching
22 experience; or

23 (ii) Student achievement scores on local, State, and national
24 assessments are at or below a satisfactory level.

25 (d) The total grants distributed under this section for any fiscal year may not
26 exceed \$5,000,000.]

27 [5-207.

28 (a) In this section, "student living in poverty" means a student who qualifies
29 for a free or reduced price lunch.

30 (b) The targeted poverty grants shall be distributed as follows:

31 (1) County boards shall submit to the State Board comprehensive plans
32 for specific schools to improve educational achievement for students living in poverty.

33 (2) Upon approval by the State Board of a county's plans under
34 paragraph (1) of this subsection, a county board shall receive a share of the funds

1 available for targeted poverty grants that is proportional to its share of the statewide
2 number of students living in poverty for the school year prior to the fiscal year for
3 which the appropriation is provided.

4 (3) Grants to individual schools may not exceed \$1,500 for each student
5 living in poverty attending the school receiving the grant.

6 (4) In selecting the schools, the county board shall give priority to schools
7 with the highest concentration of students living in poverty.

8 (c) Grants made under this appropriation may not be used to supplant
9 existing funding for compensatory education programs, as defined in § 5-202(e) of
10 this subtitle.

11 (d) For fiscal year 1996 and each fiscal year thereafter, the Governor shall
12 include in the State budget at least \$8,000,000 for targeted poverty grants under this
13 subsection.]

14 5-207.

15 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
16 INDICATED.

17 (2) "AGGREGATE STATE FUNDING LEVEL FOR THE COMPENSATORY
18 EDUCATION FORMULA" MEANS THE PRODUCT OF THE COMPENSATORY EDUCATION
19 PER PUPIL AMOUNT AND THE STATEWIDE COMPENSATORY EDUCATION
20 ENROLLMENT COUNT.

21 (3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
22 PARAGRAPH, "COMPENSATORY EDUCATION ENROLLMENT COUNT" MEANS THE
23 NUMBER OF STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE MEALS WHO WERE
24 ENROLLED ON OCTOBER 31 OF THE SECOND FOR THE PRIOR FISCAL YEAR.

25 (II) FOR FISCAL YEAR 2004, "COMPENSATORY EDUCATION
26 ENROLLMENT COUNT" MEANS THE GREATER OF:

27 1. THE NUMBER OF STUDENTS ELIGIBLE FOR FREE OR
28 REDUCED PRICE MEALS FOR THE PRIOR FISCAL YEAR; OR

29 2. THE NUMBER OF STUDENTS ELIGIBLE FOR FREE OR
30 REDUCED PRICE MEALS FOR THE SECOND PRIOR FISCAL YEAR.

31 (4) "COMPENSATORY EDUCATION PER PUPIL AMOUNT" MEANS 97% OF
32 THE ANNUAL PER PUPIL FOUNDATION AMOUNT CALCULATED UNDER § 5-202 OF
33 THIS SUBTITLE MULTIPLIED BY THE STATE SHARE OF COMPENSATORY EDUCATION
34 FUNDING.

35 (5) "ELIGIBLE FOR FREE OR REDUCED PRICE MEALS" MEANS ELIGIBLE
36 FOR FREE OR REDUCED PRICE MEALS BASED ON ELIGIBILITY REQUIREMENTS
37 ESTABLISHED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE.

1 (6) "FULL-TIME EQUIVALENT ENROLLMENT" HAS THE MEANING
2 STATED IN § 5-202 OF THIS SUBTITLE.

3 (7) "LOCAL WEALTH PER PUPIL" MEANS A COUNTY'S WEALTH DIVIDED
4 BY THE COUNTY'S FULL-TIME EQUIVALENT ENROLLMENT.

5 (8) "STATE SHARE OF COMPENSATORY EDUCATION FUNDING" MEANS:

6 (I) ~~0.33~~ 0.29 IN FISCAL YEAR ~~2003~~ 2004;

7 (II) ~~0.35~~ 0.37 IN FISCAL YEAR ~~2004~~ 2005;

8 (III) ~~0.40~~ 0.41 IN FISCAL YEAR ~~2005~~ 2006;

9 (IV) ~~0.45~~ 0.46 IN FISCAL YEAR ~~2006~~ 2007; AND

10 (V) 0.50 IN FISCAL YEAR ~~2007~~ 2008 AND EACH FISCAL YEAR
11 THEREAFTER.

12 (9) "STATEWIDE WEALTH PER PUPIL" MEANS THE SUM OF THE WEALTH
13 OF ALL COUNTIES DIVIDED BY THE STATEWIDE FULL-TIME EQUIVALENT
14 ENROLLMENT.

15 (10) "WEALTH" HAS THE MEANING STATED IN § 5-202 OF THIS SUBTITLE.

16 (B) EACH YEAR THE STATE SHALL DISTRIBUTE COMPENSATORY EDUCATION
17 GRANTS TO COUNTY BOARDS.

18 (C) (1) THE AMOUNT OF THE COMPENSATORY EDUCATION GRANT
19 DISTRIBUTED TO A COUNTY BOARD SHALL BE CALCULATED AS PROVIDED IN THIS
20 SUBSECTION.

21 (2) FOR EACH COUNTY, MULTIPLY THE COMPENSATORY EDUCATION
22 PER PUPIL AMOUNT BY THE COUNTY'S COMPENSATORY EDUCATION ENROLLMENT
23 COUNT.

24 (3) FOR EACH COUNTY, DIVIDE THE RESULT CALCULATED UNDER
25 PARAGRAPH (2) OF THIS SUBSECTION BY THE RATIO, ROUNDED TO SEVEN DECIMAL
26 PLACES, OF LOCAL WEALTH PER PUPIL TO STATEWIDE WEALTH PER PUPIL.

27 (4) FOR EACH COUNTY, MULTIPLY THE RESULT CALCULATED UNDER
28 PARAGRAPH (3) OF THIS SUBSECTION FOR THE COUNTY BY THE RESULT, ROUNDED
29 TO SEVEN DECIMAL PLACES, THAT RESULTS FROM DIVIDING THE AGGREGATE
30 STATE FUNDING LEVEL FOR THE COMPENSATORY EDUCATION FORMULA BY THE
31 SUM OF ALL OF THE RESULTS CALCULATED UNDER PARAGRAPH (3) OF THIS
32 SUBSECTION FOR ALL COUNTIES.

33 (D) (1) IF THE AMOUNT CALCULATED UNDER SUBSECTION (C)(4) OF THIS
34 SECTION FOR ANY COUNTY IS LESS THAN THE MINIMUM COMPENSATORY
35 EDUCATION GRANT AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS
36 SUBSECTION, THE STATE SHALL DISTRIBUTE AN ADDITIONAL GRANT TO THE

1 COUNTY IN THE AMOUNT BY WHICH THE MINIMUM COMPENSATORY EDUCATION
2 GRANT AMOUNT EXCEEDS THE RESULT CALCULATED UNDER SUBSECTION (C)(4) OF
3 THIS SECTION.

4 (2) FOR PURPOSES OF PARAGRAPH (1) OF THIS SUBSECTION, THE
5 MINIMUM COMPENSATORY EDUCATION GRANT AMOUNT FOR EACH COUNTY IS THE
6 RESULT OBTAINED BY MULTIPLYING THE COMPENSATORY EDUCATION PER PUPIL
7 AMOUNT BY THE COUNTY'S COMPENSATORY EDUCATION ENROLLMENT COUNT, AND
8 MULTIPLYING THIS PRODUCT BY:

9 (I) 0.50 FOR FISCAL YEAR 2004;

10 (II) 0.66 FOR FISCAL YEAR 2005;

11 (III) 0.70 FOR FISCAL YEAR 2006;

12 (IV) 0.76 FOR FISCAL YEAR 2007; AND

13 (V) 0.80 FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR

14 THEREAFTER.

15 5-208.

16 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
17 INDICATED.

18 (2) "AGGREGATE STATE FUNDING FOR THE LEP FORMULA" MEANS THE
19 PRODUCT OF THE LEP PER PUPIL AMOUNT AND THE STATEWIDE LEP ENROLLMENT
20 COUNT.

21 (3) "FULL-TIME EQUIVALENT ENROLLMENT" HAS THE MEANING
22 STATED IN § 5-202 OF THIS SUBTITLE.

23 (4) "LEP" MEANS LIMITED ENGLISH PROFICIENCY.

24 (5) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
25 PARAGRAPH, "LEP ENROLLMENT COUNT" MEANS THE NUMBER OF STUDENTS WITH
26 LIMITED ENGLISH PROFICIENCY WHO WERE ENROLLED ON MAY 15 OF THE SECOND
27 FOR THE PRIOR FISCAL YEAR.

28 (II) FOR FISCAL YEAR 2004, "LEP ENROLLMENT COUNT" MEANS THE
29 GREATER OF:

30 1. THE NUMBER OF STUDENTS WITH LIMITED ENGLISH
31 PROFICIENCY FOR THE PRIOR FISCAL YEAR; OR

32 2. THE NUMBER OF STUDENTS WITH LIMITED ENGLISH
33 PROFICIENCY FOR THE SECOND PRIOR FISCAL YEAR.

1 (6) "LEP PER PUPIL AMOUNT" MEANS 99% OF THE ANNUAL PER PUPIL
 2 FOUNDATION AMOUNT CALCULATED UNDER § 5-202 OF THIS SUBTITLE MULTIPLIED
 3 BY THE STATE SHARE OF LEP FUNDING.

4 (7) "LIMITED ENGLISH PROFICIENCY" MEANS NON-ENGLISH OR
 5 LIMITED ENGLISH PROFICIENCY UNDER THE REPORTING REQUIREMENTS
 6 ESTABLISHED BY THE DEPARTMENT FOR THE MARYLAND SCHOOL PERFORMANCE
 7 PROGRAM.

8 (8) "LOCAL WEALTH PER PUPIL" MEANS A COUNTY'S WEALTH DIVIDED
 9 BY THE COUNTY'S FULL-TIME EQUIVALENT ENROLLMENT.

10 (9) "STATE SHARE OF LEP FUNDING" MEANS:

11 (I) ~~0.33~~ 0.29 IN FISCAL YEAR ~~2003~~ 2004;

12 (II) ~~0.35~~ 0.37 IN FISCAL YEAR ~~2004~~ 2005;

13 (III) ~~0.40~~ 0.41 IN FISCAL YEAR ~~2005~~ 2006;

14 (IV) ~~0.45~~ 0.46 IN FISCAL YEAR ~~2006~~ 2007; AND

15 (V) 0.50 IN FISCAL YEAR ~~2007~~ 2008 AND EACH FISCAL YEAR
 16 THEREAFTER.

17 (10) "STATEWIDE WEALTH PER PUPIL" MEANS THE SUM OF THE WEALTH
 18 OF ALL COUNTIES DIVIDED BY THE STATEWIDE FULL-TIME EQUIVALENT
 19 ENROLLMENT.

20 ~~(11) "TIER I LEP FUNDING" MEANS THE PRODUCT OF \$1,350 AND THE~~
 21 ~~STATEWIDE LEP ENROLLMENT COUNT.~~

22 (11) "TIER I LEP FUNDING" MEANS:

23 (I) FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR THEREAFTER,
 24 \$0; AND

25 (II) FOR FISCAL YEARS 2004 THROUGH 2007, THE RESULT
 26 OBTAINED BY MULTIPLYING \$1,350 BY THE STATEWIDE LEP ENROLLMENT COUNT,
 27 AND MULTIPLYING THIS PRODUCT BY:

28 1. 1.0 FOR FISCAL YEAR 2004;

29 2. 0.75 FOR FISCAL YEAR 2005;

30 3. 0.50 FOR FISCAL YEAR 2006; AND

31 4. 0.25 FOR FISCAL YEAR 2007.

32 (12) "TIER II LEP FUNDING" MEANS THE DIFFERENCE BETWEEN
 33 AGGREGATE STATE FUNDING FOR THE LEP FORMULA AND TIER I LEP FUNDING.

1 (13) "TIER II LEP PER PUPIL AMOUNT" MEANS THE RESULT OBTAINED BY
2 DIVIDING TIER II LEP FUNDING BY THE STATEWIDE LEP ENROLLMENT COUNT.

3 (14) "WEALTH" HAS THE MEANING STATED IN § 5-202 OF THIS SUBTITLE.

4 (B) (1) ~~EACH YEAR FOR FISCAL YEARS 2004 THROUGH 2007~~, THE STATE
5 SHALL DISTRIBUTE TIER I LEP GRANTS AND TIER II LEP GRANTS TO COUNTY
6 BOARDS.

7 (2) FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR THEREAFTER, THE
8 STATE SHALL DISTRIBUTE TIER II LEP GRANTS TO COUNTY BOARDS.

9 (C) (1) FOR FISCAL YEARS 2004 THROUGH 2007, THE AMOUNT OF THE TIER I
10 LEP GRANT DISTRIBUTED TO A COUNTY BOARD SHALL BE EQUAL TO THE ~~PRODUCT~~
11 ~~OF RESULT OBTAINED BY MULTIPLYING \$1,350 AND BY THE COUNTY'S LEP~~
12 ENROLLMENT COUNT, AND MULTIPLYING THIS PRODUCT BY:

13 (I) 1.0 FOR FISCAL YEAR 2004;

14 (II) 0.75 FOR FISCAL YEAR 2005;

15 (III) 0.50 FOR FISCAL YEAR 2006; AND

16 (IV) 0.25 FOR FISCAL YEAR 2007.

17 (2) FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR THEREAFTER, THE
18 STATE MAY NOT MAKE TIER I LEP GRANTS TO COUNTY BOARDS.

19 (D) (1) THE AMOUNT OF THE TIER II LEP GRANT DISTRIBUTED TO A COUNTY
20 BOARD SHALL BE CALCULATED AS PROVIDED IN THIS SUBSECTION.

21 (2) FOR EACH COUNTY, MULTIPLY THE COUNTY'S LEP ENROLLMENT
22 COUNT BY THE TIER II LEP PER PUPIL AMOUNT.

23 (3) FOR EACH COUNTY, DIVIDE THE RESULT CALCULATED UNDER
24 PARAGRAPH (2) OF THIS SUBSECTION BY THE RATIO, ROUNDED TO SEVEN DECIMAL
25 PLACES, OF LOCAL WEALTH PER PUPIL TO STATEWIDE WEALTH PER PUPIL.

26 (4) FOR EACH COUNTY, MULTIPLY THE RESULT CALCULATED UNDER
27 PARAGRAPH (3) OF THIS SUBSECTION FOR THE COUNTY BY THE RESULT, ROUNDED
28 TO SEVEN DECIMAL PLACES, THAT RESULTS FROM DIVIDING TIER II LEP FUNDING
29 BY THE SUM OF ALL OF THE RESULTS CALCULATED UNDER PARAGRAPH (3) OF THIS
30 SUBSECTION FOR ALL COUNTIES.

31 (E) (1) IF THE AMOUNT CALCULATED UNDER SUBSECTION (D)(4) OF THIS
32 SECTION FOR ANY COUNTY IS LESS THAN THE MINIMUM TIER II LEP GRANT AMOUNT
33 DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE STATE SHALL
34 DISTRIBUTE AN ADDITIONAL GRANT TO THE COUNTY IN THE AMOUNT BY WHICH
35 THE MINIMUM TIER II LEP GRANT AMOUNT EXCEEDS THE RESULT CALCULATED
36 UNDER SUBSECTION (D)(4) OF THIS SECTION.

1 (2) FOR PURPOSES OF PARAGRAPH (1) OF THIS SUBSECTION, THE
 2 MINIMUM TIER II LEP GRANT AMOUNT FOR EACH COUNTY IS THE RESULT OBTAINED
 3 BY MULTIPLYING THE TIER II LEP PER PUPIL AMOUNT BY THE COUNTY'S LEP
 4 ENROLLMENT COUNT, AND MULTIPLYING THIS PRODUCT BY:

5 (I) 0.50 FOR FISCAL YEAR 2004;

6 (II) 0.66 FOR FISCAL YEAR 2005;

7 (III) 0.70 FOR FISCAL YEAR 2006;

8 (IV) 0.76 FOR FISCAL YEAR 2007; AND

9 (V) 0.80 FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR
 10 THEREAFTER.

11 5-209.

12 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 13 INDICATED.

14 (2) "AGGREGATE STATE FUNDING FOR THE SPECIAL EDUCATION
 15 FORMULA" MEANS THE PRODUCT OF THE SPECIAL EDUCATION PER PUPIL AMOUNT
 16 AND THE STATEWIDE SPECIAL EDUCATION ENROLLMENT COUNT.

17 (3) "FULL-TIME EQUIVALENT ENROLLMENT" HAS THE MEANING
 18 STATED IN § 5-202 OF THIS SUBTITLE.

19 (4) "LOCAL WEALTH PER PUPIL" MEANS A COUNTY'S WEALTH DIVIDED
 20 BY THE COUNTY'S FULL-TIME EQUIVALENT ENROLLMENT.

21 (5) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
 22 PARAGRAPH, "SPECIAL EDUCATION ENROLLMENT COUNT" MEANS THE NUMBER OF
 23 SPECIAL EDUCATION STUDENTS WHO WERE ENROLLED ON DECEMBER 1 OF THE
 24 SECOND FOR THE PRIOR FISCAL YEAR IN A PUBLIC SCHOOL OPERATED BY A COUNTY
 25 BOARD OTHER THAN THOSE STUDENTS WHO ARE ENROLLED IN OR ATTEND:

26 ⊕ 1. THE MARYLAND SCHOOL FOR THE BLIND;

27 ⊕ 2. THE MARYLAND SCHOOL FOR THE DEAF; OR

28 ⊕ 3. AN EDUCATIONAL PROGRAM OPERATED BY THE STATE.

29 (II) FOR FISCAL YEAR 2004, "SPECIAL EDUCATION ENROLLMENT
 30 COUNT" MEANS THE GREATER OF:

31 1. THE NUMBER OF SPECIAL EDUCATION STUDENTS FOR
 32 THE PRIOR FISCAL YEAR; OR

33 2. THE NUMBER OF SPECIAL EDUCATION STUDENTS FOR
 34 THE SECOND PRIOR FISCAL YEAR.

1 (6) "SPECIAL EDUCATION STUDENT" MEANS A STUDENT REQUIRING
2 SPECIAL EDUCATION SERVICES AS DEFINED IN THE FEDERAL INDIVIDUALS WITH
3 DISABILITIES EDUCATION ACT.

4 (7) "SPECIAL EDUCATION PER PUPIL AMOUNT" MEANS 74% OF THE
5 ANNUAL PER PUPIL FOUNDATION AMOUNT CALCULATED UNDER § 5-202 OF THIS
6 SUBTITLE MULTIPLIED BY THE STATE SHARE OF SPECIAL EDUCATION FUNDING.

7 (8) "STATE SHARE OF SPECIAL EDUCATION FUNDING" MEANS:

8 (I) ~~0.25~~ 0.29 IN FISCAL YEAR ~~2003~~ 2004;

9 (II) ~~0.35~~ 0.37 IN FISCAL YEAR ~~2004~~ 2005;

10 (III) ~~0.40~~ 0.41 IN FISCAL YEAR ~~2005~~ 2006;

11 (IV) ~~0.45~~ 0.46 IN FISCAL YEAR ~~2006~~ 2007; AND

12 (V) 0.50 IN FISCAL YEAR ~~2007~~ 2008 AND EACH FISCAL YEAR
13 THEREAFTER.

14 (9) "STATEWIDE WEALTH PER PUPIL" MEANS THE SUM OF THE WEALTH
15 OF ALL COUNTIES DIVIDED BY THE STATEWIDE FULL-TIME EQUIVALENT
16 ENROLLMENT.

17 (10) "TIER I SPECIAL EDUCATION FUNDING" MEANS THE FUNDS THAT
18 ARE DISTRIBUTED UNDER § 8-414 OF THIS ARTICLE.

19 (11) "TIER II SPECIAL EDUCATION FUNDING" MEANS THE DIFFERENCE
20 BETWEEN THE AGGREGATE STATE FUNDING FOR THE SPECIAL EDUCATION
21 FORMULA AND TIER I SPECIAL EDUCATION FUNDING.

22 (12) "TIER II SPECIAL EDUCATION PER PUPIL AMOUNT" MEANS THE
23 RESULT OBTAINED BY DIVIDING THE TIER II SPECIAL EDUCATION FUNDING BY THE
24 STATEWIDE SPECIAL EDUCATION ENROLLMENT COUNT.

25 (13) "WEALTH" HAS THE MEANING STATED IN § 5-202 OF THIS SUBTITLE.

26 (B) EACH YEAR THE STATE SHALL DISTRIBUTE TIER II SPECIAL EDUCATION
27 GRANTS TO COUNTY BOARDS.

28 (C) (1) THE AMOUNT OF THE TIER II SPECIAL EDUCATION GRANT
29 DISTRIBUTED TO A COUNTY BOARD SHALL BE CALCULATED AS PROVIDED IN THIS
30 SUBSECTION.

31 (2) FOR EACH COUNTY, MULTIPLY THE COUNTY'S SPECIAL EDUCATION
32 ENROLLMENT COUNT BY THE TIER II SPECIAL EDUCATION PER PUPIL AMOUNT.

33 (3) FOR EACH COUNTY, DIVIDE THE RESULT CALCULATED UNDER
34 PARAGRAPH (2) OF THIS SUBSECTION BY THE RATIO, ROUNDED TO SEVEN DECIMAL
35 PLACES, OF LOCAL WEALTH PER PUPIL TO STATEWIDE WEALTH PER PUPIL.

1 (4) FOR EACH COUNTY, MULTIPLY THE RESULT CALCULATED UNDER
2 PARAGRAPH (3) OF THIS SUBSECTION BY THE RESULT, ROUNDED TO SEVEN DECIMAL
3 PLACES, THAT RESULTS FROM DIVIDING TIER II SPECIAL EDUCATION FUNDING BY
4 THE SUM OF ALL OF THE RESULTS CALCULATED UNDER PARAGRAPH (3) OF THIS
5 SUBSECTION FOR ALL COUNTIES.

6 (D) (1) IF THE AMOUNT CALCULATED UNDER SUBSECTION (C)(4) OF THIS
7 SECTION FOR ANY COUNTY IS LESS THAN THE MINIMUM TIER II SPECIAL EDUCATION
8 GRANT AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE
9 STATE SHALL DISTRIBUTE AN ADDITIONAL GRANT TO THE COUNTY IN THE AMOUNT
10 BY WHICH THE MINIMUM TIER II SPECIAL EDUCATION GRANT AMOUNT EXCEEDS
11 THE RESULT CALCULATED UNDER SUBSECTION (C)(4) OF THIS SECTION.

12 (2) FOR PURPOSES OF PARAGRAPH (1) OF THIS SUBSECTION, THE
13 MINIMUM TIER II SPECIAL EDUCATION GRANT AMOUNT FOR EACH COUNTY IS THE
14 RESULT OBTAINED BY MULTIPLYING THE TIER II SPECIAL EDUCATION PER PUPIL
15 AMOUNT BY THE COUNTY'S COMPENSATORY EDUCATION ENROLLMENT COUNT, AND
16 MULTIPLYING THIS PRODUCT BY:

17 (I) 0.50 FOR FISCAL YEAR 2004;

18 (II) 0.66 FOR FISCAL YEAR 2005;

19 (III) 0.70 FOR FISCAL YEAR 2006;

20 (IV) 0.76 FOR FISCAL YEAR 2007; AND

21 (V) 0.80 FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR

22 THEREAFTER.

23 5-210.

24 (A) (1) IN THIS SECTION THE FOLLOWING TERMS HAVE THE MEANINGS
25 INDICATED.

26 (2) "ADDITIONAL EDUCATION APPROPRIATION" MEANS THE
27 DIFFERENCE BETWEEN A COUNTY'S EDUCATION APPROPRIATION FOR THE PRIOR
28 FISCAL YEAR AND THE COUNTY'S LOCAL SHARE OF THE FOUNDATION PROGRAM
29 CALCULATED UNDER § 5-202 OF THIS SUBTITLE.

30 (3) "ADDITIONAL EDUCATION EFFORT" MEANS A COUNTY'S ADDITIONAL
31 EDUCATION APPROPRIATION DIVIDED BY THE COUNTY'S WEALTH, ROUNDED TO
32 SEVEN DECIMAL PLACES.

33 (4) "FULL-TIME EQUIVALENT ENROLLMENT" HAS THE MEANING
34 STATED IN § 5-202 OF THIS SUBTITLE.

35 (5) "GUARANTEED WEALTH PER PUPIL" MEANS 80% OF THE STATEWIDE
36 WEALTH PER PUPIL.

1 (6) "GUARANTEED TAX BASE PROGRAM PER PUPIL AMOUNT" MEANS
2 THE LESSER OF:

3 (I) 20% OF THE ANNUAL PER PUPIL FOUNDATION AMOUNT
4 CALCULATED UNDER § 5-202 OF THIS SUBTITLE; AND

5 (II) THE PRODUCT OF A COUNTY'S ADDITIONAL EDUCATION
6 EFFORT AND THE DIFFERENCE BETWEEN GUARANTEED WEALTH PER PUPIL AND
7 LOCAL WEALTH PER PUPIL.

8 (7) "LOCAL WEALTH PER PUPIL" MEANS A COUNTY'S WEALTH DIVIDED
9 BY THE COUNTY'S FULL-TIME EQUIVALENT ENROLLMENT.

10 (8) "STATEWIDE WEALTH PER PUPIL" MEANS THE SUM OF THE WEALTH
11 OF ALL COUNTIES DIVIDED BY THE STATEWIDE FULL-TIME EQUIVALENT
12 ENROLLMENT.

13 (9) "WEALTH" HAS THE MEANING STATED IN § 5-202 OF THIS SUBTITLE.

14 (B) ~~EACH YEAR FOR FISCAL YEAR 2005 AND EACH FISCAL YEAR THEREAFTER,~~
15 THE STATE SHALL DISTRIBUTE GUARANTEED TAX BASE GRANTS TO COUNTY BOARDS
16 AS PROVIDED IN THIS SECTION.

17 (C) A COUNTY BOARD IS ELIGIBLE TO RECEIVE A GUARANTEED TAX BASE
18 GRANT IF THE COUNTY'S:

19 (1) ADDITIONAL EDUCATION EFFORT IS GREATER THAN ZERO; AND

20 (2) LOCAL WEALTH PER PUPIL IS LESS THAN THE GUARANTEED
21 WEALTH PER PUPIL.

22 (D) THE AMOUNT OF THE GUARANTEED TAX BASE GRANT SHALL BE EQUAL
23 TO THE PRODUCT OF THE COUNTY'S GUARANTEED TAX BASE PROGRAM PER PUPIL
24 AMOUNT AND THE COUNTY'S FULL-TIME EQUIVALENT ENROLLMENT MULTIPLIED
25 BY:

26 ~~(1) 0.20 IN FISCAL YEAR 2003;~~

27 ~~(2) (1) 0.40~~ 0.25 IN FISCAL YEAR ~~2004~~ 2005;

28 ~~(3) (2) 0.60~~ 0.50 IN FISCAL YEAR ~~2005~~ 2006;

29 ~~(4) (3) 0.80~~ 0.75 IN FISCAL YEAR ~~2006~~ 2007; AND

30 ~~(5) (4) 1.00 IN FISCAL YEAR 2007~~ 2008 AND EACH FISCAL YEAR
31 THEREAFTER.

32 [5-209.] 5-212.

33 (a) Ten days before the end of July, September, November, January, March,
34 and May, the State Superintendent shall certify to the State Comptroller the amount

1 due at the end of each of these months to each county board for the annual State
2 share of:

3 (1) [Basic current expenses as provided] FUNDING FOR THE
4 FOUNDATION PROGRAM under § 5-202 of this subtitle;

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

7 (3) FUNDING FOR COMPENSATORY EDUCATION UNDER § 5-207 OF THIS
8 SUBTITLE;

9 (4) FUNDING FOR STUDENTS WITH LIMITED ENGLISH PROFICIENCY
10 UNDER § 5-208 OF THIS SUBTITLE;

11 (5) FUNDING FOR SPECIAL EDUCATION STUDENTS UNDER § 5-209 OF
12 THIS SUBTITLE;

13 (6) FUNDING FOR THE GUARANTEED TAX BASE PROGRAM UNDER §5-210
14 OF THIS SUBTITLE; AND

15 (7) Any money provided in the Department's budget for special education
16 services under § 8-414 of this article.

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

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

21 (d) On receipt of the warrant of the State Comptroller, the State Treasurer
22 immediately shall pay the amount due to [Baltimore City and] the treasurer of each
23 county board.

24 [5-212.

25 (a) (1) In this section the following terms have the meanings indicated.

26 (2) "FTE teacher amount" means for each local education agency, the
27 greater of:

28 (i) 130% of the standard salary for a 10-month, first-year teacher
29 with a bachelor's degree in the year preceding the year for which funds are provided
30 in that local education agency; or

31 (ii) \$39,000.

32 (3) "Reading factor" means the total enrollment in first grade and second
33 grade on September 30 of the previous fiscal year.

1 (4) "Professional development, materials, and facilities component"
2 means an amount intended to cover costs associated with class size reduction
3 expenses other than personnel costs.

4 (b) There is a Maryland Learning Success Program.

5 (c) The purpose of the Maryland Learning Success Program is to provide
6 grants that will assist local education agencies to reduce class sizes for reading
7 instruction in the first and second grades.

8 (d) (1) The maximum Maryland Learning Success Program grant to each
9 local education agency shall consist of:

10 (i) A reading component; and

11 (ii) For fiscal years 2001, 2002, and 2003 only, a professional
12 development, materials, and facilities component.

13 (2) For fiscal year 2003 and each subsequent fiscal year, the amount of
14 the maximum Maryland Learning Success Program grant shall be reduced 5 percent
15 for each 1 percent by which the percentage of total teachers in the local education
16 agency who are provisionally certified exceeds 2 percent as of December 1 of the
17 previous fiscal year.

18 (3) The reading component shall be calculated as follows:

19 (i) For fiscal year 2001, by dividing the reading factor for the local
20 education agency by 750 and multiplying the result by the FTE teacher amount for
21 the local education agency;

22 (ii) For fiscal year 2002, by dividing the reading factor for the local
23 education agency by 375 and multiplying the result by the FTE teacher amount for
24 the local education agency;

25 (iii) For fiscal year 2003, by dividing the reading factor for the local
26 education agency by 250 and multiplying the result by the FTE teacher amount for
27 the local education agency;

28 (iv) For fiscal year 2004, by dividing the reading factor for the local
29 education agency by 185 and multiplying the result by the FTE teacher amount for
30 the local education agency; and

31 (v) For fiscal year 2005 and each succeeding fiscal year, by dividing
32 the reading factor for the local education agency by 150 and multiplying the result by
33 the FTE teacher amount for the local education agency.

34 (4) (i) The professional development, materials, and facilities
35 component for each local education agency shall be determined each year by the State
36 Superintendent.

1 (ii) The total of the professional development, materials, and
2 facilities components may not exceed \$3,000,000 in any fiscal year.

3 (e) (1) On or before October 1, 1999, each local education agency shall
4 submit a Maryland Learning Success Program plan to the State Superintendent.

5 (2) The plan shall describe the local education agency's intended use of
6 funding from Maryland Learning Success Program grants, federal class size
7 reduction initiative grants provided in Public Law 105-277, and any other federal
8 funds provided specifically for the purpose of adding teachers.

9 (3) The plan shall specify the use of funds for:

10 (i) Class size reduction for reading instruction in the first and
11 second grades to a ratio no greater than 20 students per one teacher;

12 (ii) Professional development for new or existing teachers to
13 maximize the educational results of reduced class sizes;

14 (iii) Supplies and materials related to changes in curriculum and
15 instructional methods implemented to maximize the educational results of reduced
16 class sizes;

17 (iv) Reconfigurations and other minor alterations in facilities
18 required to maximize the educational results of reduced class sizes; or

19 (v) Other expenses directly related to items (i) through (iv) of this
20 paragraph.

21 (4) The plan shall specify how the funding shall be initially targeted
22 toward higher-risk schools and schools that serve disadvantaged populations.

23 (5) The plan shall specify performance indicators that shall be used to
24 evaluate the success of the local education agency's class size reduction programs.

25 (6) The plan shall include a statement of any funding increases provided
26 from local sources since fiscal year 1995 which can be documented to have been
27 provided specifically for the purposes described in paragraph (3) of this subsection.

28 (7) In local education agencies where the number of provisionally
29 certified teachers exceeds 2 percent of the total number of teachers, the plan shall
30 provide a detailed strategy for reducing the number of provisionally certified teachers
31 to no more than 2 percent of the total number of teachers.

32 (8) The plan shall include any other information required by guidelines
33 or regulations issued by the State Board.

34 (9) The plan shall be in a form and format specified by the State
35 Superintendent.

1 (f) Except as provided in paragraph (5) of this subsection, in fiscal year 2001
2 and each succeeding fiscal year, the State Superintendent shall evaluate each plan
3 and the local education agency's progress in achieving the goals of this section and
4 award to each local education agency a grant that does not exceed the maximum
5 Maryland Learning Success Program grant. The State Superintendent may grant an
6 award which is less than the maximum Maryland Learning Success Program grant:

7 (1) If the local education agency's Maryland Learning Success Program
8 plan does not require the full amount of the maximum Maryland Learning Success
9 Program grant;

10 (2) If in the judgment of the State Superintendent, the local education
11 agency's Maryland Learning Success Program plan will not effectively maximize the
12 educational results of reduced class sizes;

13 (3) If in the State Superintendent's judgment, the local education
14 agency's implementation of the Maryland Learning Success Program grants, federal
15 class size reduction initiative grants provided under Public Law 105-277, and any
16 other federal funds provided specifically for the purpose of adding teachers has not
17 been expended efficiently, effectively, and in accordance with the local education
18 agency's Maryland Learning Success Program plan;

19 (4) If the local education agency's Maryland Learning Success Program
20 plan or Maryland Learning Success Program report do not meet the criteria set forth
21 in this section and in any guidelines or regulations established pursuant to this
22 section; or

23 (5) For fiscal years 2001 and 2002, in local education agencies where the
24 number of provisionally certified teachers exceeds 2 percent of the total number of
25 teachers, if, in the judgment of the State Superintendent, the plan does not provide an
26 effective strategy for reducing the number of provisionally certified teachers to 2
27 percent of the total number of teachers.

28 (g) Notwithstanding the provisions of subsection (d)(2) of this section, the
29 State Superintendent may annually waive or modify the grant reduction penalty in
30 subsection (d)(2) of this section, if the local education agency has demonstrated in
31 writing that it has made:

32 (1) Substantial efforts towards reducing the number of provisionally
33 certified teachers;

34 (2) Significant attempts to recruit and hire certified teachers;

35 (3) Significant attempts to assist provisionally certified teachers in
36 becoming certified in this State; and

37 (4) Significant attempts to rehire retired certified teachers.

1 (h) The Board shall measure substantial efforts based on the change in the
2 number of provisionally certified teachers from the actual number of provisionally
3 certified teachers employed as of December 1, 1999.

4 (i) No local education agency may expend funds received from the Maryland
5 Learning Success Program to pay salary or benefits costs for provisionally certified
6 teachers.

7 (j) (1) Except as provided in paragraph (2) of this subsection, a local
8 education agency may not receive a Maryland Learning Success Program grant
9 unless the local education agency expends its federal class size reduction initiative
10 grants provided in Public Law 105-277 to reduce class sizes for reading instruction in
11 the first and second grades.

12 (2) If a local education agency has a ratio of no greater than 20 students
13 per one teacher for reading instruction in the first and second grades, paragraph (1) of
14 this subsection does not apply.

15 (k) (1) On or before October 1, in 2001 and each succeeding year, each local
16 education agency shall submit a Maryland Learning Success Program report to the
17 State Superintendent.

18 (2) The report shall describe the local education agency's actual use of
19 funding from Maryland Learning Success Program grants, federal class size initiative
20 grants provided in Public Law 105-277, and any other federal funds provided
21 specifically for the purpose of increasing the number of teachers.

22 (3) The report shall include the results of the performance indicators
23 specified in the local education agency's Maryland Learning Success Program plan.

24 (4) The report may propose changes to the local education agency's
25 Maryland Learning Success Program plan.

26 (5) The report shall include any other information required by guidelines
27 or regulations issued by the State Board.

28 (6) The report shall be in a form and format specified by the State
29 Superintendent.

30 (l) On or before December 31 of each year, the Superintendent shall report the
31 status of the Maryland Learning Success Program to the Governor and the General
32 Assembly.

33 (m) For fiscal year 2001 and each succeeding fiscal year, the Governor shall
34 include funds in the State budget to accomplish the purposes of this section.

35 (n) The State Board may establish any guidelines or regulations that it
36 determines are necessary to implement the purposes of this section.]

1 [5-213.] 5-216.

2 (a) (1) In this section the following words have the meanings indicated.

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

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

8 (3) "Full-time equivalent enrollment" has the meaning indicated in §
9 5-202 of this subtitle.

10 (4) "State share" means the State share of basic current expenses
11 provided under § 5-202 of this subtitle divided by the amount of the basic current
12 expenses to be shared for that county.

13 (5) "Teacher salary base" means the total salaries and wages of teachers
14 employed by a county board for the fiscal year preceding the fiscal year for which the
15 Governor's Challenge Grant is calculated, as determined by the Department of
16 Budget and Management and the State Superintendent.

17 (6) "Teacher" means any certificated professional public school employee
18 who is not an administrator.

19 (7) "Wealth" has the meaning stated in § 5-202 of this subtitle.

20 (8) "Wealth per pupil" means wealth divided by full-time equivalent
21 enrollment.

22 (b) There is a Governor's Teacher Salary Challenge Program.

23 (c) The Governor's Teacher Salary Challenge Program shall provide grants to
24 county boards for the purpose of increasing teacher salaries in order to improve
25 recruitment and retention of well qualified teachers.

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

27 (i) A percentage component;

28 (ii) A wealth adjusted component;

29 (iii) A hold harmless component;

30 (iv) A targeted component; and

31 (v) A transitional component.

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

1 (i) For fiscal year 2001, multiply the teacher salary base for the
2 county board by 0.01;

3 (ii) For fiscal year 2002:

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

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

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

16 (iii) For fiscal year 2003, the county board shall receive an amount
17 that is equal to ~~75% OF THE AMOUNT OF~~ the percentage component received by the
18 county board in fiscal year 2002;

19 (IV) FOR FISCAL YEAR 2004, THE COUNTY BOARD SHALL RECEIVE
20 AN AMOUNT THAT IS EQUAL TO 50% OF THE AMOUNT OF THE PERCENTAGE
21 COMPONENT RECEIVED BY THE COUNTY BOARD IN FISCAL YEAR 2002; AND

22 (V) FOR FISCAL YEAR 2005, THE COUNTY BOARD SHALL RECEIVE
23 AN AMOUNT THAT IS EQUAL TO 25% OF THE AMOUNT OF THE PERCENTAGE
24 COMPONENT RECEIVED BY THE COUNTY BOARD IN FISCAL YEAR 2002.

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

27 1. A. Multiply the percentage component for the county
28 board by 2; and

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

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

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

1 (ii) For fiscal year 2003, the county board shall receive an amount
2 that is equal to ~~75% OF THE AMOUNT OF~~ the wealth adjusted component received by
3 the county board in fiscal year 2002.

4 (III) FOR FISCAL YEAR 2004, THE COUNTY BOARD SHALL RECEIVE
5 AN AMOUNT THAT IS EQUAL TO 50% OF THE AMOUNT OF THE WEALTH ADJUSTED
6 COMPONENT RECEIVED BY THE COUNTY BOARD IN FISCAL YEAR 2002.

7 (IV) FOR FISCAL YEAR 2005, THE COUNTY BOARD SHALL RECEIVE
8 AN AMOUNT THAT IS EQUAL TO 25% OF THE AMOUNT OF THE WEALTH ADJUSTED
9 COMPONENT RECEIVED BY THE COUNTY BOARD IN FISCAL YEAR 2002.

10 (4) (i) The Governor's Teacher Salary Challenge Grant to a county
11 board shall contain a hold harmless component equal to the amount, if any, by which
12 the county board's State share of [basic current expense] THE FOUNDATION
13 PROGRAM calculated under § 5-202 of this subtitle for the year of the Governor's
14 Teacher Salary Challenge Grant is less than the county board's State share of [basic
15 current expense] THE FOUNDATION PROGRAM calculated under § 5-202 of this
16 subtitle for the previous year.

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

20 (5) (i) The Governor's Teacher Salary Challenge Grant to a county
21 board shall contain a targeted component as provided in subparagraphs (ii) through
22 (vi) of this paragraph.

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

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

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

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

36 (vi) For fiscal year 2003, the county board shall receive an amount
37 that is equal to ~~75% OF THE AMOUNT OF~~ the targeted component received by the
38 county board in fiscal year 2002.

1 (VII) FOR FISCAL YEAR 2004, THE COUNTY BOARD SHALL RECEIVE
2 AN AMOUNT THAT IS EQUAL TO 50% OF THE AMOUNT OF THE TARGETED
3 COMPONENT RECEIVED BY THE COUNTY BOARD IN FISCAL YEAR 2002.

4 (VIII) FOR FISCAL YEAR 2005, THE COUNTY BOARD SHALL RECEIVE
5 AN AMOUNT THAT IS EQUAL TO 25% OF THE AMOUNT OF THE TARGETED
6 COMPONENT RECEIVED BY THE COUNTY BOARD IN FISCAL YEAR 2002.

7 (6) (i) The Governor's Teacher Salary Challenge Grant shall contain a
8 transitional component as provided in subparagraphs (ii) and (iii) of this paragraph.

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

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

14 1. Are for retirement contributions received after June 30,
15 1999 but before July 1, 2000; and

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

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

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

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

25 (e) (1) On or before June 1, 2000, and on or before June 1, 2001, each county
26 board may submit a Governor's Teacher Salary Challenge Grant application to the
27 Department of Budget and Management and the State Superintendent for the
28 percentage component and the wealth adjusted component of the Governor's Teacher
29 Salary Challenge Program.

30 (2) The application shall include:

31 (i) The estimated teacher salary base for the county board for the
32 current fiscal year;

33 (ii) For the next fiscal year, the negotiated and funded cost of living
34 adjustment for teachers and the aggregate cost of negotiated and funded changes to
35 the teacher salary schedules, to be funded from sources other than the percentage
36 component of the Governor's Teacher Salary Challenge Grant, expressed in total
37 dollars and as a percentage; and

1 (iii) Any other information necessary to determine eligibility for the
2 Governor's Teacher Salary Challenge Grant.

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

5 (f) (1) For fiscal years 2001 and 2002, the percentage component and the
6 wealth adjusted component of a Governor's Teacher Salary Challenge Grant shall be
7 awarded to each county board that submits an application and that meets the
8 requirements of this section, as determined by the Department of Budget and
9 Management and the State Superintendent.

10 (2) (i) Subject to subparagraph (ii) of this paragraph and paragraph
11 (3) of this subsection, a county board that provides a negotiated and funded cost of
12 living adjustment for teachers of at least 4% or a negotiated and funded adjustment to
13 the teacher salary schedules that has an aggregate cost that is at least equivalent to
14 the cost of providing a 4% cost of living adjustment for teachers shall qualify for the
15 percentage component and the wealth adjusted component of the Governor's Teacher
16 Salary Challenge Program.

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

20 1. In addition to any previously negotiated and funded step
21 increases and stipends; and

22 2. Obtained from sources other than the percentage
23 component of the Governor's Teacher Salary Challenge Program.

24 (3) If a county board meets the local match requirement established
25 under paragraph (2) of this subsection in fiscal year 2001 and does not meet the local
26 match requirement in fiscal year 2002, the county board shall receive:

27 (i) A percentage component in fiscal year 2002 as provided under
28 subsection (d)(2)(ii)3 of this section; and

29 (ii) A wealth adjusted component in fiscal year 2002 as provided
30 under subsection (d)(3) of this section.

31 (4) In fiscal years 2001 and 2002, the percentage component of the
32 Governor's Teacher Salary Challenge Grant shall be used to provide an additional 1%
33 cost of living adjustment for teachers.

34 (g) The Governor shall include funds in the State budget to accomplish the
35 purposes of this section.

36 (h) The Department of Budget and Management and the State
37 Superintendent may establish guidelines or regulations to implement the Governor's
38 Teacher Salary Challenge Program.

- 1 (i) (1) There is a Transitional Education Fund.
- 2 (2) The Fund consists of \$16,500,000 of reimbursements for fiscal year
3 2000 and all reimbursements for fiscal years {2001, 2002, and 2003} ~~2001 AND 2002~~
4 received by the State from the county boards that:
- 5 (i) Are for retirement contributions made after June 30, 1999 but
6 before {July 1, 2003} ~~JULY 1, 2002~~; and
- 7 (ii) Are sought by the State on the basis that the salary of an
8 eligible member of the Teachers' Retirement System or Teachers' Pension System is
9 paid in part or in whole from:
- 10 1. State aid, whether general or categorical in nature; or
- 11 2. Federal funds, whether the funds are paid directly to a
12 local school system or are passed through from a unit of State government.
- 13 (3) Notwithstanding § 5-203(d) of this subtitle, all reimbursements
14 described in paragraph (2) of this subsection shall be credited to the Fund.
- 15 (4) (i) The State Treasurer shall hold the Fund and shall invest the
16 money in the Fund in the same manner as other State money may be invested.
- 17 (ii) All interest earned on the Fund shall accrue to the General
18 Fund.
- 19 (iii) The State Comptroller shall account for the Fund.
- 20 (5) The Fund shall be used to implement the Governor's Teacher Salary
21 Challenge Program established under this section.
- 22 (6) Expenditures from the Fund may only be made pursuant to an
23 appropriation approved by the General Assembly in the annual State budget or by
24 approved budget amendment.
- 25 (7) Except as provided in paragraph (8) of this subsection, any Fund
26 balance at the end of each fiscal year shall remain in the Fund and may not revert to
27 the General Fund.
- 28 (8) The Fund shall terminate at the end of {June 30, 2003} ~~JUNE 30, 2002~~
29 and any Fund balance that remains at the end of {June 30, 2003} ~~JUNE 30, 2002~~ shall
30 revert to the General Fund.
- 31 [5-216.
- 32 (a) In this section, "Pilot Program" means the Maryland Educational
33 Opportunity Summer Pilot Program.
- 34 (b) This section only applies to Baltimore County and Prince George's County.

1 (c) There is a Maryland Educational Opportunity Summer Pilot Program to
2 enrich students in kindergarten through grade 12 by the development and
3 implementation of educational curriculum and activities in the summer months.

4 (d) (1) The Pilot Program shall be administered as provided in this
5 subsection.

6 (2) (i) A county board may develop a proposal for educational
7 curriculum and activities during the summer months using existing faculty.

8 (ii) A county board may forward a proposal to the State Board by
9 August 15 of each year.

10 (3) The State Board:

11 (i) Shall review a proposal of a county board by October 15 of each
12 year;

13 (ii) May make recommendations that it deems necessary; and

14 (iii) Shall select a proposal for implementation by November 15 of
15 each year, giving priority to:

16 1. Proposals for diverse areas of the State; and

17 2. Proposals for schools that show the lowest levels of
18 improvement towards meeting the standards of the Maryland School Performance
19 Program.

20 (4) After the State Board selects a proposal of a county board, the State
21 Board shall distribute to a county board funds to cover the cost of extending the
22 contracts of participating teachers to implement and operate the Pilot Program.

23 (e) (1) A county board may include in a proposal:

24 (i) Curriculum and activities that are for the benefit of students in
25 any grade from kindergarten through grade 12;

26 (ii) Curriculum and activities that use school facilities, libraries, or
27 any other facilities at a location described in the proposal;

28 (iii) Curriculum and activities that are implemented for a school, for
29 a group of schools, for a school system, or countywide;

30 (iv) Curriculum and activities that are coordinated with an after
31 school opportunity program operating under Article 41, Title 6, Subtitle 8 of the Code;

32 (v) Tutoring in subjects specified in the proposal; or

33 (vi) Field trips to locations described in the proposal.

1 (2) A county board shall include in a proposal the estimated cost of
2 extending the contracts of participating teachers.

3 (f) (1) The Pilot Program shall be funded as provided in the State budget.

4 (2) The funding provided in the State budget for the Pilot Program is
5 intended to complement the funding received by the State from the U.S. Department
6 of Education for the Pilot Program through the fund for the improvement of
7 education.

8 (3) Appropriations made under this section for extending the contracts of
9 participating teachers may not be used to supplant the existing State share of basic
10 current expenses under § 5-202 of this subtitle.

11 (g) The State Board shall adopt regulations to:

12 (1) Establish criteria for approving a proposal; and

13 (2) Implement this section.

14 (h) (1) On or before June 30, 2002, the State Superintendent shall report to
15 the Governor and, subject to § 2-1246 of the State Government Article, the General
16 Assembly on the operation and performance of the Pilot Program.

17 (2) The report shall assess the effectiveness and success of the Pilot
18 Program in improving student achievement in the jurisdictions in which the Pilot
19 Program operated.]

20 [5-401.

21 (a) (1) It is State policy that local educational agencies should ensure that
22 additional State education aid results in demonstrated improvements in classroom
23 instruction and student performance.

24 (2) In order to effect demonstrated improvements in classroom
25 instruction and student performance, it is also State policy that expenditure of
26 increases in State public education aid in basic current expense, as provided under §
27 5-202(b) of this title, and in compensatory education funds, as provided under §
28 5-202(e) of this title, shall be limited to the following classifications:

29 (i) Salary enhancement expenditures for existing instructional
30 positions;

31 (ii) Salary expenditures for new positions which are designed to
32 reduce class size or reinstate or add or enhance special programs, such as art, music,
33 resource personnel, student guidance, and gifted and talented programs;

34 (iii) Instructional materials, supplies, and equipment;

35 (iv) A classroom teacher award program, subject to the provisions of
36 Title 6, Subtitle 4, of this article;

1 (v) A master teacher or career ladder program or any other
 2 appropriate teacher incentive pay program subject to the provisions of Title 6,
 3 Subtitle 4, of this article;

4 (vi) Teacher training and retraining, particularly in areas of critical
 5 need, such as, mathematics and science; or

6 (vii) Expansion of programs for children with educational
 7 deficiencies.

8 (b) (1) Annual accountability plans that are locally initiated shall be
 9 reviewed for consistency with State policies by the State Board.

10 (2) In addition, reports on expenditure of funds shall be monitored by the
 11 State Board.

12 (c) Monitoring of the accountability plans and reports for determination of
 13 progress toward local goals and objectives by the State Board would serve to promote
 14 efficient and effective use of the resources, while permitting local boards of education
 15 to determine education policy and the local governing bodies to determine the overall
 16 level of educational expenditures consistent with State requirements.]

17 5-401.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 19 INDICATED.

20 (2) "LOCAL PERFORMANCE STANDARDS" MEANS STANDARDS FOR
 21 STUDENT AND SCHOOL PERFORMANCE DEVELOPED BY A COUNTY BOARD.

22 (3) "PLAN" MEANS A COMPREHENSIVE MASTER PLAN.

23 (4) "STATE PERFORMANCE STANDARDS" MEANS STANDARDS FOR
 24 STUDENT AND SCHOOL PERFORMANCE APPROVED BY THE STATE BOARD.

25 (B) (1) EACH COUNTY BOARD SHALL DEVELOP AND IMPLEMENT A
 26 COMPREHENSIVE MASTER PLAN THAT DESCRIBES THE GOALS, OBJECTIVES, AND
 27 STRATEGIES THAT WILL BE USED TO IMPROVE STUDENT ACHIEVEMENT AND MEET
 28 STATE PERFORMANCE STANDARDS AND LOCAL PERFORMANCE STANDARDS IN EACH
 29 SEGMENT OF THE STUDENT POPULATION.

30 (2) (I) EACH COUNTY BOARD SHALL SUBMIT A PLAN TO THE
 31 DEPARTMENT ON OR BEFORE OCTOBER 1, 2003.

32 (II) AT LEAST 60 DAYS BEFORE SUBMITTING A PLAN TO THE
 33 DEPARTMENT, A COUNTY BOARD SHALL PROVIDE A COPY OF THE PLAN TO THE:

34 1. COUNTY COUNCIL AND IF APPLICABLE, COUNTY
 35 EXECUTIVE; OR

36 2. COUNTY COMMISSIONERS.

1 (3) SUBJECT TO SUBSECTION (H) OF THIS SECTION, THE PLAN SHALL:

2 (I) EXTEND FOR A 5-YEAR PERIOD BEGINNING WITH THE
3 2003-2004 SCHOOL YEAR; AND

4 (II) BE UPDATED BY THE COUNTY BOARD ON OR BEFORE JULY 1 OF
5 EACH YEAR.

6 (C) THE PLAN SHALL INCLUDE:

7 (1) GOALS AND OBJECTIVES AS REQUIRED UNDER SUBSECTIONS (D)
8 THROUGH (F) OF THIS SECTION THAT ARE ALIGNED WITH STATE PERFORMANCE
9 STANDARDS AND LOCAL PERFORMANCE STANDARDS;

10 (2) IMPLEMENTATION STRATEGIES FOR MEETING GOALS AND
11 OBJECTIVES;

12 (3) METHODS FOR MEASURING PROGRESS TOWARD MEETING GOALS
13 AND OBJECTIVES;

14 (4) TIME LINES FOR IMPLEMENTATION OF THE STRATEGIES FOR
15 MEETING GOALS AND OBJECTIVES;

16 (5) TIME LINES FOR MEETING GOALS AND OBJECTIVES;

17 (6) A DESCRIPTION OF THE ALIGNMENT OF THE COUNTY BOARD'S
18 BUDGET WITH GOALS, OBJECTIVES, AND STRATEGIES FOR IMPROVING STUDENT
19 ACHIEVEMENT; AND

20 (7) ANY OTHER INFORMATION REQUIRED BY THE STATE
21 SUPERINTENDENT.

22 (D) THE PLAN SHALL INCLUDE GOALS, OBJECTIVES, AND STRATEGIES
23 REGARDING THE PERFORMANCE OF:

24 (1) STUDENTS REQUIRING SPECIAL EDUCATION, AS DEFINED IN § 5-209
25 OF THIS TITLE;

26 (2) STUDENTS WITH LIMITED-ENGLISH PROFICIENCY, AS DEFINED IN §
27 5-208 OF THIS TITLE;

28 (3) PREKINDERGARTEN STUDENTS;

29 (4) KINDERGARTEN STUDENTS;

30 (5) GIFTED AND TALENTED STUDENTS, AS DEFINED IN § 8-201 OF THIS
31 ARTICLE;

32 (6) STUDENTS ENROLLED IN CAREER AND TECHNOLOGY COURSES;

1 (7) STUDENTS FAILING TO MEET, OR FAILING TO MAKE PROGRESS
2 TOWARD MEETING, STATE PERFORMANCE STANDARDS, INCLUDING ANY SEGMENT
3 OF THE STUDENT POPULATION THAT IS, ON AVERAGE, PERFORMING AT A LOWER
4 ACHIEVEMENT LEVEL THAN THE STUDENT POPULATION AS A WHOLE; AND

5 (8) ANY OTHER SEGMENT OF THE STUDENT POPULATION IDENTIFIED
6 BY THE STATE SUPERINTENDENT.

7 (E) WITH REGARD TO SUBSECTION (D)(7) OF THIS SECTION, THE PLAN SHALL
8 INCLUDE STRATEGIES TO ADDRESS ANY DISPARITIES IN ACHIEVEMENT IDENTIFIED
9 FOR ANY SEGMENT OF THE STUDENT POPULATION.

10 (F) (1) (I) THE STATE SUPERINTENDENT SHALL REVIEW EACH PLAN TO
11 DETERMINE WHETHER THE PLAN COMPLIES WITH THE REQUIREMENTS OF
12 SUBSECTIONS (B) THROUGH (E) OF THIS SECTION.

13 (II) IF THE STATE SUPERINTENDENT DETERMINES THAT A PLAN
14 DOES NOT COMPLY WITH THE REQUIREMENTS OF SUBSECTIONS (B) THROUGH (E) OF
15 THIS SECTION, THE STATE SUPERINTENDENT MAY REQUIRE SPECIFIC REVISIONS TO
16 THE PLAN.

17 (2) (I) THE STATE SUPERINTENDENT MAY REVIEW THE CONTENT OF
18 EACH PLAN TO ASSESS WHETHER THE PLAN WILL HAVE THE EFFECT OF IMPROVING
19 STUDENT ACHIEVEMENT AND INCREASING PROGRESS TOWARD MEETING STATE
20 PERFORMANCE STANDARDS.

21 (II) IF THE STATE SUPERINTENDENT DETERMINES THAT A PLAN
22 WILL NOT HAVE THE EFFECT OF IMPROVING STUDENT ACHIEVEMENT AND
23 INCREASING PROGRESS TOWARD MEETING STATE PERFORMANCE STANDARDS, THE
24 STATE SUPERINTENDENT MAY REQUIRE SPECIFIC REVISIONS TO THE PLAN.

25 (3) A COUNTY BOARD MAY NOT IMPLEMENT A PLAN UNLESS IT HAS
26 BEEN APPROVED BY THE STATE SUPERINTENDENT.

27 (G) (1) A COUNTY BOARD MAY SUBMIT A PREEXISTING MANAGEMENT PLAN
28 TO THE DEPARTMENT AS THE COUNTY BOARD'S PLAN UNDER SUBSECTION (B) OF
29 THIS SECTION.

30 (2) IF THE STATE SUPERINTENDENT DETERMINES THAT THE
31 PREEXISTING MANAGEMENT PLAN MEETS THE REQUIREMENTS SET FORTH IN THIS
32 SECTION, THE STATE SUPERINTENDENT SHALL APPROVE THE PREEXISTING
33 MANAGEMENT PLAN AS THE COUNTY BOARD'S PLAN.

34 (H) (1) IF A SCHOOL SYSTEM FAILS TO DEMONSTRATE PROGRESS TOWARD
35 IMPROVING STUDENT ACHIEVEMENT AND MEETING STATE PERFORMANCE
36 STANDARDS IN EACH SEGMENT OF THE STUDENT POPULATION DURING A SCHOOL
37 YEAR, THE STATE SUPERINTENDENT SHALL REVIEW THE CONTENT OF THE PLAN
38 AND ANY UPDATES TO THE PLAN TO ASSESS WHETHER THE PLAN WILL HAVE THE
39 EFFECT OF IMPROVING STUDENT ACHIEVEMENT AND INCREASING PROGRESS
40 TOWARD MEETING STATE PERFORMANCE STANDARDS.

1 (2) IF THE STATE SUPERINTENDENT DETERMINES THAT A PLAN WILL
2 NOT HAVE THE EFFECT OF IMPROVING STUDENT ACHIEVEMENT AND INCREASING
3 PROGRESS TOWARD MEETING STATE PERFORMANCE STANDARDS, THE STATE
4 SUPERINTENDENT SHALL REQUIRE SPECIFIC REVISIONS TO THE PLAN.

5 (I) THE STATE SUPERINTENDENT SHALL ADVISE THE GOVERNOR AND THE
6 GENERAL ASSEMBLY CONCERNING THE DISTRIBUTION OF STATE FUNDS TO A
7 COUNTY THAT FAILS TO MAKE PROGRESS TOWARD IMPROVING STUDENT
8 ACHIEVEMENT AND MEETING STATE PERFORMANCE STANDARDS IN EACH SEGMENT
9 OF THE STUDENT POPULATION.

10 (J) THE STATE BOARD MAY WITHHOLD STATE FUNDS FROM A COUNTY BOARD
11 IF:

12 (1) A SCHOOL SYSTEM FAILS TO DEMONSTRATE ANNUAL PROGRESS
13 TOWARD IMPROVING STUDENT ACHIEVEMENT AND MEETING STATE PERFORMANCE
14 STANDARDS IN EACH SEGMENT OF THE STUDENT POPULATION; AND

15 (2) FAILS TO DEVELOP A PLAN THAT MEETS THE REQUIREMENTS OF
16 SUBSECTIONS (B) THROUGH (G) OF THIS SECTION OR TAKE ANY ACTION REQUIRED
17 BY THE STATE SUPERINTENDENT UNDER THIS SECTION.

18 (K) (1) THE STATE SUPERINTENDENT SHALL REVIEW ACADEMIC
19 INTERVENTION PROGRAMS AND BEHAVIOR MODIFICATION PROGRAMS TO IDENTIFY
20 BEST PRACTICES.

21 (2) THE STATE SUPERINTENDENT SHALL PERIODICALLY REPORT ON
22 THE BEST PRACTICES TO THE STATE BOARD, THE COUNTY BOARDS, THE GOVERNOR,
23 AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL
24 ASSEMBLY.

25 (L) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
26 DEPARTMENT SHALL ADOPT REGULATIONS AS NECESSARY TO IMPLEMENT THIS
27 SECTION.

28 (2) THE DEPARTMENT SHALL CONSULT WITH COUNTY
29 SUPERINTENDENTS AND COUNTY BOARDS BEFORE PROMULGATING PROPOSED
30 REGULATIONS TO IMPLEMENT THIS SECTION.

31 (M) THE DEPARTMENT MAY PROVIDE TECHNICAL ASSISTANCE TO COUNTY
32 BOARDS IN DEVELOPING AND IMPLEMENTING A PLAN.

33 (N) THE GOVERNOR SHALL INCLUDE AN APPROPRIATION FOR THE
34 DEPARTMENT IN THE STATE BUDGET FOR EACH FISCAL YEAR IN AMOUNT
35 SUFFICIENT TO COVER THE COSTS ASSOCIATED WITH IMPLEMENTING THIS
36 SECTION.

1 [5-402.

2 The State Board shall:

3 (1) Require the submission of an annual accountability plan and report
4 from each county board.

5 (2) Not later than November 1 of each year provide each county board
6 with procedures to be followed in the preparation of the annual accountability plan
7 and report.

8 (3) Require:

9 (i) That the annual accountability plan and report shall relate to
10 the use of:

11 1. Any State share of basic current expense as provided
12 under § 5-202(b) of this title, which is in excess of the fiscal year 1984 State share of
13 basic current expenses; and

14 2. Any compensatory aid as provided under § 5-202(e) of this
15 title, except for dedicated compensatory funds, and 50 percent of funds received in
16 fiscal year 1984 under targeted aid, § 5-202(e) of this title; and

17 (ii) That the annual accountability report shall also relate to the
18 expenditure for the current fiscal year and 2 preceding fiscal years for the public
19 education categories provided under § 5-101(b) of this title, including salaries and
20 wages for net new positions and the expenditures for salaries and wages for existing
21 positions.

22 (4) For fiscal year 1985 only, require that an accountability plan be
23 submitted by October 1, 1984, which relates to the intended use of the funds described
24 in paragraph (3) of this section and which:

25 (i) Allows each county to determine its own needs and spending
26 priorities while providing that the funds not be directed solely toward salary
27 enhancement expenditures for existing instructional positions; and

28 (ii) Reports the amount of and percentage of projected expenditures
29 by the classifications provided under § 5-401(a)(2) of this subtitle.

30 (5) For the fiscal year 1986 and each fiscal year thereafter, require that
31 the accountability plan be submitted by July 1, 1985 and by each July 1 thereafter
32 and include:

33 (i) A description of the public education instructional needs of the
34 county;

35 (ii) A description of yearly county public education instructional
36 objectives as they relate to 5-year county education goals of improving classroom

1 instruction and student performance. These goals and objectives may include, but not
2 be limited to, teacher salaries, pupil-teacher ratios, instructional materials,
3 textbooks, teacher training and retraining, programs for educationally disadvantaged
4 students, prekindergarten programs, remedial programs, graduation rates, and
5 student test scores;

6 (iii) An expenditure plan and description of the intended use of the
7 funds described in paragraph (3) of this section which:

8 1. Specifies how those funds relate to instructional needs
9 and objectives; and

10 2. Reflects the amounts as requested by the county board
11 and as revised in accordance with the actual appropriation by the county; and

12 (iv) A method for evaluating in measurable terms the results of the
13 use of the funds described in paragraph (3) of this section and the overall progress
14 towards accomplishment of objectives and goals.

15 (6) Require the annual accountability plan to be amended within the
16 fiscal year if the local school board determines that a change is advisable.

17 (7) By October 1, 1985 and by each October 1 for each fiscal year
18 thereafter, require that the annual accountability report from each county board
19 include:

20 (i) A report which relates to the funds described in paragraph (3) of
21 this section and which reflects the actual amount of and the percentage of
22 expenditure in the classifications provided under § 5-401(a)(2) of this subtitle.

23 (ii) Any revisions to the intended use of the funds described in the
24 July 1 accountability plan.

25 (8) Determine if the accountability plans are consistent with the goals
26 and objectives and if the reports indicate that the expenditure plans have been
27 followed and if the goals and objectives are being achieved and determine if the
28 budgets of the county board comply with the maintenance of effort provisions of §
29 5-202(b)(3)(ii)2 and (iii)1 and the use provisions of § 5-202(e)(3) and § 5-401(a)(2) of
30 this article. If an accountability plan or any revision to a plan is inconsistent with
31 those provisions, it shall be returned to the county board for modification and
32 resubmission.

33 (9) Annually review the progress of the county board in implementation
34 of the accountability plan and achievement of the specified objectives and goals of
35 improving classroom instruction and student performance as required by this
36 subtitle.

37 (10) Report before the first day of the regular session of the General
38 Assembly each year, subject to § 2-1246 of the State Government Article, any
39 noncompliance and any notification for any action including the withholding of funds.

1 (11) Report to the Governor and, subject to § 2-1246 of the State
2 Government Article, the Legislative Policy Committee of the General Assembly before
3 the first day of the regular session of the General Assembly each year as to the
4 implementation and accomplishments under this subtitle.]

5 5-402.

6 (A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
7 DEPARTMENT SHALL EVALUATE THE EFFECT OF INCREASED STATE AID FOR
8 EDUCATION ON STUDENT AND SCHOOL PERFORMANCE IN EACH LOCAL SCHOOL
9 SYSTEM.

10 (2) THE DEPARTMENT MAY CONTRACT WITH A PUBLIC OR PRIVATE
11 ENTITY TO CONDUCT OR ASSIST IN CONDUCTING THE EVALUATION REQUIRED BY
12 THIS SUBSECTION.

13 (B) (1) THE DEPARTMENT SHALL SUBMIT AN INITIAL REPORT ON THE
14 RESULTS OF THE EVALUATION REQUIRED BY THIS SECTION TO THE GOVERNOR AND,
15 SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL
16 ASSEMBLY ON OR BEFORE DECEMBER 31, ~~2005~~ 2006.

17 (2) THE DEPARTMENT SHALL SUBMIT A FINAL REPORT ON THE
18 RESULTS OF THE EVALUATION REQUIRED BY THIS SECTION TO THE GOVERNOR AND,
19 SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL
20 ASSEMBLY ON OR BEFORE DECEMBER 31, ~~2007~~ 2008.

21 (C) THE REPORTS REQUIRED BY THIS SECTION SHALL INCLUDE:

22 (1) A DETAILED DESCRIPTION OF HOW LOCAL SCHOOL SYSTEMS ARE
23 USING STATE EDUCATION AID;

24 (2) A COMPARISON OF SCHOOL SYSTEMS THAT SHOW SIGNIFICANT
25 IMPROVEMENTS IN STUDENT AND SCHOOL PERFORMANCE TO SCHOOL SYSTEMS
26 THAT DO NOT SHOW SIGNIFICANT IMPROVEMENTS IN STUDENT AND SCHOOL
27 PERFORMANCE;

28 (3) AN ASSESSMENT OF THE EXTENT TO WHICH COUNTY BOARDS ARE
29 SUCCESSFUL IN IMPLEMENTING THE COMPREHENSIVE MASTER PLANS REQUIRED
30 BY § 5-401 OF THIS SUBTITLE;

31 (4) AN ANALYSIS OF THE AMOUNT OF FUNDING THAT LOCAL
32 GOVERNMENTS PROVIDE FOR EDUCATION EACH YEAR;

33 (5) A LIST OF PROGRAMS OR FACTORS THAT CONSISTENTLY PRODUCE
34 POSITIVE RESULTS FOR STUDENTS, SCHOOLS, AND SCHOOL SYSTEMS; AND

35 (6) ANY OTHER INFORMATION THAT THE STATE SUPERINTENDENT
36 DETERMINES TO BE RELEVANT TO THE EVALUATION OF STUDENT AND SCHOOL
37 PERFORMANCE IN EACH LOCAL SCHOOL SYSTEM.

1 (D) THE GOVERNOR SHALL INCLUDE AN APPROPRIATION FOR THE
2 DEPARTMENT IN THE STATE BUDGET FOR EACH FISCAL YEAR SUFFICIENT TO COVER
3 THE COSTS ASSOCIATED WITH IMPLEMENTING THIS SECTION.

4 7-101.

5 (a) All individuals who are 5 years old or older and under 21 shall be admitted
6 free of charge to the public schools of this State.

7 (b) (1) Except as provided in § 7-301 of this title and in paragraph (2) of this
8 subsection, each child shall attend a public school in the county where the child is
9 domiciled with the child's parent or guardian.

10 (2) Upon request and in accordance with a county board's policies
11 concerning residency, a county superintendent may allow a child to attend A school in
12 the county even if the child is not domiciled in that county with the child's parent or
13 guardian.

14 (3) If a child fraudulently attends a public school in a county where the
15 child is not domiciled with the child's parent or guardian, the child's parent or
16 guardian shall be subject to a penalty payable to the county for the pro rata share of
17 tuition for the time the child fraudulently attends a public school.

18 (4) Nothing in this section alters the requirements for out-of-county
19 placements contained in § 4-122 and Title 8, Subtitles 3 and 4 of this article or in any
20 other State or federal law.

21 (c) (1) [There shall be full kindergarten programs in each county of this
22 State.] BY THE ~~2006-2007~~ 2007-2008 SCHOOL YEAR, EACH COUNTY BOARD SHALL
23 PROVIDE FULL-DAY KINDERGARTEN PROGRAMS FOR ALL KINDERGARTEN
24 STUDENTS IN THAT COUNTY.

25 (2) IN THE COMPREHENSIVE MASTER PLAN THAT IS SUBMITTED UNDER
26 § 5-401 OF THIS ARTICLE, A COUNTY BOARD SHALL IDENTIFY THE STRATEGIES THAT
27 WILL BE USED IN THAT COUNTY TO ENSURE THAT FULL-DAY KINDERGARTEN
28 PROGRAMS ARE PROVIDED TO ALL KINDERGARTEN STUDENTS IN THAT COUNTY BY
29 THE ~~2006-2007~~ 2007-2008 SCHOOL YEAR.

30 7-101.1.

31 (A) (1) IN THIS SECTION THE FOLLOWING TERMS HAVE THE MEANINGS
32 INDICATED.

33 (2) "ECONOMICALLY DISADVANTAGED BACKGROUND" MEANS A FAMILY
34 WHOSE INCOME WOULD MAKE A CHILD ELIGIBLE FOR FREE OR REDUCED PRICE
35 MEALS IF THE CHILD WERE IN KINDERGARTEN.

36 (3) "ELIGIBLE CHILD" MEANS A CHILD:

1 (I) WHO IS FROM AN ECONOMICALLY DISADVANTAGED
2 BACKGROUND;

3 (II) WHOSE PARENT OR GUARDIAN SEEKS TO ENROLL THE CHILD
4 IN A PUBLIC PREKINDERGARTEN PROGRAM; AND

5 (III) WHO IS 4 YEARS OLD ON SEPTEMBER 1 OF THE SCHOOL YEAR
6 IN WHICH THE PARENT OR LEGAL GUARDIAN SEEKS TO ENROLL THE CHILD IN A
7 PUBLIC PREKINDERGARTEN PROGRAM.

8 (4) "ELIGIBLE FOR FREE OR REDUCED PRICE MEALS" MEANS ELIGIBLE
9 FOR FREE OR REDUCED PRICE MEALS BASED ON ELIGIBILITY REQUIREMENTS
10 ESTABLISHED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE.

11 (B) BY THE ~~2006-2007~~ 2007-2008 SCHOOL YEAR, ALL ELIGIBLE CHILDREN
12 SHALL BE ADMITTED FREE OF CHARGE TO PUBLICLY FUNDED PREKINDERGARTEN
13 PROGRAMS ESTABLISHED BY EACH OF THE COUNTY BOARDS.

14 (C) THE REQUIREMENTS SET FORTH IN § 7-101(B) OF THIS SUBTITLE
15 REGARDING THE DOMICILE OF A CHILD AND THE RESIDENCY OF THE CHILD'S
16 PARENT OR GUARDIAN SHALL APPLY TO PREKINDERGARTEN PROGRAMS
17 ESTABLISHED BY COUNTY BOARDS AS REQUIRED BY THIS SECTION.

18 (D) IN THE COMPREHENSIVE MASTER PLAN THAT IS SUBMITTED UNDER §
19 5-401 OF THIS ARTICLE, A COUNTY BOARD SHALL IDENTIFY THE STRATEGIES THAT
20 WILL BE USED IN THAT COUNTY TO ENSURE THAT PUBLICLY FUNDED
21 PREKINDERGARTEN PROGRAMS ARE AVAILABLE TO ALL ELIGIBLE CHILDREN IN
22 THAT COUNTY BY THE ~~2006-2007~~ 2007-2008 SCHOOL YEAR.

23 7-103.

24 (a) Except as provided in subsections [(b) and (e)] (B), (E), AND (F) of this
25 section, each public school under the jurisdiction of a county board:

26 (1) (i) Shall be open for pupil attendance for at least 180 actual school
27 days and a minimum of 1,080 school hours during a 10-month period in each school
28 year; or

29 (ii) If normal school attendance is prevented because of conditions
30 described in subsection (b) of this section, shall be open for at least 1,080 hours during
31 a 10-month period; and

32 (2) Shall be open for pupil attendance a minimum of 3 hours during each
33 school day; and

34 (3) May not be open on Saturdays, Sundays, or holidays in order to meet
35 the 180 day or 1,080 hour requirement of this subsection.

1 (b) (1) If a county board submits a written application to the State Board
2 that describes a demonstrated effort by the county board to comply with subsection
3 (a) of this section, the State Board may permit:

- 4 (i) Adjustments in the length of the school year;
- 5 (ii) Exceptions from the requirement that the school year be
6 completed within a 10-month period;
- 7 (iii) Adjustments in the length of the school day; and
- 8 (iv) Schools to be open on holidays.

9 (2) These adjustments may be granted only if normal school attendance
10 is prevented because of:

- 11 (i) Natural disaster;
- 12 (ii) Civil disaster; or
- 13 (iii) Severe weather conditions.

14 (3) Education funding from State or local sources may not be reduced if
15 there are less than 180 school days in any year because of an approved application
16 under this subsection.

17 (4) In case of emergency, the State Board may open schools on holidays.

18 (c) (1) The following days are public school holidays:

- 19 (i) Thanksgiving Day and the day after;
- 20 (ii) Christmas Eve and from then through January 1;
- 21 (iii) Martin Luther King, Jr. Day;
- 22 (iv) Presidents' Day;
- 23 (v) The Friday before Easter and from then through the Monday
24 after Easter;
- 25 (vi) Memorial Day; and
- 26 (vii) Primary and general election days.

27 (2) If the federal and State observances of a holiday are on different
28 days, the board of education of each county shall determine which date shall be the
29 date of observance for the public schools within the county.

30 (3) The public schools shall devote a part of the day to appropriate
31 exercises for the following days:

- 1 (i) Washington's Birthday;
- 2 (ii) Lincoln's Birthday;
- 3 (iii) Veterans' Day;
- 4 (iv) Columbus Day;
- 5 (v) Arbor Day; and
- 6 (vi) Any other day of national significance.

7 (4) Notwithstanding any other provisions of this article, the public
8 schools, in the following counties, may remain open and in session on primary and
9 general election days:

- 10 (i) Calvert;
- 11 (ii) Caroline;
- 12 (iii) Dorchester;
- 13 (iv) Kent;
- 14 (v) Talbot; and
- 15 (vi) Worcester.

16 (d) Except as provided in subsection (e) of this section, the State Board shall
17 divide the school year into the terms it considers appropriate.

18 (e) (1) The county boards of Allegany, Anne Arundel, Calvert, Howard, and
19 Montgomery counties, and the Board of School Commissioners of Baltimore City, may
20 elect to operate one or more schools within the county or Baltimore City on a
21 year-round basis, provided that the 180 day and the minimum hour requirements
22 under this section are met.

23 (2) Nothing in this section precludes a county board from conducting a
24 year-round pilot study or program that is funded by the county board.

25 (F) PUBLICLY FUNDED PREKINDERGARTEN PROGRAMS ARE NOT SUBJECT TO
26 THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION.

27 [7-208.

28 (a) (1) In this section the following words have the meanings indicated.

29 (2) "Academic intervention programs" means academic programs with
30 curriculum-based instruction that may take place:

- 31 (i) Before school starts each day and after school ends each day;

1 (ii) During the regular school day, provided there is no continual
2 conflict with curriculum-based instruction;

3 (iii) On weekends;

4 (iv) On holidays;

5 (v) During vacations; or

6 (vi) During summer break.

7 (3) "Amount per weighted pupil" means the total amount of funds in
8 excess of \$11,600,000 that are allocated for grants under subsection (b)(4)(ii) of this
9 section divided by the total weighted enrollment count.

10 (4) "Curriculum-based instruction" means instruction based on
11 curriculum guides and courses of study developed by each county in accordance with
12 § 4-111 of this article.

13 (5) "Intensity factor" means 70% divided by the average composite score
14 on the Maryland School Performance Assessment Program Test for eighth grade
15 students enrolled in a county's public schools during the second fiscal year prior to the
16 fiscal year for which the appropriation was made.

17 (6) "Program" means the Maryland Academic Intervention and Support
18 Program established under this section.

19 (7) "Total weighted enrollment count" means the sum of the weighted
20 enrollment counts for all counties in the State.

21 (8) "Weighted enrollment count" means the product of the number of
22 eighth grade students enrolled in a county's public schools on September 30 of the
23 second fiscal year prior to the fiscal year for which the appropriation was made and
24 the county's intensity factor.

25 (b) (1) There is a Maryland Academic Intervention and Support Program in
26 the Department.

27 (2) The purpose of the Program is to provide academic intervention
28 programs for students who have demonstrated deficiencies in reading or
29 mathematics.

30 (3) The Program shall be funded as provided in the State budget.

31 (4) The funds that are allocated to the Program in the State budget shall
32 be used to:

33 (i) Cover the costs incurred by the Department in implementing
34 and administering the Program; and

1 (ii) Provide grants to county boards as authorized under subsection
2 (g) of this section.

3 (c) (1) The State Board shall develop criteria by which county boards may
4 submit plans for approval that address goals and strategies for intervening with
5 students who have demonstrated deficiencies in reading or mathematics, including:

6 (i) State approved best practices for academic intervention;

7 (ii) A catalog of promising State approved practices that would
8 qualify for a county board's implementation of academic intervention programs; and

9 (iii) A list of approved persons that may provide academic
10 intervention programs, in accordance with paragraph (2)(i) of this subsection.

11 (2) (i) Except as provided in subparagraph (ii) of this paragraph, a
12 school shall provide instruction using school staff and materials.

13 (ii) If a county board is unable to provide the curriculum-based
14 instruction of the academic intervention program with school staff and materials, a
15 county board may select a person approved by the State Board to provide extended
16 academic instruction.

17 (d) The schools shall determine a student's eligibility for the Program based
18 on the student's performance on Maryland School Performance Assessment Program
19 Tests, standardized tests, classroom tests, and any other criteria the State Board
20 deems appropriate.

21 (e) (1) The county boards shall develop or appropriately adapt an existing
22 parental consent form for the provision of academic intervention instruction.

23 (2) A parent or guardian of a student selected for the Program shall
24 provide written consent for the student's participation in the Program to the student's
25 school prior to the student's participation in the Program.

26 (f) (1) The State Board shall establish criteria for evaluating the Program.

27 (2) On or before June 30 of each year, each county board shall submit a
28 report to the State Board that includes an evaluation of the status and success of the
29 Program in that county.

30 (3) The report submitted by a county board under paragraph (2) of this
31 subsection shall:

32 (i) Identify the number of students in the county who were eligible
33 to participate in the Program during the prior school year;

34 (ii) Identify the number of students in the county who were selected
35 to participate in the Program during the prior school year;

1 (iii) Include, for each grade, aggregate student performance results,
2 before the students began participation in the Program, on any tests or measurement
3 tools that were used to determine the students' eligibility for the Program;

4 (iv) Include for each grade, aggregate student performance results,
5 after the students began participation in the Program, on any tests or measurement
6 tools that were used to determine the students' eligibility for the Program; and

7 (v) Include an evaluation of the success of the Program based on
8 the data described in items (iii) and (iv) of this paragraph and any other criteria
9 established by the State Board for evaluating the Program.

10 (4) (i) The State Board shall evaluate a report submitted by a county
11 board under paragraph (2) of this subsection to determine whether the Program has
12 been successfully implemented in the county.

13 (ii) If the State Board determines that the Program has not been
14 successfully implemented in a county, the State Board may withhold grant money
15 that a county board is authorized to receive under subsection (g) of this section.

16 (5) On or before September 1 of each year, the State Board shall submit
17 a report to the Governor and, subject to § 2-1246 of the State Government Article, the
18 General Assembly that includes an evaluation of the status and success of the
19 Program in each county and on a statewide basis.

20 (g) (1) Of the first \$11,600,000 that is used for grants under subsection
21 (b)(4)(ii) of this section, each county board shall receive a:

22 (i) Base grant of \$70,000; and

23 (ii) Foundation grant that is equal to a fraction of \$9,920,000:

24 1. The numerator of which is the number of students in the
25 county scoring less than satisfactory on the reading or mathematics portion of the
26 Maryland School Performance Assessment Program Test; and

27 2. The denominator of which is the number of students in the
28 State scoring less than satisfactory on the reading or mathematics portion of the
29 Maryland School Performance Assessment Program Test.

30 (2) Of the funds in excess of \$11,600,000 that are used for grants under
31 subsection (b)(4)(ii) of this section, each county board shall receive an intensity grant
32 that is equal to the product of the county's weighted enrollment count and the amount
33 per weighted pupil.

34 (h) The Department shall adopt regulations necessary for the implementation
35 of this section.]

1 [Subtitle 2A. Excellence in Education Incentive Grant Program.]

2 [8-2A-01.

3 (a) There is an Excellence in Education Incentive Grant Program in the State
4 Department.

5 (b) The purpose of the Excellence in Education Incentive Grant Program is to
6 award grants to eligible county boards for the development of innovative instructional
7 programs and services for gifted and talented students.]

8 [8-2A-02.

9 Each county board that receives a grant under this subtitle shall:

10 (1) Develop and implement articulated programs for the early
11 identification of gifted and talented students in grades K through 12 and the
12 provision of services to those students;

13 (2) Provide staff development for a variety of professional audiences,
14 including teachers, principals, and guidance personnel; and

15 (3) Provide and disseminate to parents and community groups
16 information on programs and services available for gifted and talented students.]

17 [8-2A-03.

18 The State Board shall:

19 (1) Adopt regulations establishing criteria for:

20 (i) The awarding of grants under the Excellence in Education
21 Incentive Grant Program; and

22 (ii) The evaluation of effective programs and services for gifted and
23 talented students; and

24 (2) Conduct periodic monitoring of the delivery of programs and services
25 for gifted and talented students in local school systems that receive the grants.]

26 8-414.

27 (A) [Beginning in fiscal year 1982] SUBJECT TO SUBSECTIONS (B) AND (C) OF
28 THIS SECTION, the funding level provided by this State and its counties for special
29 education and related services for children with disabilities may not be less than the
30 funding level for these services in fiscal year 1981 required under §§ 8-417 through
31 8-417.6 of this subtitle, as those sections were codified on June 30, 1981.

32 (B) THE STATE FUNDING REQUIRED BY THIS SECTION SHALL BE PHASED OUT
33 BETWEEN FISCAL YEARS ~~2003~~ 2004 AND ~~2006~~ 2007 AS PROVIDED IN SUBSECTION (C) OF
34 THIS SECTION.

1 (C) IN FISCAL YEARS ~~2003~~ 2004 THROUGH ~~2006~~ 2007, A COUNTY BOARD SHALL
 2 RECEIVE STATE FUNDING IN AN AMOUNT THAT IS EQUAL TO THE AMOUNT OF STATE
 3 FUNDING RECEIVED UNDER THIS SECTION IN FISCAL YEAR 2002 MULTIPLIED BY:

- 4 (1) 0.80 IN FISCAL YEAR ~~2003~~ 2004;
- 5 (2) 0.60 IN FISCAL YEAR ~~2004~~ 2005;
- 6 (3) 0.40 IN FISCAL YEAR ~~2005~~ 2006; AND
- 7 (4) 0.20 IN FISCAL YEAR ~~2006~~ 2007.

8 11-105.

9 (j) (6) The amount of the grant shall be a percentage of total design and
 10 construction costs, including site acquisition and development costs, as follows:

11 (i) For a regional community college established under § 16-202 of
 12 this article, 75 percent; or

13 (ii) For a public junior or community college that is not a regional
 14 community college, the greater of:

15 1. A percentage equal to that percentage of the[expenditure
 16 for basic current expenses] THE FOUNDATION PROGRAM that the State pays to the
 17 petitioning jurisdiction under § 5-202(b) of this article up to a maximum of 70
 18 percent; or

19 2. 50 percent.

20 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 21 read as follows:

22 **Article - Education**

23 7-301.

24 [(g) Kindergarten programs are not subject to the requirements of § 7-103(a) of
 25 this title relating to minimum days or hours of operation.]

26 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 27 read as follows:

28 **~~Chapter 105 of the Acts of 1997, as amended by Chapter 420 of the Acts of~~**
 29 **~~2001~~**

30 ~~SECTION 7. AND BE IT FURTHER ENACTED, That the provisions of this Act~~
 31 ~~reflect the terms of the consent decrees entered in the cases "Bradford, et al v.~~
 32 ~~Maryland State Board of Education, et al", case no. 94340058/CE189672; "Board of~~
 33 ~~School Commissioners, et al v. Maryland State Board of Education, et al", case no.~~

1 9528055/CL2002151, Baltimore City Circuit Court; and "Vaughn G., et al v. Mayor
 2 and City Council, et al", case no. MJG-84-1911, United States District Court for the
 3 District of Maryland and reflect a commitment to appropriate additional funds for the
 4 Baltimore City public schools in the following amounts: \$30 million in Fiscal Year
 5 1998 and \$50 million in each of Fiscal Years 1999 through 2002, inclusive. [For fiscal
 6 year 2003, the Governor shall continue the commitment to appropriate \$50 million in
 7 additional funds for the Baltimore City public schools.]

8 SECTION 29. AND BE IT FURTHER ENACTED, That:

9 ~~29-2. Abrogation Provisions:~~

10 (a) [(1) Subsection (e) of this section] SECTION 29 OF THIS ACT shall remain
 11 in effect until June 30, 2002, after which it shall be abrogated and of no further force
 12 and effect without further action by the General Assembly.

13 [(2) Except as provided in paragraph (1) of this subsection, this section
 14 shall remain in effect until June 30, 2003, after which it shall be abrogated and of no
 15 further force and effect with no further action required by the General Assembly.]

16 ~~29-3. Additional funding:~~

17 (a) New Targeted Poverty Program:

18 The following funds shall be provided for the New Targeted Poverty Program
 19 beginning with the Fiscal Year 1998 State budget:

20	(1)	Allegany County.....	\$ 484,128;
21	(2)	Anne Arundel County.....	1,038,816;
22	(3)	Baltimore County.....	2,446,368;
23	(4)	Calvert County.....	184,032;
24	(5)	Caroline County.....	212,448;
25	(6)	Carroll County.....	215,040;
26	(7)	Cecil County.....	301,056;
27	(8)	Charles County.....	455,424;
28	(9)	Dorchester County.....	220,800;
29	(10)	Frederick County.....	445,728;
30	(11)	Garrett County.....	216,192;
31	(12)	Harford County.....	612,960;

1	(13)	Howard County.....	326,880;
2	(14)	Kent County.....	95,616;
3	(15)	Montgomery County.....	2,469,216;
4	(16)	Prince George's County.....	4,840,416;
5	(17)	Queen Anne's County.....	117,216;
6	(18)	St. Mary's County.....	361,632;
7	(19)	Somerset County.....	168,192;
8	(20)	Talbot County.....	110,016;
9	(21)	Washington County.....	571,200;
10	(22)	Wicomico County.....	443,808;
11	(23)	Worcester County.....	226,176.

12 The total additional grant under this subsection is \$16,563,360.

13 (b) ~~Limited English Proficiency Program.~~

14 The following additional funds shall be provided in addition to any funds
15 appropriated for a county board of education pursuant to the Limited English
16 Proficiency Program established in § 5-206 of the Education Article:

17	(1)	Anne Arundel County.....	\$ 40,500;
18	(2)	Baltimore City.....	81,000;
19	(3)	Baltimore County.....	45,000;
20	(4)	Caroline County.....	4,000;
21	(5)	Carroll County.....	11,000;
22	(6)	Cecil County.....	2,500;
23	(7)	Charles County.....	5,000;
24	(8)	Dorchester County.....	5,500;
25	(9)	Frederick County.....	2,500;
26	(10)	Harford County.....	16,500;
27	(11)	Howard County.....	37,500;

1	(12)	Kent County	3,500;
2	(13)	Montgomery County	1,129,000;
3	(14)	Prince George's County	465,500;
4	(15)	Queen Anne's County	1,000;
5	(16)	St. Mary's County	6,000;
6	(17)	Somerset County	4,000;
7	(18)	Talbot County	3,000;
8	(19)	Washington County	15,000;
9	(20)	Wicomico County	19,500;
10	(21)	Worcester County	6,000.

11 The total additional grant under this subsection is \$1,903,500.

12 (e) Aging School Program.

13 The following funds shall be provided for the Aging School Program, which shall
14 be administered by the Interagency Committee on Public School Construction,
15 beginning with the Fiscal Year 1998 State budget:

16	(1)	Allegany County	\$ 150,000;
17	(2)	Anne Arundel County	240,000;
18	(3)	Baltimore City	120,000;
19	(4)	Baltimore County	1,750,000;
20	(5)	Calvert County	25,000;
21	(6)	Caroline County	35,000;
22	(7)	Carroll County	180,000;
23	(8)	Cecil County	150,000;
24	(9)	Charles County	25,000;
25	(10)	Dorchester County	25,000;
26	(11)	Frederick County	35,000;
27	(12)	Garrett County	35,000;

1	(13)	Harford County.....	180,000;
2	(14)	Howard County.....	25,000;
3	(15)	Kent County.....	25,000;
4	(16)	Montgomery County.....	510,000;
5	(17)	Prince George's County.....	420,000;
6	(18)	Queen Anne's County.....	35,000;
7	(19)	St. Mary's County.....	35,000;
8	(20)	Somerset County.....	25,000;
9	(21)	Talbot County.....	60,000;
10	(22)	Washington County.....	90,000;
11	(23)	Wicomico County.....	150,000;
12	(24)	Worcester County.....	25,000.

13 The total grant under this subsection is \$4,350,000.

14 (d) ~~Extended Elementary Education Program.~~

15 ~~Beginning with Fiscal Year 1998, the Governor shall include in each year's~~
16 ~~operating budget no less than the amount appropriated in Fiscal Year 1997 for the~~
17 ~~Extended Elementary Education Program. In addition to that amount, the following~~
18 ~~additional funds shall be provided to each county board of education.~~

19	(1)	Allegany County.....	\$ 35,000;
20	(2)	Anne Arundel County.....	245,000;
21	(3)	Baltimore City.....	105,000;
22	(4)	Baltimore County.....	210,000;
23	(5)	Caroline County.....	105,000;
24	(6)	Cecil County.....	175,000;
25	(7)	Charles County.....	490,000;
26	(8)	Frederick County.....	175,000;
27	(9)	Garrett County.....	35,000;
28	(10)	Harford County.....	280,000;

1	(11)	Howard County.....	140,000;
2	(12)	Kent County.....	35,000;
3	(13)	Montgomery County.....	210,000;
4	(14)	Queen Anne's County.....	70,000;
5	(15)	St. Mary's County.....	140,000;
6	(16)	Somerset County.....	35,000;
7	(17)	Talbot County.....	105,000;
8	(18)	Washington County.....	140,000;
9	(19)	Wicomico County.....	490,000;
10	(20)	Worcester County.....	70,000.

11 The total additional grant under this subsection is \$3,290,000.

12 (e) State Aid for Community Colleges.

13 The following additional funds shall be provided in addition to any funds
14 appropriated for a community college board pursuant to the State Aid for Community
15 Colleges Program established in § 16-305 of the Education Article:

16	(1)	Allegheny Community College.....	\$ 160,861;
17	(2)	Cecil Community College.....	74,121;
18	(3)	Chesapeake Community College.....	4,909;
19	(4)	Frederick Community College.....	97,133;
20	(5)	Garrett Community College.....	91,445;
21	(6)	Harford Community College.....	145,848;
22	(7)	Hagerstown Community College.....	165,181.

23 The total additional grant under this subsection is \$739,498.

24 (f) Mentoring Program Grants—Baltimore County.

25 Beginning with Fiscal Year 1998, the Baltimore County Board of Education
26 shall receive a grant for the Teacher Mentoring Program in an amount not less than
27 the amount received in Fiscal Year 1997, increased by \$2,400,000.

28 (g) Gifted and Talented Programs—Montgomery County.

1 ~~Beginning with Fiscal Year 1998, the Montgomery County Board of Education~~
 2 ~~shall receive a grant to support Gifted and Talented Programs in the amount of~~
 3 ~~\$2,000,000.~~

4 (h) ~~Magnet Schools Program Prince George's County.~~

5 ~~Beginning with Fiscal Year 1998, the Prince George's County Board of~~
 6 ~~Education shall receive a grant for the Magnet Schools Program in an amount not~~
 7 ~~less than the amount received in Fiscal Year 1997, increased by \$1,100,000.~~

8 **Chapter 565 of the Acts of 1998, as amended by Chapter 420 of the Acts of**
 9 **2001**

10 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
 11 General Assembly that the Governor provide a maximum of \$310,000 [annually in
 12 Fiscal Years 1999 through 2003] EACH FISCAL YEAR for the operating expenses of the
 13 Coordination Office established by this Act UNTIL THE STATE SUPERINTENDENT OF
 14 SCHOOLS DETERMINES THAT ALL OF THE RECOMMENDATIONS SET FORTH IN THE
 15 FINANCIAL AND PERFORMANCE AUDITS REQUIRED UNDER § 5-206 OF THE
 16 EDUCATION ARTICLE HAVE BEEN ADDRESSED.

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 18 July 1, 1998. [It shall remain effective for a period of 5 years and, at the end of June
 19 30, 2003, with no further action required by the General Assembly, this Act shall be
 20 abrogated and of no further force and effect.]

21 **Chapter 704 of the Acts of 1998, as amended by Chapter 420 of the Acts of**
 22 **2001**

23 SECTION 2. AND BE IT FURTHER ENACTED, That for fiscal years 1999
 24 through [2003] 2004, in each year, the State shall provide \$35 million for public
 25 school construction projects in Prince George's County and the Prince George's
 26 County government shall provide a minimum of \$32 million for public school
 27 construction projects, and such additional funds as may be necessary to match the
 28 annual State appropriation for public school construction projects in Prince George's
 29 County. For fiscal years 2000 through [2003] 2004, the full level of State funding shall
 30 be contingent on future economic conditions and review and approval by the State
 31 Superintendent of Schools of the Prince George's County Board of Education's
 32 Comprehensive Plan described in the 1998 Memorandum of Understanding signed by
 33 the parties to Vaughns, et al. v. Board of Education of Prince George's County, et al.
 34 and submitted to the United States District Court.

35 SECTION 3. AND BE IT FURTHER ENACTED, That for fiscal years 1999
 36 through [2003] 2004, in each year, the State shall provide 75 percent of the eligible
 37 costs for up to \$35 million in public school construction costs in Prince George's
 38 County. At least \$20 million of the State funds must be spent each year on
 39 neighborhood school projects. For funding above \$35 million, the State shall provide
 40 60 percent of the eligible costs. Neighborhood school projects shall be identified by the
 41 Interagency Committee on Public School Construction and shall include new public

1 schools and additions or improvements to existing public schools which serve students
 2 reassigned to their local communities based upon the Community Schools Education
 3 Plan developed by the Prince George's County Board of Education.

4 SECTION 4. AND BE IT FURTHER ENACTED, That prior to any school
 5 construction projects being released for bidding as a result of State funding in fiscal
 6 years 1999 through [2003] 2004, the Prince George's County Board of Education, the
 7 County Executive, and the County Council shall submit to the Interagency
 8 Committee on School Construction the most recent Community Schools Education
 9 Plan and the Prince George's County Board of Education Capital Improvement
 10 Program and a letter of endorsement of the plan and program. The Interagency
 11 Committee shall review the information submitted and determine which projects or
 12 portions thereof are justified and which qualify as neighborhood school projects. Prior
 13 to any approval from the Interagency Committee to release any projects for bidding,
 14 the educational programs and services proposed for each project shall be reviewed
 15 and approved by the State Superintendent of Schools for consistency with practices
 16 and strategies that result in improved student achievement and academic and social
 17 success.

18 SECTION 5. AND BE IT FURTHER ENACTED, That:

19 (a) Except as provided in subsection (b) of this section and Section 6 of this
 20 Act, this Act shall remain effective until [June 30, 2003] JUNE 30, 2004, and, at the
 21 end of [June 30, 2003] JUNE 30, 2004, with no further action required by the General
 22 Assembly, this Act shall be abrogated and of no further force and effect.

23 (b) Notwithstanding any other provision of this Act, § 5-307(d) of the
 24 Education Article as enacted by this Act shall remain in effect and shall not terminate
 25 without further action by the General Assembly.

26 **Chapter 464 of the Acts of 1999, as amended by Chapter 420 of the Acts of**
 27 **2001**

28 [SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall remain
 29 effective until June 30, 2003, and, at the end of June 30, 2003, with no further action
 30 required by the General Assembly, this Act shall be abrogated and of no further force
 31 and effect.]

32 **Chapter 493 of the Acts of 2000, as amended by Chapter 420 of the Acts of**
 33 **2001**

34 ~~SECTION 4. AND BE IT FURTHER ENACTED, That the Governor shall~~
 35 ~~include in the State budget for each of fiscal years 2001[, 2002, and 2003] AND 2002~~
 36 ~~an appropriation of at least \$20,465,079 to meet the State's existing legal obligations~~
 37 ~~for educational funding and avoid future litigation.~~

38 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
 39 June 1, 2000. Section 1 of this Act shall remain effective for a period of [3] 5 years
 40 and 1 month and, at the end of [June 30, 2003] JUNE 30, 2005, with no further action

1 required by the General Assembly, Section 1 of this Act shall be abrogated and of no
2 further force and effect.

3

Chapter 280 of the Acts of 2001

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
5 MARYLAND, That, notwithstanding any other provision of law, for fiscal years [2002
6 and 2003] 2002 THROUGH 2004, in each year, the State shall provide 90 percent of the
7 eligible costs for up to and including \$20 million in public school construction projects
8 in Baltimore City, and for funding above \$20 million, the State shall provide 75
9 percent of the eligible costs.

10 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding the
11 provisions of Section 1 of this Act, Baltimore City shall appropriate for school
12 construction in fiscal [2002 and 2003] YEARS 2002 THROUGH 2004, in each year, at
13 least \$12.4 million, the amount that Baltimore City appropriated in fiscal 2001 to
14 match the State funds provided in fiscal 2001 for school construction in Baltimore
15 City.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2001. It shall remain effective for a period of [2] 3 years and, at the end of
18 [June 30, 2003] JUNE 30, 2004, with no further action required by the General
19 Assembly, this Act shall be abrogated and of no further force and effect.

20 SECTION 5. AND BE IT FURTHER ENACTED, That:

21 (a) There is a Task Force to Study Public School Facilities.

22 (b) The Task Force shall review, evaluate, and make findings and
23 recommendations regarding the following issues relating to the State's school
24 construction program:

25 (1) whether public school facilities are adequate to support programs
26 funded through an adequate operating budget as proposed by the Commission on
27 Education Finance, Equity, and Excellence in its January 2002 Final Report;

28 (2) the equity of the State's school construction program, particularly the
29 equity of the State and local cost shares for school construction projects;

30 (3) whether the Aging Schools Program should be continued as a
31 permanent program; and

32 (4) any other matter that the Task Force determines to be relevant to an
33 evaluation of the adequacy and equity of the State's school construction program.

34 (c) The Commission shall be composed of 21 members as follows:

35 (1) a chairman appointed by the Governor;

1 (2) two members of the Senate of Maryland, appointed by the President
2 of the Senate;

3 (3) two members of the House of Delegates of Maryland, appointed by
4 the Speaker of the House;

5 (4) the Executive Director of the Interagency Committee on School
6 Construction;

7 (5) the State Superintendent of Schools, or the State Superintendent's
8 designee;

9 (6) the Secretary of the Department of Budget and Management, or the
10 Secretary's designee;

11 (7) the Secretary of the Department of General Services, or the
12 Secretary's designee;

13 (8) a member of the State Board of Education;

14 (9) three representatives of county governments, appointed by the
15 Governor;

16 (10) three representatives of local boards of education, appointed by the
17 Governor;

18 (11) three educators who work in public schools in the State, appointed by
19 the Governor; and

20 (12) two members of the public, appointed by the Governor.

21 (d) To the extent practicable, the Governor shall attempt to ensure regional,
22 ethnic, economic, and gender diversity on the Task Force.

23 (e) The Interagency Committee on School Construction, the Maryland State
24 Department of Education, the Department of Budget and Management, and the
25 Department of Legislative Services, jointly, shall provide staff support to the Task
26 Force.

27 (f) The Task Force shall:

28 (1) be appointed and begin its deliberations no later than June 1, 2002;
29 and

30 (2) submit a report of its findings and recommendations to the Governor
31 and, in accordance with § 2-1246 of the State Government Article, the General
32 Assembly on or before December 31, 2002.

33 (g) The Task Force shall terminate on December 31, 2002.

34 SECTION 6. AND BE IT FURTHER ENACTED, That:

1 (a) The Maryland State Department of Education shall form a committee of
2 interested stakeholders to study issues relating to enrollment counts in order to
3 ensure that the school finance system reflected in this Act, which is based on the
4 number of students enrolled by each school system, accurately reflects the workload
5 of each school system at the time education funding is distributed.

6 (b) The committee shall make findings regarding:

7 (1) the impact of the school finance system established in this Act on
8 school systems with declining or growing enrollments;

9 (2) the costs and benefits of alternative ways of addressing problems
10 that relate to declining or growing enrollments; and

11 (3) the costs and benefits of changing the dates on which enrollment
12 counts are taken for different segments of the student population in order to make
13 this date consistent for all enrollment counts.

14 (c) The committee shall make recommendations regarding ways in which the
15 school finance system should be modified in order to address problems relating to:

16 (1) school systems with declining or growing enrollments; and

17 (2) the dates on which the State should take enrollment counts for
18 different segments of the student population.

19 (d) The committee shall submit a final report of its findings and
20 recommendations, including an analysis of the fiscal impact of its recommendations,
21 to the Governor and, subject to § 2-1246 of the State Government Article, the General
22 Assembly on or before December 30, 2003.

23 SECTION 7. AND BE IT FURTHER ENACTED, That, within the next 10 years,
24 and no later than June 30, 2012, the Maryland State Department of Education, in
25 consultation with the Department of Budget and Management and the Department of
26 Legislative Services, shall contract with a public or private entity to conduct a study
27 of the adequacy of education funding in the State. At a minimum, the adequacy study
28 shall: (1) identify a base funding level for students without special needs; (2) per pupil
29 weights for students with special needs to be applied to the base funding level; and (3)
30 an analysis of the effect of concentrations of poverty on adequacy targets. The
31 Governor shall include sufficient funds in the State budget for the appropriate fiscal
32 years for the Maryland State Department of Education to cover the costs of
33 conducting the adequacy study.

34 SECTION 8. AND BE IT FURTHER ENACTED, That, since the school finance
35 system reflected in this Act is based on the assumption that the following programs,
36 which received funding in the fiscal ~~2002~~ 2003 State budget under the budget codes
37 listed below, will continue in future years, it is the intent of the General Assembly
38 that funding for these programs be included in future State budgets:

39 (1) Gifted and Talented Summer Center - RA.02.09;

- 1 (2) Destination ImagiNation - RA.02.09;
- 2 (3) Disruptive Youth (Annapolis Roads Middle School) - RA.02.11;
- 3 (4) Center for Educational Progress - RA.02.13;
- 4 (5) Food Services - RA.02.27;
- 5 (6) Science and Mathematics Initiative - RA.02.52;
- 6 (7) Maryland Technology Academy - RA.02.53;
- 7 (8) Education Modernization Initiative - RA.02.53;
- 8 (9) Challenge Grants - RA.02.54;
- 9 (10) Reconstitution - RA.02.54;
- 10 (11) School Performance Recognition - RA.02.54;
- 11 (12) Staff Development Centers - RA.02.55; and
- 12 (13) Judith P. Hoyer Early Child Care and Education Enhancement -
13 RA.02.57.

14 SECTION 9. AND BE IT FURTHER ENACTED, That, since the school finance
15 system reflected in this Act is based on the assumption that the following
16 discretionary programs, which received funding in the fiscal ~~2002~~ 2003 State budget
17 under the budget codes listed below, will be consolidated into either the foundation
18 program established by this Act or one of the three programs for special needs
19 students established by this Act, it is the intent of the General Assembly that no
20 funding for these programs be included in future State budgets:

- 21 (1) Environmental Education - RA.02.10;
- 22 (2) Maryland Student Service Alliance - RA.02.13;
- 23 (3) Pre-K through Third Grade Initiative - RA.02.13;
- 24 (4) Allegany County Resource Deficiencies - RA.02.13;
- 25 (5) High School Assessment Fees - RA.02.55;
- 26 (6) Foster Care Assessment - RA.02.07;
- 27 (7) Rural Schools Performance - RA.02.13;
- 28 (8) Rural Schools Nurses - RA.02.13;
- 29 (9) Potomac High School - RA.02.13;
- 30 (10) Pilot Summer Program - RA.02.54; and

1 (11) Baltimore City Teacher Certification - RA.02.55.

2 SECTION 10. AND BE IT FURTHER ENACTED, That this Act constitutes
3 further action of the General Assembly regarding consideration of the provisions of §
4 3-108.1 of the Education Article for the purpose of meeting the requirements of
5 Section 28 of Chapter 105 of the Acts of 1997.

6 SECTION 11. AND BE IT FURTHER ENACTED, That:

7 (a) Subject to subsection (b) of this section, in addition to any other State aid to
8 local public education, the State shall provide unrestricted grants for public education
9 for fiscal year 2003 to the county boards of education and the New Baltimore City
10 Board of School Commissioners in the following amounts:

11 Allegany	\$2,890,661
12 Anne Arundel	1,368,568 2,368,568
13 Baltimore City	18,684,668
14 Baltimore	2,087,705 3,087,705
15 Calvert	793,974
16 Caroline	929,352
17 Carroll	936,689
18 Cecil	900,472
19 Charles	1,278,854
20 Dorchester	408,720
21 Frederick	1,912,848
22 Garrett	312,282
23 Harford	1,811,353
24 Howard	1,849,594
25 Kent	120,310
26 Montgomery	7,586,129
27 Prince George's	12,527,220
28 Queen Anne's	105,717
29 St. Mary's	496,593
30 Somerset	556,384
31 Talbot	1,009,900
32 Washington	1,181,006
33 Wicomico	1,410,573
34 Worcester	1,497,263

35 (b) (1) This subsection applies to Montgomery, Talbot, and Worcester
36 counties, the three counties each of whose State share of basic current expenses under
37 § 5-202 of the Education Article in fiscal year 2003 is less than 25 percent.

38 (2) If a county's education tax effort index, calculated by dividing the
39 local education appropriation by the local wealth and indexing the result to the State
40 average, is less than 0.80, the State grant to that county board under this section shall
41 be as follows:

42 <u>**Montgomery</u>	<u>\$3,471,436</u>
43 <u>Talbot</u>	<u>417,165</u>
44 <u>Worcester</u>	<u>523,004</u>

45 SECTION 12. AND BE IT FURTHER ENACTED, That:

1 (a) If Chapter _____ (H.B. 949) of the Acts of the General Assembly of 2002 is
 2 enacted:

3 (1) Any provisions of this Act that are in conflict with the provisions of
 4 Chapter _____ (H.B. 949) shall be null and void without the necessity of further action
 5 by the General Assembly; and

6 (2) In addition to any other State aid to local public education, the State
 7 shall provide, subject to subsection (b) of this section, an unrestricted grant for public
 8 education for fiscal year 2003 only to the Prince George's County Board of Education
 9 in an amount equal to \$10,000,000.

10 (b) The State Superintendent of Schools may not release the supplemental
 11 grant under this section to the Prince George's County Board of Education until:

12 (1) The Prince George's County Board of Education develops and submits
 13 to the State Department of Education a comprehensive master plan that meets the
 14 requirements of § 5-401 of the Education Article as enacted under Section 2 of this
 15 Act; and

16 (2) The State Superintendent has determined that the comprehensive
 17 master plan will have the effect of improving student achievement and increasing
 18 progress toward meeting State performance standards.

19 SECTION 13. AND BE IT FURTHER ENACTED, That, if Chapter _____
 20 (S.B. 419/H.B. 371) of the Acts of the General Assembly of 2002 is enacted, the State
 21 shall provide grants for fiscal year 2003 to local lead agencies in the counties and
 22 Baltimore City under the Maryland Infants and Toddlers Program as follows:

23	<u>Allegany</u>	<u>\$ 75,618</u>
24	<u>Anne Arundel</u>	<u>479,666</u>
25	<u>Baltimore City</u>	<u>747,150</u>
26	<u>Baltimore</u>	<u>636,238 638,238</u>
27	<u>Calvert</u>	<u>45,709</u>
28	<u>Caroline</u>	<u>24,265</u>
29	<u>Carroll</u>	<u>116,813</u>
30	<u>Cecil</u>	<u>53,045</u>
31	<u>Charles</u>	<u>69,410</u>
32	<u>Dorchester</u>	<u>38,373</u>
33	<u>Frederick</u>	<u>207,667</u>
34	<u>Garrett</u>	<u>15,236</u>
35	<u>Harford</u>	<u>291,750</u>
36	<u>Howard</u>	<u>264,663</u>
37	<u>Kent</u>	<u>4,515</u>
38	<u>Montgomery</u>	<u>838,183 835,183</u>
39	<u>Prince George's</u>	<u>536,661</u>
40	<u>Queen Anne's</u>	<u>23,701</u>
41	<u>St. Mary's</u>	<u>71,668</u>
42	<u>Somerset</u>	<u>7,336</u>
43	<u>Talbot</u>	<u>15,236</u>
44	<u>Washington</u>	<u>104,398</u>

1 (3) [3.3] 5.0 cents for each cigarette in a package of more than 20
2 cigarettes; and

3 (4) [3.3] 5.0 cents for each cigarette in a package of free sample
4 cigarettes.

5 SECTION 17. AND BE IT FURTHER ENACTED, That all cigarettes used,
6 possessed, or held in the State on or after June 1, 2002 by any person for sale or use
7 in the State shall be subject to the full tobacco tax of \$1.00 on cigarettes imposed by
8 this Act. This requirement includes: (1) cigarettes in vending machines or other
9 mechanical dispensers; and (2) cigarettes (generally referred to as "floor stock") in
10 packages which already bear stamps issued by the Comptroller under the State
11 Tobacco Tax Act but for an amount less than the full tax imposed of 50 cents for each
12 10 cigarettes or fractional part thereof; all cigarettes held for sale by any person in
13 the State on or after June 1, 2002 that bear a tax stamp issued by the Comptroller of
14 a value less than \$1.00 for each pack of 20 cigarettes must be stamped with the
15 additional stamps necessary to make the aggregate value equal to \$1.00. In lieu of the
16 additional stamps necessary to make the aggregate tax value equal to \$1.00 the
17 Comptroller may provide an alternate method of collecting the additional tax. The
18 revenue attributable to this requirement shall be remitted to the Comptroller by
19 September 30, 2002. Except as provided above, on and after June 1, 2002, no
20 Maryland stamp shall be used except the stamp issued by the Comptroller to evidence
21 the tobacco tax on cigarettes of \$1.00 imposed by this Act.

22 SECTION 18. AND BE IT FURTHER ENACTED, That:

23 (a) In this section, "Special Fund" means the special fund established under
24 this section.

25 (b) (1) A Special Fund is established to dedicate certain tobacco tax
26 revenues for education aid purposes as provided in this section.

27 (2) The Special Fund is a continuing, nonlapsing fund which is not
28 subject to § 7-302 of the State Finance and Procurement Article.

29 (3) The Special Fund consists of the tobacco tax revenues distributed to
30 the Fund under subsection (c) of this section.

31 (4) The Treasurer shall separately hold, and the Comptroller shall
32 account for, the Special Fund.

33 (5) (i) The Special Fund shall be invested and reinvested in the same
34 manner as other State funds.

35 (ii) Any investment earnings shall be credited to the General Fund
36 of the State.

37 (c) Notwithstanding § 2-1603 of the Tax - General Article or any other
38 provision of law, for fiscal year 2003 only, after making the distributions required

1 under §§ 2-1601 and 2-1602 of the Tax - General Article, from the remaining tobacco
 2 tax revenue, the Comptroller shall distribute:

3 (1) ~~\$78,524,611~~ ~~\$78,523,604~~ ~~\$80,523,604~~ to the Special Fund; and

4 (2) The remaining balance to the General Fund of the State.

5 (d) (1) Except as otherwise provided in this Act, moneys in the Special Fund
 6 shall be retained in the Special Fund and may not be spent for any purpose.

7 (2) Of the moneys credited to the Special Fund, subject to the budget
 8 amendment procedure provided for in § 7-209 of the State Finance and Procurement
 9 Article:

10 (i) ~~\$62,656,835~~ ~~\$64,656,835~~ may be used to make grants for fiscal
 11 year 2003 to county boards of education and the New Baltimore City Board of School
 12 Commissioners as provided under Section 11 of this Act;

13 (ii) If Chapter _____ (H.B. 949) of the Acts of the General Assembly
 14 of 2002 is enacted, \$10,000,000 may be used to make a grant for fiscal year 2003 to
 15 the Prince George's County Board of Education as provided under Section 12 of this
 16 Act;

17 (iii) If Chapter _____ (S.B. 419/H.B. 371) of the Acts of the General
 18 Assembly of 2002 is enacted, ~~\$4,767,749~~ ~~\$4,766,749~~ may be used to make grants for
 19 fiscal year 2003 to local lead agencies in the counties and Baltimore City under the
 20 Maryland Infants and Toddlers Program as provided under Section 13 of this Act; and

21 (iv) If Chapter _____ (S.B. 737/H.B. 910) of the Acts of the General
 22 Assembly of 2002 is enacted, \$1,100,020 may be used to make grants for fiscal year
 23 2003 for adult education and literacy services as provided under Section 14 of this
 24 Act.

25 (3) (i) If Chapter _____ (H.B. 949) of the Acts of the General Assembly
 26 of 2002 is not enacted, \$10,000,000 from the Special Fund shall be transferred to the
 27 General Fund of the State.

28 (ii) If Chapter _____ (S.B. 419/H.B. 371) of the Acts of the General
 29 Assembly of 2002 is not enacted, ~~\$4,767,749~~ ~~\$4,766,749~~ from the Special Fund shall
 30 be transferred to the General Fund of the State.

31 (iii) If Chapter _____ (S.B. 737/H.B. 910) of the Acts of the General
 32 Assembly of 2002 is not enacted, \$1,100,020 from the Special Fund shall be
 33 transferred to the General Fund of the State.

34 SECTION 19. AND BE IT FURTHER ENACTED, That, in addition to the local
 35 appropriation to the school operating budget that the county governing body is
 36 required to make under § 5-202(b)(3) of the Education Article, of the amounts
 37 received from the State as a county income tax disparity grant under Article 24, §
 38 9-1101 of the Code, for fiscal year 2003 the following counties and Baltimore City

1 shall appropriate at least the following amounts to the school operating budget:

2 <u>Allegany</u>	<u>\$ 497,884</u>
3 <u>Baltimore City</u>	<u>4,326,695</u>
4 <u>Caroline</u>	<u>140,125</u>
5 <u>Garrett</u>	<u>10,626</u>
6 <u>Prince George's</u>	<u>5,325,793</u>
7 <u>Somerset</u>	<u>164,435</u>
8 <u>Washington</u>	<u>876,584</u>
9 <u>Wicomico</u>	<u>562,430</u>

10 SECTION 20. AND BE IT FURTHER ENACTED, That:

11 (a) Except as ~~provided in subsection (b)~~ of otherwise provided in this section,
 12 Sections 1 and 2 of this Act shall take effect July 1, 2003.

13 (b) ~~The changes to § 5-104 of the Education Article as enacted under Section~~
 14 ~~2 of this Act shall take effect July 1, 2002 and shall be applicable to all taxable years~~
 15 ~~beginning after June 30, 2003.~~

16 (~~e~~) (b) On or before September 30, 2002, the Prince George's County Board
 17 of Education shall develop and submit to the State Department of Education a
 18 comprehensive master plan that meets the requirements of § 5-401 of the Education
 19 Article as enacted under Section 2 of this Act.

20 (~~d~~) (c) On or before September 30, 2002, the State Department of Education
 21 shall contract with a private entity to conduct the study required under § 5-202(f)(2)
 22 of the Education Article as enacted under Section 2 of this Act.

23 (d) (1) For the additional State aid for education as enacted by Section 2 of
 24 this Act to be implemented in fiscal 2005, the General Assembly at the 2004 regular
 25 session shall affirm by joint resolution adopted no later than the fiftieth day of the
 26 session that the additional State aid for education is within the State's fiscal resources
 27 for fiscal 2005.

28 (2) If a joint resolution pursuant to paragraph (1) of this subsection is not
 29 adopted by the fiftieth day, then the additional State aid for education contained in
 30 Section 2 of this Act shall be funded in fiscal 2005 at 105 percent of the fiscal 2004
 31 level as enacted by Section 2 of this Act for each county from the appropriations
 32 proposed by the Governor for the additional State aid enacted by Section 2 of this Act.
 33 The balance of the appropriations proposed by the Governor for additional State aid
 34 for education shall revert to the General Fund.

35 (e) If subsection (d)(2) of this section is implemented, then the additional State
 36 aid for education contained in Section 2 of this Act shall be funded at the following
 37 percentage of the fiscal 2004 level as enacted by Section 2 of this Act for each county:

38 (1) 110.25 percent in fiscal 2006;

39 (2) 115.75 percent in fiscal 2007; and

40 (3) 121.50 percent in fiscal 2008.

1 SECTION 21. AND BE IT FURTHER ENACTED, That the Comptroller of the
2 Treasury shall report to the General Assembly on or before January 15, 2003, in
3 accordance with § 2-1246 of the State Government Article, on the loss, as a result of
4 this Act, of gross sales revenue of retail establishments that sell cigarettes within 30
5 miles of the State's border with a contiguous state or the District of Columbia.

6 SECTION 22. AND BE IT FURTHER ENACTED, That if any provision of this
7 Act or the application thereof to any person or circumstance is held invalid for any
8 reason in a court of competent jurisdiction, the invalidity does not affect other
9 provisions or any other application of this Act which can be given effect without the
10 invalid provision or application, and for this purpose the provisions of this Act are
11 declared severable.

12 SECTION ~~11. 21. 22. 23.~~ AND BE IT FURTHER ENACTED, That § 5-206(g)
13 of the Education Article as enacted by Section 2 of this Act, shall be abrogated and of
14 no further force and effect July 1, ~~2003~~ 2007.

15 SECTION ~~12. 22. 23. 24.~~ AND BE IT FURTHER ENACTED, That § 5-206(f)
16 of the Education Article as enacted by Section 2 of this Act, shall be abrogated and of
17 no further force and effect July 1, 2004.

18 SECTION ~~13. 23. 24. 25.~~ AND BE IT FURTHER ENACTED, That Section 3 of
19 this Act shall take effect July 1, ~~2006~~ 2007.

20 SECTION ~~14. 24. 25. 26.~~ AND BE IT FURTHER ENACTED, That § 8-414 of
21 the Education Article as enacted by Section 2 of this Act, shall be abrogated and of no
22 further force and effect July 1, ~~2006~~ 2007.

23 SECTION ~~15. 25. 26. 27.~~ AND BE IT FURTHER ENACTED, That, except as
24 provided in ~~Section 13~~ Sections 20 and ~~23 24~~ 25 of this Act, this Act shall take effect
25 June 1, 2002.