
By: **Senators Miller and Hogan**

Introduced and read first time: January 20, 2005

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Adult Education and Literacy Waiting List Reduction Fund**

3 FOR the purpose of establishing the Adult Education and Literacy Waiting List
4 Reduction Fund in the Division of Career Technology and Adult Learning in the
5 State Department of Education; requiring the Department to make certain
6 efforts to reduce the waiting list for adult education and literacy services;
7 specifying the purpose of the Fund; specifying that the Fund is a continuing,
8 nonlapsing fund, that the State Treasurer shall hold the Fund separately, and
9 that the Comptroller shall account for the Fund; specifying that the Fund
10 consists of certain donations and other moneys accepted for certain purposes;
11 requiring the Department to distribute the Fund as Literacy Works grants in
12 order to reduce the waiting list for certain adult education and literacy services;
13 allowing a subtraction modification under the Maryland individual and
14 corporate income tax for certain donations to the Fund; declaring the intent of
15 the General Assembly; providing for the application of this Act; and generally
16 relating to funding for adult education and literacy services.

17 BY adding to
18 Article - Education
19 Section 5-219 and 5-220
20 Annotated Code of Maryland
21 (2004 Replacement Volume and 2004 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article - Tax - General
24 Section 10-208(a)
25 Annotated Code of Maryland
26 (1997 Replacement Volume and 2004 Supplement)

27 BY adding to
28 Article - Tax - General
29 Section 10-208(q)
30 Annotated Code of Maryland

1 (1997 Replacement Volume and 2004 Supplement)

2 BY repealing and reenacting, with amendments,

3 Article - Tax - General

4 Section 10-308

5 Annotated Code of Maryland

6 (1997 Replacement Volume and 2004 Supplement)

7 Preamble

8 WHEREAS, The economy of Maryland needs an educated workforce to be
9 competitive; and

10 WHEREAS, There is a very high correlation between adult literacy and factors
11 that contribute to a strong economy; and

12 WHEREAS, Research has shown that improving employees' basic skills creates
13 an economic benefit for employers as well as workers and their families; and

14 WHEREAS, Low literacy affects the economic well being of the counties and
15 Baltimore City; and

16 WHEREAS, The State is contributing only 8% of the cost of adult education;
17 and

18 WHEREAS, An estimated 700,000 to 900,000 Maryland adults do not have a
19 high school diploma or lack the skill to speak English well; and

20 WHEREAS, The National Adult Literacy Survey reports that 20% of
21 Marylanders function at the lowest literacy level; and

22 WHEREAS, Maryland provides adult education and literacy services to only 4%
23 of the target population; and

24 WHEREAS, Each year, over 16,000 Maryland adults apply to take the GED test
25 and 45% fail the test due to lack of preparation; and

26 WHEREAS, Nearly 107,000 foreign-born Maryland residents were identified
27 as speaking English "not well" or "not at all" in the April 2001 Supplemental Survey
28 to the 2000 Census; and

29 WHEREAS, There is an unmet demand for services in many areas of the State,
30 as documented by waiting periods of 3 months to a year for classes in some areas; and

31 WHEREAS, There are 4,000 to 5,000 adults on waiting lists annually for adult
32 education and literacy services; and

1 WHEREAS, The task force appointed by the General Assembly in 2001 to study
2 adult education-related services emphasized the need for an immediate increase in
3 funding in adult education services; now, therefore,

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

6 **Article - Education**

7 5-219.

8 IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE STATE DEPARTMENT
9 OF EDUCATION SHALL REDUCE THE WAITING LIST FOR ADULT EDUCATION AND
10 LITERACY SERVICES BY ACTIVELY SEEKING DONATIONS FROM THE PRIVATE SECTOR
11 FOR THE ADULT EDUCATION AND WAITING LIST REDUCTION FUND ESTABLISHED
12 UNDER § 5-220 OF THIS SUBTITLE.

13 5-220.

14 (A) IN THIS SECTION, "FUND" MEANS THE ADULT EDUCATION AND LITERACY
15 WAITING LIST REDUCTION FUND.

16 (B) (1) THERE IS AN ADULT EDUCATION AND LITERACY WAITING LIST
17 REDUCTION FUND IN THE DIVISION OF CAREER TECHNOLOGY AND ADULT LEARNING
18 IN THE DEPARTMENT.

19 (2) THE PURPOSE OF THE FUND IS TO SUPPLEMENT GENERAL FUND
20 APPROPRIATIONS TO ADULT EDUCATION AND LITERACY SERVICES.

21 (3) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT
22 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

23 (4) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER
24 SHALL ACCOUNT FOR THE FUND.

25 (5) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME
26 MANNER AS OTHER STATE FUNDS.

27 (6) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO
28 THE FUND.

29 (C) THE FUND CONSISTS OF:

30 (1) VOLUNTARY CONTRIBUTIONS PAID TO THE FUND; AND

31 (2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE
32 BENEFIT OF THE FUND.

1 (D) EXPENDITURES FROM THE FUND SHALL BE MADE BY AN APPROPRIATION
2 IN THE ANNUAL STATE BUDGET OR BY APPROVED BUDGET AMENDMENT AS
3 PROVIDED UNDER § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

4 (E) THE MONEY IN THE FUND SHALL BE DISTRIBUTED BY THE DEPARTMENT
5 AS LITERACY WORKS GRANTS TO REDUCE THE WAITING LIST FOR ADULT EDUCATION
6 AND LITERACY SERVICES.

7 (F) FUNDING UNDER THIS SECTION MAY NOT BE USED TO SUPPLANT
8 FUNDING OTHERWISE PROVIDED IN THE STATE BUDGET.

9 **Article - Tax - General**

10 10-208.

11 (a) In addition to the modification under § 10-207 of this subtitle, the
12 amounts under this section are subtracted from the federal adjusted gross income of
13 a resident to determine Maryland adjusted gross income.

14 (Q) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES
15 100% OF THE AMOUNT DONATED BY AN INDIVIDUAL DURING THE TAXABLE YEAR TO
16 THE ADULT EDUCATION AND LITERACY WAITING LIST REDUCTION FUND AS
17 PROVIDED UNDER § 5-220 OF THE EDUCATION ARTICLE.

18 10-308.

19 (a) In addition to the modification under § 10-307 of this subtitle, the
20 amounts under this section are subtracted from the federal taxable income of a
21 corporation to determine Maryland modified income.

22 (b) The subtraction under subsection (a) of this section includes the amounts
23 allowed to be subtracted for an individual under:

24 (1) § 10-208(d) of this title (Conservation tillage equipment expenses);

25 (2) § 10-208(i) of this title (Reforestation or timber stand expenses);

26 (3) § 10-208(k) of this title (Wage expenses for targeted jobs);

27 (4) § 10-208(m) of this title (Poultry or livestock manure spreading
28 equipment); [and]

29 (5) § 10-208(p) of this title (Elevator handrails in health care facilities);

30 AND

31 (6) § 10-208(Q) OF THIS TITLE (ADULT EDUCATION AND LITERACY
32 WAITING LIST REDUCTION FUND).

33 (c) In the case of a regulated investment company, the subtraction under
34 subsection (a) of this section includes an amount equal to the exempt-interest

1 dividends paid by the company that are attributable to amounts received by the
2 company that are included in the addition modification for dividends and interest
3 from state or local obligations of another state under § 10-305(d)(1) of this subtitle.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 July 1, 2005, and shall be applicable to all taxable years beginning after December 31,
6 2004.