

HOUSE BILL 602

F1
HB 188/08 – W&M

9lr1075

By: **Delegates Bates, Boteler, George, McComas, McDonough, Miller, Myers, Shewell, and Sossi**

Introduced and read first time: February 6, 2009

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Smart Start Scholarship Program**

3 FOR the purpose of establishing the Smart Start Scholarship Program in the State
4 Department of Education; authorizing certain schools to apply to the
5 Department to participate in the Program; authorizing eligible students to
6 apply for certain scholarships; requiring the Department to award scholarships
7 under certain circumstances; requiring the Department to determine the
8 amount of certain scholarships based on certain income eligibility; establishing
9 requirements for the use of scholarship moneys; requiring participating schools
10 to use a certain selection process; requiring certain counties to include certain
11 students in their full-time equivalent enrollment; requiring certain schools to
12 comply with certain administrative, financial, and academic accountability
13 requirements; establishing the autonomy of certain schools; requiring the
14 Department to conduct a certain public awareness program, create a certain
15 form, and prohibit certain schools from further participation in the Program
16 under certain circumstances; requiring certain county boards to provide school
17 records and transportation for certain students; requiring the Department to
18 conduct a certain evaluation and submit certain reports by certain dates;
19 defining certain terms; requiring the Department to adopt certain regulations;
20 and generally relating to the establishment of the Smart Start Scholarship
21 Program in the State Department of Education.

22 BY adding to

23 Article – Education

24 Section 9.5–101 through 9.5–109 to be under the new title “Title 9.5. Smart
25 Start Scholarship Program”

26 Annotated Code of Maryland

27 (2008 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Education**

4 **TITLE 9.5. SMART START SCHOLARSHIP PROGRAM.**

5 **9.5–101.**

6 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (B) “ELIGIBLE CHILD” MEANS A CHILD WHO RESIDES IN THE STATE
9 WHO IS 4 YEARS OLD ON SEPTEMBER 1 OF THE SCHOOL YEAR IN WHICH THE
10 PARENT SEEKS TO ENROLL THE CHILD IN A PREKINDERGARTEN PROGRAM.

11 (C) “INCOME ELIGIBILITY GUIDELINE” MEANS THE MAXIMUM ANNUAL
12 INCOME ALLOWED TO QUALIFY FOR FREE OR REDUCED PRICE MEALS BASED ON
13 ELIGIBILITY REQUIREMENTS ESTABLISHED BY THE UNITED STATES
14 DEPARTMENT OF AGRICULTURE.

15 (D) (1) “PARENT” MEANS:

16 (I) A CHILD’S NATURAL PARENTS;

17 (II) A CHILD’S ADOPTIVE PARENTS;

18 (III) A GUARDIAN;

19 (IV) A PERSON ACTING AS A PARENT OF A CHILD SUCH AS A
20 RELATIVE OR A STEPPARENT WITH WHOM A CHILD LIVES;

21 (V) A FOSTER PARENT WITH WHOM A CHILD LIVES IF THE
22 FOSTER PARENT HAS BEEN GRANTED LIMITED GUARDIANSHIP FOR
23 EDUCATIONAL DECISION-MAKING PURPOSES BY THE COURT THAT HAS PLACED
24 THE CHILD IN FOSTER CARE; OR

25 (VI) ANY OTHER INDIVIDUAL WHO IS LEGALLY RESPONSIBLE
26 FOR A CHILD’S WELFARE.

27 (2) “PARENT” DOES NOT INCLUDE A SOCIAL WORKER OR OTHER
28 EMPLOYEE OF A PUBLIC AGENCY WHO IS RESPONSIBLE FOR THE EDUCATION OR
29 CARE OF THE CHILD.

1 (E) (1) **“PARTICIPATING SCHOOL” MEANS A SCHOOL THAT:**

2 (I) **MEETS THE REQUIREMENTS OF THE PROGRAM; AND**

3 (II) **HAS RECEIVED A CERTIFICATE OF APPROVAL FROM**
4 **THE STATE BOARD UNDER § 2-206(E) OF THIS ARTICLE.**

5 (2) **“PARTICIPATING SCHOOL” INCLUDES:**

6 (I) **A PUBLIC ELEMENTARY SCHOOL OUTSIDE THE**
7 **RESIDENT SCHOOL DISTRICT IN WHICH A STUDENT RESIDES; OR**

8 (II) **A NONPUBLIC ELEMENTARY SCHOOL IN THE STATE.**

9 (F) **“PROGRAM” MEANS THE SMART START SCHOLARSHIP PROGRAM**
10 **ESTABLISHED UNDER THIS TITLE.**

11 **9.5-102.**

12 (A) **THERE IS A SMART START SCHOLARSHIP PROGRAM IN THE**
13 **DEPARTMENT.**

14 (B) **THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT**
15 **THE PROVISIONS OF THIS TITLE.**

16 **9.5-103.**

17 (A) **A PUBLIC OR NONPUBLIC SCHOOL MAY APPLY TO THE**
18 **DEPARTMENT IN ACCORDANCE WITH PROCEDURES ESTABLISHED BY THE**
19 **DEPARTMENT TO QUALIFY AS A PARTICIPATING SCHOOL IN THE PROGRAM.**

20 (B) **AN ELIGIBLE CHILD MAY APPLY TO THE DEPARTMENT FOR A**
21 **SCHOLARSHIP TO ATTEND ANY PARTICIPATING SCHOOL IN THE PROGRAM.**

22 (C) **A PARENT OF AN ELIGIBLE CHILD MAY CHOOSE IF THEY WANT**
23 **THEIR CHILD TO ATTEND:**

24 (1) **A FULL-DAY OR HALF-DAY PREKINDERGARTEN PROGRAM;**
25 **AND**

26 (2) **A FULL-TIME OR PART-TIME PREKINDERGARTEN PROGRAM.**

27 **9.5-104.**

1 **(A) THE DEPARTMENT SHALL AWARD A SCHOLARSHIP TO ATTEND A**
2 **PARTICIPATING SCHOOL TO EVERY ELIGIBLE CHILD WHO APPLIES FOR THE**
3 **SCHOLARSHIP.**

4 **(B) THE DEPARTMENT SHALL REDUCE A SCHOLARSHIP AMOUNT BY:**

5 **(1) HALF FOR A CHILD WHO ATTENDS A HALF-DAY**
6 **PREKINDERGARTEN PROGRAM; AND**

7 **(2) A PROPORTIONATE AMOUNT FOR A CHILD WHO ATTENDS A**
8 **PART-TIME PREKINDERGARTEN PROGRAM.**

9 **(C) THE DEPARTMENT SHALL DETERMINE THE AMOUNT OF THE**
10 **SCHOLARSHIP BASED ON THE INCOME OF THE PARENTS OF THE ELIGIBLE**
11 **CHILD IN THE CALENDAR YEAR IMMEDIATELY PRECEDING THE SCHOOL YEAR**
12 **FOR WHICH A SCHOLARSHIP IS SOUGHT AS FOLLOWS:**

13 **(1) IF THE ANNUAL INCOME OF THE PARENTS OF THE CHILD IS**
14 **EQUAL TO 100% OF THE INCOME ELIGIBILITY GUIDELINE, THE SCHOLARSHIP**
15 **AMOUNT SHALL BE EQUAL TO THE LESSER OF:**

16 **(I) 100% OF THE DOLLAR AMOUNT THE COUNTY WOULD**
17 **HAVE RECEIVED TO EDUCATE THE CHILD FROM STATE AND LOCAL SOURCES**
18 **HAD THE CHILD ENROLLED IN A SCHOOL IN THE COUNTY; OR**

19 **(II) THE PARTICIPATING SCHOOL'S ANNUAL COST PER**
20 **CHILD, INCLUDING OPERATIONAL AND CAPITAL FACILITY COSTS;**

21 **(2) IF THE ANNUAL INCOME OF THE PARENTS OF THE CHILD IS**
22 **GREATER THAN THE INCOME ELIGIBILITY GUIDELINE BUT LESS THAN OR EQUAL**
23 **TO 1.5 TIMES THE AMOUNT, THE SCHOLARSHIP AMOUNT SHALL BE EQUAL TO**
24 **THE LESSER OF:**

25 **(I) 75% OF THE DOLLAR AMOUNT THE COUNTY WOULD**
26 **HAVE RECEIVED TO EDUCATE THE ELIGIBLE CHILD FROM STATE AND LOCAL**
27 **SOURCES HAD THE CHILD ENROLLED IN A SCHOOL IN THE COUNTY; OR**

28 **(II) THE PARTICIPATING SCHOOL'S ANNUAL COST PER**
29 **CHILD, INCLUDING OPERATIONAL AND CAPITAL FACILITY COSTS;**

30 **(3) IF THE ANNUAL INCOME OF THE PARENTS OF THE CHILD IS**
31 **GREATER THAN 1.5 TIMES THE INCOME ELIGIBILITY GUIDELINE BUT LESS THAN**
32 **OR EQUAL TO 2.0 TIMES THE AMOUNT, THE SCHOLARSHIP AMOUNT SHALL BE**
33 **EQUAL TO THE LESSER OF:**

1 (I) **50% OF THE DOLLAR AMOUNT THE COUNTY WOULD**
2 **HAVE RECEIVED TO EDUCATE THE ELIGIBLE CHILD FROM STATE AND LOCAL**
3 **SOURCES HAD THE CHILD ENROLLED IN A SCHOOL IN THE COUNTY; OR**

4 (II) **THE PARTICIPATING SCHOOL'S ANNUAL COST PER**
5 **CHILD, INCLUDING OPERATIONAL AND CAPITAL FACILITY COSTS; AND**

6 (4) **IF THE ANNUAL INCOME OF THE PARENTS OF THE CHILD IS**
7 **GREATER THAN 2.0 TIMES THE INCOME ELIGIBILITY GUIDELINE BUT LESS THAN**
8 **OR EQUAL TO 2.5 TIMES THE AMOUNT, THE SCHOLARSHIP AMOUNT SHALL BE**
9 **EQUAL TO THE LESSER OF:**

10 (I) **25% OF THE DOLLAR AMOUNT THE COUNTY WOULD**
11 **HAVE RECEIVED TO EDUCATE THE ELIGIBLE CHILD FROM STATE AND LOCAL**
12 **SOURCES HAD THE CHILD ENROLLED IN A SCHOOL IN THE COUNTY; OR**

13 (II) **THE PARTICIPATING SCHOOL'S ANNUAL COST PER**
14 **CHILD, INCLUDING OPERATIONAL AND CAPITAL FACILITY COSTS.**

15 (D) **A SCHOLARSHIP IS THE ENTITLEMENT OF THE ELIGIBLE CHILD**
16 **UNDER THE SUPERVISION OF THE CHILD'S PARENT AND NOT THAT OF ANY**
17 **SCHOOL.**

18 (E) **A PARTICIPATING SCHOOL MAY NOT REFUND, REBATE, OR SHARE A**
19 **CHILD'S SCHOLARSHIP WITH THE PARENT OR THE CHILD IN ANY MANNER.**

20 (F) **(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
21 **SUBSECTION, IF A PARTICIPATING SCHOOL HAS MORE ELIGIBLE CHILDREN**
22 **APPLYING THAN SPACES AVAILABLE, THE SCHOOL SHALL UTILIZE A RANDOM**
23 **SELECTION PROCESS TO FILL THE AVAILABLE SPACES.**

24 (2) **A PARTICIPATING SCHOOL MAY GIVE PREFERENCE TO**
25 **SIBLINGS OF ENROLLED CHILDREN AND PREVIOUSLY ENROLLED SCHOLARSHIP**
26 **CHILDREN.**

27 (G) **IF AN ELIGIBLE CHILD IS DENIED ADMISSION TO A PARTICIPATING**
28 **SCHOOL BECAUSE THE SCHOOL DOES NOT HAVE AN AVAILABLE SPACE, THE**
29 **CHILD MAY TRANSFER THE SCHOLARSHIP TO A PARTICIPATING SCHOOL WITH**
30 **AN AVAILABLE SPACE.**

31 (H) **(1) A COUNTY SHALL INCLUDE A CHILD ENROLLED AS A RESULT**
32 **OF THE CHILD RECEIVING A SCHOLARSHIP TO ATTEND SCHOOL IN THE COUNTY**

1 IN ITS FULL-TIME EQUIVALENT ENROLLMENT AS PROVIDED BY § 5-202(A)(6) OF
2 THIS ARTICLE.

3 (2) ANY FUNDS UTILIZED FOR A SCHOLARSHIP SHALL BE
4 SUBTRACTED FROM THE STATE FINANCIAL ASSISTANCE TO THE COUNTY.

5 (3) THE STATE SHALL KEEP ANY FINANCIAL ASSISTANCE IN
6 EXCESS OF THE FUNDS NEEDED FOR A SCHOLARSHIP.

7 **9.5-105.**

8 EACH NONPUBLIC PARTICIPATING SCHOOL SHALL:

9 (1) COMPLY WITH HEALTH AND SAFETY CODES THAT APPLY TO
10 NONPUBLIC SCHOOLS;

11 (2) HOLD A VALID OCCUPANCY PERMIT IF REQUIRED BY THE
12 COUNTY WHERE THE SCHOOL IS LOCATED;

13 (3) DEMONSTRATE ITS FINANCIAL ACCOUNTABILITY BY:

14 (I) SUBMITTING A FINANCIAL INFORMATION REPORT
15 PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT THAT COMPLIES WITH
16 UNIFORM FINANCIAL ACCOUNTING STANDARDS;

17 (II) REQUIRING THE ACCOUNTANT TO CERTIFY THAT THE
18 REPORT IS FREE OF MATERIAL MISSTATEMENTS; AND

19 (III) IF THE SCHOOL IS TO RECEIVE \$50,000 OR MORE FOR
20 SCHOLARSHIPS DURING THE SCHOOL YEAR, FILING WITH THE DEPARTMENT
21 PRIOR TO THE START OF THE SCHOOL YEAR:

22 1. A SURETY BOND PAYABLE TO THE STATE IN AN
23 AMOUNT EQUAL TO THE AGGREGATE AMOUNT OF THE SCHOLARSHIPS TO BE
24 PAID DURING THE SCHOOL YEAR; OR

25 2. FINANCIAL INFORMATION THAT DEMONSTRATES
26 THAT THE SCHOOL HAS THE ABILITY TO PAY AN AGGREGATE AMOUNT EQUAL TO
27 THE AMOUNT OF THE SCHOLARSHIPS EXPECTED TO BE PAID DURING THE
28 SCHOOL YEAR TO STUDENTS ADMITTED AT THE PARTICIPATING SCHOOL; AND

29 (4) PROVIDE ACADEMIC ACCOUNTABILITY TO A PARENT OF A
30 STUDENT IN THE PROGRAM BY REGULARLY REPORTING TO THE PARENT ON
31 THE STUDENT'S PROGRESS.

1 **9.5-106.**

2 **THE ESTABLISHMENT OF THE PROGRAM DOES NOT EXPAND THE**
3 **REGULATORY AUTHORITY OF THE STATE, ITS OFFICERS, OR ANY LOCAL SCHOOL**
4 **SYSTEM TO IMPOSE ANY ADDITIONAL REGULATION OF NONPUBLIC SCHOOLS**
5 **BEYOND THOSE REASONABLY NECESSARY TO ENFORCE THE REQUIREMENTS OF**
6 **THE PROGRAM.**

7 **9.5-107.**

8 **(A) THE DEPARTMENT SHALL:**

9 **(1) ENSURE ON AN ANNUAL BASIS THAT ELIGIBLE CHILDREN AND**
10 **THEIR PARENTS ARE AWARE OF THE SCHOOLS THAT PARTICIPATE IN THE**
11 **PROGRAM, INCLUDING PARENTS OF LOW-INCOME ELIGIBLE CHILDREN;**

12 **(2) CREATE A STANDARDIZED FORM THAT IS READILY AVAILABLE**
13 **THROUGH MULTIPLE SOURCES, INCLUDING THE INTERNET, FOR STUDENTS TO**
14 **SUBMIT TO A PARTICIPATING SCHOOL TO ESTABLISH THEIR ELIGIBILITY AND**
15 **APPLY FOR ADMISSION; AND**

16 **(3) PROHIBIT A SCHOOL FROM FURTHER PARTICIPATION IN THE**
17 **PROGRAM IF THE DEPARTMENT ESTABLISHES THAT THE PARTICIPATING**
18 **SCHOOL HAS:**

19 **(I) INTENTIONALLY AND SUBSTANTIALLY**
20 **MISREPRESENTED INFORMATION REQUIRED UNDER § 9.5-105 OF THIS TITLE;**

21 **(II) ROUTINELY FAILED TO COMPLY WITH THE**
22 **ACCOUNTABILITY STANDARDS ESTABLISHED UNDER § 9.5-105 OF THIS TITLE;**

23 **(III) FAILED TO COMPLY WITH § 9.5-104(D) OR (E) OF THIS**
24 **TITLE; OR**

25 **(IV) FAILED TO REFUND TO THE STATE ANY SCHOLARSHIP**
26 **OVERPAYMENTS IN A TIMELY MANNER.**

27 **(B) IF THE DEPARTMENT PROHIBITS A PARTICIPATING SCHOOL FROM**
28 **FURTHER PARTICIPATION IN THE PROGRAM, THE DEPARTMENT SHALL**
29 **PROMPTLY NOTIFY AFFECTED SCHOLARSHIP STUDENTS AND THEIR PARENTS**
30 **OF ITS DECISION.**

31 **9.5-108.**

A COUNTY BOARD SHALL PROVIDE:

(1) TO A PARTICIPATING SCHOOL THAT HAS ADMITTED AN ELIGIBLE STUDENT UNDER THE PROGRAM A COMPLETE COPY OF THE STUDENT'S SCHOOL RECORDS IN COMPLIANCE WITH THE FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974 ESTABLISHED UNDER 20 U.S.C. § 1232(G); AND

(2) TRANSPORTATION FOR THE ELIGIBLE CHILD TO AND FROM THE PARTICIPATING SCHOOL UNDER THE SAME CONDITIONS AS THE COUNTY BOARD IS REQUIRED TO PROVIDE TRANSPORTATION FOR OTHER RESIDENT CHILDREN TO NONPUBLIC SCHOOLS.

9.5-109.

(A) THE DEPARTMENT SHALL CONDUCT AN EVALUATION OF THE PROGRAM.

(B) THE EVALUATION SHALL ASSESS THE:

(1) EXTENT OF PARENTAL SATISFACTION WITH THE PROGRAM;

(2) EFFECTIVENESS OF THE PROGRAM TO INCREASE THE ACADEMIC PREPAREDNESS OF THE PARTICIPATING CHILDREN;

(3) IMPACT OF THE PROGRAM ON THE CAPACITY, AVAILABILITY, AND QUALITY OF PUBLIC AND NONPUBLIC SCHOOLS IN THE STATE; AND

(4) IMPACT OF THE PROGRAM ON THE CAPACITY, AVAILABILITY, AND QUALITY OF CHILD CARE PROVIDERS IN THE STATE.

(C) (1) THE DEPARTMENT SHALL SUBMIT AN INITIAL REPORT ON THE RESULTS OF THE EVALUATION REQUIRED BY THIS SECTION TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 31, 2010.

(2) THE DEPARTMENT SHALL SUBMIT A FINAL REPORT ON THE RESULTS OF THE EVALUATION REQUIRED BY THIS SECTION TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 31, 2011.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2009.

