

**HB0072/154463/1**

BY: Appropriations Committee

AMENDMENTS TO HOUSE BILL 72

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “repealing” in line 5 down through “site;” in line 11; in line 11, strike “time period” and substitute “year”; strike beginning with “altering” in line 13 down through “grants;” in line 15 and substitute “requiring a local school system that has a certain structural deficit to provide certain notifications under certain circumstances; requiring the State Superintendent of Schools to require a local school system to submit a certain plan and to file certain reports under certain circumstances; requiring the State Superintendent to include certain information concerning local school system structural deficits in certain reports to the Governor and General Assembly; authorizing the Office of Legislative Audits to request certain information pertaining to certain structural deficits;”; in line 16, after “revenues;” insert “prohibiting certain payments in certain fiscal years;”; in the same line, after “Fund;” insert “altering certain penalties for liquidated damages that apply to certain violations related to certain prevailing wage rates;”; in line 17, strike beginning with the first “a” through “it” and substitute “certain provisions concerning the State and county earned income credits to make them”; in line 19, after “date” insert “and method”; in line 21, after “amount” insert “each fiscal year”; in line 22, strike “enact” and substitute “adopt”; in line 23, strike “certain fiscal years;” and substitute “a certain fiscal year; requiring the Health Services Cost Review Commission to submit, on or before a certain date, a certain alternative plan to achieve certain savings to the Department of Health and Mental Hygiene and the Department of Budget and Management under certain circumstances; altering, for a certain fiscal year, the criteria to be used for a certain program that provides stipends to certain teachers and school-based employees; repealing the authority to provide certain stipends to certain teachers and school-based employees; altering the method of calculating a certain contribution to be paid on behalf of certain members of certain State retirement and pension systems; repealing certain provisions that provide for a certain method of calculating a certain contribution to be paid on behalf of certain members of certain State retirement and pension systems;

(Over)

repealing certain obsolete provisions; altering certain requirements for certain fiscal years that the Governor include in the budget bill certain supplemental contributions to certain accumulation funds of certain State retirement and pension systems;; in line 25, strike “or cost-of-living adjustments”; in line 27, after “funds;” insert “providing that on or after a certain date certain revenues be credited to the General Fund rather than the State Police Helicopter Replacement Fund;”; strike beginning with “setting” in line 27 down through “appropriations;” in line 28; in line 28, strike “that” and substitute “certain Managed Care Organizations;”; in line 29, after “date” insert “, to reimburse”; strike beginning with “make” in line 29 down through “rates” in line 30 and substitute “for insufficient loss ratios for a certain fiscal year”; in line 30, after “circumstances;” insert “prohibiting the Baltimore City Board of School Commissioners from being required to contribute to the Baltimore City Public School Construction Financing Fund for a certain fiscal year; prohibiting the State Comptroller from withholding a certain amount from a certain installment due the Baltimore City Board of School Commissioners for a certain fiscal year; reducing certain unexpended appropriations and providing for their reversion to the General Fund; requiring, under certain circumstances, a county to pay certain costs beyond a certain amount restricted in the State budget to implement a certain Court of Appeals decision; providing that a certain budgetary authorization represents a one-time allocation and provides no authority for certain actions without certain statutory or budgetary authority; requiring that certain money received by the State as a result of a certain approved merger between Exelon Corporation and Pepco Holdings, Inc. be expended only in a certain manner; prohibiting the State Health Services Cost Review Commission from assessing certain hospital rate assessments for the operation and administration of the Maryland Health Insurance Plan for a certain fiscal year; setting certain limits, for a certain fiscal year, on the State’s share of certain operating deficits of the Baltimore Convention Center and the Ocean City Convention facility;”; in line 31, after “altering” insert “and repealing”; and in the same line, strike “a certain term” and substitute “certain terms;”.

On page 2, in line 1, after “Act;” insert “providing for a delayed effective date for certain provisions of this Act;”; strike in their entirety lines 3 through 17, inclusive; in line 25, strike “5-202(a)(13)(ii), (iii), and (iv) and (k)(5)” and substitute “5-114, 5-

202(k)(5), 6-306(b).”; in the same line, strike “17-104(a)(1)” and substitute “17-104(a)”; in line 26, strike “23-108(a), 23-205(c), (d), and (e)” and substitute “23-205(c) and (d)”; strike in its entirety line 31 and substitute “Section 16-305(c)(1)(v)”; in line 34, after “repealing” insert “and reenacting, without amendments.”; and in line 36, strike “and 17-104(a)(2) and (3)”.

On pages 2 and 3, strike in their entirety the lines beginning with line 39 on page 2 through line 29 on page 3, inclusive.

On page 3, in line 32, after “5-212(g)(2)” insert “, 5-212.1(g)(2).”.

On page 4, in line 8, strike “7-311(j)(1) and 7-325(a)” and substitute “17-220(d)(2) and 17-222(a)”; after line 10, insert:

“BY adding to

Article - Tax - General

Section 2-606(h)

Annotated Code of Maryland

(2010 Replacement Volume and 2014 Supplement)”;

in line 13, strike “10-704(b)(2)(i)” and substitute “10-704(a), (b)(2)(i), (c)(2)(iii), and (d)”; strike in their entirety lines 16 through 20, inclusive; in line 23, strike “and (h)” and substitute “, (g), and (h)”; and strike in their entirety lines 26 through 35, inclusive.

On page 5, after line 1, insert:

“BY repealing and reenacting, with amendments,

Article - State Personnel and Pensions

Section 21-304(a) and (b)(1) and 21-308(a)

Annotated Code of Maryland

(2009 Replacement Volume and 2014 Supplement)”

BY repealing and reenacting, without amendments,

Article - State Personnel and Pensions  
Section 21-304(b)(2) and (3)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2014 Supplement)

BY repealing

Article - State Personnel and Pensions  
Section 21-304(e) and (f)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2014 Supplement)".

AMENDMENT NO. 2

On pages 5 and 6, strike in their entirety the lines beginning with line 4 on page 5 through line 30 on page 6, inclusive.

AMENDMENT NO. 3

On page 7, after line 16, insert:

"5-114.

(a) **(1) In this section[,“deficit”] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) “DEFICIT” means a negative fund balance in the General Fund [of 1% or more of General Fund revenue] at the end of the fiscal year.**

**(3) “STRUCTURAL DEFICIT” MEANS A PROJECTED NEGATIVE FUND BALANCE IN THE GENERAL FUND THAT REQUIRES THE TRANSFER OF RESERVE FUNDS IN ORDER TO AVOID A DEFICIT.**

(b) The State Superintendent and the Department shall monitor the financial status of each local school system.

(c) If a local school system does not file the annual audit results in a timely manner with the State Superintendent as required by § 5–109 of this subtitle, the State Superintendent shall:

(1) Immediately notify:

(i) The Department of Legislative Services;

(ii) The county governing body; and

(iii) The local board and local superintendent or chief executive officer of the local school system; and

(2) Order that the audit report be filed within 10 days.

(d) (1) A local school system may not carry a deficit as reported in the annual audit under § 5–109 of this subtitle.

(2) If a local school system has a deficit, the State Superintendent shall immediately notify the Governor, the General Assembly, the Department of Legislative Services, and county governing body and shall require the local school system to:

(i) Develop and submit for approval a corrective action cost containment plan within 15 days;

(ii) File monthly status reports with the State Superintendent and county governing body demonstrating actions taken to close the deficit and the effect of the actions taken on the deficit; and

(iii) Include information on the corrective action cost containment plan, actions taken to close the deficit, and status of the deficit in the annual audit under § 5–109 of this subtitle filed with the State Superintendent and county governing body.

(3) (I) IF A LOCAL SCHOOL SYSTEM HAS A STRUCTURAL DEFICIT AND TRANSFERS RESERVE FUNDS INTO THE GENERAL FUND IN ORDER TO AVOID A DEFICIT, THE LOCAL SCHOOL SYSTEM IMMEDIATELY SHALL NOTIFY THE GOVERNOR, THE GENERAL ASSEMBLY, THE STATE SUPERINTENDENT, THE DEPARTMENT OF LEGISLATIVE SERVICES, AND THE COUNTY GOVERNING BODY.

(II) THE STATE SUPERINTENDENT SHALL REQUIRE A LOCAL SCHOOL SYSTEM DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH TO SUBMIT A CORRECTIVE ACTION COST CONTAINMENT PLAN WITHIN 15 DAYS AND FILE MONTHLY STATUS REPORTS WITH THE STATE SUPERINTENDENT AND COUNTY GOVERNING BODY DEMONSTRATING ACTIONS TAKEN TO ELIMINATE THE STRUCTURAL DEFICIT, THE EFFECT OF THE ACTIONS TAKEN ON THE STRUCTURAL DEFICIT, AND A SCHEDULE TO REPAY THE RESERVE FUND.

(4) The State Superintendent shall include information on any local school system deficit OR STRUCTURAL DEFICIT, corrective action cost containment plan, actions taken to close a local school system deficit OR STRUCTURAL DEFICIT, and status of any local school system deficit OR STRUCTURAL DEFICIT in a quarterly report to the Governor and the General Assembly, in accordance with § 2–1246 of the State Government Article.

[(4)](5) If a local school system has a deficit OR STRUCTURAL DEFICIT:

(i) The Office of Legislative Audits may request any financial information pertaining to the deficit OR STRUCTURAL DEFICIT and the corrective action cost containment plan; and

(ii) The local superintendent or chief executive officer of a local school system shall provide the requested information.

(e) If a local school system fails to comply with the requirements of this section, the State Superintendent, with the approval of the State Board of Education, shall notify the State Comptroller, who shall withhold 10% of the next installment and each subsequent installment due the local school system from the General State School Fund until the State Superintendent notifies the Comptroller that the local school system is in full compliance with the requirements of this section.”.

AMENDMENT NO. 4

On pages 7 through 9, strike in their entirety the lines beginning with line 18 on page 7 through line 6 on page 9, inclusive.

AMENDMENT NO. 5

On page 9, in line 24, strike “SUBPARAGRAPH (IV)” and substitute “SUBPARAGRAPHS (III), (IV), AND (V)”; and in line 28, strike the bracket.

On page 10, in line 26, after “7.” insert an opening bracket; and in line 36, strike “2.” and substitute “8.”.

On page 11, in lines 1, 6, 11, 16, and 21, strike “3.”, “4.”, “5.”, “6.”, and “7.”, respectively, and substitute “9.”, “10.”, “11.”, “12.”, and “13.”, respectively; and in line 26, strike the bracket.

On page 12, in line 11, strike the bracket; in line 12, strike “(III)” and substitute “(V)”; in line 13, strike “\$218,744,622” and substitute “\$222,744,620”; in lines 15, 17,

19, 20, 21, 22, 23, 24, and 25, strike “\$4,592,847”, “\$27,461,464”, “\$38,157,317”, “\$7,194,863”, “\$4,964,098”, “\$12,950,598”, “\$6,009,400”, “\$8,795,333”, and “\$2,515,927”, respectively, and substitute “\$4,850,443”, “\$28,715,483”, “\$38,637,668”, “\$7,345,653”, “\$5,108,064”, “\$13,017,885”, “\$6,142,473”, “\$8,975,284”, and “\$2,561,002”, respectively.

On page 13, in lines 1, 2, 3, 4, 6, and 7, strike “\$7,500,700”, “\$10,754,623”, “\$15,643,389”, “\$39,679,904”, “\$25,800,203”, and “\$6,723,956”, respectively, and substitute “\$7,620,412”, “\$10,865,634”, “\$15,723,055”, “\$40,000,786”, “\$26,072,537”, and “\$7,108,241”, respectively; and strike in their entirety lines 8 through 17, inclusive.

#### AMENDMENT NO. 6

On page 13, in line 19, strike “(2) and (3)” and substitute “(2), (3), AND (4)”; and in line 25, strike the bracket.

On page 14, in line 12, after “(vii)” insert an opening bracket; in lines 18, 21, 24, and 27, strike “(II)”, “(III)”, “(IV)”, and “(V)”, respectively, and substitute “(VIII)”, “(IX)”, “(X)”, and “(XI)”, respectively; and in line 31, strike the bracket.

On page 15, in line 2, strike the bracket; and strike in their entirety lines 3 through 27, inclusive, and substitute:

**“(4) IN FISCAL YEAR 2016, THE TOTAL AMOUNT OF THE AID PROVIDED UNDER THIS SUBTITLE SHALL BE \$42,822,240, TO BE ALLOCATED AMONG THE INSTITUTIONS THAT QUALIFY UNDER THIS SUBTITLE IN PROPORTION TO THE NUMBER OF FULL-TIME EQUIVALENT STUDENTS ENROLLED AT EACH INSTITUTION DURING THE FALL SEMESTER OF FISCAL YEAR 2015, AS DETERMINED BY THE MARYLAND HIGHER EDUCATION COMMISSION.”**



AMENDMENT NO. 7

On page 16, strike in their entirety lines 1 through 4, inclusive.

AMENDMENT NO. 8

On pages 17 and 18, strike in their entirety the lines beginning with line 26 on page 17 through line 10 on page 18, inclusive.

AMENDMENT NO. 9

On page 19, strike in their entirety lines 4 through 16, inclusive.

AMENDMENT NO. 10

On page 19, strike in their entirety lines 17 through 21, inclusive.

AMENDMENT NO. 11

On pages 19 and 20, strike in their entirety the lines beginning with line 22 on page 19 through line 11 on page 20, inclusive.

AMENDMENT NO. 12

On page 20, strike in their entirety lines 12 through 21, inclusive.

AMENDMENT NO. 13

On pages 20 and 21, strike in their entirety the lines beginning with line 22 on page 20 through line 14 on page 21, inclusive.

AMENDMENT NO. 14

On page 21, after line 19, insert:

“5-212.1.

(g) (2) (i) Subject to subparagraph (ii) of this paragraph, each county in which any State forest or park is located shall be paid annually out of the Account:

(Over)

1. If the State forest or park reserve comprises less than 10% of the total land area of the county, a sum equal to 15% of the net revenue derived from concession operations within a State forest or park located in that county; or

2. If the State forest or park reserve comprises 10% or more of the total land area of the county, a sum equal to 25% of the net revenue derived from concession operations within a State forest or park located in that county.

(ii) For fiscal years [2012 and 2013] **2015 AND 2016** only, the payments under subparagraph (i) of this subsection may not be made.”.

AMENDMENT NO. 15

On page 23, strike in their entirety lines 7 through 12, inclusive.

On page 25, in line 25, strike the bracket; and in line 26, strike “2016” and substitute “**2019**”.

On page 26, in line 30, strike the bracket; in line 31, strike the brackets; in the same line, strike “(G)”; and in line 33, strike the brackets.

AMENDMENT NO. 16

On page 23, strike in their entirety lines 13 through 28, inclusive.

AMENDMENT NO. 17

On page 23, after line 28, insert:

“17–220.

(d) If a contractor is late in submitting copies of the payroll records required under subsection (b) of this section:

(2) the contractor shall be liable to the public body for liquidated damages of ~~[\$10]~~ **\$250** for each calendar day the records are late.

17-222.

(a) A contractor under a public work contract is liable to the public body for liquidated damages of ~~[\$20]~~ **\$250** for each laborer or other employee for each day for which:

(1) the laborer is paid less than the prevailing wage rate of a mechanic while performing a task required to be performed by a mechanic or mechanic's apprentice; or

(2) the employee is paid less than the prevailing wage rate.”.

AMENDMENT NO. 18

On page 23, after line 29, insert:

“2-606.

**(H) (1) ON OR BEFORE JUNE 30, 2015, THE COMPTROLLER SHALL DISTRIBUTE \$100,000,000 FROM THE LOCAL RESERVE ACCOUNT ESTABLISHED TO COMPLY WITH THIS SECTION TO THE GENERAL FUND OF THE STATE.**

**(2) IN EACH OF FISCAL YEARS 2017 THROUGH 2025, IN ADDITION TO THE AMOUNTS DISTRIBUTED UNDER SUBSECTION (B) OF THIS SECTION, THE COMPTROLLER SHALL DISTRIBUTE \$10,000,000 OF THE REMAINING INCOME TAX REVENUE FROM INDIVIDUALS TO THE LOCAL RESERVE ACCOUNT TO REPAY THE \$100,000,000 TRANSFER TO THE GENERAL FUND REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION.”.**

(Over)

On page 31, strike in their entirety lines 21 through 27, inclusive.

AMENDMENT NO. 19

On page 24, after line 8, insert:

“(a) (1) [An individual] A RESIDENT may claim a credit against the State income tax for a taxable year in the amount determined under subsection (b) of this section for earned income.

(2) [An individual] A RESIDENT may claim a credit against the county income tax for a taxable year in the amount determined under subsection (c) of this section for earned income.”;

in line 9, strike “**EXCEPT AS PROVIDED IN**” and substitute “**SUBJECT TO**”; in line 10, strike “**FOR A PART-YEAR RESIDENT**”; after line 13, insert:

“(c) (2) (iii) If a county provides for a refundable county earned income credit under this paragraph, [an individual] A RESIDENT may claim a refund of the amount, if any, by which the product of multiplying the credit allowable for the taxable year under § 32 of the Internal Revenue Code by 5 times the county income tax rate for the taxable year exceeds the county income tax for the taxable year.”;

and in line 14, strike “is a nonresident or”.

AMENDMENT NO. 20

On page 25, in line 20, strike “AND”; and in line 24, after “APPLIED” insert “;  
AND

(IV) TRANSFER TAX REVENUE IN FISCAL YEAR 2015, THAT IS IN EXCESS OF \$161,016,000 MAY BE TRANSFERRED BY BUDGET AMENDMENT IN FISCAL YEAR 2016 FOR:

**1. ADMINISTRATIVE EXPENSES RELATED TO LAND ACQUISITION FOR PROGRAM OPEN SPACE;**

**2. CRITICAL MAINTENANCE PROJECTS IN THE DEPARTMENT OF NATURAL RESOURCES;**

**3. NATURAL RESOURCES DEVELOPMENT FUND PROJECTS IN THE DEPARTMENT OF NATURAL RESOURCES; AND**

**4. REPLACEMENT OF GENERAL FUND APPROPRIATIONS IN THE MARYLAND PARK SERVICE**".

**AMENDMENT NO. 21**

On page 28, in line 3, after "(c)" insert "**(1)**"; in the same line, strike "every fiscal year thereafter" and substitute "**2016**"; in line 6, before "Beginning" insert:

**"(2)";**

strike beginning with "by" in line 7 down through "contract." in line 20 and substitute "**ANNUALLY BY \$20,000,000 OVER THE ASSESSMENT LEVEL FOR THE PRIOR YEAR.**

**(3)";**

and in line 22, after "Assessment." insert:

**"(4)".**

**AMENDMENT NO. 22**

On page 27, strike in their entirety lines 6 through 15, inclusive.

On page 32, in line 17, strike "SECTION" and substitute:

"SECTION 23. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal year 2016 only, the Transportation Trust Fund may be used as the source of funding for the appropriation required under § 8-613.3 of the Transportation Article to comply with the Watershed Implementation Plan.

SECTION".

AMENDMENT NO. 23

On page 28, in line 27, strike "ENACT" and substitute "ADOPT"; strike beginning with the colon in line 28 down through "(II)" in line 30; in line 31, after "(2)" insert "(I)"; in the same line, strike "ENACTED" and substitute "ADOPTED"; in line 32, strike "EACH FISCAL YEAR" and substitute "FISCAL YEAR 2016"; and strike beginning with "ENACT" in line 33 down through "YEAR" in line 35 and substitute "SUBMIT, ON OR BEFORE SEPTEMBER 1, 2015, AN ALTERNATIVE PLAN FOR GENERAL FUND SAVINGS TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE AND THE DEPARTMENT OF BUDGET AND MANAGEMENT FOR REVIEW.

(II) THE PLAN SUBMITTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL PROVIDE FOR SAVINGS IN THE MEDICAID PROGRAM THAT, WHEN COMBINED WITH THE SAVINGS UNDER PARAGRAPH (1) OF THIS SUBSECTION, ARE SUFFICIENT TO ACHIEVE TOTAL GENERAL FUND SAVINGS OF AT LEAST \$16,700,000 IN FISCAL YEAR 2016".

On pages 28 and 29, strike beginning with "IF" in line 36 on page 28 down through "(4)" in line 3 on page 29.

AMENDMENT NO. 24

On page 29, after line 4, insert:

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

Article – Education

6–306.

(b) (1) For fiscal year 2000 and each subsequent fiscal year, the Governor shall include in each year’s operating budget funding for the stipends and bonuses provided in this subsection.

(2) A classroom teacher or other nonadministrative school–based employee in a public school identified by the State Board as having comprehensive needs who holds a standard professional certificate or an advanced professional certificate who is employed by a county board and who holds a certificate issued by the National Board for Professional Teaching Standards shall receive a stipend from the State in an amount equal to the county grant for national certification, up to a maximum of \$2,000 per qualified individual.

(3) A classroom teacher or other nonadministrative school–based employee in a school not identified by the State Board as having comprehensive needs who holds a standard professional certificate or an advanced professional certificate who is employed by a county board and who holds a certificate issued by the National Board for Professional Teaching Standards shall receive a stipend from the State in an amount equal to the county grant for national certification, up to a maximum of \$1,000 per qualified individual.

[(4) A classroom teacher who holds an advanced professional certificate and teaches in a public school identified by the State Board as a school having comprehensive needs shall receive a stipend from the State in the amount of \$1,500 for each year that the teacher performs satisfactorily in the classroom.

(Over)

~~(5)~~ (4) (i) 1. The State Board shall establish a program to support locally negotiated incentives, governed under Subtitles 4 and 5 of this title, for highly effective classroom teachers and principals to work in public schools that are:

A. In improvement, corrective action, or restructuring;

B. Categorized by the local school system as a Title I school; or

C. In the highest 25% of schools in the State based on a ranking of the percentage of students who receive free and reduced priced meals.

2. The program established under subparagraph 1 of this subparagraph may include financial incentives, leadership changes, or other incentives.

(ii) 1. The State Board shall adopt guidelines to implement this paragraph.

2. Nothing in this paragraph shall be construed to prohibit a local school system from employing more stringent standards than the guidelines adopted under this subparagraph.”.

On page 32, after line 16, insert:

“SECTION 15. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal year 2016, a stipend granted under:

(1) Section 6-306(b)(2) and (4) of the Education Article may only be granted to a teacher or an employee in a public school identified by the State Board of Education for fiscal year 2014 as having comprehensive needs; and



(2) Section 6-206(b)(3) of the Education Article may only be granted to a teacher or an employee in a public school not identified by the State Board of Education for fiscal year 2014 as having comprehensive needs.”.

AMENDMENT NO. 25

On page 29, before line 5, insert:

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

Article – State Personnel and Pensions

21–304.

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

(2) With respect to local employees, “aggregate annual earnable compensation” means the total annual earnable compensation payable by a local employer to all of its local employees, calculated as of June 30 of the second prior fiscal year before the fiscal year for which the calculation is made under this section, adjusted by any actuarial assumed salary increases that were used in the actuarial valuation prepared under § 21–125(b) of this title for the immediate prior fiscal year.

[(3) “Full funding rate” means the sum of:

(i) the aggregate normal rate that is based on the normal contribution rate calculated under subsection (c) of this section and adjusted to incorporate legislative changes in benefits to reflect changes to the normal cost; and

(Over)

(ii) the aggregate unfunded accrued liability contribution rate that is based on the unfunded accrued liability contribution rate under subsection (d)(1) and (2) of this section.

(4) “Funding ratio for the employees’ systems” means the actuarial value of assets for the employees’ systems divided by the actuarial accrued liability for the employees’ systems.

(5) “Funding ratio for the teachers’ systems” means the actuarial value of assets for the teachers’ systems divided by the actuarial accrued liability for the teachers’ systems.]

[(6) (3) “Local employee” means a member of the Teachers’ Retirement System or the Teachers’ Pension System who is an employee of a day school in the State under the authority and supervision of a county board of education or the Baltimore City Board of School Commissioners, employed as:

- (i) a clerk;
- (ii) a helping teacher;
- (iii) a principal;
- (iv) a superintendent;
- (v) a supervisor; or
- (vi) a teacher.

[(7) (4) “Local employer” means a county board of education or the Baltimore City Board of School Commissioners.

[(8) “New legislative change” means a legislative change that results in an adjustment to the normal cost or accrued liabilities that has not previously been recognized in an actuarial valuation under § 21–125(b) of this title.

[(9) “Preliminary funding rate” means the full funding rate without any adjustment to the normal cost or accrued liabilities for a new legislative change.]

[(10)] (5) “State member” does not include a member on whose behalf a participating governmental unit is required to make an employer contribution under § 21–305 or § 21–306 of this subtitle.

[(11)] (6) “Total employer contribution for local employees” means that portion of the employer contribution calculated under subsection (b) of this section that is attributable to all local employees.

(b) (1) Subject to paragraphs (4) and (5) of this subsection, each fiscal year, on behalf of the State members of each State system, the State shall pay to the appropriate accumulation fund an amount equal to or greater than the sum of the amount, if any, required to be included in the budget bill under § 3–501(c)(2)(ii) of this article and the product of multiplying:

(i) the aggregate annual earnable compensation of the State members of that State system; and

(ii) [1. for State members of the Law Enforcement Officers’ Retirement System, State Police Retirement System, and the Judges’ Retirement System.] the sum of the normal contribution rate and the accrued liability contribution rate FOR STATE MEMBERS OF THAT STATE SYSTEM, as determined under this section];

2. for State members of the Employees' Pension System, Employees' Retirement System, Correctional Officers' Retirement System, and Legislative Pension Plan, the employees' systems contribution rate determined under subsection (e) of this section; or

3. for State members of the Teachers' Pension System and Teachers' Retirement System, the teachers' systems contribution rate determined under subsection (f) of this section].

(2) The amount determined under paragraph (1) of this subsection for each State system shall be based on an actuarial determination of the amounts that are required to preserve the integrity of the funds of the several systems using:

(i) the entry-age actuarial cost method; and

(ii) actuarial assumptions adopted by the Board of Trustees.

(3) For the purpose of making the determinations required under this section:

(i) the Employees' Retirement System, the Employees' Pension System, the Correctional Officers' Retirement System, and the Legislative Pension Plan shall be considered together as one State system; and

(ii) the Teachers' Retirement System and the Teachers' Pension System shall be considered together as one State system.

[(e) (1) Except as provided in paragraph (3) of this subsection and subject to paragraph (2) of this subsection, the employees' system contribution rate shall be the sum of:

(i) the employees' system contribution rate for the previous fiscal year; and

(ii) 1. 20% of the difference between the full funding rate for the current fiscal year and the employees' system contribution rate for the previous fiscal year; or

2. for a fiscal year for which an adjustment to normal cost or accrued liabilities for a new legislative change is first determined as a result of an actuarial valuation under § 21-125(b) of this title, 20% of the difference between the preliminary funding rate for the current fiscal year and the employees' system contribution rate for the previous fiscal year.

(2) For a fiscal year for which an adjustment to normal cost or accrued liabilities for a new legislative change is determined as a result of an actuarial valuation under § 21-125(b) of this title, the contribution rate for the employees' systems under paragraph (1) of this subsection shall be adjusted to fully reflect the cost or savings of the new legislative changes that result in changes in normal contributions or accrued liabilities and to amortize over the time remaining until June 30, 2038, any changes in accrued liabilities of the employees' systems.

(3) The percentages used in paragraph (1)(ii) of this subsection shall be:

(i) 28% for the rate for fiscal year 2015;

(ii) 36% for the rate for fiscal year 2016;

(iii) 44% for the rate for fiscal year 2017;

(iv) 52% for the rate for fiscal year 2018;

(v) 60% for the rate for fiscal year 2019;

(Over)

- (vi) 68% for the rate for fiscal year 2020;
- (vii) 76% for the rate for fiscal year 2021;
- (viii) 84% for the rate for fiscal year 2022;
- (ix) 92% for the rate for fiscal year 2023; and
- (x) 100% for the rate for fiscal year 2024 and thereafter.]

[(f) (1) Except as provided in paragraph (3) of this subsection and subject to paragraph (2) of this subsection, the teachers' system contribution rate shall be the sum of:

(i) the teachers' system contribution rate for the previous fiscal year; and

(ii) 1. 20% of the difference between the full funding rate for the current fiscal year and the teachers' system contribution rate for the previous fiscal year; or

2. for a fiscal year for which an adjustment to normal cost or accrued liabilities for a new legislative change is first determined as a result of an actuarial valuation under § 21-125(b) of this title, 20% of the difference between the preliminary funding rate for the current fiscal year and the teachers' system contribution rate for the previous fiscal year.

(2) For a fiscal year for which an adjustment to normal cost or accrued liabilities for a new legislative change is determined as a result of an actuarial valuation under § 21-125(b) of this title, the contribution rate for the teachers' systems under paragraph (1) of this subsection shall be adjusted to fully reflect the cost or savings of

the new legislative changes that result in changes in normal contributions or accrued liabilities and to amortize over the time remaining until June 30, 2038, any changes in accrued liabilities of the teachers' systems.

- (3) The percentages used in paragraph (1)(ii) of this subsection shall be:
- (i) 28% for the rate for fiscal year 2015;
  - (ii) 36% for the rate for fiscal year 2016;
  - (iii) 44% for the rate for fiscal year 2017;
  - (iv) 52% for the rate for fiscal year 2018;
  - (v) 60% for the rate for fiscal year 2019;
  - (vi) 68% for the rate for fiscal year 2020;
  - (vii) 76% for the rate for fiscal year 2021;
  - (viii) 84% for the rate for fiscal year 2022;
  - (ix) 92% for the rate for fiscal year 2023; and
  - (x) 100% for the rate for fiscal year 2024 and thereafter.]

21-308.

- (a) (1) On or before December 1 of each year, the Board of Trustees shall:
- (i) certify to the Governor and the Secretary of Budget and Management the rates to be used to determine the amounts to be paid by the State to

(Over)

the accumulation fund of each of the several systems during the next fiscal year, including a separate certification of the normal contribution rate for the Teachers' Retirement System and the Teachers' Pension System; and

(ii) provide to the Secretary of Budget and Management a statement of the total amount to be paid by the State as determined under § 21–304 of this subtitle to the Teachers' Retirement System and the Teachers' Pension System expressed as a percentage of the payroll of all members of those State systems.

(2) The Governor shall include in the budget bill:

(i) the total amount of the State's contribution to each State system as ascertained based on the rates certified by the Board of Trustees under paragraph (1) of this subsection;

(ii) the additional amounts as ascertained under subsection (d) of this section for the State's payment to the professional and clerical employees of the Department of Public Libraries of Montgomery County who are members of the Employees' Retirement System of Montgomery County and are excluded from membership in the Teachers' Retirement System or the Teachers' Pension System; and

(iii) any additional amount required to be in the budget bill under § 3–501(c)(2)(ii) of this article.

(3) The amounts that the Governor is required to include in the budget bill under paragraph (2) of this subsection shall be reduced by the amount of administrative and operational expenses for the Board of Trustees and the State Retirement Agency that are to be paid by local employers under § 21–316 of this subtitle other than participating governmental units or employers who are required to make contributions under § 21–307 of this subtitle.



(4) (i) [1. For fiscal year 2014, in addition to the annual required contribution required under paragraph (2) of this subsection, the Governor shall include in the budget bill a supplemental contribution of \$100,000,000.

2. For fiscal year 2015, in addition to the annual required contribution required under paragraph (2) of this subsection, the Governor shall include in the budget bill a supplemental contribution of \$100,000,000.

3.] For fiscal year 2016, in addition to the annual required contribution required under paragraph (2) of this subsection, the Governor shall include in the budget bill a supplemental contribution of [~~\$150,000,000~~] **\$75,000,000.**

[4.] (II) For fiscal year 2017 AND EACH FISCAL YEAR THEREAFTER, in addition to the annual required contribution required under paragraph (2) of this subsection, the Governor shall include in the budget bill a supplemental contribution of [~~\$200,000,000~~] **\$75,000,000[.**

5. For fiscal year 2018, in addition to the annual required contribution required under paragraph (2) of this subsection, the Governor shall include in the budget bill a supplemental contribution of \$250,000,000.

6. For fiscal year 2019 and each fiscal year thereafter, in addition to the annual required contribution required under paragraph (2) of this subsection, the Governor shall include in the budget bill a supplemental contribution of \$300,000,000,] until[:

A.] the total actuarial value of assets for the several systems divided by the total actuarial accrued liability for the several systems equals a funding ratio of 85%]; and

B. the contribution rates certified under paragraph (1)(i) of this subsection are the full funding rates as defined in § 21–304(a)(3) of this subtitle].

[(ii) If the amount of a supplemental contribution included in the budget bill for a fiscal year is less than the amount required under subparagraph (i) of this paragraph, the Governor shall increase the supplemental contribution for the following fiscal year by the amount of the reduction to the supplemental contribution in the previous fiscal year.]”.

AMENDMENT NO. 26

On page 29, in line 8, strike “June 30” and substitute “July 1”.

AMENDMENT NO. 27

On page 29, in line 11, strike “June 30” and substitute “July 1”.

AMENDMENT NO. 28

On page 29, in line 16, strike “or cost-of-living adjustments”.

AMENDMENT NO. 29

On page 30, in line 1, strike “\$45,000,000” and substitute “\$55,000,000”; and strike in its entirety line 2 and substitute:

“(2) The estimated percentage of the fund balance obtained from payers other than the federal Medicare program or the federal portion of the Medicaid program.”.

AMENDMENT NO. 30

On page 30, in line 12, strike “in” and substitute “from a combination of the efficiency and conservation programs accounts, renewable and clean energy programs account, and administrative expense account of”.

AMENDMENT NO. 31

On page 31, in line 2, strike “and”; and in line 4, after “Article” insert “; and

\$58,000 of the funds in the Sustainable Communities Tax Credit Reserve Fund established under § 5A-303 of the State Finance and Procurement Article”.

AMENDMENT NO. 32

On page 31, in line 3, strike “\$1,000,000” and substitute “\$500,000”; in line 10, after “Fund” insert a colon; and in line 12, after “employees” insert “; and

\$500,000 of the funds in the Spinal Cord Injury Research Trust Fund established under § 13-1406 of the Health – General Article”.

AMENDMENT NO. 33

On page 31, after line 8, insert:

“SECTION 12. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or after July 1, 2015, the revenue attributable to the surcharge under § 7-301(f) of the Courts Article on citations issued before October 1, 2010 (the effective date of Chapter 735 of the Acts of 2010) that would have otherwise been credited to the State Police Helicopter Replacement Fund, but for the repeal of the Fund under this Act, shall be credited to the General Fund.”.

AMENDMENT NO. 34

On page 31, strike in their entirety lines 13 through 20, inclusive.

AMENDMENT NO. 35

On pages 31 and 32, strike in their entirety the lines beginning with line 28 on page 31 through line 6 on page 32, inclusive.

AMENDMENT NO. 36

On page 32, in line 7, after “2015,” insert “each Managed Care Organization that”; in line 8, after “Hygiene” insert “estimates to have an insufficient loss ratio for calendar

year 2014.”; strike beginning with “make” in line 8 down through “funds,” in line 9 and substitute “reimburse the Department”; in line 9, after “for” insert “the amount of the”; in line 10, strike “ratios in calendar year 2014” and substitute “ratio”; in the same line, strike “adjustments” and substitute “reimbursements”; in line 15, strike “adjustment” and substitute “reimbursement paid by the Managed Care Organization to the Department”; in the same line, after the second “the” insert “Department shall reimburse the”; and in line 16, strike “shall be reimbursed at”.

AMENDMENT NO. 37

On page 32, after line 16, insert:

“SECTION 16. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal year 2016 only:

(1) the Baltimore City Board of School Commissioners may not be required to contribute any funds to the Baltimore City Public School Construction Financing Fund established under § 10-656 of the Economic Development Article; and

(2) the State Comptroller may not withhold, under § 10-645(h) of the Economic Development Article, an amount from any installment due the Baltimore City Board of School Commissioners from the General Fund.”.

AMENDMENT NO. 38

On page 32, after line 16, insert:

“SECTION 17. AND BE IT FURTHER ENACTED, That the unexpended appropriation for the Autism Waiver, within the Maryland State Department of Education, Program R00A02.07 Students with Disabilities – Aid to Education, that was included in the fiscal year 2015 operating budget (Chapter 462 of the Acts of 2014) is reduced by \$2,800,000 and shall revert to the General Fund.

SECTION 18. AND BE IT FURTHER ENACTED, That the unexpended appropriation for the Out-of-County Placements, within the Maryland State Department of Education, Program R00A02.05 Formula Programs for Specific Populations – Aid to Education, that was included in the fiscal year 2015 operating budget (Chapter 462 of the Acts of 2014) is reduced by \$900,000 and shall revert to the General Fund.”.

AMENDMENT NO. 39

On page 32, after line 16, insert:

“SECTION 19. AND BE IT FURTHER ENACTED, That, in implementing the holding of the Court of Appeals in DeWolfe v. Richmond, 434 Md. 403 (2012) and 434 Md. 444 (2013), if attorneys are appointed in a county to provide legal representation at an initial appearance before a District Court commissioner, in fiscal year 2016, the total amount of the costs of compensating the attorneys plus the associated costs to administer the program that is beyond the amount restricted for this purpose in the State budget shall be billed by the appointing authority to the county in which the representation is provided and shall be paid by that county. Authorization of State funds in the fiscal year 2016 State budget for this purpose represents a one-time allocation and provides no authority for additional State expenditures or commitment of funds without separate statutory authority or separate authorization in the State budget as passed by the General Assembly.”.

AMENDMENT NO. 40

On page 32, after line 16, insert:

“SECTION 20. AND BE IT FURTHER ENACTED, That any money received by the State as a result of conditions of an approved merger between Exelon Corporation and Pepco Holdings, Inc. shall be expended only as specifically authorized in the State budget bill as enacted and not subject to transfer by budget amendment.”.

AMENDMENT NO. 41

(Over)

On page 32, after line 16, insert:

“SECTION 21. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal year 2016 only, the State Health Services Cost Review Commission may not assess hospital rate assessments under § 19–214 of the Health – General Article for the operation and administration of the Maryland Health Insurance Plan established under Title 14, Subtitle 5 of the Insurance Article.”.

AMENDMENT NO. 42

On page 32, after line 16, insert:

“SECTION 22. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal year 2016, the State’s share of any operating deficits for:

(1) the Baltimore Convention Center under § 10-641 of the Economic Development Article may not exceed \$6,060,375; and

(2) the Ocean City Convention facility under § 10-643 of the Economic Development Article may not exceed \$1,482,444.”.

AMENDMENT NO. 43

On page 29, in lines 5, 9, 12, 23, and 28, strike “2.”, “3.”, “4.”, “5.”, and “6.”, respectively, and substitute “4.”, “5.”, “6.”, “7.”, and “8.”, respectively.

On page 30, in lines 3 and 7, strike “7.” and “8.”, respectively, and substitute “9.” and “10.”, respectively.

On page 31, in lines 5 and 9, strike “9.” and “10.”, respectively, and substitute “11.” and “13.”, respectively.

On page 32, in lines 17, 22, and 25, strike “15.”, “16.”, and “17.”, respectively, and substitute “24.”, “25.”, and “28.”, respectively; after line 24, insert:

“SECTION 26. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2016.

SECTION 27. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect July 1, 2015.”;

and in line 25, after “That” insert “, except as provided in Sections 26 and 27 of this Act.”.