

HOUSE BILL 188

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8lr0874

By: **Delegates Bates, Frank, George, Impallaria, Kipke, McComas, Miller, Sossi, and Stocksdale**

Introduced and read first time: January 21, 2008

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 (2006 Replacement Volume and 2007 Supplement)

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:

10 (1) FIVE YEARS OLD ON SEPTEMBER 1 OF THE SCHOOL YEAR IN
11 WHICH THE PARENT SEEKS TO ENROLL THE CHILD IN A KINDERGARTEN
12 PROGRAM; OR

13 (2) FOUR YEARS OLD ON SEPTEMBER 1 OF THE SCHOOL YEAR IN
14 WHICH THE PARENT SEEKS TO ENROLL THE CHILD IN A PREKINDERGARTEN
15 PROGRAM.

16 (C) "DEPARTMENT" MEANS THE STATE DEPARTMENT OF EDUCATION.

17 (D) "INCOME ELIGIBILITY GUIDELINE" MEANS THE MAXIMUM ANNUAL
18 INCOME ALLOWED TO QUALIFY FOR FREE OR REDUCED PRICE MEALS BASED ON
19 ELIGIBILITY REQUIREMENTS ESTABLISHED BY THE UNITED STATES
20 DEPARTMENT OF AGRICULTURE.

21 (E) (1) "PARENT" MEANS:

22 (I) A CHILD'S NATURAL PARENTS;

23 (II) A CHILD'S ADOPTIVE PARENTS;

24 (III) A GUARDIAN;

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

27 (V) A FOSTER PARENT WITH WHOM A CHILD LIVES IF THE
28 FOSTER PARENT HAS BEEN GRANTED LIMITED GUARDIANSHIP FOR

1 EDUCATIONAL DECISION MAKING PURPOSES BY THE COURT THAT HAS PLACED
2 THE CHILD IN FOSTER CARE; OR

3 (VI) ANY OTHER INDIVIDUAL WHO IS LEGALLY RESPONSIBLE
4 FOR A CHILD'S WELFARE.

5 (2) "PARENT" DOES NOT INCLUDE A SOCIAL WORKER OR OTHER
6 EMPLOYEE OF A PUBLIC AGENCY WHO IS RESPONSIBLE FOR THE EDUCATION OR
7 CARE OF THE CHILD.

8 (F) (1) "PARTICIPATING SCHOOL" MEANS A SCHOOL THAT:

9 (I) MEETS THE REQUIREMENTS OF THE PROGRAM; AND

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

12 (2) "PARTICIPATING SCHOOL" INCLUDES:

13 (I) A PUBLIC ELEMENTARY SCHOOL OUTSIDE THE
14 RESIDENT SCHOOL DISTRICT IN WHICH A STUDENT RESIDES; OR

15 (II) A NONPUBLIC ELEMENTARY SCHOOL IN THE STATE.

16 (G) "PROGRAM" MEANS THE SMART START SCHOLARSHIP PROGRAM
17 ESTABLISHED UNDER THIS TITLE.

18 **9.5-102.**

19 (A) THERE IS A SMART START SCHOLARSHIP PROGRAM IN THE
20 DEPARTMENT.

21 (B) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT
22 THE PROVISIONS OF THIS TITLE.

23 **9.5-103.**

24 (A) A PUBLIC OR NONPUBLIC SCHOOL MAY APPLY TO THE
25 DEPARTMENT IN ACCORDANCE WITH PROCEDURES ESTABLISHED BY THE
26 DEPARTMENT TO QUALIFY AS A PARTICIPATING SCHOOL IN THE PROGRAM.

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

1 (C) A PARENT OF AN ELIGIBLE CHILD WHO IS 4 YEARS OLD ON
2 SEPTEMBER 1 OF THE SCHOOL YEAR IN WHICH THE PARENT SEEKS TO ENROLL
3 THE CHILD IN A PREKINDERGARTEN PROGRAM MAY CHOOSE IF THEY WANT
4 THEIR CHILD TO ATTEND:

5 (1) A FULL-DAY OR HALF-DAY PREKINDERGARTEN PROGRAM;
6 AND

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

8 **9.5-104.**

9 (A) THE DEPARTMENT SHALL AWARD A SCHOLARSHIP TO ATTEND A
10 PARTICIPATING SCHOOL TO EVERY ELIGIBLE CHILD WHO APPLIES FOR THE
11 SCHOLARSHIP.

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

13 (1) HALF FOR A CHILD WHO ATTENDS A HALF-DAY
14 PREKINDERGARTEN PROGRAM; AND

15 (2) A PROPORTIONATE AMOUNT FOR A CHILD WHO ATTENDS A
16 PART-TIME PREKINDERGARTEN PROGRAM.

17 (C) THE DEPARTMENT SHALL DETERMINE THE AMOUNT OF THE
18 SCHOLARSHIP BASED ON THE INCOME OF THE PARENTS OF THE ELIGIBLE
19 CHILD IN THE CALENDAR YEAR IMMEDIATELY PRECEDING THE SCHOOL YEAR
20 FOR WHICH A SCHOLARSHIP IS SOUGHT AS FOLLOWS:

21 (1) IF THE ANNUAL INCOME OF THE PARENTS OF THE CHILD IS
22 EQUAL TO 100% OF THE INCOME ELIGIBILITY GUIDELINE, THE SCHOLARSHIP
23 AMOUNT SHALL BE EQUAL TO THE LESSER OF:

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

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

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

1 (I) **75% 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;**

6 (3) **IF THE ANNUAL INCOME OF THE PARENTS OF THE CHILD IS**
7 **GREATER THAN 1.5 TIMES THE INCOME ELIGIBILITY GUIDELINE BUT LESS THAN**
8 **OR EQUAL TO 2.0 TIMES THE AMOUNT, THE SCHOLARSHIP AMOUNT SHALL BE**
9 **EQUAL TO THE LESSER OF:**

10 (I) **50% 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; AND**

15 (4) **IF THE ANNUAL INCOME OF THE PARENTS OF THE CHILD IS**
16 **GREATER THAN 2.0 TIMES THE INCOME ELIGIBILITY GUIDELINE BUT LESS THAN**
17 **OR EQUAL TO 2.5 TIMES THE AMOUNT, THE SCHOLARSHIP AMOUNT SHALL BE**
18 **EQUAL TO THE LESSER OF:**

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

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

24 (D) **A SCHOLARSHIP IS THE ENTITLEMENT OF THE ELIGIBLE CHILD**
25 **UNDER THE SUPERVISION OF THE CHILD'S PARENT AND NOT THAT OF ANY**
26 **SCHOOL.**

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

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

1 (2) A PARTICIPATING SCHOOL MAY GIVE PREFERENCE TO
2 SIBLINGS OF ENROLLED CHILDREN AND PREVIOUSLY ENROLLED SCHOLARSHIP
3 CHILDREN.

4 (G) IF AN ELIGIBLE CHILD IS DENIED ADMISSION TO A PARTICIPATING
5 SCHOOL BECAUSE THE SCHOOL DOES NOT HAVE AN AVAILABLE SPACE, THE
6 CHILD MAY TRANSFER THE SCHOLARSHIP TO A PARTICIPATING SCHOOL WITH
7 AN AVAILABLE SPACE.

8 (H) (1) A COUNTY SHALL INCLUDE A CHILD ENROLLED AS A RESULT
9 OF THE CHILD RECEIVING A SCHOLARSHIP TO ATTEND SCHOOL IN THE COUNTY
10 IN ITS FULL-TIME EQUIVALENT ENROLLMENT AS PROVIDED BY § 5-202(A)(6) OF
11 THIS ARTICLE.

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

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

16 **9.5-105.**

17 **EACH NONPUBLIC PARTICIPATING SCHOOL SHALL:**

18 (1) COMPLY WITH HEALTH AND SAFETY CODES THAT APPLY TO
19 NONPUBLIC SCHOOLS;

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

22 (3) DEMONSTRATE ITS FINANCIAL ACCOUNTABILITY BY:

23 (I) SUBMITTING A FINANCIAL INFORMATION REPORT
24 PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT THAT COMPLIES WITH
25 UNIFORM FINANCIAL ACCOUNTING STANDARDS;

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

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

1 **1. A SURETY BOND PAYABLE TO THE STATE IN AN**
2 **AMOUNT EQUAL TO THE AGGREGATE AMOUNT OF THE SCHOLARSHIPS TO BE**
3 **PAID DURING THE SCHOOL YEAR; OR**

4 **2. FINANCIAL INFORMATION THAT DEMONSTRATES**
5 **THAT THE SCHOOL HAS THE ABILITY TO PAY AN AGGREGATE AMOUNT EQUAL TO**
6 **THE AMOUNT OF THE SCHOLARSHIPS EXPECTED TO BE PAID DURING THE**
7 **SCHOOL YEAR TO STUDENTS ADMITTED AT THE PARTICIPATING SCHOOL; AND**

8 **(4) PROVIDE ACADEMIC ACCOUNTABILITY TO A PARENT OF A**
9 **STUDENT IN THE PROGRAM BY REGULARLY REPORTING TO THE PARENT ON**
10 **THE STUDENT'S PROGRESS.**

11 **9.5-106.**

12 **THE ESTABLISHMENT OF THE PROGRAM DOES NOT EXPAND THE**
13 **REGULATORY AUTHORITY OF THE STATE, ITS OFFICERS, OR ANY LOCAL SCHOOL**
14 **SYSTEM TO IMPOSE ANY ADDITIONAL REGULATION OF NONPUBLIC SCHOOLS**
15 **BEYOND THOSE REASONABLY NECESSARY TO ENFORCE THE REQUIREMENTS OF**
16 **THE PROGRAM.**

17 **9.5-107.**

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

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

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

26 **(3) PROHIBIT A SCHOOL FROM FURTHER PARTICIPATION IN THE**
27 **PROGRAM IF THE DEPARTMENT ESTABLISHES THAT THE PARTICIPATING**
28 **SCHOOL HAS:**

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

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

1 (III) FAILED TO COMPLY WITH § 9.5-104(D) OR (E) OF THIS
2 TITLE; OR

3 (IV) FAILED TO REFUND TO THE STATE ANY SCHOLARSHIP
4 OVERPAYMENTS IN A TIMELY MANNER.

5 (B) IF THE DEPARTMENT PROHIBITS A PARTICIPATING SCHOOL FROM
6 FURTHER PARTICIPATION IN THE PROGRAM, THE DEPARTMENT SHALL
7 PROMPTLY NOTIFY AFFECTED SCHOLARSHIP STUDENTS AND THEIR PARENTS
8 OF ITS DECISION.

9 **9.5-108.**

10 A COUNTY BOARD SHALL PROVIDE:

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

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

20 **9.5-109.**

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

23 (B) THE EVALUATION SHALL ASSESS THE:

24 (1) EXTENT OF PARENTAL SATISFACTION WITH THE PROGRAM;

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

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

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

1 (c) (1) **THE DEPARTMENT SHALL SUBMIT AN INITIAL REPORT ON**
2 **THE RESULTS OF THE EVALUATION REQUIRED BY THIS SECTION TO THE**
3 **GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE,**
4 **THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 31, 2009.**

5 (2) **THE DEPARTMENT SHALL SUBMIT A FINAL REPORT ON THE**
6 **RESULTS OF THE EVALUATION REQUIRED BY THIS SECTION TO THE GOVERNOR**
7 **AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE**
8 **GENERAL ASSEMBLY ON OR BEFORE DECEMBER 31, 2010.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2008.