

(3) The Department, with the concurrence of county boards, shall select the public schools to receive challenge grants. The recipient schools shall have the following characteristics, as applicable, derived from data-based information:

- (i) Low percentage of average daily attendance;
- (ii) High percentage of dropouts;
- (iii) Low percentage of students passing the Maryland Functional Tests on the first administration;
- (iv) Poor performance on the criterion referenced tests; and
- (v) Other mutually acceptable factors.

(4) Any challenge grant funds provided under this section shall be used AS APPROVED BY THE DEPARTMENT FOR THE RECIPIENT SCHOOLS:

(I) TO IMPLEMENT RESEARCH-BASED SCHOOL IMPROVEMENT STRATEGIES THAT LEAD TO SUSTAINED IMPROVEMENT IN SCHOOL AND STUDENT ACHIEVEMENT; ~~to~~

(II) TO effect systemic changes in the recipient schools, including interagency activities, computer labs, salary incentive programs, staffing, AND total quality management, and; OR

(III) FOR other purposes approved by the Department] AS APPROVED BY THE DEPARTMENT FOR THE RECIPIENT SCHOOLS TO IMPLEMENT RESEARCH-BASED SCHOOL IMPROVEMENT STRATEGIES THAT LEAD TO SUSTAINED IMPROVEMENT IN SCHOOL AND STUDENT ACHIEVEMENT.

(5) Each public school that is a recipient of a challenge grant shall have a school improvement team constituted according to guidelines established by the Department.

(6) Each school improvement team shall establish outcomes, measures for the outcomes, and timelines for its school to show improvement in the data-based areas in accordance with guidelines established by the Department.

(7) Selection of school administrative leadership shall be a decision by the local school superintendent with the concurrence of the State Superintendent.

(8) Nothing in this section shall require that any particular school system be required to accept a grant from or otherwise participate in the Schools for Success Challenge Grant Program.

(c) The Department shall collect and, in accordance with [§ 2-1218] § 2-1246 of the State Government Article, report to the General Assembly by [January 15, 2002] JANUARY 15, 2007 a final accountability report on each school that receives a challenge grant, with interim annual reports submitted by January 15 of [1999, 2000, and 2001] EACH YEAR based upon progress toward outcome attainment.