(2) The report shall assess the effectiveness and success of the Pilot Program in improving student achievement in the jurisdictions in which the Pilot Program operated.]

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- (a) (1) It is State policy that local educational agencies should ensure that additional State education aid results in demonstrated improvements in classroom instruction and student performance.
- (2) In order to effect demonstrated improvements in classroom instruction and student performance, it is also State policy that expenditure of increases in State public education aid in basic current expense, as provided under § 5-202(b) of this title, and in compensatory education funds, as provided under § 5-202(e) of this title, shall be limited to the following classifications:
- (i) Salary enhancement expenditures for existing instructional positions;
- (ii) Salary expenditures for new positions which are designed to reduce class size or reinstate or add or enhance special programs, such as art, music, resource personnel, student guidance, and gifted and talented programs;
 - (iii) Instructional materials, supplies, and equipment;
- (iv) A classroom teacher award program, subject to the provisions of Title 6, Subtitle 4, of this article;
- (v) A master teacher or career ladder program or any other appropriate teacher incentive pay program subject to the provisions of Title 6, Subtitle 4, of this article;
- (vi) Teacher training and retraining, particularly in areas of critical need, such as, mathematics and science; or
- (vii) Expansion of programs for children with educational deficiencies.
- (b) (1) Annual accountability plans that are locally initiated shall be reviewed for consistency with State policies by the State Board.
- (2) In addition, reports on expenditure of funds shall be monitored by the State Board.
- (c) Monitoring of the accountability plans and reports for determination of progress toward local goals and objectives by the State Board would serve to promote efficient and effective use of the resources, while permitting local boards of education to determine education policy and the local governing bodies to determine the overall level of educational expenditures consistent with State requirements.]

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(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.