

SENATE BILL 726

F1, B1, B5

4lr2265

By: **Senators Madaleno, Benson, Feldman, King, Manno, and Montgomery**

Introduced and read first time: January 31, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

Education – State Funding – Operating and Capital Funds

FOR the purpose of requiring that certain county boards of education receive the Geographic Cost of Education Index adjustment; repealing certain provisions that phased in a certain adjustment in certain fiscal years and allowed for the reduction of a certain adjustment under certain circumstances; establishing a certain amount of capital funding for the public school construction or capital improvement program in certain fiscal years; defining a certain term; and generally relating to State funding for education.

BY repealing and reenacting, with amendments,

Article – Education

Section 5–202(f) and 5–301(c)

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Education

5–202.

(f) (1) In this subsection, “GCEI adjustment” means the foundation program for each county multiplied by:

- (i) 0.000 in Allegany;
- (ii) 0.018 in Anne Arundel;
- (iii) 0.042 in Baltimore City;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- (iv) 0.008 in Baltimore;
- (v) 0.021 in Calvert;
- (vi) 0.000 in Caroline;
- (vii) 0.014 in Carroll;
- (viii) 0.000 in Cecil;
- (ix) 0.020 in Charles;
- (x) 0.000 in Dorchester;
- (xi) 0.024 in Frederick;
- (xii) 0.000 in Garrett;
- (xiii) 0.000 in Harford;
- (xiv) 0.015 in Howard;
- (xv) 0.010 in Kent;
- (xvi) 0.034 in Montgomery;
- (xvii) 0.048 in Prince George's;
- (xviii) 0.011 in Queen Anne's;
- (xix) 0.002 in St. Mary's;
- (xx) 0.000 in Somerset;
- (xxi) 0.000 in Talbot;
- (xxii) 0.000 in Washington;
- (xxiii) 0.000 in Wicomico; and
- (xxiv) 0.000 in Worcester.

(2) [To the extent funds are provided in the State budget for the grants under this subsection, in] **IN** addition to the State share of the foundation program, each county board [may] **SHALL** receive a grant to reflect regional differences in the cost of education that are due to factors outside of the control of the

local jurisdiction **EQUAL TO THE GCEI ADJUSTMENT FOR EACH COUNTY BOARD UNDER THIS SUBSECTION.**

[(3) Subject to paragraph (4) of this subsection, the amount of the grant to each county board under this subsection shall equal the GCEI adjustment for the county board multiplied times:

- (i) 0.50 in fiscal year 2006;
- (ii) 0.62 in fiscal year 2007;
- (iii) 0.74 in fiscal year 2008;
- (iv) 0.86 in fiscal year 2009; and
- (v) 1.00 in fiscal year 2010 and each fiscal year thereafter.

(4) For any fiscal year, if sufficient funds are not provided in the State budget to fully fund the grants provided under this subsection, the grant to each county board under this subsection shall equal the amount determined under paragraph (3) of this subsection multiplied by a fraction:

- (i) The numerator of which is the amount provided in the State budget to fund the grants; and
- (ii) The denominator of which is the sum of the amounts calculated under paragraph (3) of this subsection for all the county boards.]

5-301.

(c) **(1) IN THIS SUBSECTION, “CAPITAL AID TARGET AMOUNT” MEANS:**

- (I) IN FISCAL YEAR 2016, \$403,000,000; AND**
- (II) IN SUBSEQUENT FISCAL YEARS:**

1. THE CAPITAL AID TARGET AMOUNT FOR THE PRIOR FISCAL YEAR INCREASED BY THE SAME PERCENTAGE AS THE LESSER OF:

A. THE INCREASE IN THE PROJECTED SCHOOL CONSTRUCTION COSTS PER SQUARE FOOT FOR NEW CONSTRUCTION WITH SITE DEVELOPMENT AS APPROVED BY THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION; OR

B. 5%; OR

2. IF THERE IS NO INCREASE IN THE PROJECTED SCHOOL CONSTRUCTION COSTS PER SQUARE FOOT FOR NEW CONSTRUCTION WITH SITE DEVELOPMENT, THE CAPITAL AID TARGET AMOUNT FOR THE PRIOR FISCAL YEAR.

(2) THE STATE SHALL PROVIDE THE CAPITAL AID TARGET AMOUNT IN EACH FISCAL YEAR TO FUND PUBLIC SCHOOL CONSTRUCTION OR CAPITAL IMPROVEMENT COSTS.

(3) The State shall pay the costs in excess of available federal funds of the State share of public school construction projects and public school capital improvements in each county if:

[(1)] (I) The projects or improvements have been approved by the Board of Public Works; and

[(2)] (II) Contracts have been executed on or after July 1, 1971 for the projects or improvements.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.