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**By: Delegate Hixson (Chairman, Ways and Means Committee)**

Introduced and read first time: February 2, 1996

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Education - Calculation of State Aid**

3 FOR the purpose of conforming the law to correspond to the previous calculation, for  
4 Fiscal Year 1996, of the State aid to education for basic current expenses for  
5 allocation to local boards of education and in compensatory education aid; and  
6 providing for the amount of aid to be used in determining subsequent State aid.

7 Preamble

8 WHEREAS, The State share of basic current expenses and the State  
9 compensatory education aid for local boards of education under Sections 5-202(b) and  
10 5-202(e) of the Education Article are based on the per pupil basic current expense figure;  
11 and

12 WHEREAS, This per pupil basic current expense figure is defined under Section  
13 5-202(a) of the Education Article; and

14 WHEREAS, The statute requires the Maryland State Department of Education  
15 to calculate the per pupil basic current expense figure by July 1 of each year; and

16 WHEREAS, An error was made in the calculation for Fiscal Year 1996 aid; and

17 WHEREAS, The correct calculation, as specified by the statute, should have  
18 yielded a per pupil current expense figure of ~~\$3,370~~ \$3,371; and

19 WHEREAS, The calculation of the per pupil current expense by the Maryland  
20 State Department of Education was \$3,410; and

21 WHEREAS, The Fiscal Year 1996 current expenses and compensatory aid for  
22 each local board were based on the higher figure of \$3,410, the result being that the  
23 appropriations were overstated by \$15,300,000; and

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1           WHEREAS, The local boards of education calculated their share of State aid  
2 based on the \$15,300,000, when submitting their budgets to the local governments; and

3           WHEREAS, The local governments already have approved budgets for the local  
4 educational systems based on the \$15,300,000 figure; and

5           WHEREAS, The State does not plan to reduce the Fiscal Year 1996 payments to  
6 the local boards of education to correct the error; and

7           WHEREAS, This legislation will conform the statute with the actual calculations  
8 that were made for Fiscal Year 1996 and will reflect legislative support for the payment of  
9 the higher amount in State aid to education; and

10          WHEREAS, This change in the allocation for Fiscal Year 1996 shall have no  
11 effect on future levels of State aid to education; now, therefore,

12          SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That, for Fiscal Year 1996, the per pupil basic current expense figure is  
14 \$3,410, for the purposes of calculating:

15                   (1) The State share of basic current expenses for each local board of  
16 education, as provided in § 5-202(b) of the Education Article; and

17                   (2) Compensatory education funds provided by the State, as provided in §  
18 5-202(e) of the Education Article.

19          SECTION 2. AND BE IT FURTHER ENACTED, That for the purposes of  
20 calculating the per pupil basic current expense figure for Fiscal Year 1999 and Fiscal  
21 Year 2000, the Fiscal Year 1996 amount for "basic current expenses", as defined in §  
22 5-202(a)(3) of the Education Article, shall be reduced by \$14,446,856.

23          SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 June 1, 1996.