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**By: Senators Van Hollen, Forehand, Frosh, Hogan, Kasemeyer, Roesser, Ruben, and Teitelbaum**

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation and Economic and Environmental Affairs

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A BILL ENTITLED

1 AN ACT concerning

2 **Education - Funding - Average Daily Attendance**

3 FOR the purpose of altering certain formulas for calculating certain State funding of  
4 elementary and secondary education; defining certain terms; providing for certain  
5 grants; and generally relating to State funding of elementary and secondary  
6 education.

7 BY repealing and reenacting, with amendments,  
8 Article - Education  
9 Section 5-202(a) and (b)  
10 Annotated Code of Maryland  
11 (1992 Replacement Volume and 1995 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Education**

15 5-202.

16 (a) (1) In this section the following words have the meanings indicated.

17 (2) (i) "Assessed valuation of real property" means the most recent  
18 estimate made by the State Department of Assessments and Taxation before the annual  
19 State budget is submitted to the General Assembly, of the assessed value of real property  
20 for State purposes as of July 1 of the first completed fiscal year before the school year for  
21 which the calculation of State aid is made under this section.

22 (ii) In all assessable bases, for the purpose of this paragraph,  
23 preferentially assessed agricultural land shall be included at 50 percent of farm use  
24 valuation as determined in accordance with farm use assessment standards established by  
25 the Department of Assessments and Taxation.

26 (3) (i) "Basic current expenses" means expenditures for elementary and  
27 secondary education for a fiscal year calculated as follows:



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1 (ii) The assessed valuation of real property; and

2 (iii) 50 percent of assessed value of personal property.

3 (9) For calculation of State aid under this section, the percentage of  
4 assessed value of personal property as of July 1 of the first completed fiscal year before  
5 the school year for which the calculation is made shall be used.

6 (10) "Chapter 1 eligible count" means the number of children eligible to  
7 receive services under the provisions of Chapter 1 of the Hawkins - Stafford Elementary  
8 and Secondary School Improvement Amendments of 1988 as determined by the U.S.  
9 Department of Education.

10 (11) "Dedicated compensatory funds" means funds allocated by subsection  
11 (e)(3) of this section.

12 (12) "Basic current expenses per pupil" means the basic current expenses for  
13 a fiscal year divided by the statewide full-time equivalent enrollment on September 30 of  
14 the fiscal year.

15 (13) "Per pupil basic current expense figure" means:

16 (i) \$2,976 for fiscal year 1993; and

17 (ii) The average of the basic current expenses per pupil for the third  
18 and fourth preceding fiscal years multiplied by 0.75 for fiscal year 1994 and for each fiscal  
19 year thereafter, as calculated by the Department on or before July 1 prior to the fiscal  
20 year.

21 (14) "STUDENT ATTENDANCE RATE" MEANS THE ATTENDANCE RATE  
22 CALCULATED FOR THE MOST RECENTLY PUBLISHED MARYLAND SCHOOL  
23 PERFORMANCE REPORT.

24 (15) "AVERAGE DAILY ATTENDANCE" MEANS THE PRODUCT OF:

25 (I) THE STUDENT ATTENDANCE RATE FOR A COUNTY; AND

26 (II) THE FULL-TIME EQUIVALENT ENROLLMENT FOR THAT  
27 COUNTY.

28 (16) "COUNTY AVERAGE DAILY ATTENDANCE" MEANS:

29 (I) FOR FISCAL YEAR 1997, THE SUM OF:

30 1. 25 PERCENT OF AVERAGE DAILY ATTENDANCE FOR THE  
31 COUNTY; AND

32 2. 75 PERCENT OF FULL-TIME EQUIVALENT ENROLLMENT  
33 FOR THE COUNTY;

34 (II) FOR FISCAL YEAR 1998, THE SUM OF:

35 1. 50 PERCENT OF AVERAGE DAILY ATTENDANCE FOR THE  
36 COUNTY; AND

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1 2. 50 PERCENT OF FULL-TIME EQUIVALENT ENROLLMENT  
2 FOR THE COUNTY;

3 (III) FOR FISCAL YEAR 1999, THE SUM OF:

4 1. 75 PERCENT OF AVERAGE DAILY ATTENDANCE FOR THE  
5 COUNTY; AND

6 2. 25 PERCENT OF FULL-TIME EQUIVALENT ENROLLMENT  
7 FOR THE COUNTY; AND

8 (IV) FOR FISCAL YEAR 2000 AND EACH FISCAL YEAR THEREAFTER,  
9 100 PERCENT OF AVERAGE DAILY ATTENDANCE FOR THE COUNTY.

10 (17) "COUNTY BASIC CURRENT EXPENSE TO BE SHARED" MEANS THE  
11 COUNTY AVERAGE DAILY ATTENDANCE MULTIPLIED BY THE PER PUPIL BASIC  
12 CURRENT EXPENSE FIGURE.

13 (b) (1) Each county board and the Mayor and City Council of Baltimore City  
14 shall receive from the State, in the manner and subject to the limitations under this  
15 section, an amount for each school year to be known as the "State share of basic current  
16 expenses" for each county, which shall be calculated as indicated in this subsection.

17 (2) (i) The basic current expenses to be shared shall equal the per pupil  
18 basic current expense figure multiplied by full-time equivalent enrollment.

19 (ii) 1. If State aid for public elementary and secondary education  
20 exceeds 31.5% of the projected general funds of the State in any fiscal year, then the  
21 amount required for the per pupil basic current expense figure may not be implemented  
22 for the next fiscal year unless the General Assembly, at the regular session immediately  
23 preceding that next fiscal year, affirms by joint resolution that the additional State aid  
24 required using the per pupil basic current expense figure is within the State's fiscal  
25 resources.

26 2. As provided under item 1 of this subparagraph, if State aid  
27 for public elementary and secondary education exceeds the percentage amount specified  
28 and a joint resolution of affirmation is not enacted by the General Assembly, then the per  
29 pupil basic current expense figure in which the State shall share for the next fiscal year  
30 shall be the lesser of the per pupil basic current expense figure for the fiscal year or an  
31 amount equal to 108 percent of the prior year's per pupil basic current expense figure.

32 3. By January 14 of each year, the Department of Fiscal  
33 Services shall calculate State aid as a percentage of the projected State General Fund  
34 revenues for the current fiscal year. State aid shall include State funds provided to the  
35 county boards whether pursuant to formula or on a grant basis and State payments on  
36 behalf of the county boards such as retirement and debt service for State bonds for school  
37 construction.

38 (3) To be eligible to receive the State share of basic current expenses:

39 (i) The county governing body shall levy an annual tax sufficient to  
40 provide an amount of revenue for elementary and secondary public education purposes

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1 equal to the product of the wealth of the county and a local contribution rate determined  
2 for each fiscal year; and

3 (ii) 1. The county governing body shall appropriate local funds to  
4 the school operating budget in an amount no less than the greater of the product of the  
5 full-time equivalent enrollment used in calculating the current expense aid for the  
6 current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year  
7 or the highest local appropriation to the school operating budget in the prior fiscal year.

8 2. For purposes of this paragraph, the local appropriation on a  
9 per pupil basis for the prior fiscal year for a county is derived by dividing the county's  
10 highest local appropriation to its school operating budget for the prior fiscal year by the  
11 full-time equivalent enrollment used to calculate the current expense aid for the county  
12 for the prior fiscal year. For example, the calculation of the current expense aid for fiscal  
13 year 1985 shall be based on the highest local appropriation for the school operating  
14 budget for a county for fiscal year 1984. Program shifts between a county operating  
15 budget and a county school operating budget may not be used to artificially satisfy the  
16 requirements of this paragraph.

17 (4) The local contribution rate is calculated as follows:

18 (i) Multiply the full-time equivalent enrollment by \$624, and multiply  
19 this product by 0.45.

20 (ii) Multiply the full-time equivalent enrollment by the amount that  
21 the per pupil basic current expense figure exceeds \$624, and multiply this product by 0.50.

22 (iii) Add the two products arrived at in subparagraphs (i) and (ii) of  
23 this paragraph, and divide the resulting sum by the sum of the wealth of all of the counties  
24 in this State.

25 (iv) The resulting quotient, rounded to 7 decimal places, and expressed  
26 as a percent with 5 decimal places, is the local contribution rate.

27 (5) (i) Except as provided in subparagraph [(ii)] (III) of this paragraph,  
28 the UNADJUSTED State share of basic current expenses for each county is the difference  
29 between the county share calculated under paragraph (3) of this subsection and the  
30 COUNTY basic current expense to be shared[, as indicated in paragraph (2) of this  
31 subsection].

32 (II) THE STATE SHARE OF BASIC CURRENT EXPENSES FOR EACH  
33 COUNTY IS DETERMINED BY ADDING TO THE UNADJUSTED STATE SHARE OF BASIC  
34 CURRENT EXPENSES FOR EACH COUNTY THE PRODUCT OF:

35 1. THE DIFFERENCE BETWEEN THE TOTAL BASIC CURRENT  
36 EXPENSES TO BE SHARED AND THE TOTAL COUNTY BASIC CURRENT EXPENSES TO  
37 BE SHARED; AND

38 2. THE PERCENT SHARE THAT EACH COUNTY REPRESENTS  
39 OF THE TOTAL COUNTY BASIC CURRENT EXPENSES TO BE SHARED.

40 [(ii)] (III) If the State share of basic current expenses, as calculated  
41 under subparagraph (i) of this paragraph, is less than the product of \$60 and the county's

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1 full-time equivalent enrollment, the State share of basic current expenses for the county  
2 shall be the product of \$60 and the county's full-time equivalent enrollment.

3 (IV) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE  
4 GOVERNOR'S APPROPRIATION FOR BASIC CURRENT EXPENSE AID SHALL BE  
5 CALCULATED USING FULL-TIME EQUIVALENT ENROLLMENT TO DETERMINE THE  
6 AMOUNT OF THE AGGREGATE STATE SHARE OF FUNDING AVAILABLE FOR  
7 DISTRIBUTION TO EACH COUNTY BOARD AND THE MAYOR AND CITY COUNCIL OF  
8 BALTIMORE CITY.

9 SECTION 2. AND BE IT FURTHER ENACTED, That for fiscal years 1997 and  
10 1998, the Governor shall include in the State budget grants for use in dropout prevention  
11 programs, including: (1) \$800,000 each year to the Prince George's County Board of  
12 Education; and (2) \$3,300,000 each year to the Board of School Commissioners of  
13 Baltimore City.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 July 1, 1996.