

# HOUSE BILL 1549

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By: **Delegates Hixson, Barve, Frick, Gilchrist, Kaiser, and Rice**

Introduced and read first time: March 9, 2009

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Education Funding - Thornton Formula - Evaluation**

3 FOR the purpose of requiring the State Department of Education to examine and  
4 evaluate certain education funding formulas; requiring the Department to make  
5 certain preliminary and final reports and recommendations to the Governor and  
6 the General Assembly by certain dates; and generally relating to education  
7 funding.

8 Preamble

9 WHEREAS, The Bridge to Excellence in Public Schools Act of 2002 (known as  
10 Thornton) intentionally boosted education funding significantly from fiscal years 2003  
11 through 2008 through annual enhancements to the major State aid formulas; and

12 WHEREAS, Each year during the phase-in of Thornton, education funding  
13 increased significantly and by the final year of the phase-in schedule, which was fiscal  
14 year 2008, \$5.17 billion was provided to local education agencies; and

15 WHEREAS, A funding formula that relies heavily on net taxable income must  
16 be evaluated on a regular basis due to the potential for change in net taxable income  
17 on a yearly basis; and

18 WHEREAS, An evaluation of the components of the Thornton formula on a  
19 regular basis is necessary to ensure that the State is using the most effective and  
20 reasonable means of funding education; now, therefore,

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That the State Department of Education shall:

23 (a) Examine and evaluate the following education funding formulas:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (1) the Foundation Program;
- 2 (2) the geographic cost of education index (GCEI) adjustment;
- 3 (3) the at-risk formulas, including compensatory education, students  
4 with limited English proficiency, and special education;
- 5 (4) the Guaranteed Tax Base Program;
- 6 (5) transportation aid; and
- 7 (6) supplemental grants.

8 (b) On or before July 1, 2009, submit to the Governor and, in accordance with  
9 § 2-1246 of the State Government Article, the General Assembly a preliminary report  
10 that includes at least the following information concerning the most recently  
11 completed fiscal year ending June 30:

- 12 (1) results of the evaluation of the education funding formulas; and
- 13 (2) any recommendations of amendments proposed by the Department  
14 to the education funding formulas; and

15 (c) On or before October 1, 2009, submit to the Governor and, in accordance  
16 with § 2-1246 of the State Government Article, the General Assembly a final report on  
17 any recommendations of amendments proposed by the Department to the education  
18 funding formulas.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 June 1, 2009.