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Introduced and read first time: February 17, 2010 Assigned to: Ways and Means

# A BILL ENTITLED

1 AN ACT concerning

### $\mathbf{2}$

F1

## **Education Funding Formula – Average Daily Attendance**

- FOR the purpose of requiring certain enrollment calculations used for education aid to
  be based on the average daily attendance in certain school years; defining
  certain terms; providing for the application of this Act; and generally relating to
  the calculation of education aid for primary and secondary education.
- 7 BY repealing and reenacting, with amendments,
- 8 Article Education
- 9 Section 4–122(b)(2) and 5–202(a)
- 10 Annotated Code of Maryland
- 11 (2008 Replacement Volume and 2009 Supplement)
- 12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 13 MARYLAND, That the Laws of Maryland read as follows:

# Article – Education

15 4–122.

16 (b) (2) The service providing local education agency shall include a child 17 enrolled as the result of an out-of-county living arrangement in their full-time 18 equivalent enrollment as provided by [§ 5-202(a)(6)] § 5-202(A) of this article.

- 19 5-202.
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(a) (1) In this section the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



"ABSENTEEISM RATE" MEANS THE DIFFERENCE BETWEEN (2) 1  $\mathbf{2}$ **1.00** AND THE AVERAGE DAILY ATTENDANCE RATE. 3 **[**(2)**] (3)** "Annual per pupil foundation amount" means: For fiscal years 2004 through 2008, the sum, rounded to the 4 (i)  $\mathbf{5}$ nearest dollar, of: 6 1. The fiscal year 2002 per pupil foundation amount of 7 \$4,124; and 8 The product of the difference between the target per 2.9 pupil foundation amount and \$4,124 and: 10 А. 0.40 in fiscal year 2004; 11 B. 0.52 in fiscal year 2005; C. 120.71 in fiscal year 2006; and 13D. 0.83 in fiscal year 2007; and (ii) 14For fiscal year 2008 and each fiscal year thereafter, the 15target per pupil foundation amount. "Assessed valuation of real property" means the most recent 16**[**(3)**] (4)** estimate made by the State Department of Assessments and Taxation before the 17annual State budget is submitted to the General Assembly, of the assessed value of 18 19real property for State purposes as of July 1 of the first completed fiscal year before the school year for which the calculation of State aid is made under this section. 2021**[**(4)**] (5)** "Assessed value of personal property" means the most recent 22estimate by the State Department of Assessments and Taxation before the annual 23State budget is submitted to the General Assembly of the assessed value for county 24purposes of personal property as of July 1 of the first completed fiscal year before the school year for which the calculation is made under this section. 25"AVERAGE DAILY ATTENDANCE RATE" MEANS THE SUM OF 26(6) 27STUDENTS ATTENDING SCHOOL EACH DAY DURING THE SECOND PRIOR SCHOOL 28YEAR DIVIDED BY THE SUM OF STUDENT MEMBERSHIP FROM EACH DAY DURING 29THE SECOND PRIOR SCHOOL YEAR.

30 [(5)] (7) "Foundation program" means the product of the annual per 31 pupil foundation amount and a county's full-time equivalent enrollment.

1	<b>[</b> (6) <b>] (8)</b>	"Full–time equivalent enrollment" means [the sum of]:			
2	(i)	THE SUM OF:			
$3 \\ 4 \\ 5$	• •	1. The number of students enrolled in [grades 1 EN THROUGH GRADE 12 or their equivalent in regular day ember 30 of the previous school year; AND			
6 7 8	[(ii) product of the number of of the prior school year as	Except as provided in item (iii) of this paragraph, the students enrolled in kindergarten programs on September 30 nd:			
9		1. 0.60 in fiscal year 2004;			
10		2. 0.70 in fiscal year 2005;			
11		3. 0.80 in fiscal year 2006;			
12		4. 0.90 in fiscal year 2007; and			
13 14	thereafter;	5. 1.00 in fiscal year 2008 and each fiscal year			
$\begin{array}{c} 15\\ 16 \end{array}$	(iii) kindergarten programs o	In Garrett County, the number of students enrolled in n September 30 of the prior school year; and			
17 18 19	(iv)] determined by a regula programs during the prev	ation of the Department, enrolled in evening high school			
20	(II)	MINUS THE PRODUCT OF:			
21 22	PARAGRAPH; AND	1. THE NUMBER DERIVED IN ITEM (I) OF THIS			
23		2. THE ABSENTEEISM RATE.			
$\begin{array}{c} 24\\ 25 \end{array}$	<b>[</b> (7) <b>] (9)</b> as follows:	"Local contribution rate" means the figure that is calculated			
$\frac{26}{27}$	(i) \$624, and multiply this p	Multiply the statewide full-time equivalent enrollment by roduct by:			
28		1. 0.46 in fiscal year 2004;			
29		2. 0.47 in fiscal year 2005;			

	4 HOUSE BILL 1154				
1	3. 0.48 in fiscal year 2006;				
2	4. 0.49 in fiscal year 2007; and				
$\frac{3}{4}$	5. 0.50 in fiscal year 2008 and each fiscal year thereafter;				
$5\\6\\7$	(ii) Multiply the statewide full-time equivalent enrollment by amount that the annual per pupil foundation amount exceeds \$624, and multiply product by 0.50;				
8 9 10	(iii) Add the two products calculated in items (i) and (ii) of this paragraph, and divide the resulting sum by the sum of the wealth of all of the counties in this State; and				
$\begin{array}{c} 11 \\ 12 \end{array}$	(iv) Round the result obtained in item (iii) of this paragraph to seven decimal places and express as a percent with five decimal places.				
13 14	[(8)] (10) "Local share of the foundation program" means the product of the local contribution rate and a county's wealth.				
15 16 17 18	[(9)] (11) "Net taxable income" means the amount certified by the State Comptroller for the second completed calendar year before the school year for which the calculation of State aid under this section is made, based on tax returns filed on or before September 1 after this calendar year.				
$\begin{array}{c} 19\\ 20 \end{array}$	[(10)] (12) "Personal property" means all property classified as personal property under § 8–101(c) of the Tax – Property Article.				
$\begin{array}{c} 21 \\ 22 \end{array}$	[(11)] (13) "Real property" means all property classified as real property under § 8–101(b) of the Tax – Property Article.				
$\begin{array}{c} 23\\ 24 \end{array}$	[(12)] (14) "State share of the foundation program" means the greater of:				
$\frac{25}{26}$	(i) The difference between the foundation program and the local share of the foundation program; and				
27 28 29	(ii) The result obtained by multiplying the annual per pupil foundation amount by the county's full-time equivalent enrollment, and multiplying this product by:				
30	1. 0.25 in fiscal year 2004;				
31	2. 0.24 in fiscal year 2005;				

1		3.	0.22 in fiscal year 2006;			
2		4.	0.19 in fiscal year 2007; and			
$\frac{3}{4}$	thereafter.	5.	0.15 in fiscal year 2008 and each fiscal year			
<b>5</b>	<b>[</b> (13) <b>] (15)</b>	"Targ	get per pupil foundation amount" means:			
6	(i)	In fis	cal years 2008, 2009, and 2010, \$6,694;			
7 8	(ii) subsequent fiscal years:	Excep	pt as provided in item (iii) of this paragraph, in			
9 10	fiscal year increased by th	1. ne sam	The target per pupil foundation amount for the prior ne percentage as the lesser of:			
$\begin{array}{c} 11 \\ 12 \end{array}$	A. The increase in the implicit price deflator for State and local government expenditures for the second prior fiscal year;					
$\begin{array}{c} 13\\14\\15\end{array}$	B. The Consumer Price Index for all urban consumers for the Washington–Baltimore metropolitan area, or any successor index, for the second prior fiscal year; or					
16		C.	5%; or			
17 18 19 20 21	2. If there is no increase in the implicit price deflator for State and local government expenditures for the second prior fiscal year or in the Consumer Price Index for all urban consumers for the Washington–Baltimore metropolitan area, or any successor index, for the second prior fiscal year, the target per pupil foundation amount for the prior fiscal year; and					
22	(iii)	In fis	cal year 2012:			
$\frac{23}{24}$	fiscal year increased by th	1. ne sam	The target per pupil foundation amount for the prior ne percentage as the lesser of:			
$\frac{25}{26}$	and local government exp	A. enditu	The increase in the implicit price deflator for State ures for the second prior fiscal year;			
27 28 29	the Washington–Baltimo prior fiscal year; or	B. re me	The Consumer Price Index for all urban consumers for stropolitan area, or any successor index, for the second			
30		C.	1%; or			

2. If there is no increase in the implicit price deflator for State and local government expenditures for the second prior fiscal year or in the Consumer Price Index for all urban consumers for the Washington–Baltimore metropolitan area, or any successor index, for the second prior fiscal year, the target per pupil foundation amount for the prior fiscal year.

"Wealth" means the sum of:

6 7

(i) Net taxable income;

**(**14)**] (16)** 

8 (ii) 100 percent of the assessed value of the operating real 9 property of public utilities;

10 (iii) 40 percent of the assessed valuation of all other real 11 property; and

12 (iv) 50 percent of assessed value of personal property.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be 14 applicable to the calculation of payments of State aid to counties and Baltimore City 15 for fiscal years beginning after June 30, 2010.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effectJune 1, 2010.