

# SENATE BILL 866

F1

01r3283  
CF 01r2703

---

By: **Senators King, Conway, Forehand, Frosh, Garagiola, Kramer, Lenett, and Raskin**

Introduced and read first time: February 12, 2010

Assigned to: Rules

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Education – Enrollment – Average Daily Attendance**

3 FOR the purpose of requiring certain enrollment calculations used for education aid to  
4 be based on the average daily attendance in certain school years; providing for  
5 the application of this Act; defining certain terms; and generally relating to the  
6 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:

14 **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.

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

21 **(2) “ABSENTEEISM RATE” MEANS THE DIFFERENCE BETWEEN**  
22 **1.00 AND THE AVERAGE DAILY ATTENDANCE RATE MULTIPLIED BY:**

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1                   **(I) 0.33 IN FISCAL YEAR 2011;**  
 2                   **(II) 0.67 IN FISCAL YEAR 2012; AND**  
 3                   **(III) 1.00 IN FISCAL YEAR 2013 AND EACH FISCAL YEAR**  
 4 **THEREAFTER.**

5                   **[(2)] (3)**       “Annual per pupil foundation amount” means:

6                   (i)       For fiscal years 2004 through 2008, the sum, rounded to the  
 7 nearest dollar, of:

8                   1.       The fiscal year 2002 per pupil foundation amount of  
 9 \$4,124; and

10                   2.       The product of the difference between the target per  
 11 pupil foundation amount and \$4,124 and:

12                   A.       0.40 in fiscal year 2004;

13                   B.       0.52 in fiscal year 2005;

14                   C.       0.71 in fiscal year 2006; and

15                   D.       0.83 in fiscal year 2007; and

16                   (ii)       For fiscal year 2008 and each fiscal year thereafter, the  
 17 target per pupil foundation amount.

18                   **[(3)] (4)**       “Assessed valuation of real property” means the most recent  
 19 estimate made by the State Department of Assessments and Taxation before the  
 20 annual State budget is submitted to the General Assembly, of the assessed value of  
 21 real property for State purposes as of July 1 of the first completed fiscal year before  
 22 the school year for which the calculation of State aid is made under this section.

23                   **[(4)] (5)**       “Assessed value of personal property” means the most recent  
 24 estimate by the State Department of Assessments and Taxation before the annual  
 25 State budget is submitted to the General Assembly of the assessed value for county  
 26 purposes of personal property as of July 1 of the first completed fiscal year before the  
 27 school year for which the calculation is made under this section.

28                   **(6) “AVERAGE DAILY ATTENDANCE RATE” MEANS THE SUM OF**  
 29 **STUDENTS ATTENDING SCHOOL EACH DAY DURING THE SECOND PRIOR SCHOOL**  
 30 **YEAR DIVIDED BY THE SUM OF STUDENT MEMBERSHIP FROM EACH DAY DURING**  
 31 **THE SECOND PRIOR SCHOOL YEAR.**

1            **[(5)] (7)**     “Foundation program” means the product of the annual per  
2 pupil foundation amount and a county’s full-time equivalent enrollment.

3            **[(6)] (8)**     “Full-time equivalent enrollment” means [the sum of]:

4                        (i)     **THE SUM OF:**

5                                1.     The number of students enrolled in [grades 1  
6 through] **KINDERGARTEN THROUGH GRADE 12** or their equivalent in regular day  
7 school programs on September 30 of the previous school year; **AND**

8                                **[(ii)**     Except as provided in item (iii) of this paragraph, the  
9 product of the number of students enrolled in kindergarten programs on September 30  
10 of the prior school year and:

11                                        1.     0.60 in fiscal year 2004;

12                                        2.     0.70 in fiscal year 2005;

13                                        3.     0.80 in fiscal year 2006;

14                                        4.     0.90 in fiscal year 2007; and

15                                        5.     1.00 in fiscal year 2008 and each fiscal year  
16 thereafter;

17                                        **(iii)**     In Garrett County, the number of students enrolled in  
18 kindergarten programs on September 30 of the prior school year; and

19                                        **(iv)] 2.**     The number of full-time equivalent students, as  
20 determined by a regulation of the Department, enrolled in evening high school  
21 programs during the previous school year; **AND**

22                                        **(II)     MINUS THE PRODUCT OF:**

23                                        1.     **THE NUMBER DERIVED IN ITEM (I) OF THIS**  
24 **PARAGRAPH; AND**

25                                        2.     **THE ABSENTEEISM RATE.**

26            **[(7)] (9)**     “Local contribution rate” means the figure that is calculated  
27 as follows:

28                                        (i)     Multiply the statewide full-time equivalent enrollment by  
29 \$624, and multiply this product by:

- 1                                   1.     0.46 in fiscal year 2004;  
 2                                   2.     0.47 in fiscal year 2005;  
 3                                   3.     0.48 in fiscal year 2006;  
 4                                   4.     0.49 in fiscal year 2007; and  
 5                                   5.     0.50 in fiscal year 2008 and each fiscal year  
 6 thereafter;

7                                   (ii)    Multiply the statewide full-time equivalent enrollment by  
 8 the amount that the annual per pupil foundation amount exceeds \$624, and multiply  
 9 this product by 0.50;

10                                  (iii)   Add the two products calculated in items (i) and (ii) of this  
 11 paragraph, and divide the resulting sum by the sum of the wealth of all of the counties  
 12 in this State; and

13                                  (iv)    Round the result obtained in item (iii) of this paragraph to  
 14 seven decimal places and express as a percent with five decimal places.

15                                  **[(8) (10)**   “Local share of the foundation program” means the product  
 16 of the local contribution rate and a county’s wealth.

17                                  **[(9) (11)**   “Net taxable income” means the amount certified by the  
 18 State Comptroller for the second completed calendar year before the school year for  
 19 which the calculation of State aid under this section is made, based on tax returns  
 20 filed on or before September 1 after this calendar year.

21                                  **[(10) (12)**   “Personal property” means all property classified as personal  
 22 property under § 8–101(c) of the Tax – Property Article.

23                                  **[(11) (13)**   “Real property” means all property classified as real  
 24 property under § 8–101(b) of the Tax – Property Article.

25                                  **[(12) (14)**   “State share of the foundation program” means the greater  
 26 of:

27                                   (i)     The difference between the foundation program and the  
 28 local share of the foundation program; and

29                                   (ii)    The result obtained by multiplying the annual per pupil  
 30 foundation amount by the county’s full-time equivalent enrollment, and multiplying  
 31 this product by:

- 1 1. 0.25 in fiscal year 2004;
- 2 2. 0.24 in fiscal year 2005;
- 3 3. 0.22 in fiscal year 2006;
- 4 4. 0.19 in fiscal year 2007; and
- 5 5. 0.15 in fiscal year 2008 and each fiscal year
- 6 thereafter.

7 **[(13)] (15)** “Target per pupil foundation amount” means:

- 8 (i) In fiscal years 2008, 2009, and 2010, \$6,694;
- 9 (ii) Except as provided in item (iii) of this paragraph, in
- 10 subsequent fiscal years:
  - 11 1. The target per pupil foundation amount for the prior
  - 12 fiscal year increased by the same percentage as the lesser of:
    - 13 A. The increase in the implicit price deflator for State
    - 14 and local government expenditures for the second prior fiscal year;
    - 15 B. The Consumer Price Index for all urban consumers for
    - 16 the Washington–Baltimore metropolitan area, or any successor index, for the second
    - 17 prior fiscal year; or
    - 18 C. 5%; or
  - 19 2. If there is no increase in the implicit price deflator for
  - 20 State and local government expenditures for the second prior fiscal year or in the
  - 21 Consumer Price Index for all urban consumers for the Washington–Baltimore
  - 22 metropolitan area, or any successor index, for the second prior fiscal year, the target
  - 23 per pupil foundation amount for the prior fiscal year; and
- 24 (iii) In fiscal year 2012:
  - 25 1. The target per pupil foundation amount for the prior
  - 26 fiscal year increased by the same percentage as the lesser of:
    - 27 A. The increase in the implicit price deflator for State
    - 28 and local government expenditures for the second prior fiscal year;
    - 29 B. The Consumer Price Index for all urban consumers for
    - 30 the Washington–Baltimore metropolitan area, or any successor index, for the second
    - 31 prior fiscal year; or

1 C. 1%; or

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

7 [(14)] (16) “Wealth” means the sum of:

8 (i) Net taxable income;

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

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

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

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

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 June 1, 2010.