HOUSE BILL 26

F1 $1 \ln 0.815$ HB 1.154/10 - W&M

By: Delegate O'Donnell

Introduced and read first time: January 13, 2011

Assigned to: Ways and Means

A BILL ENTITLED 1 AN ACT concerning 2 Education Funding Formula - 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; defining 5 certain terms; providing for the application of this Act; and generally relating to 6 the calculation of education aid for primary and secondary education. 7 BY repealing and reenacting, with amendments, Article - Education 8 Section 4-122(b)(2) and 5-202(a)9 Annotated Code of Maryland 10 (2008 Replacement Volume and 2010 Supplement) 11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 12 13 MARYLAND, That the Laws of Maryland read as follows: Article - Education 14 4-122.15 16 (b) The service providing local education agency shall include a child enrolled as the result of an out-of-county living arrangement in their full-time 17 equivalent enrollment as provided by [§ 5–202(a)(6)] § 5–202(A) of this article. 18 5-202.19 20 In this section the following words have the meanings indicated. (a) (1) 21"ABSENTEEISM RATE" MEANS THE DIFFERENCE BETWEEN **(2)** 22 1.00 AND THE AVERAGE DAILY ATTENDANCE RATE.

1	[(2)] (3)	"Annual per pupil foundation amount" means:				
2 3	(i) nearest dollar, of:	For fiscal years 2004 through 2008, the sum, rounded to the				
$\frac{4}{5}$	\$4,124; and	1. The fiscal year 2002 per pupil foundation amount of				
6 7	pupil foundation amount	2. The product of the difference between the target per and \$4,124 and:				
8		A. 0.40 in fiscal year 2004;				
9		B. 0.52 in fiscal year 2005;				
10		C. 0.71 in fiscal year 2006; and				
11		D. 0.83 in fiscal year 2007; and				
12 13	(ii) target per pupil foundati	For fiscal year 2008 and each fiscal year thereafter, the on amount.				
14 15 16 17 18	[(3)] (4) "Assessed valuation of real property" means the most recent estimate made by the State Department of Assessments and Taxation before the annual State budget is submitted to the General Assembly, of the assessed value of real 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.					
19 20 21 22 23	State budget is submitted purposes of personal pro-	"Assessed value of personal property" means the most recent Department of Assessments and Taxation before the annual ed to the General Assembly of the assessed value for county perty as of July 1 of the first completed fiscal year before the e calculation is made under this section.				
24 25 26 27	(6) "AVERAGE DAILY ATTENDANCE RATE" MEANS THE SUM OF STUDENTS ATTENDING SCHOOL EACH DAY DURING THE SECOND PRIOR SCHOOL YEAR DIVIDED BY THE SUM OF STUDENT MEMBERSHIP FROM EACH DAY DURING THE SECOND PRIOR SCHOOL YEAR.					
28 29	[(5)] (7) pupil foundation amount	"Foundation program" means the product of the annual per and a county's full—time equivalent enrollment.				
30	[(6)] (8)	"Full-time equivalent enrollment" means [the sum of]:				
31	(i)	THE SUM OF:				

1 2 3	~ -		The number of students enrolled in [grades 1 ROUGH GRADE 12 or their equivalent in regular day 30 of the previous school year; AND
4 5 6	[(ii) product of the number of of the prior school year a	f studer	ot as provided in item (iii) of this paragraph, the nts enrolled in kindergarten programs on September 30
7		1.	0.60 in fiscal year 2004;
8		2.	0.70 in fiscal year 2005;
9		3.	0.80 in fiscal year 2006;
10		4.	0.90 in fiscal year 2007; and
11 12	thereafter;	5.	1.00 in fiscal year 2008 and each fiscal year
13 14	(iii) kindergarten programs o		arrett County, the number of students enrolled in ember 30 of the prior school year; and
15 16 17	(iv)] determined by a regular programs during the pre-	ation o	The number of full-time equivalent students, as of the Department, enrolled in evening high school chool year;
18	(II)	MINU	US THE PRODUCT OF:
19 20	PARAGRAPH; AND	1.	THE NUMBER DERIVED IN ITEM (I) OF THIS
21		2.	THE ABSENTEEISM RATE.
22 23	[(7)] (9) as follows:	"Loca	l contribution rate" means the figure that is calculated
24 25	(i) \$624, and multiply this p		ply the statewide full-time equivalent enrollment by by:
26		1.	0.46 in fiscal year 2004;
27		2.	0.47 in fiscal year 2005;
28		3.	0.48 in fiscal year 2006;
29		4.	0.49 in fiscal year 2007; and

$\frac{1}{2}$	$5. \hspace{0.5cm} 0.50 \hspace{0.2cm} \text{in fiscal year} \hspace{0.2cm} 2008 \hspace{0.2cm} \text{and} \hspace{0.2cm} \text{each fiscal year} \\$ thereafter;						
3 4 5	(ii) Multiply the statewide full–time equivalent enrollment by the amount that the annual per pupil foundation amount exceeds $\$624$, and multiply this product by 0.50 ;						
6 7 8	(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						
9	(iv) Round the result obtained in item (iii) of this paragraph to seven decimal places and express as a percent with five decimal places.						
11	[(8)] (10) "Local share of the foundation program" means the product of the local contribution rate and a county's wealth.						
13 14 15 16	[(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.						
17 18	[(10)] (12) "Personal property" means all property classified as personal property under § 8–101(c) of the Tax – Property Article.						
19 20	[(11)] (13) "Real property" means all property classified as real property under $\S 8-101(b)$ of the Tax – Property Article.						
$\frac{21}{22}$	[(12)] (14) "State share of the foundation program" means the greater of:						
23 24	(i) The difference between the foundation program and the local share of the foundation program; and						
25 26 27	(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:						
28	1. 0.25 in fiscal year 2004;						
29	2. 0.24 in fiscal year 2005;						
30	3. 0.22 in fiscal year 2006;						
31	4. 0.19 in fiscal year 2007: and						

$\frac{1}{2}$	thereafter.	5.	0.15	in	fiscal	year	2008	and	each	fiscal	year
3	[(13)] (15)	"Tar	get per	pup	il foun	dation	amoun	t" mea	ans:		
4	(i)	In fis	scal yea	ars 2	2008, 20	009, an	d 2010	, \$6,69	94;		
5 6	(ii) subsequent fiscal years:	Exce	pt as	pro	vided	in ite	m (iii)	of t	his pa	ıragrap	h, in
7 8	1. The target per pupil foundation amount for the prior fiscal year increased by the same percentage as the lesser of:									prior	
9 10	A. The increase in the implicit price deflator for State and local government expenditures for the second prior fiscal year;								State		
11 12 13	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										
14		C.	5%; c	or							
15 16 17 18 19	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										
20	(iii)	In ea	ich of f	iscal	years	2012 tł	nrough	2015:			
21 22	fiscal year increased by the	1. he sar		_	_			ion ar	nount	for the	prior
23 24	and local government exp	A. endit					-	_	defla	tor for	State
25 26 27	the Washington–Baltimo	B. ere me								onsume r the s	
28		C.	1%; c	or							
29 30 31	State and local government Consumer Price Index		xpendi	iture	es for t	the sec	ond pr	ior fis	scal ye		n the

metropolitan area, or any successor index, for the second prior fiscal year, the target

per pupil foundation amount for the prior fiscal year.

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1	[(14)] (16)	"Wealth" means the sum of:				
2	(i)	Net taxable income;				
3 4	(ii) property of public utilitie	100 percent of the assessed value of the operating real es;				
5 6	(iii) property; and	40 percent of the assessed valuation of all other real				
7	(iv)	50 percent of assessed value of personal property.				
8 9 10	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be applicable to the calculation of payments of State aid to counties and Baltimore City for fiscal years beginning after June 30, 2011.					
11 12	SECTION 3. AND June 1, 2011.	BE IT FURTHER ENACTED, That this Act shall take effect				