

# HOUSE BILL 26

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HB 1154/10 – W&M

11r0815

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By: **Delegate O'Donnell**  
Introduced and read first time: January 13, 2011  
Assigned to: Ways and Means

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## 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,  
8 Article – Education  
9 Section 4–122(b)(2) and 5–202(a)  
10 Annotated Code of Maryland  
11 (2008 Replacement Volume and 2010 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.**

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





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

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

- 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                  5. 1.00 in fiscal year 2008 and each fiscal year  
12 thereafter;

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

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

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

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

21                   **2. THE ABSENTEEISM RATE.**

22                   **[(7) (9)** “Local contribution rate” means the figure that is calculated  
23 as follows:

24                   (i) Multiply the statewide full-time equivalent enrollment by  
25 \$624, and multiply this product 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



1                                   5.     0.15 in fiscal year 2008 and each fiscal year  
2 thereafter.

3                                   **[(13)] (15)**   “Target per pupil foundation amount” means:

4                                   (i)     In fiscal years 2008, 2009, and 2010, \$6,694;

5                                   (ii)    Except as provided in item (iii) of this paragraph, in  
6 subsequent fiscal years:

7                                   1.     The target per pupil foundation amount for the prior  
8 fiscal year increased by the same percentage as the lesser of:

9                                   A.     The increase in the implicit price deflator for State  
10 and local government expenditures for the second prior fiscal year;

11                                  B.     The Consumer Price Index for all urban consumers for  
12 the Washington–Baltimore metropolitan area, or any successor index, for the second  
13 prior fiscal year; or

14                                  C.     5%; or

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

20                                  (iii)  In each of fiscal years 2012 through 2015:

21                                  1.     The target per pupil foundation amount for the prior  
22 fiscal year increased by the same percentage as the lesser of:

23                                  A.     The increase in the implicit price deflator for State  
24 and local government expenditures for the second prior fiscal year;

25                                  B.     The Consumer Price Index for all urban consumers for  
26 the Washington–Baltimore metropolitan area, or any successor index, for the second  
27 prior fiscal year; or

28                                  C.     1%; or

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

- 1                    **[(14)] (16)** “Wealth” means the sum of:
- 2                    (i)     Net taxable income;
- 3                    (ii)    100 percent of the assessed value of the operating real  
4 property of public utilities;
- 5                    (iii)   40 percent of the assessed valuation of all other real  
6 property; and
- 7                    (iv)    50 percent of assessed value of personal property.

8                    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
9 applicable to the calculation of payments of State aid to counties and Baltimore City  
10 for fiscal years beginning after June 30, 2011.

11                    SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 June 1, 2011.