

# HOUSE BILL 945

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11r2685  
CF SB 737

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By: **Kent County Delegation**

Introduced and read first time: February 11, 2011

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Education – Foundation Program – Per–Pupil Adjustment for Salaries**

3 FOR the purpose of requiring the State to distribute annually the State share of the  
4 foundation amount that is calculated using an adjusted per–pupil foundation  
5 amount to each county board; requiring the State to distribute annually an  
6 administrative salary grant to each county board; defining certain terms; and  
7 generally relating to the State share of the foundation program.

8 BY repealing and reenacting, with amendments,  
9 Article – Education  
10 Section 5–202(a) and (b)  
11 Annotated Code of Maryland  
12 (2008 Replacement Volume and 2010 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Education**

16 5–202.

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

18 (2) **“ADJUSTED PER PUPIL FOUNDATION AMOUNT” MEANS THE**  
19 **ANNUAL PER PUPIL FOUNDATION AMOUNT LESS THE STATEWIDE COST OF**  
20 **ADMINISTRATIVE SALARY GRANTS DIVIDED BY THE STATEWIDE FULL–TIME**  
21 **EQUIVALENT ENROLLMENT ROUNDED TO THE NEAREST CENT.**

22 (3) **“ADMINISTRATIVE SALARY GRANT” MEANS:**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                                   **(I) THE SUM OF:**

2                                   **1. THE SALARY OF EACH COUNTY SUPERINTENDENT,**  
3 **OR, IN BALTIMORE CITY, THE CHIEF EXECUTIVE OFFICER FOR THE PRIOR**  
4 **FISCAL YEAR;**

5                                   **2. A. SUBJECT TO ITEM B OF THIS ITEM, THE**  
6 **SALARY OF EACH COUNTY ASSISTANT SUPERINTENDENT FOR THE PRIOR**  
7 **FISCAL YEAR; OR**

8                                   **B. IF THERE IS MORE THAN ONE ASSISTANT**  
9 **SUPERINTENDENT IN A COUNTY, THEN THE HIGHEST SALARY SHALL BE USED;**  
10 **AND**

11                                   **3. THE SALARY OF EACH COUNTY'S CHIEF**  
12 **FINANCIAL OFFICER FOR THE PRIOR FISCAL YEAR;**

13                                   **(II) DIVIDED BY 24.**

14                                   **[(2)] (4)** "Annual per pupil foundation amount" means:

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

17                                   1. The fiscal year 2002 per pupil foundation amount of  
18 \$4,124; and

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

21                                   A. 0.40 in fiscal year 2004;

22                                   B. 0.52 in fiscal year 2005;

23                                   C. 0.71 in fiscal year 2006; and

24                                   D. 0.83 in fiscal year 2007; and

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

27                                   **[(3)] (5)** "Assessed valuation of real property" means the most recent  
28 estimate made by the State Department of Assessments and Taxation before the  
29 annual State budget is submitted to the General Assembly, of the assessed value of  
30 real property for State purposes as of July 1 of the first completed fiscal year before  
31 the school year for which the calculation of State aid is made under this section.



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

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

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

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

14 **[(8)] (10)** “Local share of the foundation program” means the product  
15 of the local contribution rate and a county’s wealth.

16 **[(9)] (11)** “Net taxable income” means the amount certified by the  
17 State Comptroller for the second completed calendar year before the school year for  
18 which the calculation of State aid under this section is made, based on tax returns  
19 filed on or before September 1 after this calendar year.

20 **[(10)] (12)** “Personal property” means all property classified as personal  
21 property under § 8–101(c) of the Tax – Property Article.

22 **[(11)] (13)** “Real property” means all property classified as real  
23 property under § 8–101(b) of the Tax – Property Article.

24 **[(12)] (14)** “State share of the foundation program” means the greater  
25 of:

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

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

- 31 1. 0.25 in fiscal year 2004;
- 32 2. 0.24 in fiscal year 2005;



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

6                                   [(14)] **(16)**   “Wealth” means the sum of:

7                                   (i)     Net taxable income;

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                   (b)     Subject to the other provisions of this section, each year the State shall  
14 distribute the State share of the foundation program **AND THE ADMINISTRATIVE**  
15 **SALARY GRANT** to each county board.

16                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 July 1, 2011.