HOUSE BILL 945

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1lr2685**CF SB 737**

By: Kent County Delegation Introduced and read first time: February 11, 2011 Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

$\mathbf{2}$ **Education – Foundation Program – Per–Pupil Adjustment for Salaries**

- 3 FOR the purpose of requiring the State to distribute annually the State share of the foundation amount that is calculated using an adjusted per-pupil foundation 4 $\mathbf{5}$ 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
- Section 5-202(a) and (b) 10
- Annotated Code of Maryland 11
- 12(2008 Replacement Volume and 2010 Supplement)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 13MARYLAND, That the Laws of Maryland read as follows: 14
- 15**Article – Education**
- 16 5 - 202.
- 17
- In this section the following words have the meanings indicated. (a) (1)

"ADJUSTED PER PUPIL FOUNDATION AMOUNT" MEANS THE 18 (2) ANNUAL PER PUPIL FOUNDATION AMOUNT LESS THE STATEWIDE COST OF 1920ADMINISTRATIVE SALARY GRANTS DIVIDED BY THE STATEWIDE FULL-TIME 21EQUIVALENT ENROLLMENT ROUNDED TO THE NEAREST CENT.

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"ADMINISTRATIVE SALARY GRANT" MEANS: (3)

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



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1	(I)	THE SUM OF:
$2 \\ 3 \\ 4$	OR, IN BALTIMORE C FISCAL YEAR;	1. THE SALARY OF EACH COUNTY SUPERINTENDENT, ITY, THE CHIEF EXECUTIVE OFFICER FOR THE PRIOR
$5\\6\\7$	SALARY OF EACH CC FISCAL YEAR; OR	2. A. SUBJECT TO ITEM B OF THIS ITEM, THE DUNTY ASSISTANT SUPERINTENDENT FOR THE PRIOR
8 9 10	SUPERINTENDENT IN AND	B. IF THERE IS MORE THAN ONE ASSISTANT A COUNTY, THEN THE HIGHEST SALARY SHALL BE USED;
$11\\12$	FINANCIAL OFFICER F	3. THE SALARY OF EACH COUNTY'S CHIEF OR THE PRIOR FISCAL YEAR;
13	(II)	DIVIDED BY 24.
14	[(2)] (4)	"Annual per pupil foundation amount" means:
$\begin{array}{c} 15\\ 16 \end{array}$	(i) nearest dollar, of:	For fiscal years 2004 through 2008, the sum, rounded to the
17 18	\$4,124; and	1. The fiscal year 2002 per pupil foundation amount of
19 20	pupil foundation amount	2. The product of the difference between the target per 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
$\begin{array}{c} 25\\ 26 \end{array}$	(ii) target per pupil foundati	For fiscal year 2008 and each fiscal year thereafter, the on amount.
27 28 20	Ū.	"Assessed valuation of real property" means the most recent State Department of Assessments and Taxation before the submitted to the General Assembly, of the assessed value of

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.

1 [(4)] (6) "Assessed value of personal property" means the most recent 2 estimate by the State Department of Assessments and Taxation before the annual 3 State budget is submitted to the General Assembly of the assessed value for county 4 purposes of personal property as of July 1 of the first completed fiscal year before the 5 school year for which the calculation is made under this section.

6 [(5)] (7) "Foundation program" means the product of the [annual] 7 ADJUSTED per pupil foundation amount and a county's full-time equivalent 8 enrollment.

9 [(6)] (8) "Full-time equivalent enrollment" means the sum of:

10 (i) The number of students enrolled in grades 1 through 12 or 11 their equivalent in regular day school programs on September 30 of the previous 12 school year;

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

- 16 1. 0.60 in fiscal year 2004;
- 17 2. 0.70 in fiscal year 2005;
- 18 3. 0.80 in fiscal year 2006;
- 19
 4.
 0.90 in fiscal year 2007; and
- 205.1.00 in fiscal year 2008 and each fiscal year21thereafter;

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

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

27[(7)] (9)"Local contribution rate" means the figure that is calculated28as follows:

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

1. 0.46 in fiscal year 2004;

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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	5. 0.50 in fiscal year 2008 and each fiscal year thereafter;						
6 7 8	(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;						
9 10 11	(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						
$\begin{array}{c} 12\\ 13 \end{array}$	(iv) Round the result obtained in item (iii) of this paragraph to seven decimal places and express as a percent with five decimal places.						
$\begin{array}{c} 14 \\ 15 \end{array}$	[(8)] (10) "Local share of the foundation program" means the product of the local contribution rate and a county's wealth.						
16 17 18 19	[(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.						
20 21	[(10)] (12) "Personal property" means all property classified as personal property under § 8–101(c) of the Tax – Property Article.						
$\begin{array}{c} 22\\ 23 \end{array}$	[(11)] (13) "Real property" means all property classified as real property under § 8–101(b) of the Tax – Property Article.						
$\begin{array}{c} 24 \\ 25 \end{array}$	[(12)] (14) "State share of the foundation program" means the greater of:						
$\frac{26}{27}$	(i) The difference between the foundation program and the local share of the foundation program; and						
28 29 30	(ii) The result obtained by multiplying the [annual] ADJUSTED per pupil foundation amount by the county's full-time equivalent enrollment, and multiplying this product by:						
31	1. 0.25 in fiscal year 2004;						
32	2. 0.24 in fiscal year 2005;						

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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		
5	[(13)] (15)	"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:	Exce	pt as provided in item (iii) of this paragraph, in		
9 10	fiscal year increased by t	1. he san	The target per pupil foundation amount for the prior ne percentage as the lesser of:		
$\begin{array}{c} 11 \\ 12 \end{array}$	and local government exp	A. pendit	The increase in the implicit price deflator for State ures for the second prior fiscal year;		
$\begin{array}{c} 13\\14\\15\end{array}$	the Washington–Baltimo prior fiscal year; or	B. ore me	The Consumer Price Index for all urban consumers for tropolitan area, or any successor index, for the second		
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 ea	ch of fiscal years 2012 through 2015:		
$\frac{23}{24}$	fiscal year increased by t	1. he san	The target per pupil foundation amount for the prior ne percentage as the lesser of:		
$\frac{25}{26}$	and local government exp	A. pendit	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. ore me	The Consumer Price Index for all urban consumers for tropolitan area, or any successor index, for the second		
30		C.	1%; or		

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$1 \\ 2 \\ 3 \\ 4 \\ 5$	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.				
6	[(14)] (16) "Wealth" means the sum of:				
7	(i) Net taxable income;				
8 9	(ii) 100 percent of the assessed value of the operating real property of public utilities;				
$\begin{array}{c} 10\\11 \end{array}$	(iii) 40 percent of the assessed valuation of all other real property; and				
12	(iv) 50 percent of assessed value of personal property.				
$\begin{array}{c} 13\\14\\15\end{array}$	(b) Subject to the other provisions of this section, each year the State shall distribute the State share of the foundation program AND THE ADMINISTRATIVE SALARY GRANT to each county board.				
$\begin{array}{c} 16 \\ 17 \end{array}$	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2011.				

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