

WHEREAS, The total outstanding bonded indebtedness of the various subdivisions for school construction is approaching one billion dollars (\$805,813,274 at the end of Fiscal 1968), which represents nearly 6% of their total assessed wealth; and

WHEREAS, The annual expenditure for school construction is increasing regularly as evidenced by the following data

	Total Statewide Expenditures	Expenditures for Large County
1964	\$ 81.6 Million	\$19.4 Million
1965	92.0 "	22.5 "
1966	112.5 "	21.9 "
1967	113.8 "	30.8 "
1968	111.5 "	28.5 " ; and

WHEREAS, Such regularity of increase in capital expenditures suggests that a major portion thereof represents a recurring annual cost, and could therefore be reasonably considered to be a current obligation; and

WHEREAS, The annual cost of servicing such debt is increasing rapidly, having reached in 1968 a total of \$66.4 million, (including \$25.9 million in interest payments) or nearly 60% of the total amount expended for construction for that year, and if annual expenditures continue at present levels, a point may be reached at which debt service costs will exceed annual capital costs financed on a current, or pay-as-you-go basis; and

WHEREAS, The Governor has appointed a commission to study the entire problem of financing education in Maryland; now, therefore, be it

Resolved by the General Assembly of Maryland, That the General Assembly requests the commission appointed by the Governor to study the problems in the financing of educational costs in the State to give attention to the increasing annual cost of school construction along with corresponding heavy increases in debt service costs, and that it attempt to determine the feasibility of shifting the payment of all or a portion of such expenditure from borrowed funds to current appropriations; and be it further

Resolved, That if pay-as-you-go financing is found to be feasible, in order to achieve such goal the commission is requested to develop either an appropriate State funded program, or one involving an equitable State and local sharing of costs; and be it further

Resolved, That copies of this Resolution are sent to the Governor of Maryland, the Chairman of the Gubernatorial Commission on financing of education in the State, and the State Superintendent of Schools.

Approved April 22, 1970.

No. 37

(Senate Joint Resolution 54)

Senate Joint Resolution requesting the Board of County Commissioners of Allegany County to appoint a Commission to study