

(2) IN FISCAL YEAR 2004, THE STATE SHALL DISTRIBUTE A PARTNERSHIP GRANT OF \$28,186,032 TO THE NEW BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS.

(2) IN FISCAL YEAR 2005, THE STATE SHALL DISTRIBUTE A PARTNERSHIP GRANT OF \$21,139,524 TO THE NEW BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS.

(3) IN FISCAL YEAR 2006, THE STATE SHALL DISTRIBUTE A PARTNERSHIP GRANT OF \$14,093,016 TO THE NEW BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS.

(F) (1) FOR FISCAL YEAR 2004, THE STATE SHARE OF THE FOUNDATION PROGRAM SHALL BE ADJUSTED TO REFLECT REGIONAL DIFFERENCES IN THE COST OF EDUCATION THAT ARE DUE TO FACTORS OUTSIDE THE CONTROL OF LOCAL JURISDICTIONS, BY INCREASING THE STATE SHARE OF THE FOUNDATION PROGRAM OTHERWISE DETERMINED FOR THE FOLLOWING COUNTIES BY:

- (I) 1% FOR ANNE ARUNDEL COUNTY;
- (II) 3% FOR BALTIMORE CITY;
- (III) 3% FOR HOWARD COUNTY; AND
- (IV) 4% FOR MONTGOMERY COUNTY.

(2) FOR FISCAL YEAR 2005 AND EACH FISCAL YEAR THEREAFTER, THE STATE SHARE OF THE FOUNDATION PROGRAM SHALL BE ADJUSTED TO REFLECT REGIONAL DIFFERENCES IN THE COST OF EDUCATION THAT ARE DUE TO FACTORS OUTSIDE THE CONTROL OF LOCAL JURISDICTIONS.

~~(2) (3) THE STATE DEPARTMENT SHALL CONTRACT WITH A PRIVATE ENTITY NO LATER THAN SEPTEMBER 30, 2002 TO CONDUCT A STUDY TO:~~

- (I) DEVELOP A MARYLAND SPECIFIC GEOGRAPHIC COST OF EDUCATION INDEX TO BE IMPLEMENTED NO LATER THAN FISCAL YEAR 2005; AND
- (II) PROVIDE RECOMMENDATIONS AS TO HOW THE INDEX SHOULD BE USED TO ADJUST STATE EDUCATION FUNDING.

[(d)](G) Any employer Social Security contributions required by federal law for any employee of a county board or local school system shall remain the obligation of the employer.

(e) (1) Each county board and the Mayor and City Council of Baltimore City shall receive from the State, in the manner and subject to the limitations under this section, an amount for each school year to be known as the "compensatory education funds", which shall be calculated as indicated in this subsection.

(2) (i) For each fiscal year, the compensatory education funds program level is the product of 25 percent of the per pupil basic current expense figure for the current fiscal year, rounded down to the nearest dollar, and the statewide Chapter 1 eligible count for the prior fiscal year.