

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 597

(Senator King, *et al.*)

Education, Health, and Environmental Affairs

Ways and Means and Appropriations

Community Colleges – Supplemental Services and Supports for Students With Disabilities Grant Program

This bill requires the Governor, beginning in fiscal 2020, to include a general fund appropriation of at least \$250,000 annually in the State budget for the Maryland Higher Education Commission (MHEC) to be used to award grants for supplemental services and supports for students with disabilities in community colleges. MHEC must consult with the Maryland Association of Community Colleges in establishing a competitive review process for awarding the grants and adopting any necessary guidelines or recommendations. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: General fund expenditures increase by at least \$250,000 annually beginning in FY 2020. Baltimore City Community College (BCCC) revenues and expenditures increase to the extent it receives grants. **This bill establishes a mandated appropriation beginning in FY 2020.**

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Higher Ed Rev.	\$0	-	-	-	-
GF Expenditure	\$0	\$250,000	\$250,000	\$250,000	\$250,000
Higher Ed Exp.	\$0	-	-	-	-
Net Effect	\$0	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local community college revenues and expenditures increase beginning in FY 2020 due to grants received under the program.

Small Business Effect: None.

Analysis

Current Law/Background: Chapter 419 of 2006 required MHEC to establish and administer a grant program for supplemental services and supports for students with disabilities in community colleges. MHEC, in cooperation with the Maryland Department of Disabilities, must establish a competitive review process for awarding grants and adopt any other necessary guidelines or regulations for administering the program. A provision requiring the Governor to appropriate at least \$500,000 annually for this purpose was removed by amendment during the legislative process.

The program was only funded for three years: \$500,000 in fiscal 2007; \$232,900 in fiscal 2008; and \$199,000 in fiscal 2009. A portion of the funding was used for MHEC's administrative expenses. No funding has been provided since fiscal 2009.

Assistance for Individuals with Disabilities Attending Community College

An individual with a disability who is out of the workforce by reason of total and permanent disability is eligible for a community college tuition waiver if the individual meets certain requirements. While a waiver may cover tuition, it does not cover other costs. As shown in **Exhibit 1**, during the 2015-2016 academic year, 485 individuals received an average \$1,080 tuition waiver. MHEC advises that the community colleges absorb the costs of the waivers.

Exhibit 1
Community College Tuition Waivers for Students with Disabilities
2015-2016 Academic Year

<u>Institution</u>	<u>Tuition Waiver</u>	<u>Number of Students Receiving Waivers</u>	<u>Average Tuition Waiver Per Student</u>	<u>All Other Aid</u>
Allegany College of Maryland	\$9,825	10	\$983	\$26,929
Anne Arundel Community College	56,623	57	993	44,119
Carroll Community College	25,181	21	1,199	3,780
College of Southern Maryland	51,480	41	1,256	53,578
Chesapeake College	9,096	9	1,011	11,757
Community Colleges of Baltimore County	142,911	122	1,171	128,900
Baltimore City Community College	30,017	33	910	18,774
Frederick Community College	53,434	54	990	44,186
Harford Community College	44,343	32	1,386	37,897
Howard Community College	3,415	6	569	1,722
Montgomery College – All Campuses	79,223	79	1,003	125,853
Wor-Wic Community College	18,025	21	858	16,250
Total	\$523,573	485	\$1,080	\$513,745

Note: “All other aid” includes grants, loans, and scholarships and includes State and institutional aid.

Source: Maryland Higher Education Commission

State/Local Fiscal Effect: The grant program has not been funded since fiscal 2009, and no funding is included in the Governor’s proposed fiscal 2019 budget. Assuming this ongoing lack of funding would have otherwise continued absent the bill, general fund expenditures increase by at least \$250,000 in fiscal 2020. This estimate assumes that the mandated funds are used to cover MHEC’s administrative costs beginning July 1, 2019. It reflects the cost of hiring one *half-time* grant administrator to review applications, make awards, and track awarded funds and related information. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses with the remaining available grant funding provided to community colleges.

Position	0.5
Salary and Fringe Benefits	\$41,051
Operating Expenses	5,203
Grant Funding for Community Colleges	<u>203,746</u>
Total FY 2020 MHEC Expenditures	\$250,000

Future year expenditures reflect a full salary with annual increases and employee turnover, ongoing operating expenses, and ongoing grant funding.

Higher education revenues for BCCC, a State institution, and local revenues for the State's 15 local community colleges increase in total by the amount of grants awarded annually, which are assumed to be net of MHEC's administrative costs. Higher education expenditures for BCCC and local community college expenditures increase correspondingly to award grants for supplemental services and supports for students with disabilities.

The allocation process used to award grants from fiscal 2007 through 2009 required the community colleges to apply for a set quantity of grants. Most requests were for between 10 and 20 awards. Not all community colleges applied, but awards of \$2,250 to \$2,500 per student were made to those that applied. A similar application and approval process, with requests based on the number of individuals with disabilities attending each community college, is likely. Assuming similar award amounts, the bill funds about 90 grants annually.

Additional Information

Prior Introductions: None.

Cross File: HB 1388 (Delegate Jones, *et al.*) - Ways and Means and Appropriations.

Information Source(s): Maryland Higher Education Commission; Department of Budget and Management; Maryland Department of Disabilities; Department of Legislative Services

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