

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 475 (Delegate Cain, *et al.*)
Appropriations

Community Colleges - Students With Disabilities

This bill requires the Governor, beginning in fiscal 2022, to include a general fund appropriation of at least \$2.5 million 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, 2020.**

Fiscal Summary

State Effect: General fund expenditures increase by at least \$2.5 million annually beginning in FY 2022. Baltimore City Community College (BCCC) revenues and expenditures increase to the extent it receives grants. **This bill establishes a mandated appropriation beginning in FY 2022.**

(\$ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Higher Ed Rev.	\$0	-	-	-	-
GF Expenditure	\$0	\$2.5	\$2.5	\$2.5	\$2.5
Higher Ed Exp.	\$0	-	-	-	-
Net Effect	\$0.0	(\$2.5)	(\$2.5)	(\$2.5)	(\$2.5)

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 2022 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.

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. During the 2017-2018 academic year, 484 individuals received an average \$1,217 tuition waiver for a total of \$589,014 at 12 community colleges. Combined with other forms of aid (including grants, loans, and scholarships), assistance received by these individuals averaged \$2,458.

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 2021 budget. Assuming this ongoing lack of funding would have otherwise continued absent the bill, general fund expenditures increase by at least \$2.5 million in fiscal 2022. This estimate assumes that the mandated funds are used to cover MHEC's administrative costs beginning July 1, 2021. 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	\$36,983
Operating Expenses	6,408
Grant Funding for Community Colleges	<u>2,456,609</u>
Total FY 2022 MHEC Expenditures	\$2,500,000

Future year expenditures reflect a full salary with annual increases and employee turnover, ongoing operating expenses, and ongoing grant funding. To the extent that MHEC requires a full-time staff, instead of a part-time staff, the amount of funding available for grants to community colleges decreases.

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 (about \$2.4 million), 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 \$2,500/\$2,250 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.

Additional Information

Prior Introductions: SB 182 of 2019 received a hearing from the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken. Its cross file, HB 714, received a hearing from the House Appropriations Committee but was subsequently withdrawn. SB 597 of 2018, a similar bill as amended, passed the Senate and received a hearing from the House Ways and Means Committee, but no further action was taken. Its cross file, HB 1388, received a hearing from the House Ways and Means Committee, but no further action was taken.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 6, 2020
mr/rhh

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510