

RI0005
Community College Facilities Renewal Grant Program – Capital
Maryland Higher Education Commission

Capital Budget Summary

Grant and Loan *Capital Improvement Program*
(\$ in Millions)

Program	2018 Approp.	2019 Approp.	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
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Community College Facilities Renewal Grant Program	\$0.000	\$0.000	\$3.800	\$4.000	\$4.000	\$4.000	\$4.000
Total	\$0.000	\$0.000	\$3.800	\$4.000	\$4.000	\$4.000	\$4.000

Fund Source	2018 Approp.	2019 Approp.	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
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PAYGO GF	\$0.000	\$0.000	\$3.800	\$4.000	\$4.000	\$4.000	\$4.000
Total	\$0.000	\$0.000	\$3.800	\$4.000	\$4.000	\$4.000	\$4.000

GF: general funds
PAYGO: pay-as-you-go

Key Observations

The fiscal 2020 operating allowance includes \$3.8 million for the Community College Facilities Renewal Grant Program (CCFRG), providing \$475,000 to each of the eligible community colleges receiving grants. However, funding for a Community Education and Performing Arts Center for Garrett College has been budgeted as a miscellaneous project instead of under the Community College Construction Grant Program. If funding for this project was included under the Community College Construction Grant Program, it would subsequently increase the mandated funding required for CCFRG.

Summary of Recommended PAYGO Actions

1. Concur with Governor's allowance.

Program Description

CCFRG is a new program established by Chapters 687 and 688 of 2018 and administered by the Maryland Higher Education Commission (MHEC). The program provides grants for improvements, repairs, and deferred maintenance projects at the 16 community colleges in the State, including Baltimore City Community College. Eligible projects may not have a total estimated project cost of \$1.0 million or more and must be submitted to MHEC as part of an annual master plan or 10-year master plan. Grants provided by the program are in addition to and may not supplant funds provided by the Community College Construction Grant Program. Each year, the Governor must appropriate 5% of the annual appropriation for the Community College Construction Grant Program to CCFRG.

Community colleges must submit applications for program grants by September 1 of the preceding fiscal year. MHEC may make up to eight grants in each fiscal year. A community college may not receive grants in consecutive years, but if a community college does not request funds in a given year, it may not receive a grant until the second following fiscal year. A community college may receive multiple grants in a year, but it may not receive a total of more than \$500,000 in a fiscal year. If total appropriations to the program are less than \$4.0 million in a fiscal year, equal grants must be given to each community college that is eligible for a grant. The Maryland Association of Community Colleges reports that as of October 1, 2018, the cumulative deferred maintenance backlog of all community colleges in Maryland is \$618.2 million.

MHEC also administers the Community College Construction Grant Program, which provides grants for capital improvements to Maryland's locally controlled community colleges. Discussion on funding for that program can be found in the MHEC – Community College Construction Grant Program – Capital analysis (RI00).

Budget Overview

The fiscal 2020 operating budget funds CCFRG at \$3.8 million in pay-as-you-go general funds. This funding amount is slightly more than the 5% of the Community College Construction Grant Program required for CCFRG under its mandate; the Community College Construction Grant Program receives \$74.0 million in fiscal 2020, 5% of which is \$3.75 million. Because there is less than \$4.0 million provided to CCFRG in fiscal 2020, each of the up to eight grants provided by MHEC to the eligible community college must be equal. **Exhibit 1** shows distribution of the grants in fiscal 2020. As shown, Allegany College of Maryland, Anne Arundel Community College, Cecil College, the College of Southern Maryland, the Community College of Baltimore County, Montgomery College,

Prince George's Community College, and Wor-Wic Community College are all receiving grants of \$475,000 in the fiscal 2020 allowance.

Exhibit 1
Community College Facilities Renewal Grant Program Project List
Fiscal 2020
(\$ in Thousands)

<u>Community College</u>	<u>Request</u>
Allegany College of Maryland	\$475
Anne Arundel Community College	475
Cecil College	475
College of Southern Maryland	475
Community College of Baltimore County	475
Montgomery College	475
Prince George's Community College	475
Wor-Wic Community College	475
Total	\$3,800

Source: Governor's Fiscal 2020 Budget Books

It is worth noting that a project for a Community Education and Performing Arts Center for Garrett College is budgeted in the fiscal 2020 capital budget as a miscellaneous project instead of part of the Community College Construction Grant Program. This project has previously received funding in the 2016 *Capital Improvement Program* under the Community College Construction Grant Program but was subsequently reprogrammed as a miscellaneous project. The project is receiving funding for construction for the first time in fiscal 2020, budgeted at \$5.5 million. If this \$5.5 million were to be included in the Community College Construction Grant Program, the program would total \$79.0 million. This increase would subsequently increase the 5% mandated amount for CCFRG to nearly \$4.0 million, providing nearly \$494,000 to the eight community colleges receiving grants. More discussion on the Community Education and Performing Arts Center for Garrett College can be found in the MHEC – Community College Facilities Grant Program – Capital analysis (RI00).

PAYGO Recommended Actions

1. Concur with Governor's allowance.