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**By: Delegates Heller, Hixson, Conway, Cryor, Kopp, Linton, Marriott, and McIntosh**

Introduced and read first time: February 12, 1996

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education - Community College Funding**

3 FOR the purpose of altering the formula for the computation of certain State aid for  
4 community colleges; requiring the State to provide funding to community colleges in  
5 a certain amount; defining certain terms; requiring the Governor to include a  
6 certain deficiency appropriation in the Budget Bill for certain community college  
7 funding under certain circumstances; and generally relating to the formula for the  
8 computation of certain State aid for community colleges.

9 BY repealing and reenacting, with amendments,  
10 Article - Education  
11 Section 16-403 and 16-407  
12 Annotated Code of Maryland  
13 (1992 Replacement Volume and 1995 Supplement)

14 BY repealing and reenacting, without amendments,  
15 Article - Education  
16 Section 16-406  
17 Annotated Code of Maryland  
18 (1992 Replacement Volume and 1995 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Education**

22 16-403.

23 (a) In this section the following words have the meanings indicated.

24 (1) "Assessed valuation of real property" means assessed valuation of real  
25 property as determined for purposes of the State aid calculated under §5-202 of this  
26 article.

27 (2) "Board" means:

28 (i) In a county that has 1 or more community colleges, the board of  
29 community college trustees for the county; or

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1 (ii) Where 2 or more counties establish a region to support a regional  
2 community college, the board of regional community college trustees.

3 (3) "Community college" means a community college established under this  
4 title but does not include Baltimore City Community College.

5 (4) "County share" means the total amount of money for operating funds to  
6 be provided each fiscal year to a board by the county that supports the community college  
7 or colleges or, in the case of a regional community college, the total amount of money for  
8 operating funds to be provided each fiscal year to the board by all counties that support  
9 the regional community college.

10 (5) "Direct grants" means the sum of the following components of the State  
11 share:

12 (i) Fixed costs;

13 (ii) Marginal costs; AND

14 (iii) Size factor[; and

15 (iv) Wealth factor].

16 (6) "Full-time equivalent student" is the quotient of the number of student  
17 credit hours produced in the fiscal year 2 years prior to the fiscal year for which the State  
18 share is calculated divided by 30, as certified by the Maryland Higher Education  
19 Commission.

20 (7) "Population" means population as determined for purposes of  
21 calculating the State share of the library program using the definition in § 23-401 of this  
22 article.

23 (8) "Region" means the counties supporting a regional community college  
24 established under Subtitle 3 of this title.

25 (9) "State share" means the amount of money for community college  
26 operating funds to be provided each fiscal year to a board by the State.

27 (10) "Student credit hours" means student credit hours or contact hours  
28 which are eligible, under the regulations issued by the Maryland Higher Education  
29 Commission, for inclusion in State funding calculations.

30 (11) "Total State operating fund" means the sum of community college State  
31 appropriations for direct grants and for challenge grants.

32 [(12) "Wealth" means wealth as determined for purposes of the State aid  
33 calculated under § 5-202 of this article.]

34 (b) (1) The total State operating fund per full-time equivalent student to the  
35 community colleges for each fiscal year as requested by the Governor shall be [not less  
36 than an amount equal to the total State operating fund per full-time equivalent student in  
37 the previous fiscal year]:

1 (I) IN FISCAL YEAR 1997, NOT LESS THAN AN AMOUNT EQUAL TO  
2 22% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT  
3 STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE  
4 STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING  
5 THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE  
6 PREVIOUS FISCAL YEAR;

7 (II) IN FISCAL YEAR 1998, NOT LESS THAN AN AMOUNT EQUAL TO  
8 23% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT  
9 STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE  
10 STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING  
11 THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE  
12 PREVIOUS FISCAL YEAR;

13 (III) IN FISCAL YEAR 1999, NOT LESS THAN AN AMOUNT EQUAL TO  
14 24% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT  
15 STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE  
16 STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING  
17 THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE  
18 PREVIOUS FISCAL YEAR;

19 (IV) IN FISCAL YEAR 2000 AND EACH FISCAL YEAR THEREAFTER,  
20 NOT LESS THAN AN AMOUNT EQUAL TO 24% OF THE STATE'S GENERAL FUND  
21 APPROPRIATION PER FULL-TIME EQUIVALENT STUDENT TO THE 4-YEAR PUBLIC  
22 INSTITUTIONS OF HIGHER EDUCATION IN THE STATE, AS DESIGNATED BY THE  
23 COMMISSION FOR THE PURPOSE OF ADMINISTERING THE JOSEPH A. SELLINGER  
24 PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE PREVIOUS FISCAL YEAR.

25 (2) The State share shall be distributed to each board and shall be limited  
26 by the provisions of subsection (c) of this section.

27 (3) Subject to subsection (c) of this section, the total State share for each  
28 board shall be the sum of:

29 (i) The fixed costs component;

30 (ii) The marginal costs component; AND

31 (iii) The size factor component[;

32 (iv) The wealth factor component; and

33 (v) The challenge grant component].

34 (4) (i) The funds available for the fixed costs component shall be [70%]  
35 A SET PERCENTAGE of the year's total State operating fund AS FOLLOWS:

36 1. FOR FISCAL YEAR 1997, 36% OF TOTAL FUNDING;

37 2. FOR FISCAL YEAR 1998, 37% OF TOTAL FUNDING;

38 3. FOR FISCAL YEAR 1999, 38% OF TOTAL FUNDING; AND







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1 16-407.

2 (a) (1) Subject to paragraphs (2) and (3) of this subsection and subsection (f) of  
3 this section, any student who attends a community college in this State and is not a  
4 resident of this State shall pay, in addition to the student tuition and fees payable by a  
5 county resident, an out-of-state fee, equal to the State share and the county share per  
6 full-time equivalent student as determined under § 16-403 of this subtitle.

7 (2) (i) A resident of the state of West Virginia who attends Garrett  
8 Community College under a negotiated reciprocity agreement between the states of  
9 Maryland and West Virginia is an in-county resident for tuition purposes.

10 (ii) For each full-time equivalent student participating in the  
11 reciprocity agreement, the State shall pay to Garrett Community College an amount  
12 equal to the net State support per full-time equivalent student as provided in § 16-403 of  
13 this subtitle. FOR ANY FISCAL YEAR, IF STATE APPROPRIATIONS PER FULL-TIME  
14 EQUIVALENT STUDENT PARTICIPATING IN THE RECIPROCITY AGREEMENT DO NOT  
15 PROVIDE SUFFICIENT FUNDS TO FULLY REIMBURSE THE COUNTY AN AMOUNT  
16 EQUAL TO THE NET STATE SUPPORT PER FULL-TIME EQUIVALENT STUDENT AS  
17 PROVIDED IN § 16-403 OF THIS SUBTITLE, THE GOVERNOR SHALL INCLUDE IN THE  
18 BUDGET BILL FOR THE NEXT FISCAL YEAR A DEFICIENCY APPROPRIATION TO  
19 PROVIDE THE ADDITIONAL FUNDS TO FULLY REIMBURSE THE COUNTY.

20 (iii) The Commission may make payments to effectuate the provisions  
21 of this paragraph from funds specifically appropriated for this purpose as provided in the  
22 State budget or any supplemental budget request.

23 (iv) The payments authorized by this paragraph are in addition to the  
24 State operating fund to community colleges authorized in § 16-403(b) of this subtitle.

25 (3) (i) Any student attending a community college in this State who is not  
26 a resident of this State and is enrolled in an education program leading to licensure in  
27 nursing shall be included as an in-county resident for tuition purposes and shall be  
28 included as an in-state resident for computation of the State aid to community colleges in  
29 accordance with § 16-403 of this subtitle.

30 (ii) The student shall furnish a surety bond or guaranteed promissory  
31 note to the State with security satisfactory to the Maryland Higher Education  
32 Commission, that on completion of the Nursing Education Program, the student will work  
33 for at least 2 years in a hospital or related institution as defined in § 19-301 of the Health  
34 - General Article in this State.

35 (iii) The Secretary of Health and Mental Hygiene may determine if  
36 there is a shortage of nurses.

37 (iv) Subject to subparagraphs (v) and (vi) of this paragraph, if the  
38 Secretary determines that there is no shortage of nurses, the Nonresident Student Tuition  
39 Reduction and State Aid Program established under this paragraph may not be applied to  
40 any courses required for the nursing program.

1 (v) Subparagraph (iv) of this paragraph applies only to students who  
2 enroll in a Nursing Education Program subsequent to the determination made under  
3 subparagraph (iv) of this paragraph.

4 (vi) Subparagraph (v) of this paragraph may not affect any student who  
5 is participating in the Nonresident Tuition Reduction and State Aid Program prior to the  
6 determination under subparagraph (iii) of this paragraph.

7 (b) (1) Subject to the provisions of paragraph (2) of this subsection, any student  
8 who attends a community college not supported by the county in which the student  
9 resides shall pay, in addition to the student tuition and fees payable by a resident of a  
10 county that supports the community college, an out-of-county or out-of-region fee equal  
11 to the county share per full-time equivalent student as determined under § 16-403 of this  
12 subtitle.

13 (2) (i) Any student who resides in an incorporated municipality whose  
14 corporate limits extend into 2 counties in the State is considered an in-county resident for  
15 tuition purposes at a community college campus located within that municipality that is  
16 supported by either county.

17 (ii) If a student is considered an in-county resident under this  
18 paragraph and the student does not reside in the county that supports the community  
19 college, the county in which the student resides shall pay the difference between the  
20 out-of-county tuition and the in-county tuition.

21 (c) Any county may appropriate money to pay the out-of-county or out-of-region  
22 fees for county residents who attend a community college in this State that is not  
23 supported by that county.

24 (d) (1) Notwithstanding subsection (b) of this section, if any student is a  
25 resident of this State and enrolls in an instructional program that the Commission  
26 designates as a health manpower shortage program or a statewide or regional program,  
27 the student shall pay only the student tuition and fees payable by a resident of a county  
28 that supports the community college and the Commission shall pay any applicable  
29 out-of-county fee. FOR ANY FISCAL YEAR, IF STATE APPROPRIATIONS TO THE  
30 COMMISSION FOR PAYMENT OF ANY APPLICABLE OUT-OF-COUNTY FEE UNDER  
31 THIS PARAGRAPH DO NOT PROVIDE SUFFICIENT FUNDS TO FULLY REIMBURSE A  
32 COUNTY THAT SUPPORTS THE COMMUNITY COLLEGE, THE GOVERNOR SHALL  
33 INCLUDE IN THE BUDGET BILL FOR THE NEXT FISCAL YEAR A DEFICIENCY  
34 APPROPRIATION TO PROVIDE THE ADDITIONAL FUNDS TO FULLY REIMBURSE THE  
35 COUNTY.

36 (2) The Commission may make payments to effectuate the provisions of this  
37 section from funds specifically appropriated for this purpose as provided in the State  
38 budget or any supplemental budget request.

39 (e) (1) Notwithstanding subsection (b) of this section, if any student resides in a  
40 county where the per capita wealth is below the State average and the county does not  
41 support a community college or a branch campus of a community college, except for  
42 Baltimore City, the student may enroll at a community college or a branch campus in the  
43 State, either of which is located in a county adjacent to the one in which the student



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1 resides, and pay only the tuition and fees applicable to a county resident that supports the  
2 community college.

3 (2) For any student determined to be eligible under paragraph (1) of this  
4 subsection, the Commission shall pay:

5 (i) In fiscal year 1992, 75% of any applicable out-of-county fee  
6 provided that the county in which the student resides pays 25 percent of that fee; and

7 (ii) In fiscal year 1993, and each fiscal year thereafter, 50% of any  
8 applicable out-of-county fee provided that the county in which the student resides pays  
9 50 percent of that fee.

10 (3) The Commission may make payments to effectuate the provisions of this  
11 section from funds specifically appropriated for this purpose in the State budget or any  
12 supplemental budget request.

13 (f) The provisions of this section shall be subject to any reciprocal interstate  
14 agreement entered into by the Maryland Higher Education Commission under §  
15 11-105(1)(2) of this article.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 1996.