Unofficial Copy F2 1996 Regular Session 6lr1348

CF 6lr1351

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

Introduced and read first time: February 12, 1996

Assigned to: Ways and Means

A BILL ENTITLED

1	AN	ACT	concerning
---	----	-----	------------

2	Higher Education -	Community	Conege r	unaing

- 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, theboard of
- 29 community college trustees for the county; or

1 2	(ii) Where 2 or more counties establish a region to support a regional community college, the board of regional community college trustees.
3	(3) "Community college" means a community college established under this title but does not include Baltimore City Community College.
7 8	(4) "County share" means the total amount of money for operating funds to be provided each fiscal year to a board by the county that supports the community college or colleges or, in the case of a regional community college, the total amount of money for operating funds to be provided each fiscal year to the board by all counties that support the regional community college.
10 11	(5) "Direct grants" means the sum of the following components of the State share:
12	(i) Fixed costs;
13	(ii) Marginal costs; AND
14	(iii) Size factor[; and
15	(iv) Wealth factor].
18	(6) "Full-time equivalent student" is the quotient of the number of student credit hours produced in the fiscal year 2 years prior to the fiscal year for which the State share is calculated divided by 30, as certified by the Maryland Higher Education Commission.
	(7) "Population" means population as determined for purposes of calculating the State share of the library program using the definitionin § 23-401 of this article.
23 24	(8) "Region" means the counties supporting a regional communitycollege established under Subtitle 3 of this title.
25 26	(9) "State share" means the amount of money for community college operating funds to be provided each fiscal year to a board by the State.
	(10) "Student credit hours" means student credit hours or contact hours which are eligible, under the regulations issued by the Maryland HigherEducation Commission, for inclusion in State funding calculations.
30 31	(11) "Total State operating fund" means the sum of community college State appropriations for direct grants and for challenge grants.
32 33	[(12) "Wealth" means wealth as determined for purposes of the State aid calculated under § 5-202 of this article.]
36	(b) (1) The total State operating fund per full-time equivalent student to the community colleges for each fiscal year as requested by the Governor shall be [not less than an amount equal to the total State operating fund per full-time equivalent student in the previous fiscal year]:

3

3 4 5	(I) IN FISCAL YEAR 1997, NOT LESS THAN AN AMOUNT EQUAL TO 22% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE PREVIOUS FISCAL YEAR;
9 10 11	(II) IN FISCAL YEAR 1998, NOT LESS THAN AN AMOUNT EQUAL TO 23% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE PREVIOUS FISCAL YEAR;
15 16 17	(III) IN FISCAL YEAR 1999, NOT LESS THAN AN AMOUNT EQUAL TO 24% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE PREVIOUS FISCAL YEAR;
21 22 23	(IV) IN FISCAL YEAR 2000 AND EACH FISCAL YEAR THEREAFTER, NOT LESS THAN AN AMOUNT EQUAL TO 24% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE STATE, AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE PREVIOUS FISCAL YEAR.
25 26	(2) The State share shall be distributed to each board and shall be limited by the provisions of subsection (c) of this section.
27 28	(3) Subject to subsection (c) of this section, the total State share for each 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 35	(4) (i) The funds available for the fixed costs component shallbe [70%] 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

4

1 2	4. FOR FISCAL YEAR 2000 AND EACH FISCAL YEAR THEREAFTER, 39% OF TOTAL FUNDING.
	(ii) The funds available for the fixed costs component shall be divided and distributed to the community colleges in the same proportion in which the direct grants were distributed in the prior fiscal year.
	(5) (i) For each board, the marginal costs component shall be the product of the dollar amount per full-time equivalent student multiplied by thenumber of full-time equivalent students at the board's community college or colleges.
	(ii) The dollar amount per full-time equivalent student shall be calculated by dividing [27%] 60% of the total State operating fund for the fiscal year by the total number of full-time equivalent students at community collegesstatewide.
	(iii) In determining the marginal costs component for a board, the number of full-time equivalent students at all campuses and colleges operated by the board shall be added together.
17 18 19	(6) (i) [Except as provided in subparagraph (ii) of this paragraph, the] THE size factor component shall be determined by dividing and distributing equally [1.75%] A PERCENTAGE AS SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH of the total State operating fund to each board which operates a community college or colleges at which the total number of full-time equivalent students is less than or equal to 80% of the statewide median.
23 24 25	(ii) [For each board which operates a community college orcolleges at which the total number of full-time equivalent students is greater than 80% of the statewide median but less than or equal to 200% of the statewide median, the size factor component shall be determined by dividing and distributing equally 0.25% of the total State operating fund to each eligible board] THE PERCENTAGE DISTRIBUTEDAS THE SIZE FACTOR COMPONENT UNDER THIS PARAGRAPH SHALL EQUAL:
27	1. FOR FISCAL YEAR 1997, 4% OF TOTAL FUNDING;
28	2. FOR FISCAL YEAR 1998, 3% OF TOTAL FUNDING;
29	3. FOR FISCAL YEAR 1999, 2% OF TOTAL FUNDING; AND
30 31	4. FOR FISCAL YEAR 2000 AND EACH FISCAL YEAR THEREAFTER, 1% OF TOTAL FUNDING.
	(iii) In determining the eligibility of a board for a sizefactor component, the number of full-time equivalent students at all campuses and colleges operated by the board shall be added together.
35	(7) [(i) A board shall be eligible for a wealth factor component if:
	1. The county share for the previous fiscal year divided by the total assessed valuation of real property in the supporting county or region is greater than or equal to the statewide median; and

	2. The per capita wealth of the supporting county or region is less than 80% of the statewide per capita wealth or the total assessed valuation of real property in the supporting county or region is less than \$1,000,000,000.
4 5	(ii) The wealth factor component shall be determined by dividing and distributing equally among eligible boards 1/2% of the total State operating fund.
6 7	(iii) For purposes of this section, per capita wealth is wealth divided by population.
	(iv) For the purpose of calculating the wealth factor component under this subsection, statewide per capita wealth includes only those counties that support a community college or colleges.
	(v) In determining the eligibility of a board of a regional community college for a wealth factor component, the wealth, population, and assessed valuation of real property of the supporting counties shall be considered in the aggregate as a region.
14 15	(8) (i) Any portion of the total State operating fund not distributed as direct grants shall be available for challenge grants.
16 17	(ii) The purpose of the challenge grant component is to address statewide initiatives and economic development needs.
	(iii) The challenge grants shall be distributed in amountsdetermined by the Commission to eligible boards based upon criteria developed by the Commission in cooperation with the Department of Business and Economic Development.
	(9)] Any employer Social Security contributions required by federal law for any employee of a board of community college trustees shall remain the obligation of the employer.
24 25	[(10)] (8) The State contribution to retirement and fringe benefit costs is not included in the calculations of amounts under this subsection.
28 29	(c) In each fiscal year, in order for a board to receive an increase in the State share of support, the county share, in the aggregate, that supports the community college or colleges shall equal or exceed the aggregate amount of operating fund appropriations made to the board by the county or all of the counties supporting the college in the previous fiscal year.
33	(d) (1) (i) Beginning in Fiscal Year 1996, a grant in the amount provided in paragraph (2) of this subsection shall be distributed to each board in order to provide instruction and services to students enrolled in an English for Speakers of Other Languages ("ESOL") program.
35 36	(ii) To qualify for a grant under this subsection, each participant in the program shall be a student:
37 38	1. Born outside of the United States or whose native language is not English;

1 2	2. Who comes from an environment where a language other than English is dominant; or
	3. Who is an American Indian or Alaskan native and comes from an environment where a language other than English has had a significant impact on the student's level of English language proficiency.
	(2) (i) Subject to the provisions of subparagraph (ii) of this paragraph, the amount of the grant shall be \$800 times the number of qualified full-time equivalent students who are enrolled in a county ESOL program and at the community college.
9 10	(ii) 1. The total amount of the grants under this paragraph may not exceed $\$1,000,000$ for any fiscal year.
13	2. If, for any fiscal year, the total amount of the grants calculated under subparagraph (i) of this paragraph would exceed \$1,000,000, then each grant shall be prorated by the amount necessary to reduce the total amount of the grants to \$1,000,000.
17	(3) (i) If the amount that is appropriated to a board under this subsection for any fiscal year is more than the actual cost of providing ESOL programs to students enrolled at the community college in that county or region, the excess funds shall be paid back to the State and credited to the General Fund of the State.
19 20	(ii) A board may not transfer State funds received under this subsection to any other program or category.
21	16-406.
22	(a) The Commission shall certify to the treasurer of each county:
23 24	(1) On or before September 30 and March 31 of each year, one half of the amount it estimates to be the county's share under § 16-403 of this subtitle; and
27	(2) After the annual audit of each community college, any discrepancy between the payments made and the actual amount of the county's share under § 16-403 of this subtitle for the preceding fiscal year, which shall be compensated for during the fiscal year.
	(b) (1) Except as provided in paragraph (2) of this subsection, within 5 days after it receives a certification from the Commission, the county shallpay the amount due to the board of trustees of the community college.
34 35 36 37	(2) The board of trustees of a community college and the governing body of a county may agree in writing to a payment schedule for the county's share under § 16-403 of this subtitle. If, prior to the 5th day after receiving notification from the Commission, there is a payment schedule agreed to in accordance with this paragraph, the county shall make payments in accordance with that schedule. If a county fails to make a payment in accordance with the schedule, all amounts certified by the Commission but not yet paid by a county shall become due and payable immediately.

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 Stateand 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 Collegean 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 purposeas 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 Statewho 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 purposesand 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 guaranteedpromissory 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. (iii) The Secretary of Health and Mental Hygiene may determine if 35 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.

	(v) Subparagraph (iv) of this paragraph applies only to students who enroll in a Nursing Education Program subsequent to the determination made under subparagraph (iv) of this paragraph.
	(vi) Subparagraph (v) of this paragraph may not affect anystudent who is participating in the Nonresident Tuition Reduction and State Aid Program prior to the determination under subparagraph (iii) of this paragraph.
9 10 11	(b) (1) Subject to the provisions of paragraph (2) of this subsection, any student who attends a community college not supported by the county in which the student resides shall pay, in addition to the student tuition and fees payable by a resident of a county that supports the community college, an out-of-county or out-of-region fee equal to the county share per full-time equivalent student as determined under § 16-403 of this subtitle.
15	(2) (i) Any student who resides in an incorporated municipalitywhose corporate limits extend into 2 counties in the State is considered an in-county resident for tuition purposes at a community college campus located within that municipality that is supported by either county.
19	(ii) If a student is considered an in-county resident under this paragraph and the student does not reside in the county that supports the community college, the county in which the student resides shall pay the difference between the out-of-county tuition and the in-county tuition.
	(c) Any county may appropriate money to pay the out-of-county or out-of-region fees for county residents who attend a community college in this State that is not supported by that county.
26 27 28 29 30 31 32 33	(d) (1) Notwithstanding subsection (b) of this section, if any student is a resident of this State and enrolls in an instructional program that theCommission designates as a health manpower shortage program or a statewide or regional program, the student shall pay only the student tuition and fees payable by a resident of a county that supports the community college and the Commission shall pay any applicable out-of-county fee. FOR ANY FISCAL YEAR, IF STATE APPROPRIATIONS TO THE COMMISSION FOR PAYMENT OF ANY APPLICABLE OUT-OF-COUNTY FEE UNDER THIS PARAGRAPH DO NOT PROVIDE SUFFICIENT FUNDS TO FULLY REIMBURSE A COUNTY THAT SUPPORTS THE COMMUNITY COLLEGE, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL FOR THE NEXT FISCAL YEAR A DEFICIENCY APPROPRIATION TO PROVIDE THE ADDITIONAL FUNDS TO FULLY REIMBURSE THE COUNTY.
	(2) The Commission may make payments to effectuate the provisions of this section from funds specifically appropriated for this purpose as provided in the State budget or any supplemental budget request.
41 42	(e) (1) Notwithstanding subsection (b) of this section, if any student resides in a county where the per capita wealth is below the State average and the county does not support a community college or a branch campus of a community college, except for Baltimore City, the student may enroll at a community college or a branch campus in the State, either of which is located in a county adjacent to the one in which the student

9 1 resides, and pay only the tuition and fees applicable to a county resident that supports the 2 community college. (2) For any student determined to be eligible under paragraph (1) of this 3 4 subsection, the Commission shall pay: (i) In fiscal year 1992, 75% of any applicable out-of-county fee 5 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. (3) The Commission may make payments to effectuate the provisions of this 10 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(l)(2) of this article.

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