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**By: Delegates Heller, Taylor, Perry, Baldwin, Greenip, Arnick, W. Baker, Barve, Beck, Bonsack, Bozman, Cadden, Ciliberti, Conroy, Conway, Crumlin, Cryor, Curran, C. Davis, DeCarlo, Dembrow, Dewberry, Doory, Eckardt, Elliott, Finifter, Frush, Fry, Goldwater, Gordon, Guns, Harkins, Harrison, Healey, Hecht, Hixson, Holt, Howard, Hubbard, Hurson, Kagan, Kittleman, Kopp, Leopold, Linton, Love, Mandel, Marriott, McClenahan, McIntosh, C. Mitchell, V. Mitchell, Montague, Mossburg, O'Donnell, Opara, Owings, Pitkin, Preis, Rawlings, Rosapepe, Rudolph, Rzepkowski, Shriver, Stup, Valderrama, Walkup, Watson, Weir, Willis, Wood, M. Burns, Flanagan, and Klima**

Introduced and read first time: January 29, 1997

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education - Community College Funding Formula - Senator John A. Cade**

3 FOR the purpose of naming the formula for the distribution of funds to the community  
4 colleges in the State in memory of the late Senator John A. Cade.

5 BY repealing and reenacting, with amendments,  
6 Article - Education  
7 Section 16-305  
8 Annotated Code of Maryland  
9 (1997 Replacement Volume)

10 Preamble

11 WHEREAS, John A. "Jack" Cade was first elected to the Senate of Maryland in  
12 1974; and

13 WHEREAS, During his 22-year tenure, Senator Cade was a champion of all  
14 children of the State, working long and hard to ensure that their education was  
15 adequately funded and that educational funds were equitably distributed; and

16 WHEREAS, During his last year in the Senate of Maryland, Senator Cade served as  
17 cochairman of a work group that addressed funding for the community colleges in the  
18 State; and

19 WHEREAS, Senator Cade was instrumental in securing the support that was  
20 necessary to increase the funding for the benefit of both current and future students; and

21 WHEREAS, Naming the formula used to distribute funds to the community  
22 colleges of the State in memory of Jack Cade honors his commitment to educational

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1 excellence and recognizes the many contributions he made to the improvement of the  
2 education of the citizens of the State of Maryland; now, therefore,

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

5 **Article - Education**

6 16-305.

7 (a) THE FORMULA USED FOR THE DISTRIBUTION OF FUNDS TO THE  
8 COMMUNITY COLLEGES IN THE STATE SHALL BE KNOWN AS THE SENATOR JOHN A.  
9 CADE FUNDING FORMULA.

10 (B) In this section the following words have the meanings indicated.

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

14 (2) "Board" means:

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

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

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

21 (4) "County share" means the total amount of money for operating funds to  
22 be provided each fiscal year to a board by the county that supports the community college  
23 or colleges or, in the case of a regional community college, the total amount of money for  
24 operating funds to be provided each fiscal year to the board by all counties that support  
25 the regional community college.

26 (5) "Direct grants" means the sum of the following components of the State  
27 share:

28 (i) Fixed costs;

29 (ii) Marginal costs; and

30 (iii) Size factor.

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

35 (7) "Population" means population as determined for purposes of  
36 calculating the State share of the library program using the definition in § 23-501 of this  
37 article.

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1 (8) "Region" means the counties supporting a regional community college  
2 established under Subtitle 2 of this title.

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

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

8 (11) "Total State operating fund" means the sum of community college State  
9 appropriations for direct grants.

10 [(b)] (C) (1) The total State operating fund per full-time equivalent student to  
11 the community colleges for each fiscal year as requested by the Governor shall be:

12 (i) In Fiscal Year 1998, not less than an amount equal to 21% of the  
13 State's General Fund appropriation per full-time equivalent student to the 4-year public  
14 institutions of higher education in the State as designated by the Commission for the  
15 purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in  
16 the previous fiscal year;

17 (ii) In Fiscal Year 1999, not less than an amount equal to 22% of the  
18 State's General Fund appropriation per full-time equivalent student to the 4-year public  
19 institutions of higher education in the State as designated by the Commission for the  
20 purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in  
21 the previous fiscal year;

22 (iii) In Fiscal Year 2000, not less than an amount equal to 23% of the  
23 State's General Fund appropriation per full-time equivalent student to the 4-year public  
24 institutions of higher education in the State as designated by the Commission for the  
25 purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in  
26 the previous fiscal year;

27 (iv) In Fiscal Year 2001, not less than an amount equal to 24% of the  
28 State's General Fund appropriation per full-time equivalent student to the 4-year public  
29 institutions of higher education in the State as designated by the Commission for the  
30 purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in  
31 the previous fiscal year; and

32 (v) In Fiscal Year 2002 and each fiscal year thereafter, not less than an  
33 amount equal to 25% of the State's General Fund appropriation per full-time equivalent  
34 student to the 4-year public institutions of higher education in the State, as designated by  
35 the Commission for the purpose of administering the Joseph A. Sellinger Program under  
36 Title 17 of this article in the previous fiscal year.

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

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

41 (i) The fixed costs component;

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1 (ii) The marginal costs component;

2 (iii) The size factor component; and

3 (iv) A hold harmless component.

4 (4) (i) The funds available for the fixed costs component shall be a set  
5 percentage of the year's total State operating fund as follows:

6 1. For Fiscal Year 1998, 36% of total funding;

7 2. For Fiscal Year 1999, 37% of total funding; and

8 3. For Fiscal Year 2000 and each fiscal year thereafter, 38% of  
9 total funding.

10 (ii) The funds available for the fixed costs component shall be divided  
11 and distributed to the community colleges in the same proportion in which the direct  
12 grants were distributed in the prior fiscal year.

13 (5) (i) For each board, the marginal costs component shall be the product  
14 of the dollar amount per full-time equivalent student multiplied by the number of  
15 full-time equivalent students at the board's community college or colleges.

16 (ii) The dollar amount per full-time equivalent student shall be  
17 calculated by dividing 60% of the total State operating fund for the fiscal year by the total  
18 number of full-time equivalent students at community colleges statewide.

19 (iii) In determining the marginal costs component for a board, the  
20 number of full-time equivalent students at all campuses and colleges operated by the  
21 board shall be added together.

22 (6) (i) The size factor component shall be a set percentage of the year's  
23 total State operating fund as follows:

24 1. For Fiscal Year 1998, 4% of total funding;

25 2. For Fiscal Year 1999, 3% of total funding; and

26 3. For Fiscal Year 2000 and each fiscal year thereafter, 2% of  
27 total funding.

28 (ii) The funds available for the size factor component shall be divided  
29 and distributed equally to each board that operates a community college or colleges at  
30 which the total number of full-time equivalent students is less than or equal to 80% of the  
31 statewide median.

32 (iii) In determining the eligibility of a board for a size factor  
33 component, the number of full-time equivalent students at all campuses and colleges  
34 operated by the board shall be added together.

35 (7) (i) A board shall be eligible for a hold harmless component beginning  
36 in Fiscal Year 1998 if the sum of the board's fixed costs, marginal costs, and size factor

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1 components for the fiscal year is less than the board's total State share in the prior fiscal  
2 year.

3 (ii) The hold harmless component amount shall be determined by  
4 subtracting the sum of an eligible board's fixed costs, marginal costs, and size factor  
5 components for the fiscal year from the board's total State share for the prior fiscal year.

6 (8) Any employer Social Security contributions required by federal law for  
7 any employee of a board of community college trustees shall remain the obligation of the  
8 employer.

9 (9) The State contribution to retirement and fringe benefit costs is not  
10 included in the calculations of amounts under this subsection.

11 [(c)] (D) In each fiscal year, in order for a board to receive an increase in the  
12 State share of support, the county share, in the aggregate, that supports the community  
13 college or colleges shall equal or exceed the aggregate amount of operating fund  
14 appropriations made to the board by the county or all of the counties supporting the  
15 college in the previous fiscal year.

16 [(d)] (E) (1) (i) Beginning in Fiscal Year 1996, a grant in the amount provided  
17 in paragraph (2) of this subsection shall be distributed to each board in order to provide  
18 instruction and services to students enrolled in an English for Speakers of Other  
19 Languages ("ESOL") program.

20 (ii) To qualify for a grant under this subsection, each participant in the  
21 program shall be a student:

22 1. Born outside of the United States or whose native language  
23 is not English;

24 2. Who comes from an environment where a language other  
25 than English is dominant; or

26 3. Who is an American Indian or Alaskan native and comes  
27 from an environment where a language other than English has had a significant impact on  
28 the student's level of English language proficiency.

29 (2) (i) Subject to the provisions of subparagraph (ii) of this paragraph,  
30 the amount of the grant shall be \$800 times the number of qualified full-time equivalent  
31 students who are enrolled in a county ESOL program and at the community college.

32 (ii) 1. The total amount of the grants under this paragraph may not  
33 exceed \$1,000,000 for any fiscal year.

34 2. If, for any fiscal year, the total amount of the grants  
35 calculated under subparagraph (i) of this paragraph would exceed \$1,000,000, then each  
36 grant shall be prorated by the amount necessary to reduce the total amount of the grants  
37 to \$1,000,000.

38 (3) (i) If the amount that is appropriated to a board under this subsection  
39 for any fiscal year is more than the actual cost of providing ESOL programs to students

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1 enrolled at the community college in that county or region, the excess funds shall be paid  
2 back to the State and credited to the General Fund of the State.

3 (ii) A board may not transfer State funds received under this  
4 subsection to any other program or category.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 October 1, 1997.