

CF 7lr1484

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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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Committee Report: Favorable

House action: Adopted

Read second time: February 11, 1997

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CHAPTER \_\_\_\_\_

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

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

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

6 WHEREAS, Naming the formula used to distribute funds to the community  
7 colleges of the State in memory of Jack Cade honors his commitment to educational  
8 excellence and recognizes the many contributions he made to the improvement of the  
9 education of the citizens of the State of Maryland; now, therefore,

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

12 **Article - Education**

13 16-305.

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

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

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

21 (2) "Board" means:

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

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

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

28 (4) "County share" means the total amount of money for operating funds to  
29 be provided each fiscal year to a board by the county that supports the community college  
30 or colleges or, in the case of a regional community college, the total amount of money for  
31 operating funds to be provided each fiscal year to the board by all counties that support  
32 the regional community college.

33 (5) "Direct grants" means the sum of the following components of the State  
34 share:

35 (i) Fixed costs;

36 (ii) Marginal costs; and

37 (iii) Size factor.

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

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

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

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

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

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

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

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

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

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

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

39 (v) In Fiscal Year 2002 and each fiscal year thereafter, not less than an  
40 amount equal to 25% of the State's General Fund appropriation per full-time equivalent  
41 student to the 4-year public institutions of higher education in the State, as designated by

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1 the Commission for the purpose of administering the Joseph A. Sellinger Program under  
2 Title 17 of this article in the previous fiscal year.

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

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

7 (i) The fixed costs component;

8 (ii) The marginal costs component;

9 (iii) The size factor component; and

10 (iv) A hold harmless component.

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

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

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

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

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

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

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

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

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

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

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

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

35 (ii) The funds available for the size factor component shall be divided  
36 and distributed equally to each board that operates a community college or colleges at

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1 which the total number of full-time equivalent students is less than or equal to 80% of the  
2 statewide median.

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

6 (7) (i) A board shall be eligible for a hold harmless component beginning  
7 in Fiscal Year 1998 if the sum of the board's fixed costs, marginal costs, and size factor  
8 components for the fiscal year is less than the board's total State share in the prior fiscal  
9 year.

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

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

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

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

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

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

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

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

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

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

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

