

CF 7lr1063

By: Senators Hoffman, Amoss, Astle, Baker, Blount, Boozer, Bromwell, Colburn, Collins, Conway, Craig, Currie, Della, Derr, Dorman, Dyson, Ferguson, Forehand, Frosh, Green, Hafer, Haines, Hogan, Hollinger, Hughes, Jimeno, Kasemeyer, Kelley, Lawlah, Madden, McCabe, McFadden, Middlebrooks, Middleton, Miller, Munson, Neall, Pinsky, Roesser, Ruben, Sfikas, Stoltzfus, Stone, Teitelbaum, Trotter, Van Hollen, and Young

Introduced and read first time: January 13, 1997

Assigned to: Budget and Taxation

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

2

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

3 **Article - Education**

4 16-305.

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

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

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

12 (2) "Board" means:

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

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

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

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

24 (5) "Direct grants" means the sum of the following components of the State
25 share:

26 (i) Fixed costs;

27 (ii) Marginal costs; and

28 (iii) Size factor.

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

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

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

3

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

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

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

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

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

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

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

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

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

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

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

39 (i) The fixed costs component;

40 (ii) The marginal costs component;

4

1 (iii) The size factor component; and

2 (iv) A hold harmless component.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5

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

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

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

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

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

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

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

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

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

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

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

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

36 (3) (i) If the amount that is appropriated to a board under this subsection
37 for any fiscal year is more than the actual cost of providing ESOL programs to students
38 enrolled at the community college in that county or region, the excess funds shall be paid
39 back to the State and credited to the General Fund of the State.

6

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

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