

SENATE BILL 170

Unofficial Copy  
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1998 Regular Session  
8lr6142  
CF 8lr6174

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By: **The President (Administration) and Senators Fry, Blount, Currie,  
Hafer, McFadden, Munson, Dorman, Kelley, and Trotter**

Introduced and read first time: January 23, 1998

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education - Small Community Colleges - Annual Grant**

3 FOR the purpose of establishing a certain annual grant for certain small community  
4 colleges; providing certain exceptions during a certain period; defining a certain  
5 term; and generally relating to annual grants for small community colleges.

6 BY repealing and reenacting, with amendments,  
7 Article - Education  
8 Section 16-305  
9 Annotated Code of Maryland  
10 (1997 Replacement Volume and 1997 Supplement)

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

13 **Article - Education**

14 16-305.

15 (a) The formula used for the distribution of funds to the community colleges in  
16 the State shall be known as the Senator John A. 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  
19 real property as determined for purposes of the State aid calculated under § 5-202 of  
20 this 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  
25 regional community college, the board of regional community college trustees.

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

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

8 (5) "Direct grants" means the sum of the following components of the  
9 State share:

- 10 (i) Fixed costs;
- 11 (ii) Marginal costs; and
- 12 (iii) Size factor.

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

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

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

22 (9) "SMALL COMMUNITY COLLEGE" MEANS:

- 23 (I) ALLEGANY COLLEGE OF MARYLAND;
- 24 (II) GARRETT COMMUNITY COLLEGE;
- 25 (III) HAGERSTOWN JUNIOR COLLEGE;
- 26 (IV) CARROLL COMMUNITY COLLEGE;
- 27 (V) CECIL COMMUNITY COLLEGE;
- 28 (VI) CHESAPEAKE COLLEGE; OR
- 29 (VII) WOR-WIC COMMUNITY COLLEGE.

30 [(9)] (10) "State share" means the amount of money for community  
31 college operating funds to be provided each fiscal year to a board by the State.

1            [(10)] (11)        "Student credit hours" means student credit hours or contact  
2 hours which are eligible, under the regulations issued by the Maryland Higher  
3 Education Commission, for inclusion in State funding calculations.

4            [(11)] (12)        "Total State operating fund" means the sum of community  
5 college State appropriations for direct grants.

6        (c)        (1)        The total State operating fund per full-time equivalent student to the  
7 community colleges for each fiscal year as requested by the Governor shall be:

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

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

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

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

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

33            (2)        The State share shall be distributed to each board and shall be  
34 limited by the provisions of subsection (d) of this section.

35            (3)        Subject to subsection (d) of this section, the total State share for each  
36 board shall be the sum of:

37                    (i)        The fixed costs component;

38                    (ii)        The marginal costs component;

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%  
8 of total funding.

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

12 (5) (i) For each board, the marginal costs component shall be the  
13 product of the dollar amount per full-time equivalent student multiplied by the  
14 number of 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  
17 total 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  
28 divided and distributed equally to each board that operates a community college or  
29 colleges at which the total number of full-time equivalent students is less than or  
30 equal to 80% of the 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  
35 beginning in Fiscal Year 1998 if the sum of the board's fixed costs, marginal costs, and

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

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

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

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

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

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

- 23 1. Born outside of the United States or whose native  
24 language is not English;
- 25 2. Who comes from an environment where a language other  
26 than English is dominant; or
- 27 3. Who is an American Indian or Alaskan native and comes  
28 from an environment where a language other than English has had a significant  
29 impact on the student's level of English language proficiency.

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

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

36 2. If, for any fiscal year, the total amount of the grants  
37 calculated under subparagraph (i) of this paragraph would exceed \$1,000,000, then

1 each grant shall be prorated by the amount necessary to reduce the total amount of  
2 the grants to \$1,000,000.

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

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

10 (F) (1) BEGINNING IN FISCAL YEAR 1999, AN UNRESTRICTED GRANT IN THE  
11 AMOUNT PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION SHALL BE DISTRIBUTED  
12 TO THE BOARD OF EACH SMALL COMMUNITY COLLEGE.

13 (2) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE TOTAL AMOUNT OF  
14 THE GRANT SHALL BE \$2,000,000 ANNUALLY TO BE DISTRIBUTED AS FOLLOWS:

15 (I) \$400,000 TO ALLEGANY COLLEGE OF MARYLAND;

16 (II) \$400,000 TO GARRETT COMMUNITY COLLEGE;

17 (III) \$400,000 TO HAGERSTOWN JUNIOR COLLEGE;

18 (IV) \$200,000 TO CARROLL COMMUNITY COLLEGE;

19 (V) \$200,000 TO CECIL COMMUNITY COLLEGE;

20 (VI) \$200,000 TO CHESAPEAKE COLLEGE; AND

21 (VII) \$200,000 TO WOR-WIC COMMUNITY COLLEGE.

22 SECTION 2. AND BE IT FURTHER ENACTED, That in Fiscal Years 1999,  
23 2000, 2001, and 2002, the following reductions shall be made in the grant amounts  
24 under this Act, provided that funds in these amounts are appropriated pursuant to  
25 Section 29-3(e) of Chapter 105 of the Acts of the General Assembly of 1997;

26 (1) Allegany College of Maryland grant shall be reduced by \$160,861;

27 (2) Cecil Community College grant shall be reduced by \$74,121;

28 (3) Chesapeake College grant shall be reduced by \$4,909;

29 (4) Garrett Community College grant shall be reduced by \$91,445; and

30 (5) Hagerstown Junior College grant shall be reduced by \$165,181.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take  
32 effect July 1, 1998.