

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Revised

Senate Bill 170 (The President. *et al.*) (Administration)
Budget and Taxation

Higher Education - Small Community Colleges - Annual Grant

This Administration bill provides an annual unrestricted grant to small community colleges.

This bill takes effect July 1, 1998 and sunsets on June 30, 2001.

Fiscal Summary

State Effect: General fund expenditures would increase by \$1 million in FY 1999. The proposed FY 1999 State budget includes funding for this initiative, contingent upon the enactment of this legislation. Revenues would not be affected.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expen.	\$1,000,000	\$1,000,000	\$1,000,000	0	0
Net Effect	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	\$0	\$0

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: State aid to local community colleges increases by \$1 million in FY 1999 through FY 2001.

Small Business Effect: The Administration has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment. (This assessment does not reflect any amendments to the bill.)

Fiscal Analysis

State Effect: During the 1996 Session, legislation was enacted that changed the State funding formula for community colleges. However, several of these changes (declining small size factor and elimination of the wealth factor) resulted in a few community colleges receiving less State funding than they would have received from the existing formula. To compensate for this funding decrease, during the 1997 Session, \$739,498 in hold harmless grants was provided to seven community colleges as part of the Baltimore City school legislation.

Pursuant to this legislation, the State will provide small community colleges with an additional \$1 million in funding each year for fiscal 1999 through 2001. **Exhibit 1** shows the increased State funding for each affected community college.

Exhibit 1
Small Community College Grants

College	Proposed Grant
Allegany College	\$200,000
Garrett Community College	\$200,000
Hagerstown Junior College	\$200,000
Carroll Community College	\$100,000
Cecil Community College	\$100,000
Chesapeake College	\$100,000
Wor-Wic Community College	\$100,000
Total	\$1,000,000

Local Effect: State aid to small community colleges would increase by \$1 million in fiscal 1999 through fiscal 2001.

Information Source(s): Department of Legislative Services, Maryland Higher Education Commission

Fiscal Note History: First Reader - February 9, 1998
nncs Revised - Small Business Impact Statement Received
- February 10, 1998
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Analysis by: Hiram L. Burch, Jr.

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710