

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

Revised

House Bill 258 (The Speaker. *et al.*) (Administration)  
Ways and Means

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Higher Education - Small Community Colleges - Annual Grant

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This Administration bill provides an annual unrestricted grant to small community colleges for fiscal 1999 through 2002. The annual grant is reduced by the amount of State funding provided to small community colleges pursuant to Chapter 105 of 1997 (Baltimore City school legislation).

This bill takes effect July 1, 1998 and sunsets June 30, 2002.

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Fiscal Summary

**State Effect:** General fund expenditures would increase by \$1,503,483 million in FY 1999. The 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.	1,503,483	1,503,483	1,503,483	1,503,483	0
Net Effect	(\$1,503,483)	(\$1,503,483)	(\$1,503,483)	(\$1,503,483)	\$0

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

**Local Effect:** State aid to local community colleges increases by \$1,503,483 in FY 1999 through FY 2002.

**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 amendments to the bill.)

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## 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 \$2 million in funding each year for fiscal 1999 through 2002. However, each college's grant is reduced by the amount provided in the Baltimore City school legislation. Accordingly, State funding would only increase by \$1,503,483 for fiscal 1999 through fiscal 2002. **Exhibit 1** shows the increased State funding for each affected community college.

**Exhibit 1**  
**Small Community College Grants**

College	Proposed Grant	Proposed Grant Per FTE	Chapter 105 Funding	Difference
Allegany College	\$400,000	\$261.95	\$160,861	\$239,139
Garrett Community College	\$400,000	\$731.26	\$91,445	\$308,555
Hagerstown Junior College	\$400,000	\$221.61	\$165,181	\$234,819
Carroll Community College	\$200,000	\$122.47	\$0	\$200,000
Cecil Community College	\$200,000	\$181.98	\$74,121	\$125,879
Chesapeake College	\$200,000	\$144.82	\$4,909	\$195,091
Wor-Wic Community College	\$200,000	\$129.03	\$0	\$200,000
Total	\$2,000,000	\$209.60	\$496,517*	\$1,503,483

\*Two community colleges (Harford and Frederick) that received funding under Chapter 105 do not receive funding pursuant to this legislation, thus State grants for fiscal 1999 through 2002 only decrease by \$496,517.

**Local Effect:** State aid to small community colleges would increase by \$1,503,483 in fiscal 1999 through fiscal 2002.

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

Education Commission

**Fiscal Note History:**

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First Reader - February 9, 1998

Revised - Small Business Impact Statement Received

- February 10, 1998

Revised - Enrolled Bill - May 8, 1998

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