

Department of Legislative Services  
 Maryland General Assembly  
 1999 Session

FISCAL NOTE  
 Revised

House Bill 483 (Delegate Hixson, *et al.*)

Ways and Means

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Community Colleges - English for Speakers of Other Languages Programs -  
 Funding

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This bill increases the State funding limit for the English for Speakers of Other Languages programs (ESOL) at community colleges. State ESOL grants cannot exceed \$2.5 million for local community colleges and \$500,000 for Baltimore City Community College. Under current law, State ESOL grants cannot exceed \$1 million for local community colleges and \$200,000 for Baltimore City Community College. This bill also requires the Governor to include a deficiency appropriation in the following year's budget bill to fund all unfunded grants for any fiscal year in which the State appropriation is insufficient to fully fund the ESOL grants. The deficiency appropriation is subject to the annual funding limitation.

This bill takes effect July 1, 1999.

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Fiscal Summary

**State Effect:** General fund expenditures would increase by \$620,800 in FY 2000. Of this amount, Baltimore City Community College would receive \$112,500 and local community colleges would receive \$508,300. Future year expenditures reflect enrollment growth. General fund revenues are not affected.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	620,800	628,100	639,100	666,600	694,600
Net Effect	(\$620,800)	(\$628,100)	(\$639,100)	(\$666,600)	(\$694,600)

Note: ( ) = decrease; GF = general funds

**Local Effect:** State aid to local community colleges would increase by \$508,300 in FY 2000. Future year grant increases reflect enrollment growth. Local expenditures are not affected.

**Small Business Effect:** None.

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## Fiscal Analysis

**State Effect:** Legislation enacted in 1995 provided grants to community colleges in the amount of \$800 per student enrolled in an ESOL program. Under current law, these grants are capped at \$1 million for local community colleges and \$200,000 for Baltimore City Community College, which results in community colleges receiving about \$527 per student. There were 2,276 students enrolled in ESOL programs in fiscal 1998. Accordingly, absent the funding caps, State grants to community colleges would total \$1.8 million in fiscal 2000, a \$620,800 increase over current law. Of this amount, Baltimore City Community College, a State entity, would receive \$112,480 in additional aid in fiscal 2000.

Increasing the funding caps would enable community colleges to receive the full ESOL funding, since the formula amounts are considerably lower than the proposed funding caps under this bill. Accordingly, State general fund expenditures could increase by \$620,800 in fiscal 2000 and \$694,600 by fiscal 2004. ESOL grants are based on ESOL enrollment in the second prior year. The impact in future years is based on projected increases in community college enrollment.

**Local Effect:** State aid to local community colleges would increase by \$508,352 in fiscal 2000. The fiscal 2000 State budget includes \$1 million for ESOL grants. Pursuant to this legislation, the Governor is required to include a deficiency appropriation in next year's budget bill to cover any unfunded grants for fiscal 2000. **Exhibit 1** shows the projected revenue increase at each community college.

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

**Fiscal Note History:** First Reader - March 1, 1999  
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**Exhibit 1**  
**Community College ESOL Funding - SB 283/HB 483**  
**Fiscal 2000**

<u>Community College</u>	<u>FY 1998 ESOL FTEs</u>	<u>\$800 Grant Per FTE</u>	<u>Current Funding</u>	<u>Funding Increase</u>
Allegany	0	\$0	\$0	\$0
Anne Arundel	166	132,968	88,154	44,814
Baltimore	195	156,240	103,583	52,657
Carroll	0	0	0	0
Cecil	7	5,224	3,462	1,762
Charles	2	1,456	967	489
Chesapeake	0	352	234	118
Frederick	1	880	583	297
Garrett	0	0	0	0
Hagerstown	0	0	0	0
Harford	44	35,288	23,395	11,893
Howard	207	165,312	109,598	55,714
Montgomery	1,132	905,672	600,437	305,235
Prince George's	130	104,160	69,055	35,105
Wor-Wic	1	800	530	270
Sub Total	1,885	1,508,352	1,000,000	508,352
Baltimore City	391	312,480	200,000	112,480
Total	2,276	\$1,820,832	\$1,200,000	\$620,832

Source: Maryland Higher Education Commission

Prepared by the Department of Legislative Services