

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 1196 (Southern Maryland Delegation)

Ways and Means

Community Colleges - College of Southern Maryland

This bill establishes the College of Southern Maryland from the existing Charles County Community College. The transition to the new college would begin on July 1, 2000. The bill increases the number of members on the college's board of trustees from seven to nine. The college is considered a regional community college for purposes of receiving State funding for capital projects.

This bill takes effect July 1, 2000 except for the provisions establishing the college as a regional community college and providing for the stable transition to the new college, which take effect July 1, 1999.

Fiscal Summary

State Effect: None, assuming overall funding for the Community College Capital Program remains the same. Revenues would not be affected.

Local Effect: Minimal increase in local community college expenditures. Potential minimal increase in State funding for capital projects.

Small Business Effect: None.

Fiscal Analysis

Background: The Charles County Community College is governed by a seven-member board of trustees, who are appointed for five-year terms by the Governor with the advice and consent of the Senate. The college had a full-time equivalent enrollment of 3,626 students in fiscal 1998. The community college's main campus is located in Charles County. The college

operates under an agreement with St. Mary's and Calvert counties to provide educational services to students in those counties and has established branch campuses in those counties.

The college's budget is subject to approval by the governing body of Charles County. In fiscal 1998 the college's revenues totaled \$26.8 million. Of this amount \$2.6 million came from the federal government, \$5.1 million from the State, \$7.5 million from local government sources, \$1.5 million from miscellaneous revenue, and \$10.1 million from student tuition and fees. The following table shows the level of local funding from the three Southern Maryland counties in fiscal 1998.

| County | Local Contribution | Percent of Total |
|------------|--------------------|------------------|
| Charles | \$5,177,800 | 69.4% |
| Calvert | 795,161 | 10.6% |
| St. Mary's | 1,490,290 | 20% |
| Total | \$7,463,251 | 100% |

Source: Annual Financial Report to the Maryland Higher Education Commission

State Effect: State funding under the community college funding formula will not change pursuant to this bill. The formula is based on full-time equivalent enrollment and aid per full-time equivalent enrollment at four-year public institutions of higher education. In fiscal 2000, the college will receive \$5.7 million in State formula funding.

The college, however, could receive additional State funding for capital projects. Currently, the State provides 58.2% of the funding for capital projects at the Charles County main campus and 61.6% of the funding at the St. Mary's County campus. At regional colleges, the State provides up to 75% of the funding for capital projects. Pursuant to this bill, the college would become a regional institution and therefore eligible to receive up to 75% in State funding for capital projects. Statewide, the Community College Capital Program has totaled around \$20 million annually, which supports three to five major projects each year. Assuming funding for this program remains constant, a higher State contribution amount for capital projects at the College of Southern Maryland could result in less funding for other community college projects. The Maryland Higher Education Commission, however, does not anticipate that overall funding for the Community College Capital Program will change as a result of this bill.

Local Effect: The Charles County Community College operates facilities in each of the counties in Southern Maryland: a main campus in Charles County and a branch campus in both St. Mary's and Calvert counties. Providing for a regional community college serving Charles, Calvert, and St. Mary's County would not materially affect local community college

expenditures. However, there would be a one-time cost (\$15,000) associated with changing the name of the college. In addition, board member expenditures would increase by \$4,342 each year due to the two additional board members. Currently, board members receive a \$600 a year stipend. Board-related expenses for travel, meals, and supplies totaled approximately \$15,200 in fiscal 1999, or \$2,171 per board member. Two additional board members thus could increase community college expenditures by approximately \$4,342.

Information Source(s): Maryland Higher Education Commission, Charles County Community College, Department of Legislative Services

Fiscal Note History: First Reader - March 22, 1999
ncs/jr Revised - Enrolled Bill - May 11, 1999

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