

HOUSE BILL 311

Unofficial Copy
F2

2000 Regular Session
(01r0313)

ENROLLED BILL

-- Ways and Means/Budget and Taxation --

Introduced by **Delegates Heller, Taylor, Amedori, W. Baker, Barkley, Benson, Bozman, Cane, Cole, Conway, C. Davis, Donoghue, Eckardt, Edwards, Elliott, Finifter, Franchot, Frush, Getty, Glassman, Grosfeld, Guns, Healey, Hixson, Hubbard, Hubers, K. Kelly, Kopp, Love, Mandel, McClenahan, McKee, Moe, Mohorovic, Nathan-Pulliam, Owings, Pitkin, Riley, Rudolph, Shank, Shriver, Stern, Stocksdale, and ~~Walkup~~ Walkup, and Howard**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Higher Education - Community Colleges - State Funding**

3 FOR the purpose of ~~adding a certain component of State funding for certain~~
4 ~~community colleges for certain fiscal years; altering provisions of law regarding~~
5 ~~the eligibility of a community college board of trustees for a certain hold~~
6 ~~harmless component under certain circumstances; establishing a formula to~~
7 ~~determine the amount of a certain State funding component; providing for the~~
8 ~~division and distribution of the component; making stylistic changes providing~~
9 ~~that certain unrestricted grants shall be distributed to certain small community~~
10 ~~colleges in a certain fiscal year; specifying the grant amounts; providing that the~~
11 ~~grant amounts shall increase in subsequent fiscal years depending on the~~

1 increase in the amount of certain funding to certain public institutions of higher
 2 education; repealing a certain termination provision; requiring the Maryland
 3 Higher Education Commission to periodically review the unrestricted grants
 4 authorized by this Act and make a certain determination; providing for a delayed
 5 effective date; and generally relating to State funding for community colleges.

6 BY repealing and reenacting, without amendments,

7 Article - Education
 8 Section ~~16-305(b)(6)~~ 16-305(b)(1)
 9 Annotated Code of Maryland
 10 (1999 Replacement Volume)

11 BY repealing and reenacting, with amendments,

12 Article - Education
 13 Section 16-305(e)(3), ~~(7)~~, (8), and (9)
 14 Section 16-305(b)(10) and (f)
 15 Annotated Code of Maryland
 16 (1999 Replacement Volume)

17 ~~BY adding to~~

18 ~~Article - Education~~
 19 ~~Section 16-305(e)(8)~~
 20 ~~Annotated Code of Maryland~~
 21 ~~(1999 Replacement Volume)~~

22 BY repealing and reenacting, with amendments,

23 Chapter 570 of the Acts of the General Assembly of 1998
 24 Section 3

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

27 **Article - Education**

28 16-305.

29 ~~(b)~~ ~~(6)~~ "Direct grants" means the sum of the following components of the
 30 State share:

31 ~~(i)~~ Fixed costs;
 32 ~~(ii)~~ Marginal costs; and
 33 ~~(iii)~~ Size factor.

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

- 1 (i) The fixed costs component;
- 2 (ii) The marginal costs component;
- 3 (iii) The size factor component; [and]
- 4 (iv) A hold harmless component; AND
- 5 (V) A SUPPLEMENTAL COMPONENT.

6 ~~(7) (i) A board shall be eligible for a hold harmless component~~
 7 ~~beginning in fiscal year 1998 if the sum of the board's [fixed costs, marginal costs,~~
 8 ~~and size factor components] DIRECT GRANTS for the fiscal year is less than the~~
 9 ~~board's [total State share] DIRECT GRANTS PLUS A HOLD HARMLESS COMPONENT in~~
 10 ~~the prior fiscal year.~~

11 ~~(ii) The hold harmless component amount shall be determined by~~
 12 ~~subtracting the sum of an eligible board's [fixed costs, marginal costs, and size factor~~
 13 ~~components] DIRECT GRANTS for the fiscal year from the board's [total State share]~~
 14 ~~DIRECT GRANTS PLUS A HOLD HARMLESS COMPONENT for the prior fiscal year.~~

15 (8) (F) THE SUPPLEMENTAL COMPONENT SHALL BE:

16 1. CALCULATED AFTER THE HOLD HARMLESS COMPONENT
 17 IS DETERMINED UNDER PARAGRAPH (7) OF THIS SUBSECTION; AND

18 2. EQUAL TO 1.75% OF THE TOTAL STATE OPERATING FUND
 19 BEGINNING IN FISCAL YEAR 2003 AND EACH FISCAL YEAR THEREAFTER.

20 (H) THE FUNDS AVAILABLE FOR THE SUPPLEMENTAL COMPONENT
 21 SHALL BE DIVIDED AND DISTRIBUTED AS FOLLOWS:

22 1. 20% EACH TO ALLEGANY COLLEGE OF MARYLAND,
 23 GARRETT COMMUNITY COLLEGE, AND HAGERSTOWN COMMUNITY COLLEGE; AND

24 2. 10% EACH TO CARROLL COMMUNITY COLLEGE, CECIL
 25 COMMUNITY COLLEGE, CHESAPEAKE COLLEGE, AND WOR WIC COMMUNITY
 26 COLLEGE.

27 ~~[(8)] (9) Any employer Social Security contributions required by federal~~
 28 ~~law for any employee of a board of community college trustees shall remain the~~
 29 ~~obligation of the employer.~~

30 ~~[(9)] (10) The State contribution to retirement and fringe benefit costs is~~
 31 ~~not included in the calculations of amounts under this subsection.~~

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 33 July 1, 2000.

34 (b) (1) *In this section the following words have the meanings indicated.*

- 1 (10) "Small community college" means:
- 2 (i) Allegany College of Maryland;
- 3 (ii) Garrett Community College;
- 4 (iii) Hagerstown [Junior] COMMUNITY College;
- 5 (iv) Carroll Community College;
- 6 (v) Cecil Community College;
- 7 (vi) Chesapeake College; or
- 8 (vii) Wor-Wic Community College.
- 9 (f) (1) Beginning in fiscal year [1999] 2003, [an] unrestricted [grant]
10 GRANTS in the [amount] AMOUNTS [provided] SPECIFIED in paragraph (2) of this
11 subsection shall be distributed to the board of each small community college.
- 12 (2) [Except as otherwise provided by law, the total amount of the grant
13 shall be \$2,000,000 annually to be distributed as follows] SUBJECT TO PARAGRAPH (3)
14 OF THIS SUBSECTION, UNRESTRICTED GRANTS SHALL BE DISTRIBUTED AS
15 FOLLOWS:
- 16 (i) [\$400,000] \$500,000 to Allegany College of Maryland;
- 17 (ii) [\$400,000] \$500,000 to Garrett Community College;
- 18 (iii) [\$400,000] \$500,000 to Hagerstown [Junior] COMMUNITY
19 College;
- 20 (iv) [\$200,000] \$250,000 to Carroll Community College;
- 21 (v) [\$200,000] \$250,000 to Cecil Community College;
- 22 (vi) [\$200,000] \$250,000 to Chesapeake College; and
- 23 (vii) [\$200,000] \$250,000 to Wor-Wic Community College.
- 24 (3) THE GRANT AMOUNTS SPECIFIED IN PARAGRAPH (2) OF THIS
25 SUBSECTION SHALL INCREASE IN FISCAL YEAR 2004 AND EACH FISCAL YEAR
26 THEREAFTER BY THE SAME PERCENTAGE AS THE PERCENTAGE INCREASE IN
27 FUNDING PER FULL-TIME EQUIVALENT STUDENT TO THE 4-YEAR PUBLIC
28 INSTITUTIONS OF HIGHER EDUCATION IN THE STATE, AS DESIGNATED BY THE
29 COMMISSION FOR THE PURPOSE OF ADMINISTERING THE JOSEPH A. SELLINGER
30 PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THAT FISCAL YEAR.

1

Chapter 570 of the Acts of 1998

2 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
3 July 1, 1998. [It shall remain effective for a period of 4 years and, at the end of June
4 30, 2002, with no further action required by the General Assembly, this Act shall be
5 abrogated and of no further force and effect.]

6 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Higher
7 Education Commission shall periodically review the unrestricted grants authorized
8 under this Act to determine whether the unrestricted grants are appropriate in light of:
9 (i) the amount of funding that each community college receives under the John A. Cade
10 Funding Formula established under § 16-305 of the Education Article; (ii) the amount
11 of funding that each community college receives from the county; (iii) the amount of
12 funding that each community college receives from any other source, including tuition
13 and fees; (iv) the number of full-time equivalent students attending the community
14 college; and (v) any other relevant factor, as determined by the Commission.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2002.