

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

House Bill 505 (Delegate Minnick)

Economic Matters

Real Estate Brokers - Education Requirements - Institutions of Postsecondary Education

The bill excludes from the definition “postsecondary education” certain courses that are required to become a licensed real estate professional.

Fiscal Summary

State Effect: General fund expenditures for aid to local community colleges could decrease by \$155,100 beginning in FY 2003. Future year decreases reflect a continual reduction in the full-time equivalent (FTE) count and growth in the State per pupil grant amount.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	0	0	(155,100)	(167,700)	(181,200)
Net Effect	\$0	\$0	(\$155,100)	(\$167,700)	(\$181,200)

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

Local Effect: State aid to local community colleges could decrease by \$155,100 beginning in FY 2003. Local community college expenditures would not be affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: This bill excludes any course in real estate approved by the Maryland Real Estate Commission that is required to become a licensed Real Estate Salesperson, a licensed Associate Real Estate Broker, or a licensed Real Estate Broker, or that satisfies the continuing education requirements for the aforementioned real estate professionals from

counting as post-secondary education credit.

Current Law: Real estate related courses are not excluded from counting as post- secondary credit.

State and Local Fiscal Effect: Local community colleges offer over 100 courses in real estate. Approximately 2,000 students are currently enrolled in at least one real estate course which equates to 65 FTE students. Pursuant to this legislation, these students would be excluded from the audited FTE count used for State aid purposes, thereby affecting State aid to local community colleges. Since the State community college funding formula is based on the audited FTE enrollment in the second prior year, State aid would be affected beginning in fiscal 2003. State aid would decrease by \$155,100 in fiscal 2003 and by \$181,200 in fiscal 2005.

Local community colleges could continue to offer real estate courses; however, it would have to be as a non-credit course. This may reduce the demand for these courses as individuals seeking certification and licensure in real estate seek credit courses at private business and professional schools. This is not expected to affect overall expenditures at local community colleges, since college officials would most likely replace non-credit courses that have a lower student demand with other courses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Higher Education Commission; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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