

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE
Revised

House Bill 179
 Appropriations

(Delegate Taylor, *et al.*)

Budget and Taxation

Higher Education - Community Colleges - Unrestricted Grants

This bill increases the unrestricted State grants to Allegany College of Maryland and Garrett Community College. For fiscal 2003 through fiscal 2005, the increase for Allegany College of Maryland is \$360,000 and the increase for Garrett Community College is \$240,000.

The bill is effective July 1, 2002 and sunsets June 30, 2005.

Fiscal Summary

State Effect: General fund expenditures would increase by \$600,000 in FY 2003 through 2005. The FY 2003 State budget contains funding to support the bill.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	600,000	600,000	600,000	0	0
Net Effect	(\$600,000)	(\$600,000)	(\$600,000)	\$0	\$0

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

Local Effect: Unrestricted FY 2003 through 2005 revenues would increase by \$360,000 for Allegany College of Maryland and by \$240,000 for Garrett Community College.

Small Business Effect: None.

Analysis

Current Law: In fiscal 2003, unrestricted grants to Allegany College of Maryland and Garrett Community College are \$500,000. Beginning in fiscal 2004, this amount will be

increased annually by the percentage increase in per pupil funding for four-year institutions of higher education under the Joseph A. Sellinger Program.

Background: Under the Senator John A. Cade funding formula used to calculate State aid for community colleges, the increase in aid from fiscal 1998 to fiscal 2002 was 23% for Allegany College of Maryland and 16% for Garrett Community College. Aid for other community colleges has increased by an average of 61% over the same period. A joint report from Allegany College of Maryland and Garrett Community College notes the challenges that the colleges encounter, including geography, local wealth, and the educational backgrounds of the citizens they traditionally serve. With relatively small enrollments and a diverse set of course offerings, the colleges both have 14:1 student to faculty ratios.

State Expenditures: General fund expenditures would increase by \$600,000 in fiscal 2003, 2004, and 2005 to fund the additional grants to Allegany College of Maryland and Garrett Community College. The fiscal 2003 State budget includes funding for the additional grants.

Local Fiscal Effect: In fiscal 2003 through 2005, Allegany College of Maryland would receive an additional grant of \$360,000 per year and Garrett Community College would receive \$240,000 per year.

Additional Information

Prior Introductions: None.

Cross File: SB 310 (Senator Hafer, *et al.*) – Budget and Taxation.

Information Source(s): Allegany County, Garrett County, Maryland Higher Education Commission, Maryland Association of Community Colleges, Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2002
ncs/jr Revised - House Third Reader - April 3, 2002
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