

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

House Bill 641
 Ways and Means

(Delegates Heller and Hixson)

Budget and Taxation

Higher Education - Community Colleges - Unrestricted Grants

This bill repeals the June 30, 2005 termination provision on the additional small college grants for Allegany College of Maryland and Garrett College.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: Mandated general fund expenditures of \$600,000 annually would continue after FY 2005 to provide the additional grants to the colleges. The proposed FY 2005 budget includes funding for the grants. Future year expenditures would remain constant.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	600,000	600,000	600,000	600,000
Net Effect	\$0	(\$600,000)	(\$600,000)	(\$600,000)	(\$600,000)

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

Local Effect: Revenues from the additional small college grants for Allegany College of Maryland and Garrett College would continue beyond FY 2005.

Small Business Effect: Minimal.

Analysis

Current Law: From fiscal 2003 to 2005, unrestricted additional small college grants for Allegany College of Maryland and Garrett College of \$360,000 and \$240,000, respectively, are mandated. The grants terminate on June 30, 2005.

In addition to the grants that expire after fiscal 2005, Allegany College of Maryland and Garrett College also receive small college grants of \$500,000, as does Hagerstown Community College. Carroll Community College, Cecil Community College, Chesapeake College, and Wor-Wic Community College receive small college grants of \$250,000. These grants increase annually by the actual percentage increase in State funding for the public four-year institutions of higher education in the prior fiscal year.

Background: The additional small college grants for Allegany College of Maryland and Garrett College were established by Chapter 350 of 2002. At that time, funding for the colleges under the Senator John A. Cade funding formula had increased 23% and 16%, respectively, from fiscal 1998 to 2002. Aid for other community colleges had increased over the same period of time by an average of 61%. The additional grants established in 2002 were an attempt to keep increases at two of Maryland's smallest community colleges aligned with the increases realized at the other colleges.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 20, 2004
n/hlb

Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510