

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

House Bill 975 (Delegate Heller)
 Ways and Means

Higher Education - Community Colleges - Students with a Documented Disability

This bill requires the State to provide a grant of \$2,500,000 to the Maryland Higher Education Commission (MHEC) each year beginning in fiscal 2006. MHEC must distribute the funding to community colleges based on their enrollments of students with documented disabilities. Community colleges must use the grants to meet the special services and equipment needs of students with disabilities. Funding appropriated under the bill that is not used by the end of a fiscal year does not revert to the State general fund and must be used to make awards to community college students with disabilities during the subsequent fiscal year. In consultation with the Maryland Association of Community Colleges, MHEC must adopt regulations for the administration of the grants established in the bill.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: General fund expenditures would increase by \$2.5 million annually beginning in FY 2006. Revenues would not be affected.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	2,500,000	2,500,000	2,500,000	2,500,000
Net Effect	\$0	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)

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

Local Effect: State aid to community colleges would increase by \$2.5 million annually beginning in FY 2006. The aid would be used to meet the needs of students with disabilities.

Small Business Effect: Minimal.

Analysis

Current Law: The majority of State aid for community colleges is provided through formulas based on the number of full-time equivalent students at the colleges. Funding for the 15 locally-operated community colleges is provided under the Senator John A. Cade funding formula, and funding for the Baltimore City Community College (BCCC), which is operated by the State, is provided through a separate formula. In addition to these programs, community colleges receive grants equal to \$800 for each student they enroll who speaks English as a second language.

Background: The proposed fiscal 2005 State budget includes a total of \$189.2 million for community colleges. The categories of proposed funding are shown in **Exhibit 1**.

Exhibit 1 Proposed Funding for Community Colleges Fiscal 2005

Senator John A. Cade Formula	\$146,559,839
BCCC Formula*	30,435,740
English as a Second Language Grants	2,500,000
Aid to Small Community Colleges	3,100,000
Other Community College Aid	<u>6,602,769</u>
Total	\$189,198,348

*The amount shown excludes a proposed cut of \$3.5 million that is contingent upon enactment of legislation.

State and Local Fiscal Effect: State general fund expenditures would increase by \$2.5 million annually beginning in fiscal 2006. The funding would be distributed by MHEC to community colleges based on their enrollments of students with documented disabilities. Community colleges would use the State grants to meet the special services and equipment needs of students with disabilities.

MHEC could adopt regulations for the grants with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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ncs/hlb

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