

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 672

(Senator Hughes, *et al.*)

Education, Health, and Environmental Affairs and Budget and
 Taxation

Ways and Means

Baltimore City Community College - Governance

This bill increases the required annual appropriation from Baltimore City to the Baltimore City Community College (BCCC) from \$800,000 to \$1,200,000 beginning July 1, 2005. The bill also adds two faculty members to the board of trustees of the community college and makes other modifications to the powers and authority of the president and the board of BCCC.

The bill takes effect June 1, 2005.

Fiscal Summary

State Effect: Higher education revenues and expenditures would increase by \$400,000 annually beginning in FY 2006 due to the additional funding from Baltimore City for BCCC. The bill would not impact the annual State general fund appropriation for BCCC.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Higher Ed Rev.	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Higher Ed Exp.	400,000	400,000	400,000	400,000	400,000
Net Effect	\$0	\$0	\$0	\$0	\$0

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

Local Effect: Baltimore City expenditures would increase by \$400,000 annually beginning in FY 2006 to provide the required city appropriation to BCCC. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: Beginning in fiscal 2006, Baltimore City must provide at least \$1.2 million annually to BCCC. Of this amount, at least \$400,000 must be used to provide tuition reimbursements or scholarships to BCCC students. The remainder of the funding must be used in a manner consistent with BCCC's educational mission.

The bill adds two BCCC faculty members elected by the Faculty Senate to the board of trustees of BCCC. One of the faculty members is a nonvoting member and may only vote in the event of a tie among the other members of the board. The faculty members serve one-year terms. The board is prohibited from participating in the day-to-day operations of BCCC, and its authority to establish policies is limited to broad policy and long-range planning.

The board of trustees must meet at least once per quarter with the Faculty Senate. In consultation with the Faculty Senate Executive Committee, the board may establish, modify, or amend the policies and procedures that govern the employment relationship between the faculty and BCCC. A faculty search committee must be formed to fill any vacancy in the faculty of a department.

The board of trustees is required to immediately appoint an interim BCCC president to perform the duties of the president when the position is vacant, but may not appoint a member of the board to the position. The president of BCCC must act as the sole liaison between the board and BCCC's faculty, administrators, and staff. The president may make recommendations to the board of trustees relating to the hiring, promoting, and discharging of faculty and employees who report directly to the president, and the president is directly responsible for hiring, promoting, and discharging other BCCC faculty and employees. The president and the board must develop and implement an independent system for hearing faculty grievances.

Current Law: Baltimore City must provide \$800,000 annually to BCCC to support education at the college, including \$500,000 that must be used to provide tuition reimbursements or scholarships to BCCC students.

The board of trustees of BCCC consists of nine members appointed by the Governor with the advice and consent of the Senate. The board exercises general control and management of BCCC. The board appoints the BCCC president and may establish other offices and provide for the appointment of qualified persons to those offices. The president reports directly to the board of trustees and hires and discharges employees as authorized by the board.

Background: In November 2004, the Maryland Higher Education Commission completed an evaluation of BCCC to determine whether the college was in compliance with the *Minimum Requirements for Degree-granting Institutions* in the *Code of Maryland Regulations* (COMAR) 13B.02.02. The evaluation was conducted in response to concerns with actions taken by the BCCC board of trustees over the past year. The evaluation report found that the board of trustees, while acting within its statutory authority, was operating beyond the regulatory authority granted to governing boards. The report further noted that the statutory authority granted to the board is greater than the authority granted to the other locally-operated community colleges in the State. The report made several recommendations to align the BCCC board's statutory authority with other community colleges and COMAR.

BCCC has a mission to provide "outstanding educational, cultural, and social experiences" and to offer "accessible, affordable, comprehensive programs." Unlike the rest of the State's community colleges, BCCC is operated by the State. The proposed fiscal 2006 State budget includes \$33.6 million for the statutory BCCC formula; however, the Administration has proposed a decrease of \$1.6 million in the appropriation contingent on legislation authorizing the reduction.

State Fiscal Effect: Higher education revenues and expenditures would increase by \$400,000 annually beginning in fiscal 2006 due to the increase in the required payment from Baltimore City to BCCC. Of the total \$1.2 million appropriation from Baltimore City, BCCC must use at least \$400,000 to provide tuition reimbursements or scholarships to BCCC students. The other \$800,000 must be used in a manner consistent with the educational mission of BCCC. BCCC advises that the current \$800,000 appropriation from Baltimore City is used exclusively for tuition reimbursements and scholarships.

Local Expenditures: Baltimore City expenditures would increase by \$400,000 in fiscal 2006 to provide the required \$1.2 million appropriation to BCCC. The bill states that the source of the funding is not limited to tax or fee revenues generated by the city.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Higher Education Commission, Baltimore City, Baltimore City Community College, Department of Legislative Services

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