
By: **Senators Hogan, Astle, Brinkley, Britt, Brochin, Colburn, Conway, Currie, DeGrange, Della, Dyson, Exum, Forehand, Frosh, Garagiola, Giannetti, Gladden, Green, Greenip, Grosfeld, Hafer, Haines, Harris, Hollinger, Hooper, Hughes, Jacobs, Jimeno, Jones, Kasemeyer, Kelley, Kittleman, Klausmeier, Kramer, Lawlah, McFadden, Middleton, Miller, Mooney, Munson, Pinsky, Pipkin, Ruben, Schrader, Stoltzfus, Stone, and Teitelbaum**

Introduced and read first time: January 30, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Community Colleges - Funding Formulas - Adjustment**

3 FOR the purpose of altering certain formulas for the computation of certain State aid
4 to certain community colleges and the Baltimore City Community College for
5 certain fiscal years; and generally relating to State funding for community
6 colleges.

7 BY repealing and reenacting, with amendments,
8 Article - Education
9 Section 16-305(c) and 16-512(a)
10 Annotated Code of Maryland
11 (2004 Replacement Volume and 2005 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Education**

15 16-305.

16 (c) (1) (i) The total State operating fund per full-time equivalent student
17 to the community colleges for each fiscal year as requested by the Governor shall be:

18 1. In [each of] fiscal [years 2003 and 2004] YEAR 2007, not
19 less than an amount equal to [23.1%] 25% of the State's General Fund appropriation
20 per full-time equivalent student to the 4-year public institutions of higher education
21 in the State as designated by the Commission for the purpose of administering the
22 Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year;

1 (iv) A hold harmless component.

2 (4) (i) The funds available for the fixed costs component shall be a set
3 percentage of the year's total State operating fund as follows:

4 1. For fiscal year 1998, 36% of total funding;

5 2. For fiscal year 1999, 37% of total funding; and

6 3. For fiscal year 2000 and each fiscal year thereafter, 38% of
7 total funding.

8 (ii) The funds available for the fixed costs component shall be
9 divided and distributed to the community colleges in the same proportion in which
10 the direct grants were distributed in the prior fiscal year.

11 (5) (i) For each board, the marginal costs component shall be the
12 product of the dollar amount per full-time equivalent student multiplied by the
13 number of full-time equivalent students at the board's community college or colleges.

14 (ii) The dollar amount per full-time equivalent student shall be
15 calculated by dividing 60% of the total State operating fund for the fiscal year by the
16 total number of full-time equivalent students at community colleges statewide.

17 (iii) In determining the marginal costs component for a board, the
18 number of full-time equivalent students at all campuses and colleges operated by the
19 board shall be added together.

20 (6) (i) The size factor component shall be a set percentage of the year's
21 total State operating fund as follows:

22 1. For fiscal year 1998, 4% of total funding;

23 2. For fiscal year 1999, 3% of total funding; and

24 3. For fiscal year 2000 and each fiscal year thereafter, 2% of
25 total funding.

26 (ii) The funds available for the size factor component shall be
27 divided and distributed equally to each board that operates a community college or
28 colleges at which the total number of full-time equivalent students is less than or
29 equal to 80% of the statewide median.

30 (iii) In determining the eligibility of a board for a size factor
31 component, the number of full-time equivalent students at all campuses and colleges
32 operated by the board shall be added together.

33 (7) (i) A board shall be eligible for a hold harmless component
34 beginning in fiscal year 1998 if the sum of the board's fixed costs, marginal costs, and
35 size factor components for the fiscal year is less than the board's total State share in
36 the prior fiscal year.

1 (ii) The hold harmless component amount shall be determined by
2 subtracting the sum of an eligible board's fixed costs, marginal costs, and size factor
3 components for the fiscal year from the board's total State share for the prior fiscal
4 year.

5 (8) Any employer Social Security contributions required by federal law
6 for any employee of a board of community college trustees shall remain the obligation
7 of the employer.

8 (9) The State contribution to retirement and fringe benefit costs is not
9 included in the calculations of amounts under this subsection.

10 16-512.

11 (a) (1) The total State operating fund per full-time equivalent student
12 appropriated to Baltimore City Community College for each fiscal year as requested
13 by the Governor shall be:

14 (i) In [each of] fiscal [years 2003 and 2004] YEAR 2007, not less
15 than an amount equal to [60.9%] 66% of the State's General Fund appropriation per
16 full-time equivalent student to the 4-year public institutions of higher education in
17 the State as designated by the Commission for the purpose of administering the
18 Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year;

19 (ii) In fiscal year [2005] 2008, not less than an amount equal to
20 [63.4%] 67% of the State's General Fund appropriation per full-time equivalent
21 student to the 4-year public institutions of higher education in the State as
22 designated by the Commission for the purpose of administering the Joseph A.
23 Sellinger Program under Title 17 of this article in the previous fiscal year; [and]

24 (iii) In fiscal year [2006 and each fiscal year thereafter] 2009, not
25 less than an amount equal to [66%] 68% of the State's General Fund appropriation
26 per full-time equivalent student to the 4-year public institutions of higher education
27 in the State as designated by the Commission for the purpose of administering the
28 Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year;

29 (IV) IN FISCAL YEAR 2010, NOT LESS THAN AN AMOUNT EQUAL TO
30 69% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT
31 STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE
32 STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING
33 THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE
34 PREVIOUS FISCAL YEAR;

35 (V) IN FISCAL YEAR 2011, NOT LESS THAN AN AMOUNT EQUAL TO
36 70% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT
37 STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE
38 STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING
39 THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE
40 PREVIOUS FISCAL YEAR; AND

1 (VI) IN FISCAL YEAR 2012 AND EACH FISCAL YEAR THEREAFTER,
2 NOT LESS THAN AN AMOUNT EQUAL TO 71% OF THE STATE'S GENERAL FUND
3 APPROPRIATION PER FULL-TIME EQUIVALENT STUDENT TO THE 4-YEAR PUBLIC
4 INSTITUTIONS OF HIGHER EDUCATION IN THE STATE AS DESIGNATED BY THE
5 COMMISSION FOR THE PURPOSE OF ADMINISTERING THE JOSEPH A. SELLINGER
6 PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE PREVIOUS FISCAL YEAR.

7 (2) For purposes of this subsection, the State's General Fund
8 appropriation per full-time equivalent student to the 4-year public institutions of
9 higher education in the State for the previous fiscal year shall reflect any
10 amendments or reductions to the appropriation for the previous fiscal year.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 July 1, 2006.