

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 1421 (Chair, Ways and Means Committee) (By Request –
 Departmental – Baltimore City Community College)
 Ways and Means Budget and Taxation

Baltimore City Community College - English for Speakers of Other Languages Grant

This departmental bill increases from \$500,000 to \$1 million the maximum State funding level for English for speakers of other languages (ESOL) programs at Baltimore City Community College (BCCC).

The bill takes effect July 1, 2007.

Fiscal Summary

State Effect: General fund expenditures would increase by \$94,400 in FY 2008 to provide a deficiency appropriation to pay the full \$800 per full-time equivalent (FTE) ESOL student at BCCC. Beginning in FY 2009, mandated general fund expenditures would reflect growth in BCCC’s ESOL population. Revenues would not be affected.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	94,400	118,100	142,800	168,400	195,000
Net Effect	(\$94,400)	(\$118,100)	(\$142,800)	(\$168,400)	(\$195,000)

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

Local Effect: None. BCCC is operated by the State.

Small Business Effect: BCCC has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: BCCC receives \$800 per FTE ESOL student enrolled in the college, up to a maximum annual State appropriation for the program of \$500,000. Subject to this limit, if funding is insufficient to pay the full \$800 per ESOL student, the Governor must include a deficiency appropriation in the budget bill the following year to fund the full amount. State ESOL grants may not be transferred to any other program or category.

Background: Community college ESOL grants were initially established by Chapter 434 of 1995. The legislation capped the State's annual contribution to the programs at \$1 million for locally-operated community colleges and \$200,000 for BCCC, which is operated by the State. Chapters 537 and 538 of 1999 increased the limit on annual State appropriations to \$2.5 million for local colleges and \$500,000 for BCCC. Chapter 262 of 2006 further increased the maximum State appropriation for local community colleges to \$6.0 million, but did not change the limit for BCCC.

State funding for ESOL programs at BCCC reached the \$500,000 cap in fiscal 2004 and 2006. In fiscal 2005 and 2007 the annual grant amounts totaled approximately \$480,000, just below the statutory cap. The proposed fiscal 2008 State budget again includes \$500,000 for the program, but with 743 FTE students qualifying for the program, this only represents \$673 per ESOL student.

State Expenditures: General fund expenditures would increase by \$94,432 in fiscal 2008 if the spending cap for ESOL grants at BCCC is raised to \$1 million. The additional support will be provided as a deficiency appropriation in the fiscal 2009 State budget and will increase fiscal 2008 funding to the full \$800 per FTE funding level.

Beginning in fiscal 2009, the additional general fund expenditures would be mandated and would depend on the number of FTE ESOL students who attend BCCC. Based on increases in ESOL enrollments from the 2000-2001 academic year to the 2005-2006 academic year, it is estimated that enrollment in the program would increase by 4.0% per year. Annual increases in State funding for ESOL programs at BCCC are estimated in **Exhibit 1** and would total an estimated \$195,032 by fiscal 2012.

Exhibit 1
Estimated Funding Increase for BCCC ESOL Grants

	Actual		Estimated		
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
FTE ESOL Students*	743.04	772.66	803.46	835.49	868.79
HB 1421	\$594,432	\$618,128	\$642,768	\$668,392	\$695,032
Current Law	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Additional Cost	\$94,432	\$118,128	\$142,768	\$168,392	\$195,032

*FTE ESOL students from the second prior fiscal year are used in the formula.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 21, 2007
ncs/rhh

Analysis by: Mark W. Collins

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