

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1115

(Delegate Solomon, *et al.*)

Appropriations

Education, Health, and Environmental Affairs

Community Colleges - Workforce Readiness Grant Program - Established

This bill establishes a Workforce Readiness Grant Program to provide matching grants to each community college to improve the community college’s technology. The bill *authorizes* the Governor to include matching grants of *up to* \$250,000 for *each community college campus* in fiscal 2022 and 2024, as specified. This funding is supplemental and in addition to operating support provided to community colleges by the State. By September 1, 2022, and by September 1, 2024, the Maryland Higher Education Commission must submit a report to the Governor and the General Assembly on the total amount of funds raised for the program through donations and how those funds were spent. **The bill takes effect July 1, 2019, and terminates June 30, 2025.**

Fiscal Summary

State Effect: General fund expenditures *may* increase by *up to* \$5.5 million in each of FY 2022 and 2024 for matching grants, as described below. Baltimore City Community College (BCCC) revenues and expenditures may increase in FY 2020 through 2024 (not shown below).

(\$ in millions)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	5.5	0	5.5
Net Effect	\$0.0	\$0.0	(\$5.5)	\$0.0	(\$5.5)

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

Local Effect: Local community college revenues and expenditures may increase in FY 2020 through 2024.

Small Business Effect: None.

Analysis

Bill Summary: Each community college campus may accept donations from eligible donors that further the purpose of the program. An eligible donor is a person other than a local, State, federal, or foreign government.

In fiscal 2022, the Governor may include for each community college supplemental funding in an amount equal to the *lesser* of \$250,000 for every campus of each community college or the amount donated to improve the college's technology in fiscal 2020 and 2021. Likewise, in fiscal 2024, the Governor may include for each community college supplemental funding in an amount equal to the lesser of \$250,000 or the amount donated to improve the college's technology in fiscal 2022 and 2023.

For the purposes of calculating the Governor's appropriation, an amount donated by an eligible donor may be counted only for the fiscal year in which it was pledged. The Governor's appropriation must be used to further the purpose of the program.

For fiscal 2022 and 2024, if funding is provided, the Governor must identify in the annual budget how the revenue authorized for the program is being used to supplement and not supplant the appropriation for community college.

Current Law/Background: This bill is similar to the Innovative Partnerships for Technology Program, which was established by Chapter 601 of 1998 and reestablished by Chapter 413 of 2002. The State matching period for the Innovative Partnerships for Technology Program ended June 30, 2006. As shown in the [Report on the Innovative Partnerships for Technology Program Report for Fiscal 2005](#), during the four matching periods under that program the community colleges raised a total of \$12.9 million through fiscal 2005 (additional eligible donations may have been received in fiscal 2006).

State Fiscal Effect:

General Fund Expenditures

To the extent the Governor provides funding in the State budget, general fund expenditures increase in fiscal 2022 and 2024 for matching grants. The bill authorizes the Governor to provide up to \$250,000 in matching funds for each community campus.

The Maryland Association of Community Colleges advises that there are currently 22 community college campuses; therefore, general fund expenditures *may* increase by as much as \$5.5 million in fiscal 2022 and 2024. The College of Southern Maryland, the Community College of Baltimore County, and Montgomery College each have 3 campuses and all other community colleges have 1 campus. To the extent that there are more or less

than 22 community college campuses in a given year, the maximum general fund expenditures may be more or less. Actual general fund expenditures depend on the actual amount of qualified matching funds raised by each of the community college campuses during the matching period and the amount of State matching funds provided in the State budget in fiscal 2022 and 2024.

The bill does not specify how State matching funds will be distributed if the Governor provides less than the funding required to match funds raised by each community college campus.

Baltimore City Community College

To the extent eligible donors donate funds to BCCC to improve technology during the matching period and the Governor provides matching funds in the State budget, BCCC revenues increase. Under the bill, the State may match up to \$250,000 pledged in fiscal 2020 and 2021 as a State appropriation to BCCC in fiscal 2022. Likewise, the State may match up to \$250,000 pledged in fiscal 2022 and 2023 as a State appropriation to BCCC in fiscal 2024. Therefore, if BCCC receives \$250,000 in donated funds in both matching periods, BCCC revenues may increase by a total of *up to* \$1.0 million in fiscal 2020 through 2024. If no eligible donors donate to BCCC during the matching period or no funds are provided in the State budget for this purpose, BCCC will receive no State matching funds.

BCCC expenditures to improve technology may increase beginning as early as fiscal 2020. Depending on BCCC needs and the amount of funds donated expenditures may begin as soon as funds are donated; however, BCCC may choose to delay expenditures until all funds are received in fiscal 2024. Depending on the projects funded, some funds may be expended beyond fiscal 2024. However, it is likely that all funds are expended by fiscal 2024.

Local Fiscal Effect: Likewise, to the extent eligible donors donate funds to local community college campuses to improve technology during the matching period and the Governor provides funding in the State budget, local community college revenues from donations and State matching funds may increase. Local community college expenditures increase by an equal amount. Actual revenues and expenditures depend on the amount donated by eligible donors during the matching period, the amount provided for the State match, and the actual number of campuses.

Additional Information

Prior Introductions: None.

Cross File: SB 515 (Senator Ferguson, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland Higher Education Commission; Baltimore City Community College; Department of Budget and Management; Department of Legislative Services

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