
Customized Training at Local Institutions Legislative Documentation


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G r o u p

ORGANIZATION OVERVIEW

Institution	Details
Baltimore City Community College	<p>Funding to Maryland's community colleges is unrestricted and can be used for operating costs of credit and non-credit (except recreational) programs</p> <p>Programs offered at BCCC include RN Nursing, LPN Nursing, Dental Hygiene, Physical Therapy Assistant, Business, and Biotech and Information Technology</p> <p>BCCC enrolls credit students and continuing education students Adult Basic Education, English as a Second Language, GED, and customized training programs</p>
Mayor's Office for Employment Development	<p>MOED coordinates and directs workforce development initiatives responsive to the needs of Baltimore City employers and job seekers in order to enhance and promote the local economy</p> <p>Services for job seekers include: The Career Center Network, The Workforce Reception Center, and Digital Learning Labs</p> <p>Services for employers include: "Employ Baltimore," customized training, MetroTech, and Skills-Based Training for Employment Promotion</p> <p>Initiatives for youth include: Baltimore City Career Academy, FUTURES, and YouthWorks</p>
Sojourner Douglass College	<p>Major areas of study include Administration, Human & Social Resources, and Human Growth Development</p> <p>Students are required to complete the Project Demonstrating Competence, hands-on field experience in a particular course of study</p>
Baltimore Reads	<p>Foundation-contributed income accounted for 22% of funding in 2003 (Fundraising & Communications Audit, Brodie & Associates)</p> <p>According to Marlene McLaurin (CEO, Baltimore Reads), dollars from certain programs, such as the Read-a-thon and the Adult Learning Center, are unrestricted and can be channeled anywhere in the organization. Funding from other sources, such as the United Way, however, have to be used toward Children & Family Programs that, among other things, aim at building the workforce and developing strong families.</p>

STATE FUNDING REQUIREMENTS

Institution	Details
Baltimore City Community College	Current Law: In fiscal 2004, BCCC is receiving an appropriation per full time equivalent student (FTES) equal to 60.9% of the amount that was provided per FTES to the public four-year institutions of higher education in Maryland in the previous fiscal year. This percentage is scheduled to increase to 63.4% in fiscal 2004 and 66% in fiscal 2006 and each fiscal year thereafter. (Fiscal Notes to SB289, 2004) (See Appendix A for full text of legislation)
Mayor's Office for Employment Development	N/A
Sojourner Douglass College	Current Law: In fiscal years 2003 and 2004, an amount not less than 14.3% of the State's General Fund per FTES appropriation to the 4-year public institutions of higher education in this State for the preceding fiscal year (HB935, 2003) Under Current Law – Sojourner Douglass College will receive \$1,343,000 of aid in FY 2005, \$1,479,000 in FY2006, \$1,547,000 in FY 2007, and \$1,617,000 in FY 2008 (Estimates from Fiscal Notes to SB555, 2003) (See Appendix B for full text of legislation)
Baltimore Reads	N/A

FUNDING TIMELINE

Institution	Details
Baltimore City Community College	In the current year, BCCC receives appropriations equal to a percentage of the amount provided per full time equivalent students to public 4-year institutions in the previous fiscal year
Mayor's Office for Employment Development	N/A
Sojourner Douglass College	In the current year, Sojourner Douglass College receives appropriations equal to a percentage of the amount provided per full time equivalent students to public 4-year institutions in the previous fiscal year
Baltimore Reads	N/A

Appendix A
Senate Bill 289

SB 289
Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 289
Budget and Taxation

(Senator Kramer, *et al.*)

Higher Education - Community Colleges - Funding

This bill states that it is the intent of the General Assembly that the Governor include in the fiscal 2005 State budget additional appropriations of \$1,391,989 for the Baltimore City Community College (BCCC) and \$6,106,660 for the Senator John A. Cade Funding Formula. The appropriations would be used to restore full funding to community colleges.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: General fund expenditures would increase by \$7.5 million in FY 2005 to provide the additional appropriations to BCCC and the Cade formula. Revenues would not be affected.

(\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	7.5	0	0	0	0
Net Effect	(\$7.5)	\$0	\$0	\$0	\$0

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

Local Effect: Community college revenues from State aid would increase by \$7.5 million in FY 2005.

Small Business Effect: Minimal.

Analysis

Current Law: In fiscal 2004, BCCC is receiving an appropriation per full time equivalent student (FTES) equal to 60.9% of the amount that was provided per FTES to the public four-year institutions of higher education in Maryland in the previous fiscal year. This percentage is scheduled to increase to 63.4% in fiscal 2005 and 66% in fiscal 2006 and each fiscal year thereafter. BCCC is funded and operated by the State.

Through the Senator John A. Cade Funding Formula, Maryland's 15 locally-operated community colleges are receiving fiscal 2004 State aid per FTES equal to 23.1% of the per FTES funding provided to the public four-year institutions in the previous fiscal year. This percentage is scheduled to increase to 24% in fiscal 2005 and 25% in fiscal 2006 and each fiscal year thereafter.

Background: Funding for Maryland's 16 community colleges has been decreased in recent years through reductions to the BCCC and Cade formulas. Reductions were implemented through the enactment of legislation that lowered the percentage of the State's per FTES appropriation to four-year institutions that must be funded in the community college formulas. Both formulas are scheduled to rebound to full funding in fiscal 2006.

The proposed fiscal 2005 State budget includes the mandated funding amount for the Cade formula, \$146.6 million, but assumes a reduction of \$3.5 million in the mandated amount for BCCC. The reduction is contingent on the passage of legislation that would lower the fiscal 2005 formula percentage for BCCC from 63.4% to 60.1%. The fiscal 2005 budget allowance for BCCC is \$30.4 million, an increase of 3.3% over the fiscal 2004 appropriation. The increase is equivalent to increases in State aid for other community colleges.

State and Local Fiscal Effect: General fund expenditures would increase by \$7.5 million in fiscal 2005 to provide additional funding to community colleges. The Department of Legislative Services advises that the additional \$6.1 million specified in the bill for full funding of the Cade formula is overstated by \$1.2 million. Only \$4.9 million would be needed to restore full funding to the formula. The estimated distribution of the \$4.9 million, plus the additional funding for BCCC, is shown in **Exhibit 1**. If the full \$6.1 million is provided for the Cade formula, it is unclear how the extra \$1.2 million would be allocated.

If the bill passes, the Governor would not be required to add the funding to the budget. In order for funding to be mandated, legislation establishing the mandate must be enacted in at least the second prior fiscal year.

Exhibit 1
Estimated Funding Increases
SB 289

Allegany	\$146,327	Frederick	\$214,426
Anne Arundel	848,307	Garrett	6,028
Baltimore City	1,391,989	Hagerstown	184,983
Baltimore County	113,027	Harford	305,961
Carroll	190,553	Howard	339,503
Cecil	122,640	Montgomery	1,039,207
Southern Maryland	310,070	Prince George's	712,339
Chesapeake	169,978	Wor-Wic	198,314

Additional Information

Prior Introductions: SB 623/HB 754 of 2003 would have restored full fiscal 2005 funding to community colleges through changes in the Cade and BCCC formulas. HB 754 received an unfavorable report from the House Committee on Ways and Means, and SB 623 was not reported out of the Senate Budget and Taxation Committee.

Cross File: None.

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

Fiscal Note History: First Reader - February 16, 2004
mh/hlb

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Appendix B
Senate Bill 555

SB 555
Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 555
Budget and Taxation

(Senator Hooper, *et al.*)

**Higher Education - Aid to Nonpublic Institutions - Calculation of Joseph A. Sellinger
Program Grant**

This bill reduces State aid to nonpublic institutions of higher education by altering the methodology for calculating the full-time equivalent (FTE) student count that is used to determine aid under the Joseph A. Sellinger formula. FTE counts for in-state and out-of-state students at each institution will be computed separately, and the out-of-state FTE student enrollment will be reduced by 25% to arrive at a lower count. Sellinger formula aid for each institution will be calculated using the reduced FTE computation.

Fiscal Summary

State Effect: General fund expenditures would decrease by \$5.9 million in FY 2005 due to the reduction in Sellinger formula aid. Future year expenditure reductions reflect increased per pupil amounts provided through the formula. Revenues would not be affected.

(\$ in millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	(5.9)	(6.5)	(6.8)	(7.1)
Net Effect	\$0	\$5.9	\$6.5	\$6.8	\$7.1

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Joseph A. Sellinger formula does not differentiate between in-state and out-of-state students in computing an FTE student enrollment count. The formula provides State aid to qualifying nonpublic institutions of higher education based on FTE student enrollment counts at the institutions in the prior fiscal year and per pupil State general fund support for public four-year institutions of higher education.

Background: Mandated fiscal 2004 State funding for nonpublic institutions of higher education through the Joseph A. Sellinger formula was initially calculated at \$47.3 million. However, this amount will be reduced by \$3.5 million due to fiscal 2003 cost containment measures at public four-year institutions of higher education. The Sellinger formula is based on prior year State funding for public four-year institutions, so a fiscal 2003 reduction in funding for four-year institutions impacts the fiscal 2004 funding for nonpublic institutions.

State Expenditures: Due to the bill's October 1, 2003 effective date, it is assumed that the change in formula methodology would not impact State finances in fiscal 2004. In fiscal 2005, general fund expenditures for the Sellinger formula would decrease by an estimated \$5.9 million. The savings would increase to an estimated \$7.1 million in fiscal 2008, which reflects projected increases to the per pupil funding amount. **Exhibit 1** compares projected current law State aid for nonpublic institutions to State aid that would be provided under the bill. **Exhibit 2** displays the estimated reductions by institution. Finally, current law aid projections and aid projections using the bill's reduced FTE methodology are shown in **Exhibit 3**.

Exhibit 1 Comparison of Estimated Current Law and Senate Bill 555 Appropriations for the Joseph A. Sellinger Formula Fiscal 2005 to 2008

<u>Sellinger Aid</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Current Law	\$45,818,442	\$50,436,053	\$52,756,809	\$55,160,075
Senate Bill 555	<u>39,886,506</u>	<u>43,906,243</u>	<u>45,926,527</u>	<u>48,018,671</u>
Reduction in Aid	\$5,931,936	\$6,529,810	\$6,830,282	\$7,141,404

Exhibit 2
Estimated State Aid Reductions to Nonpublic Institutions of Higher Education
Under Senate Bill 555
Fiscal 2005 to 2008

<u>Institution</u>	<u>Percent</u>				
	<u>Out-of-state</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Baltimore Hebrew University	6%	\$1,957	\$2,149	\$2,257	\$2,353
Baltimore International College	21%	31,780	34,981	36,593	38,254
Capitol College	26%	38,685	42,576	44,546	46,576
College of Notre Dame	9%	40,181	44,239	46,273	48,369
Columbia Union College	53%	140,409	154,560	161,678	169,042
George Meany Center - NLC	89%	191,595	210,910	220,614	230,670
Goucher College	56%	277,927	305,943	320,014	334,598
Hood College	26%	79,091	87,059	91,071	95,217
Johns Hopkins University	67%	3,082,735	3,393,414	3,549,559	3,711,248
Loyola College	60%	860,889	947,662	991,258	1,036,421
Maryland Institute, College of Art	70%	328,079	361,144	377,765	394,962
McDaniel College	30%	223,787	246,350	257,680	269,425
Mount St. Mary's College	47%	228,536	251,567	263,140	275,137
St. John's College	82%	160,848	177,064	185,205	193,650
Sojourner-Douglass College	1%	3,353	3,703	3,873	4,046
Villa Julie College	3%	20,477	22,545	23,583	24,651
Washington College	50%	<u>221,607</u>	<u>243,944</u>	<u>255,173</u>	<u>266,785</u>
Total Reductions	--	\$5,931,936	\$6,529,810	\$6,830,282	\$7,141,404

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 3, 2003
 mdf/cer

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Exhibit 3
Estimated State Aid Under Current Law and Under Senate Bill 555
Fiscal 2005 to 2008
(\$ in Thousands)

<u>Institution</u>	<u>Aid Under Current Law</u>			<u>Aid Under Senate Bill 555</u>				
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Baltimore Hebrew University	\$130	\$143	\$150	\$157	\$128	\$141	\$148	\$155
Baltimore International College	605	666	697	729	573	631	660	690
Capitol College	595	655	685	716	556	613	641	670
College of Notre Dame	1,786	1,966	2,056	2,150	1,746	1,922	2,010	2,102
Columbia Union College	1,060	1,167	1,220	1,276	919	1,012	1,059	1,107
George Meany Center - NLC	861	948	992	1,037	670	737	771	806
Goucher College	1,985	2,185	2,286	2,390	1,707	1,879	1,966	2,055
Hood College	1,217	1,339	1,401	1,465	1,138	1,252	1,310	1,370
Johns Hopkins University	18,404	20,259	21,191	22,157	15,322	16,866	17,642	18,445
Loyola College	5,739	6,318	6,608	6,909	4,878	5,370	5,617	5,873
Maryland Institute, College of Art	1,875	2,064	2,159	2,257	1,547	1,703	1,781	1,862
McDaniel College	2,984	3,285	3,436	3,592	2,760	3,038	3,178	3,323
Mount St. Mary's College	1,945	2,141	2,240	2,342	1,716	1,889	1,976	2,066
St. John's College	785	864	903	945	624	687	718	751
Sojourner-Douglass College	1,343	1,479	1,547	1,617	1,340	1,475	1,543	1,613
Villa Julie College	2,731	3,006	3,144	3,287	2,710	2,983	3,121	3,263
Washington College	1,773	1,952	2,041	2,134	1,551	1,708	1,786	1,868
Total Aid	\$45,818	\$50,436	\$52,757	\$55,160	\$39,887	\$43,906	\$45,927	\$48,019