

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 966  
Appropriations

(Chair, Southern Maryland Delegation)

Budget and Taxation

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Higher Education - College of Southern Maryland - Budget

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This bill changes the local budgetary process for the College of Southern Maryland (CSM) by establishing a unified budget. The county commissioners in each county that supports the college (Calvert, Charles, and St. Mary's counties) must review and approve the CSM budget request made to that county, rather than just for the campus in their county, and may reduce it. The bill also repeals a number specified elements of the operating budget. **The bill takes effect July 1, 2020.**

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Fiscal Summary

**State Effect:** None. The bill is directed at local entities.

**Local Effect:** Calvert, Charles, and St. Mary's counties' expenditures are likely not materially affected, as explained below. CSM revenues and expenditures are likely not materially affected.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** The bill repeals the authority of the Board of Trustees of CSM to approve transfers of appropriations for direct or indirect costs in order to ensure the mission of CSM. The operating budget that must be submitted to the county commissioners is no longer required to show:

- all revenues for each campus;
- specified direct expenditures for each campus by major function;

- all indirect expenditures for institutional support; and
- all other indirect expenditures.

**Current Law/Background:** CSM is a public, regional community college serving Calvert, Charles, and St. Mary’s counties. It was established in statute by Chapter 695 of 1999 from the existing Charles County Community College. CSM operates four campuses in the tri-county area: two in Charles County and one each in Calvert and St. Mary’s counties. CSM is governed by a nine-member Board of Trustees, who are appointed for five-year terms by the Governor with the advice and consent of the Senate.

Under current law, each year the Board of Trustees of CSM and the President of CSM must prepare and submit to the county commissioners specified documents including an annual report, an operating budget, a capital budget, and if required, a long-term capital improvement plan. The operating budget must include specified elements.

The county commissioners in each county must review and approve the budget of the resident campus in that county and may reduce it.

The headcount enrollment at CSM in fall 2018 (fiscal 2019) of the three supporting counties is shown in **Exhibit 1**.

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**Exhibit 1**  
**College of Southern Maryland**  
**Headcount Enrollment by Place of Residence of Three Supporting Counties**  
**Fall 2018 (Fiscal 2019)**

	<u>Headcount</u> <u>Enrollment</u>	<u>% of</u> <u>Enrollment</u>
Calvert	1,552	24%
Charles	2,948	45%
St. Mary’s	2,019	31%
<b>CSM Total</b>	<b>6,519</b>	<b>100%</b>

CSM: College of Southern Maryland

Source: Maryland Higher Education Commission – Enrollment by Place of Residence May 2019; Department of Legislative Services

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The fiscal 2019 local contributions to CSM from the three counties is shown in **Exhibit 2**.

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**Exhibit 2**  
**College of Southern Maryland**  
**Local Contributions**  
**Fiscal 2019**

	<u>Contribution</u>	<u>Local Share of Total</u>
Calvert	\$4,646,943	25%
Charles	9,976,584	53%
St. Mary's	4,326,962	23%
<b>CSM Total</b>	<b>\$18,950,489</b>	<b>100%</b>

CSM: College of Southern Maryland

Source: Maryland Higher Education Commission; Department of Legislative Services

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**Local Fiscal Effect:** Under the bill, Calvert, Charles, and St. Mary's county commissioners receive a unified CSM budget to review with a funding request for the county. As under current law, the commissioners may choose to reduce the funding. Commissioners no longer receive direct expenditures for each campus by major function.

Charles and St. Mary's counties advise that the bill grants CSM with more budget flexibility. Calvert County advises that the bill has no fiscal impact. The Department of Legislative Services advises that the bill does not specify a method to split the costs among the three counties. The other regional community colleges in the State are required by statute to determine the local share of each of the supporting counties by using the proportion of full-time equivalent students that attend the college from all counties that support the college.

CSM revenues and expenditures are likely not materially impacted, although revenues and expenditures could increase or decrease under the bill. The actual impact depends on the actions of the supporting counties (Calvert, Charles, and St. Mary's) and how the funding requests are made.

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**Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland Association of Community Colleges; Calvert, Charles, and St. Mary's counties; Department of Legislative Services

**Fiscal Note History:** First Reader - March 9, 2020  
an/rhh Third Reader - March 16, 2020

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