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# **Fiscal Impact of Fully Funding State Law and Goals for Higher Education**

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**Presentation to the  
Commission to Develop the Maryland Model for  
Funding Higher Education**

**Presented by the Department of Legislative Services  
and the Maryland Higher Education Commission**

**September 24, 2007**

# Statutory Funding Goals

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- Legislative intent that, barring unforeseen economic conditions, beginning in fiscal 2000 the Governor's proposed general fund support for higher education be equal or greater to the prior year appropriation
- Goal that State general fund and capital support for higher education equal at least 15.5% of general fund revenues

# Fiscal 2008 State Operating and Capital Funding for Higher Education

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- Total Appropriation \$1,548.3 million
- Capital Authorization \$ 251.6 million
- **Total** **\$1,799.9 million**
  
- 13.5% of Estimated General Fund Revenues
  
- Additional \$262.3 million (operating and/or capital) is needed to reach 15.5% in fiscal 2008

# Maryland Public Colleges and Universities Fiscal 2008 Operating Funding Guidelines

<u>Institution</u>	<u>Funding Guideline</u>	<u>Appropriation<sup>1</sup></u>	<u>Difference</u>
Bowie State University	\$ 44,853,451	33,232,339	\$ 11,621,112
Coppin State University	34,310,235	31,813,469	2,496,766
Frostburg State University	37,948,389	31,116,909	6,831,480
Salisbury University	44,143,547	35,018,612	9,124,935
Towson University	91,783,768	82,442,411	9,341,357
University of Baltimore	21,064,840	27,843,694	-
UM, Baltimore	232,154,166	168,855,614	63,298,552
UM Baltimore County	114,701,879	84,488,263	30,213,616
UM Biotechnology Institute	28,505,502	21,746,042	6,759,460
UM Center for Env. Science	21,203,446	17,286,306	3,917,140
UM, College Park	508,719,204	396,173,691	112,545,513
UM Eastern Shore	35,253,247	30,876,507	4,376,740
UM University College	40,695,800	24,691,418	16,004,382
USM Office	-	19,332,764	-
<b>USM Total</b>	<b>\$ 1,255,337,474</b>	<b>\$ 1,004,918,039</b>	<b>\$ 276,531,053</b>
Morgan State University	70,844,066	67,634,160	3,209,906
<b>Total</b>	<b>\$ 1,326,181,540</b>	<b>\$ 1,072,552,199</b>	<b>\$ 279,740,959</b>

<sup>1</sup>Includes COLA allocation for fiscal 2008 and reductions made on 7-11-07.

Sources: Maryland State Operating Budget Books, Department of Budget and Management,  
Maryland Higher Education Commission, University System of Maryland, NCES IPEDS Peer Analysis System

# Maryland Higher Education Fiscal 2008 Funding Formulas

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- Cade Formula for Community Colleges
  - Appropriation: \$194.5 million
  - Appropriation based on fully funded fiscal 2007 guidelines: \$223.6 million
  - Difference: \$29.2 million
- Baltimore City Community College
  - Appropriation: \$39.7 million
  - Appropriation based on fully funded fiscal 2007 guidelines: \$46.2 million
  - Difference: \$6.5 million
- Sellinger Formula for Independent Institutions
  - Appropriation: \$56.1 million
  - Appropriation based on fully funded fiscal 2007 guidelines: \$67.2 million
  - Difference: \$11.2 million

# State Student Financial Assistance Waitlist – Fiscal 2008

Program Name	Number of Students Currently on Waitlist	Total Cost to Fund
<b>Need-based Aid</b>		
Howard P. Rawlings Education Assistance Grant	2,042	\$2,820,960*
Howard P. Rawlings Campus-based Education Assistance Grant	5,285	7,684,390
Part-time Grant	20,217	14,374,287
Graduate and Professional Scholarship	2,105	2,904,900
<b>Veterans Programs</b>		
Edward T. Conroy Memorial Scholarship	14	56,330*
Veterans of the Afghanistan and Iraq Conflicts Scholarship	27	127,742*
<b>Workforce Shortage Student Assistance Grant</b>	705	1,760,000*
<b>Distinguished Scholar Community College Transfer Award</b>	254	609,600*
<b>Total</b>	<b>30,649</b>	<b>\$30,338,209</b>

\*Includes a 36% estimated cancellation rate for EAG; a 29% estimated cancellation rate for Conroy; and a 20% estimated cancellation rate for other programs.

# Fully Funding Higher Education

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- If the statutory formulas and goals were fully funded in fiscal 2008, higher education funding would increase \$356.9 million for a total of \$2.16 billion or 16.2% of general fund revenues
- In fiscal 2009, \$2.16 billion would be needed to meet the goal of 15.5% of estimated general fund revenues