

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1305 (Delegate Shriver, et al.)

Ways and Means

Referred to Economic and Environmental Affairs

Higher Education/Business Partnerships Program

This enrolled bill creates the Higher Education/Business Partnerships Program.

This bill is effective July 1, 1996.

Fiscal Summary

State Effect: Indeterminate increase in revenues and expenditures for institutions of higher education to the extent that businesses participate in the program.

Local Effect: None.

Fiscal Analysis

Bill Summary: The Partnerships Program is intended to provide opportunities for businesses to better use resources of public senior higher education institutions of the State. The University of Maryland System, Morgan State University, and St. Mary's College shall develop and implement the program. Under the program, institutions and businesses shall enter into agreements to (1) sponsor research; (2) sponsor training developed or conducted by faculty; or (3) employ graduate students in eligible work-study programs related to the student's field of study and the economic development goals developed by the institution and the Department of Business and Economic Development.

The Department of Fiscal Services must report to the Senate Budget and Taxation Committee, the Senate Economic and Environmental Affairs Committee, and the House Committee on Ways and Means on the efficacy of the program by December 1, 2000.

State Revenues: Revenues for institutions of higher education would increase to the extent

this bill causes businesses to sponsor research, hire graduate students, or pay to have training developed. This increase, if any, cannot be estimated.

State Expenditures: Expenditures of institutions of higher education could increase by up to the amount of payments made by businesses under partnership agreements. Expenditures would not increase if a business sponsors research which would have been undertaken by the institution without the program. Administering this program can be handled with existing resources.

The Department of Business and Economic Development (DBED) advises that an Industrial Development Officer III will be required to accumulate training needs for various industries in different regions, communicate these needs to higher education institutions, and provide consultation to higher education institutions in the development of the programs. The Department of Fiscal Services notes that DBED currently has two significant training programs, and that the department can provide “consultation” with existing resources.

Information Source(s): Department of Business and Economic Development, Comptroller of the Treasury (Revenue Administration Division), Maryland Higher Education Commission, Maryland Insurance Administration, Department of Assessments and Taxation, University of Maryland System, Department of Fiscal Services

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