F2 9lr2103

By: Senators Rosapepe, Astle, Colburn, Dyson, Forehand, Frosh, Garagiola, Gladden, Harrington, Jones, King, Lenett, Madaleno, McFadden, Middleton, Peters, Pinsky, Pugh, Raskin, Robey, and Stone

Introduced and read first time: February 6, 2009

Assigned to: Budget and Taxation

## A BILL ENTITLED

1 AN ACT concerning

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## **Tuition Cap and College Opportunity Act of 2009**

FOR the purpose of requiring the Maryland Higher Education Commission to appoint a certain group to assess and report annually on meeting certain goals so that certain institutions are comparable and competitive; requiring the Commission to assess annually the State's and an institution's progress toward certain goals and to display the progress in an online format; requiring the Commission to update periodically certain information for certain purposes; requiring the State to provide certain General Fund support for the University System of Maryland and Morgan State University; requiring the State to set certain funding at certain levels as compared to a group of peer institutions in certain states: limiting the amount of the annual increase in tuition and fees that may be charged each academic year for certain students under certain circumstances; requiring the Governor to include in the annual budget submission for certain fiscal years a certain amount of State General Fund support for the University System of Maryland and Morgan State University; requiring additional State funds be used for certain priorities; requiring the Governor to include in the annual budget submission supplemental funding to certain institutions to be used for certain purposes; requiring performance accountability plans to include graduation rates as the primary indicator of performance for certain institutions; requiring the Board of Regents of the University System of Maryland to submit a biannual report beginning on a certain date regarding certain policies and procedures; establishing a Tuition Stabilization Trust Account within the Higher Education Investment Fund; providing for the purpose of the Account; providing for the source of funds for the Account; providing for a certain amount of funds to be held in the Account; providing for the appropriation of certain funds from the Account to certain institutions for certain purposes; authorizing a governing board to develop a pilot tuition plan for certain purposes, subject to certain restrictions; requiring the Commission to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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11-105.

| 1<br>2<br>3<br>4<br>5<br>6<br>7<br>8 | develop and implement a graduated scale for certain grants based on certain criteria; modifying a certain award amount for a certain scholarship program; reauthorizing the Higher Education Investment Fund; requiring the Commission to modify certain grants based on certain criteria; declaring the intent of the General Assembly; requiring certain reports to the General Assembly on or before certain dates; defining certain terms; and generally relating to State support for and tuition at higher education institutions in Maryland. |
|--------------------------------------|--|
| 9<br>10<br>11<br>12<br>13            | BY repealing and reenacting, without amendments, Article – Education Section 10–203(a) Annotated Code of Maryland (2008 Replacement Volume)  |
| 14<br>15<br>16<br>17<br>18           | BY repealing and reenacting, with amendments,     Article – Education     Section 11–105(f)(1) and (h), 11–305, 15–106.6, and 18–304(a) and (b)(1)     Annotated Code of Maryland     (2008 Replacement Volume)  |
| 19<br>20<br>21<br>22<br>23           | BY adding to Article – Education Section 11–108, 12–117, and 15–106.7 Annotated Code of Maryland (2008 Replacement Volume)   |
| 24<br>25<br>26<br>27<br>28           | BY repealing and reenacting, with amendments,     Article – Tax – General     Section 2–613.1     Annotated Code of Maryland     (2004 Replacement Volume and 2008 Supplement)  SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  |
| 30                                   | MARYLAND, That the Laws of Maryland read as follows:   |
| 31                                   | Article – Education  |
| 32                                   | 10–203.  |
| 33<br>34<br>35                       | (a) It is the goal of the State that public senior higher education institutions be funded at 100 percent of funding guidelines developed by the Maryland Higher Education Commission.   |
|                                      |  |

(f) (1) The Commission is responsible for:

| $\begin{matrix} 1 \\ 2 \\ 3 \end{matrix}$ | (i) Developing a program of desegregation and equal educational opportunity, including developing an enhancement plan, for historically African American colleges and universities;  |
|---|--|
| 4<br>5<br>6                               | (ii) Monitoring the progress made under, and assuring compliance with, the goals, measures, and commitments contained in the desegregation and equal education opportunity plan;   |
| 7<br>8                                    | (iii) Making recommendations concerning needed resources for achieving the goals and objectives under this subsection;   |
| 9<br>10<br>11                             | (iv) Requiring reports from each governing board concerning progress toward equal opportunity in all activities and programs under its jurisdiction; [and]   |
| 12<br>13<br>14<br>15<br>16<br>17          | (V) APPOINTING A GROUP OF INDEPENDENT ADVISERS TO ASSESS AND REPORT ANNUALLY TO THE COMMISSION ON THE PROGRESS OF THE STATE AND THE HISTORICALLY AFRICAN AMERICAN COLLEGES AND UNIVERSITIES ON MEETING THE GOALS TO ENSURE COMPARABILITY AND COMPETITIVENESS OF THE HISTORICALLY AFRICAN AMERICAN COLLEGES AND UNIVERSITIES; AND |
| 18<br>19<br>20<br>21<br>22                | [(v)] (VI) Reporting ANNUALLY to the Governor and, subject to § 2–1246 of the State Government Article, the General Assembly regarding the progress of compliance with desegregation and equal education opportunity plans BASED ON THE REPORT FROM THE GROUP OF INDEPENDENT ADVISERS TO THE COMMISSION.                         |
| 23  | (h) The Commission:  |
| 24<br>25<br>26                            | (1) May secure, compile, and evaluate information on any matter within its authority, in the format it requires, from any person, agency, regional higher education center, or institution subject to its authority;   |
| 27<br>28                                  | (2) May engage in research, data compilation, and publication of reports concerning postsecondary education in the State;  |
| 29<br>30<br>31                            | (3) Through its representatives, may visit at any reasonable times and make reasonable inspections of any institution of postsecondary education or regional higher education center subject to its authority;   |
| 32<br>33<br>34                            | (4) In consultation with the segments of higher education, shall develop guidelines to assess the adequacy of operating and capital funding based on comparisons with institutions designated as peer institutions and other appropriate   |

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factors; [and]

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| $\begin{matrix} 1 \\ 2 \\ 3 \end{matrix}$ | (5) In consultation with the Department of Budget and Management, annually shall make recommendations consistent with the Charter and the plan under subsection (b) of this section on the appropriate level of funding for higher education; |
|---|---|
| 4   | (6) On or before December 1 of each year, shall conduct   |
| 5<br>6                                    | ANNUAL ASSESSMENTS FOR EACH INSTITUTION OF HIGHER EDUCATION AND FOR THE STATE IN THE AGGREGATE, THAT SHALL:   |
| 7<br>8                                    | (I) MEASURE THE PROGRESS TOWARD MEETING THE FUNDING GOALS SET FORTH IN $\S$ 11–108 OF THIS SUBTITLE;  |
| 9<br>10                                   | (II) MEASURE THE PERFORMANCE OF INSTITUTIONS OF HIGHER EDUCATION; AND   |
| 11<br>12                                  | (III) SHOW THE PROGRESS MADE TOWARD THE GOALS IN AN ONLINE FORMAT THAT IS EASILY ACCESSIBLE AND UNDERSTOOD; AND   |
| 13  | (7) SHALL UPDATE PERIODICALLY THE LIST OF COMPETITOR  |
| 14  | STATES USED TO DETERMINE THE FUNDING GOALS IN § 11-108 OF THIS  |
| 15  | SUBTITLE.   |
| 16  | 11–108.   |
| 17  | (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  |
| 18  | MEANINGS INDICATED.   |
| 19  | (2) "COMPARABLE INSTITUTIONS" MEANS A GROUP OF PEER   |
| 20  | INSTITUTIONS HAVING SIMILAR ACADEMIC SCOPE, COMPARABLE SIZE, AND A  |
| 21  | SIMILAR STUDENT FINANCIAL PROFILE.  |
| 22  | (3) "COMPETITOR STATES" MEANS STATES WITH WHICH   |
| 23  | MARYLAND PRINCIPALLY COMPETES FOR EMPLOYERS, AS DETERMINED BY THE   |
| 24  | MARYLAND HIGHER EDUCATION COMMISSION IN CONSULTATION WITH THE   |
| 25  | DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT.  |
| 26  | (4) "PUBLIC SENIOR HIGHER EDUCATION INSTITUTIONS" MEANS:  |
| 27  | (I) THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY  |
| 28  | SYSTEM OF MARYLAND; AND   |
| 29  | (II) MORGAN STATE UNIVERSITY.   |
| 30  | (B) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE STATE SHALL  |

PROVIDE GENERAL FUND SUPPORT FOR THE UNIVERSITY SYSTEM OF

- 1 MARYLAND AND MORGAN STATE UNIVERSITY TO ACHIEVE 100% OF THE 2 FUNDING GUIDELINES DEVELOPED BY THE COMMISSION.
- 3 (C) (1) By 2020, MARYLAND HIGHER EDUCATION FUNDING SHALL
- 4 REACH A LEVEL OF HIGH STATE INVESTMENT AND MODERATE TUITION, AND
- 5 PROGRESS TOWARD MEETING THESE GOALS SHALL BE ASSESSED ANNUALLY IN
- 6 ACCORDANCE WITH § 11–105(H)(6) OF THIS SUBTITLE.
- 7 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
- 8 PARAGRAPH, THE STATE SHALL SET STATE FUNDING OF THE PUBLIC SENIOR
- 9 HIGHER EDUCATION INSTITUTIONS AT THE 75TH PERCENTILE OF FUNDING PER
- 10 STUDENT AT COMPARABLE INSTITUTIONS LOCATED IN COMPETITOR STATES.
- 11 (II) THE STATE SHALL SET STATE FUNDING OF PUBLIC
- 12 HISTORICALLY AFRICAN AMERICAN COLLEGES AND UNIVERSITIES AT THE 80TH
- 13 PERCENTILE OF FUNDING PER STUDENT AT COMPARABLE INSTITUTIONS
- 14 LOCATED IN COMPETITOR STATES.
- 15 (3) (I) THE STATE SHALL SET GROSS IN-STATE TUITION AND
- 16 FEES AT PUBLIC SENIOR HIGHER EDUCATION INSTITUTIONS AT OR BELOW THE
- 17 50TH PERCENTILE OF GROSS TUITION AND FEES AT COMPARABLE
- 18 INSTITUTIONS LOCATED IN COMPETITOR STATES.
- 19 (II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS
- 20 PARAGRAPH, THE STATE SHALL LIMIT INCREASES IN TUITION AND FEES IN ANY
- 21 GIVEN YEAR TO THE INCREASE IN THE 3-YEAR ROLLING AVERAGE OF THE
- 22 STATE'S MEDIAN FAMILY INCOME.
- 23 (III) THE TUITION AND FEE LIMITATION IN SUBPARARAPH
- 24 (II) OF THIS PARAGRAPH ONLY APPLIES IF:
- 25 1. The public senior higher education
- 26 INSTITUTIONS HAVE RECEIVED A GENERAL FUND APPROPRIATION MEETING
- 27 THE REQUIREMENTS OF THIS SECTION; AND
- 28 2. The Board of Public Works does not
- 29 REDUCE FUNDING FOR THE PUBLIC SENIOR HIGHER EDUCATION INSTITUTIONS.
- 30 (D) (1) FOR EACH OF FISCAL YEARS 2012 THROUGH 2019, THE
- 31 GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AT LEAST THE
- 32 AMOUNT OF STATE GENERAL FUND SUPPORT NECESSARY FOR THE
- 33 CONSTITUENT INSTITUTIONS OF THE UNIVERSITY SYSTEM OF MARYLAND IN
- 34 TOTAL TO ACHIEVE:

| 1<br>2               | 2012;   | <b>(I)</b>      | <b>67</b> %  | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
|----------------------|---|-----------------|--------------|------|-------|----------|-----------|-------|--------|-------|
| 3<br>4               | 2013;   | (II)            | <b>71</b> %  | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 5<br>6               | 2014;   | (III)           | <b>75</b> %  | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 7<br>8               | 2015;   | (IV)            | <b>79</b> %  | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 9<br>10              | 2016;   | (v)             | 83%          | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 11<br>12             | 2017;   | (VI)            | 87%          | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 13<br>14             | 2018; AND                                       | (VII)           | 91%          | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 15<br>16             | 2019.   | (VIII)          | 95%          | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 17<br>18<br>19<br>20 | (2) GOVERNOR SHA AMOUNT OF STAT UNIVERSITY TO A | LL INC<br>FE GE | CLUD<br>NERA | E IN | 1 THI | E ANNUAL |           | ILL A | T LEAS | Г ТНЕ |
| 21<br>22             | 2012;   | (I)             | 71%          | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 23<br>24             | 2013;   | (II)            | <b>75</b> %  | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 25<br>26             | 2014;   | (III)           | <b>79</b> %  | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 27<br>28             | 2015;   | (IV)            | 83%          | OF   | тне   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |
| 29<br>30             | 2016:   | (v)             | 87%          | OF   | THE   | FUNDING  | GUIDELINE | FOR   | FISCAL | YEAR  |

| 1<br>2                           | (VI) 91% OF THE FUNDING GUIDELINE FOR FISCAL YEAR 2017;   |
|----------------------------------|---|
| 3 4                              | (VII) 95% OF THE FUNDING GUIDELINE FOR FISCAL YEAR 2018; AND  |
| 5<br>6                           | (VIII) 99% OF THE FUNDING GUIDELINE FOR FISCAL YEAR 2019.   |
| 7<br>8<br>9<br>10                | (3) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AT LEAST THE AMOUNT OF STATE GENERAL FUND SUPPORT NECESSARY FOR THE PUBLIC SENIOR HIGHER EDUCATION INSTITUTIONS TO ACHIEVE 100% OF THE FUNDING GUIDELINE.  |
| 12<br>13<br>14<br>15             | (E) Undergraduate education capacity at historically African American colleges and universities shall be the first priority for additional State funding provided under the funding guidelines.   |
| 16<br>17<br>18<br>19<br>20<br>21 | (F) (1) IN RECOGNITION OF THE CONSIDERABLE REMEDIATION EFFORT AND CONTINUING STUDENT SUPPORT DEMANDED OF HISTORICALLY AFRICAN AMERICAN COLLEGES AND UNIVERSITIES AT THE UNDERGRADUATE LEVEL, THE GOVERNOR SHALL PROVIDE AN AMOUNT OF SUPPLEMENTAL FUNDING TO THE HISTORICALLY AFRICAN AMERICAN COLLEGES AND UNIVERSITIES IN THE ANNUAL BUDGET BILL. |
| 22<br>23<br>24                   | (2) THE FUNDING SHALL BE SPENT ONLY FOR REMEDIATION EFFORTS AND FOR STRATEGIES AND INITIATIVES THAT HAVE PROVEN TO BE BEST PRACTICES IN IMPROVING GRADUATION RATES.   |
| 25<br>26                         | (3) THE SUPPLEMENTAL FUNDING SHALL REPLACE THE ACCESS AND SUCCESS PROGRAM.  |
| 27                               | 11–305.   |
| 28                               | Performance accountability plans developed under this subtitle shall:   |

31 (2) Include multiyear studies which shall include quantifiable indices 32 of student academic performance and development including graduation and retention 33 rates and the results of academic program reviews;

a statement of the outcomes which each institution expects to achieve;

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(1)

Be based on the institutional mission statement and shall include

- 1 (3) Identify institutional performance objectives appropriate to the 2 mission of the institution in addition to those related to student learning and include 3 reports based on regional and professional accreditation and certification;
- 4 (4) In the case of senior public higher education institutions, designate 5 a set of peer institutions to which the institution's performance will be compared; 6 [and]
- 7 (5) Make provision for improvements, as needed, as a result of the 8 performance accountability report; AND
- 9 (6) IN THE CASE OF HISTORICALLY AFRICAN AMERICAN 10 COLLEGES AND UNIVERSITIES:
- 11 (I) **D**ESIGNATE GRADUATION RATE AS THE PRIMARY 12 INDICATOR OF PERFORMANCE; AND
- 13 (II) If the institution receives supplemental 14 funding developed under § 11–108(f) of this title, provide
- 15 MEASURABLE GOALS, INCLUDING GRADUATION RATES, AND REPORT RESULTS
- 16 AGAINST THOSE GOALS.
- 17 **12–117.**
- 18 (A) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
  19 UNIVERSITY SYSTEM OF MARYLAND IMPROVE ITS EFFECTIVENESS AND
  20 EFFICIENCY AND REDUCE ITS COST STRUCTURE BY BECOMING THE NATIONAL
  21 LEADER IN TRANSFORMING THE BUSINESS MODEL OF PUBLIC HIGHER
  22 EDUCATION TO PROVIDE WORLD-CLASS EDUCATION, RESEARCH, AND PUBLIC
  23 SERVICE AT BELOW AVERAGE COSTS.
- 24 ON OR BEFORE NOVEMBER 1, 2009, AND ON NOVEMBER 1 EVERY 25 SECOND YEAR THEREAFTER, THE BOARD OF REGENTS SHALL SUBMIT, IN 26 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, A REPORT 27 ON THE POLICIES AND PROCEDURES IT HAS IMPLEMENTED IN ACCORDANCE 28 WITH SUBSECTION (A) OF THIS SECTION TO THE HOUSE APPROPRIATIONS 29 COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE AND THE SENATE 30 BUDGET AND TAXATION COMMITTEE AND THE SENATE EDUCATION, HEALTH, 31 AND ENVIRONMENTAL AFFAIRS COMMITTEE OF THE GENERAL ASSEMBLY.
- 32 15–106.6.
- 33 (a) (1) In this section the following words have the meanings indicated.
- 34 (2) "Fund" means the Higher Education Investment Fund.

| $\frac{1}{2}$    | (3)<br>Trust Accoun       | "TRUST ACCOUNT" MEANS THE TUITION STABILIZATION IT.   |
|------------------|---------------------------|---|
| 3<br>4<br>5<br>6 | all undergraduat          | (4) "Tuition" means the charges and fees approved by the of a public senior higher education institution which are required of a resident students by the institution as a condition of enrollment student's degree program, field of study, or selected courses. |
| 7                | (b) (1)                   | There is a Higher Education Investment Fund.  |
| 8                | (2)                       | The purpose of the Fund is to:  |
| 9<br>10          | development; and          | (i) Invest in public higher education and workforce   |
| 11               |                           | (ii) Keep tuition affordable for Maryland students and families.  |
| 12<br>13         | (3)<br>7–302 of the State | The Fund is a special, nonlapsing fund that is not subject to § e Finance and Procurement Article.  |
| 14<br>15         | (4) account for the Fu    | The Treasurer shall hold the Fund and the Comptroller shall and.  |
| 16               | (5)                       | The proceeds of the Fund shall be invested and reinvested.  |
| 17               | (6)                       | Any investment earnings shall be paid into the Fund.  |
| 18               | (7)                       | The Fund consists of:   |
| 19               |                           | (i) Money appropriated in the State budget for the Fund; and  |
| 20<br>21         | benefit of the Fun        | (ii) Any other money from any other source accepted for the d.  |
| 22               | (8)                       | The Commission shall administer the Fund.   |
| 23               | (9)                       | Money in the Fund may be expended only:   |
| 24<br>25         | higher education          | (i) To supplement General Fund appropriations to public senior institutions;  |
| 26               |                           | (ii) For public senior higher education capital projects;   |
| 27<br>28         | Commission; and           | (iii) For workforce development initiatives administered by the   |

- 1 For initiatives to address higher education needs related to  $\mathbf{2}$ the United States Department of Defense Base Realignment and Closure process. 3 Expenditures from the Fund may be made only in accordance with 4 an appropriation approved by the General Assembly in the annual State budget. 5 WITHIN THE FUND THERE IS A TUITION STABILIZATION (C) 6 TRUST ACCOUNT. 7 **(2)** THE TRUST ACCOUNT IS ESTABLISHED TO RETAIN (I)8 REVENUES FOR STABILIZING TUITION COSTS FOR STUDENTS. 9 (II)IN YEARS OF INCREASING CORPORATE TAX REVENUES. 10 FUNDS SHALL BE DEPOSITED INTO THE TRUST ACCOUNT AND, IN YEARS OF 11 DECREASING REVENUES, FUNDS SHALL BE USED TO STABILIZE TUITION. 12 **(3)** THE TRUST ACCOUNT CONSISTS OF: 13 (I)MONEY APPROPRIATED IN THE STATE BUDGET FOR 14 THE TRUST ACCOUNT: AND 15 (II)ANY OTHER MONEY FROM ANY OTHER SOURCE 16 ACCEPTED FOR THE BENEFIT OF THE TRUST ACCOUNT. 17 A BALANCE OF BETWEEN 1% AND 5% OF TOTAL TUITION **(4)** 18 REVENUES RECEIVED BY PUBLIC SENIOR HIGHER EDUCATION INSTITUTIONS IN 19 THE PRIOR FISCAL YEAR SHOULD BE MAINTAINED IN THE TRUST ACCOUNT. 20 MONEY IN THE TRUST ACCOUNT MAY BE EXPENDED ONLY TO **(5)**
- 21SUPPLEMENT GENERAL FUND APPROPRIATIONS TO PUBLIC SENIOR HIGHER
- 22EDUCATION INSTITUTIONS FOR THE PURPOSE OF STABILIZING TUITION COSTS
- 23 OF STUDENTS.
- 24**15–106.7.**
- 25(A) **(1)** IN THIS SECTION THE FOLLOWING WORDS HAVE THE 26 **MEANINGS INDICATED.**
- 27 "ACADEMIC YEAR" HAS THE MEANING STATED IN § 15–106.5 **(2)** 28 OF THIS SUBTITLE.
- 29 "GOVERNING BOARD" MEANS: **(3)**

| 1<br>2               | (I) THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND;   |
|----------------------|--|
| 3<br>4               | (II) THE BOARD OF REGENTS OF MORGAN STATE UNIVERSITY; AND  |
| 5<br>6               | (III) THE BOARD OF TRUSTEES OF ST. MARY'S COLLEGE OF MARYLAND.   |
| 7<br>8               | (4) "Public senior higher education institution" has the meaning stated in $\S$ 10–101 of this article.  |
| 9<br>10              | (5) "Tuition" has the meaning stated in $\S$ 15–106.5 of this subtitle.  |
| 11<br>12<br>13       | (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A GOVERNING BOARD MAY DEVELOP A PILOT LONG-TERM TUITION PLAN FOR A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION.   |
| 14<br>15<br>16<br>17 | (C) THE PURPOSE OF THE PILOT LONG-TERM TUITION PLAN IS TO ENSURE THAT THE FOLLOWING INDIVIDUALS ARE INFORMED OF THE TUITION THAT WILL BE CHARGED FOR 4 ACADEMIC YEARS OF ENROLLMENT AT A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION: |
| 18<br>19             | (1) A RESIDENT UNDERGRADUATE STUDENT WHO ENROLLS IN THE PUBLIC SENIOR HIGHER EDUCATION INSTITUTION; AND  |
| 20<br>21             | (2) AN INDIVIDUAL WHO APPLIES FOR ADMISSION TO THE PUBLIC SENIOR HIGHER EDUCATION INSTITUTION.   |
| 22<br>23<br>24       | (D) BEFORE THE IMPLEMENTATION OF A PILOT LONG-TERM TUITION PLAN BY A GOVERNING BOARD, THE GOVERNING BOARD SHALL SUBMIT THE PLAN TO THE COMMISSION FOR REVIEW AND APPROVAL.   |
| 25                   | 18–304.  |
| 26<br>27<br>28       | (a) (1) Except as provided in § 18–307 of this subtitle, the Office shall determine the amount of each Delegate Howard P. Rawlings Educational Excellence Award based on the financial need of the applicant.                        |
| 29<br>30             | (2) In determining the amount of financial need, the Office shall consider regional cost–of–living differences.  |

| $\begin{matrix} 1 \\ 2 \\ 3 \end{matrix}$ | (3) In determining the percent of financial need used to calculate an award for a community college student receiving a Delegate Howard P. Rawlings Educational Excellence Award, the Commission shall use the following percentages:                            |
|---|--|
| 4   | (i) For fiscal year 2007, not less than 55%; and   |
| 5<br>6                                    | $ \hbox{ (ii)}  \hbox{For fiscal year 2008 and each fiscal year thereafter, not less than 60\%.}$  |
| 7<br>8<br>9                               | (4) IN DETERMINING THE AMOUNT OF AN AWARD, THE OFFICE SHALL DEVELOP A GRADUATED SCALE BASED ON THE STUDENT'S FINANCIAL NEED.   |
| 10<br>11<br>12<br>13                      | (b) (1) Except as provided in paragraph (2) of this subsection, a Delegate Howard P. Rawlings Educational Excellence Award may be awarded in \$100 increments and the award for a single year may not be less than \$400 or more than [\$3,000] <b>\$6,000</b> . |
| 14  | Article - Tax - General  |
| 15  | 2–613.1.   |
| 16  | After making the distribution required under § 2–613 of this subtitle[:  |
| 17<br>18                                  | (1)], of the remaining income tax revenue from corporations, the Comptroller shall distribute:   |
| 19  | [(i) for fiscal year 2008 only:  |
| 20<br>21                                  | $1.  \$16,000,000 \ \ to \ \ the \ \ Higher \ \ Education \ \ Investment$ Fund established under $\$\ 15-106.6$ of the Education Article; and  |
| 22<br>23                                  | 2. the amount by which 15.15% of the remaining income tax revenue from corporations exceeds \$16,000,000 to the General Fund; and  |
| 24  | (ii) for fiscal year 2009 only:  |
| 25<br>26                                  | 1.] (I) $6\%$ to the Higher Education Investment Fund established under $\S$ 15–106.6 of the Education Article; and  |
| 27  | [2.] (II) $9.15\%$ to the General Fund[; and   |
| 28<br>29<br>30                            | (2) for fiscal year 2010 and subsequent fiscal years, the Comptroller shall distribute 15.15% of the remaining income tax revenue from corporations to the General Fund of the State].   |

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SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Higher Education Commission shall modify the Guaranteed Access Grant under Title 18, Subtitle 3 of the Education Article so that 100% of need is met for students with family incomes of up to 150% of the federal poverty level and that smaller grants are made to students with family incomes between 150% and 200% of the federal poverty level.

SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly to move the sum of the State General Fund appropriation and tuition for institutions in the University System of Maryland, on a per student basis, to at least the average of their peer institutions as determined by the Maryland Higher Education Commission, or order to be consistent with Chapter 246 of the Acts of 1988, which formed the University System of Maryland, and with Chapter 515 of the Acts of 1999, also known as the Larson Commission Act.

SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly to continue to support Maryland's historically African American institutions in accordance with the agreement reached between the State of Maryland and the United States Department of Education, Office of Civil Rights in December 2000.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2009.