

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 669
Appropriations

(Delegate Haynes)

Maryland Higher Education Commission - Employees and Children - Tuition Waiver

This bill requires each governing board of a public institution of higher education to develop a policy for waiving tuition for employees of the Maryland Higher Education Commission (MHEC) and their children.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: The tuition waiver policies can be developed using existing resources. Depending on the policies adopted by institution governing boards, tuition revenues may decrease, perhaps significantly at some institutions.

Local Effect: None. The bill is not directed at community colleges.

Small Business Effect: None.

Analysis

Current Law: Each governing board of a public institution of higher education is required to develop a policy for the waiver of tuition, and may develop a policy for the waiver of room and board, for faculty and employees of public institutions of higher education and their children who attend public institutions of higher education in the State.

“Governing board” is defined as the Board of Regents of the University System of Maryland (USM), the Board of Regents of Morgan State University (MSU), the Board of Trustees of St. Mary’s College of Maryland (SMCM), and the Board of Trustees of Baltimore City Community College (BCCC).

Background: MHEC is the State’s coordinating body for USM, MSU, SMCM, BCCC, the other 15 locally operated community colleges, the State’s independent colleges and universities, and for-profit private career schools. MHEC’s mission is to ensure that Maryland residents have access to a high quality, adequately funded, effectively managed, and capably led system of postsecondary education. MHEC’s vision is to have all Maryland residents equally prepared to be productive, socially engaged, and responsible members of a healthy economy. The Secretary of Higher Education is the agency’s head and serves at the 12-member commission’s pleasure.

In November 2011, MHEC’s offices were moved from Annapolis to the Maryland State Department of Education’s building in Baltimore. The Governor’s proposed fiscal 2013 budget includes \$4.4 million for 56.6 regular positions and 4.0 contractual positions at MHEC.

According to USM’s current tuition waiver policy, in general, regular employees may take up to eight credits per semester and may take graduate and undergraduate courses. Tuition for part-time employees is prorated. In general, spouses and dependent children of employees or retirees at degree-granting institutions of USM may receive full tuition remission of 100% on courses toward a first undergraduate degree at the institution where the spouse or parent is employed. Such spouses and dependent children may attend another USM institution to which the student has been accepted with 50% tuition remission, with the approval of the institution’s president or designee. This option is available to a spouse or dependent child who wishes to enroll in courses toward the student’s first undergraduate degree in an academic program that is not available at the home institutions or when the spouse or dependent child was not accepted for admission to the home institution.

There are also a number of special circumstances and limitations, including that spouses and dependent children of USM employees or retirees at a nondegree granting institution may register for courses toward a first undergraduate degree at any USM institution with full (100%) tuition remission. Permanent part-time employees receive a reduction in tuition based on their employment percentage.

MSU and SMCM have similar tuition waiver policies. Permanent employees of USM, SMCM, and BCCC, and their dependents may receive a tuition waiver at MSU at the same level of benefits each institution offers to MSU’s permanent employees.

Under the USM employee and dependent tuition waiver policy, undergraduate tuition revenues were reduced by \$13.8 million in fiscal 2010 and 2011: 4,894 individuals received a waiver with an average award of \$2,830 in fiscal 2011. An additional 2,620 individuals received a waiver for graduate courses, which reduced tuition revenues by a total of \$8.8 million.

State Fiscal Effect: Tuition waiver policies can be developed with the existing resources of the governing boards of USM institutions, MSU, SMCM, and BCCC. Tuition revenues will decrease in accordance with the adopted policies. Using the average proposed fall 2012 (fiscal 2013) undergraduate tuition for four-year public institutions of higher education, tuition revenues will decrease by up to approximately \$6,083 for each additional full-time equivalent (FTE) student who receives a waiver. BCCC has not proposed tuition rates for 2012-2013 yet; based on fiscal 2012 rates, tuition revenues will decrease by up to approximately \$3,000 per FTE for each student who receives a waiver. The effect of a tuition waiver policy on MHEC employee retention cannot be quantified and will depend on the policy adopted.

Additional Information

Prior Introductions: None.

Cross File: SB 608 (Senator Benson) - Education, Health, and Environmental Affairs.

Information Source(s): Baltimore City Community College, Maryland Higher Education Commission, Morgan State University, St. Mary's College of Maryland, University System of Maryland, Department of Legislative Services

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