

HB0368/384120/1

RACH

BY: Appropriations Committee

AMENDMENTS TO HOUSE BILL NO. 368
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Prepaid Higher Education Expense Program” and substitute “Task Force on the Maryland Prepaid Tuition Savings Program”; and strike in their entirety lines 3 through 23, inclusive, and substitute:

“FOR the purpose of establishing a Task Force on the Maryland Prepaid Tuition Savings Program; specifying the membership, duties, and staffing of the Task Force; requiring the Task Force to issue a certain report by a certain date; requiring the disbanding of the Task Force by a certain date; providing for the effective date of this Act; and generally relating to the Task Force on the Maryland Prepaid Tuition Savings Program.”.

On pages 1 and 2, strike in their entirety the lines beginning with line 24 on page 1 through line 6 on page 2, inclusive.

AMENDMENT NO. 2

On pages 2 through 13, strike in their entirety the lines beginning with line 7 on page 2 through line 33 on page 13, inclusive, and substitute:

“Preamble

WHEREAS, Educational opportunity at the postsecondary level is a critical State interest;
and

WHEREAS, Educational opportunity often is best ensured through the State’s institutions of higher education that are geographically and financially accessible; and

(Over)

WHEREAS, The cost of postsecondary education has escalated and constitutes a substantial barrier for many families seeking to finance postsecondary education; and

WHEREAS, It is in the State's interest to assist families in planning for postsecondary education to meet both the individual's and State's future needs; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

(a) A Task Force on the Maryland Prepaid Tuition Savings Program shall be established for the purpose of developing an implementation plan for a program allowing for the advance payment of undergraduate tuition at higher education institutions in Maryland.

(b) The Task Force shall consist of the following 12 members:

(1) Two members of the House of Delegates, to be appointed by the Speaker of the House;

(2) Two members of the Senate of Maryland, to be appointed by the President of the Senate;

(3) Two representatives of the Maryland Higher Education Commission, to be appointed by the Governor;

(4) A representative of the Office of the State Treasurer, to be appointed by the Treasurer;

(5) A representative of the Governor's Executive Staff, to be appointed by the Governor;

(6) A representative of the Board of Regents of the University of Maryland System, to be appointed by the Governor;

(7) A representative of the Maryland Independent Colleges and Universities Association, to be appointed by the Governor; and

(8) Two members of the public who have significant experience in actuarial analysis, finance, accounting, investment management, or other areas that are relevant to the Task Force, to be appointed by the Governor.

(c) The Governor shall designate the Chairman of the Task Force.

(d) The Department of Fiscal Services and the Maryland Higher Education Commission shall provide staff for the Task Force.

(e) A member of the Task Force may not receive compensation for serving on the Task Force.

(f) The Task Force shall:

(1) Establish a plan for implementing a Maryland Prepaid Tuition Savings Program, which would allow for the advance payment of undergraduate tuition at higher education institutions in the State;

(2) Study a variety of issues relating to the Maryland Prepaid Tuition Savings Program, including whether the program should offer a guarantee, whether the program should be self-supporting and off-budget, what the structure of the program should be, the tax status of fees paid pursuant to an advance payment contract, and the application of federal security laws to a special trust fund established for prepaid tuition payments.

(3) Consider membership of the board that will oversee the program and the duties of that board;

(4) Determine the staffing and funding needs of the program;

(5) Consult with other states who have prepaid tuition savings programs;

(6) Receive other testimony that the Task Force considers appropriate; and

(7) Hold at least two public hearings on the Prepaid Tuition Savings Program.

(Over)

(g) (1) The Task Force shall make its final report on or before December 1, 1996 to the Governor, and, subject to § 2-1312 of the State Government Article, the Senate Budget and Taxation Committee, the Senate Economic and Environmental Affairs Committee, the House Appropriations Committee, and the House Ways and Means Committee of the General Assembly.

(2) The Task Force shall include in its final report proposed legislation to be introduced at the 1997 Session of the General Assembly.

(3) The Task Force shall terminate no later than May 31, 1997.”.

AMENDMENT NO. 3

On page 13, in line 34, strike “5.” and substitute “2.”; and in line 35, strike “October” and substitute “June”.