

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 1381 (Delegate Rosapepe, et al.)  
Appropriations

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**Capping Tuition Increases for Maryland College Students**

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This bill limits the amount of annual increase in tuition and mandatory fees that are charged to a resident undergraduate or graduate student at a Maryland public institution of higher education to the rate of inflation for the previous calendar year, as measured by the Consumer Price Index.

The bill takes effect July 1, 1996 and sunsets on June 30, 2001.

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**Fiscal Summary**

**State Effect:** Special fund revenues could decrease by \$11.7 million in FY 1997. Future year revenue losses increase with projected tuition, inflation, and enrollment. Special fund expenditures would decrease by an equal amount.

(\$ in millions)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
SF Revenues	(\$11.7)	(\$24.1)	(\$34.2)	(\$43.7)	(\$54.0)
SF Expenditures	(\$11.7)	(\$24.1)	(\$34.2)	(\$43.7)	(\$54.0)
Net Effect	\$0	\$0	\$0	\$0	\$0

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

**Local Effect:** None.

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## Fiscal Analysis

**Background:** The Board of Regents of the University of Maryland System (UMS) approved a new tuition policy in June 1993. Beginning in fiscal 1995, annual tuition at UMS schools are to be based on the Consumer Price Index (CPI) and other indices. However, the presidents may recommend exceptions to this normal increase when there is need for additional revenue for enhancements or initiatives approved by the Board of Regents, or due to market factors, including enrollment, applications, and tuition at comparable institutions. According to the policy, tuition paid by out-of-state undergraduates should reflect the full cost of education. In-state undergraduate tuition at each institution should range from 30% to 45% of the cost of education. The fiscal 1997 tuition for in-state full-time undergraduates ranges from 32% of the full cost of education at Coppin State College to 46% at the University of Maryland Baltimore County (UMBC).

**State Effect:** Special fund (current unrestricted) revenues could decrease by an estimated \$11.7 million in fiscal 1997. This estimate reflects tuition rates for fiscal 1997-2001 based on the University of Maryland tuition plan as approved by the Board of Regents, information provided by St. Mary's College and Morgan State University, and Maryland Higher Education Commission forecast for community colleges, as compared to tuition and fee rates under the bill's requirements based on the Consumer Price Index. The estimate also assumes: (1) an annual increase of 3% for mandatory fees for UMS and information provided by the other institutions; (2) enrollment based on the University of Maryland ten-year enrollment forecast and Maryland Higher Education Commission forecasts for St. Mary's College, Morgan State University, and community colleges; (3) the percentage of resident students based upon fall 1994 enrollment data; (4) part-time students enroll in eight credit hours annually; and (5) full-time graduate students enroll in 24 credit hours annually.

Special fund (current unrestricted) revenues would also decrease by \$11.7 million in fiscal 1997.

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**Information Source(s):** Maryland Higher Education Commission, University of Maryland System, St. Mary's College of Maryland, Morgan State University, Department of Fiscal Services

**Fiscal Note History:** First Reader - March 12, 1996

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