

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

Senate Bill 339 (Senators Lawlah and Kasemeyer)  
Economic and Environmental Affairs

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**Higher Education - Private Donation Incentive Program - Extension**

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This bill repeals the termination of the Private Donation Incentive Program (PDIC) and requires the Higher Education Commission to submit an annual report to the Governor and General Assembly summarizing the total amount of funds pledged and raised by private donors. Although the sunset date is repealed, the bill provides that the State is required to make matching contributions only for amounts pledged by July 1, 2002.

The bill takes effect June 1, 1997.

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**Fiscal Summary**

**State Effect:** State expenditures for the Private Donation Incentive Program could increase by \$3.0 million in FY 1998 as discussed below. Future year expenditures would remain constant. Revenues would not be affected.

| (\$ in millions) | FY 1998 | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|------------------|---------|---------|---------|---------|---------|
| GF Revenues      | \$0.0   | \$0.00  | \$0.00  | \$0.00  | \$0.00  |
| GF Expenditures  | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     |
| Net Effect       | (\$3.0) | (\$3.0) | (\$3.0) | (\$3.0) | (\$3.0) |

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

**Local Effect:** None.

**Small Business Effect:** None. The bill would not directly affect small business.

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## Fiscal Analysis

**State Expenditures:** General fund expenditures could increase by an average of \$3.0 million annually for five years beginning in fiscal 1998 because although the bill proposes to continue the Private Donation Incentive Program, the proposed fiscal 1998 budget does not include any funds for the program. The \$3.0 million estimate reflects (1) the program's total cap of \$15 million; (2) five year duration; and (3) prior funding history. The annual expenditure amount could vary, depending on the amount pledged by private donors in the prior year.

By law, the program must provide up to \$250,000 for each community college, up to \$750,000 for each public four-year public institution, and up to \$1,250,000 each for the University of Maryland College Park and the University of Maryland at Baltimore. Since the program began in 1989: (1) Baltimore City Community College has lost eligibility for State funds under the program, since it is no longer a formula-funded community college and is not included in the definition of an "eligible institution"; and (2) Carroll Community College was created and gained eligibility for program funds.

Future year expenditures would remain constant and would vary, depending on the amount pledged by private donors in the prior year.

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**Information Source(s):** Maryland Higher Education Commission, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 20, 1997  
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