

Department of Legislative Services  
Maryland General Assembly

**FISCAL NOTE****Revised**

House Bill 1402 (Delegate Hixson. *et al.*)

Appropriations

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**Public Senior Higher Education Institutions - Tuition Waivers - Equity in Funding of Athletics**

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This bill requires the State to provide a full tuition waiver for an in-State female athlete who: (1) attends or plans to attend a University System of Maryland (USM) constituent institution as an undergraduate student; (2) is selected by a constituent institution as a recipient of a full tuition scholarship based on athletic ability; and (3) agrees to participate in a specific athletic activity as part of an intercollegiate athletic team at the institution.

In addition, the bill requires the State to match on a 2-to-1 basis any funds raised for the operational expenses of a women's intercollegiate athletic team at a USM constituent institution by an athletic department or the institution. The amount of matching funds that an institution may receive from the State in this regard may not exceed 15% of the total operational expenditures by the institution for women's athletic programs.

The bill is effective July 1, 1998.

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**Fiscal Summary**

**State Effect:** Increase in general fund expenditures of as much as \$1,455,609 in FY 1999. Out-year expenditure increases would be similar, but would reflect tuition increases, changes in numbers of qualified in-State female athletes, and changes in amounts of fundraising and expenditures for women's athletics. Decrease in expenditures/increase in revenues for university athletic departments corresponding to the increase in general fund expenditures. University athletic department revenues could increase by additional amounts to the extent that the bill prompts increased fundraising.

**Local Effect:** None.

**Small Business Effect:** None.

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## Fiscal Analysis

**State Effect:** This fiscal note assumes that the bill would require the State to pay to USM institutions the cost of tuition for all qualified female athletes. The USM Department of Athletics estimates that approximately 75 in-State female athletes would qualify for a tuition waiver under the bill. This estimate takes into consideration limitations imposed by the National Collegiate Athletic Association on the number of athletic scholarships that may be awarded. Based on a fiscal 1999 average tuition rate for USM institutions of \$4,137, general fund expenditures would increase by \$310,275 in fiscal 1999 for these tuition waivers. A similar amount would be freed up for other uses by athletic departments, which currently pay the tuition expenses of the athletes who receive full athletic scholarships.

The provision of the bill requiring the State to match institutional fundraising for women's athletics on a 2-to-1 basis would also result in an increase in general fund expenditures. Total expenditures on women's athletics by USM constituent institutions was approximately \$7,635,558 in fiscal 1997. Using that figure, the maximum State match for fundraising, or 15% of the total expenses, would be \$1,145,334.

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**Information Source(s):** Maryland Higher Education Commission, University System of Maryland, Department of Legislative Services

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