

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE

House Bill 309 (Delegates Healev and Hixson)

Appropriations

Education - Limitation on Tuition at Public Institutions of Higher Education

This bill provides that a public institution of higher education in the State may not charge for tuition more than 10% of the median family income in the State.

Fiscal Summary

State Effect: St. Mary's College of Maryland tuition revenues (current unrestricted funds) would decrease by approximately \$1.2 million in FY 2000. Out-year tuition revenue losses reflect inflation and enrollment increases. No direct effect on expenditures.

| (in millions) | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 |
|-----------------|---------|---------|---------|---------|---------|
| SF Revenues | (\$1.2) | (\$1.4) | (\$1.6) | (\$1.8) | (\$2.0) |
| SF Expenditures | 0 | 0 | 0 | 0 | 0 |
| Net Effect | (\$1.2) | (\$1.4) | (\$1.6) | (\$1.8) | (\$2.0) |

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

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Revenues: This analysis assumes that the bill's tuition limitation would only apply to undergraduate full-time resident (in-State) tuition. It is further assumed that the limitation would be effective for all of fiscal 2000 and thereafter.

The 1998 estimated statewide household median income was \$48,900. With the exception of

St. Mary's College of Maryland, fiscal 2000 undergraduate full-time resident tuition at each Maryland public higher education institution is below \$4,890, and is not expected to exceed 10% of the projected State median family income before fiscal 2005. The fiscal 2000 undergraduate full-time resident tuition rates at State public institutions are listed below.

| | |
|--|---------|
| St. Mary's College of Maryland | \$6,100 |
| University of Maryland, College Park | 4,050 |
| University of Maryland, Baltimore County | 4,046 |
| Morgan State University | 3,967 |
| University of Baltimore | 3,542 |
| Towson University | 3,332 |
| Frostburg State University | 3,216 |
| Salisbury State University | 2,772 |
| Bowie State University | 2,828 |
| University of Maryland, Eastern Shore | 2,680 |
| Coppin State College | 2,571 |

Using projected tuition, income, and enrollment figures, it is estimated that St. Mary's would lose \$1,171,008 in tuition revenues in fiscal 2000 as a result of the bill. Tuition revenue loss for St. Mary's is projected to increase to \$2,030,790 in fiscal 2004.

The Governor's proposed fiscal 2000 budget includes an allowance of \$11,156,653 for tuition and fees revenue for St. Mary's College.

Information Source(s): Maryland Higher Education Commission, Maryland Office of Planning, St. Mary's College of Maryland, Department of Legislative Services

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ncs/jr

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