

Department of Legislative Services  
 Maryland General Assembly  
 2001 Session

FISCAL NOTE  
 Revised

House Bill 336  
 Appropriations

(Delegate Turner, *et al.*)

Economic and Environmental Affairs

**Higher Education - Tuition Waiver - Faculty and Employees**

This bill requires the governing boards of University System of Maryland institutions, Morgan State University, St. Mary's College, and Baltimore City Community College to develop policies for the waiver of tuition for faculty and staff of the institutions and their children who attend the institutions.

The bill is effective June 1, 2001.

**Fiscal Summary**

**State Effect:** Tuition waiver policies could be developed with existing resources. Depending on the policies adopted by institution governing boards, tuition revenues could decrease, perhaps significantly.

**Local Effect:** None.

**Small Business Effect:** None.

**Analysis**

**Current Law:** The governing board of each public institution of higher education may develop a policy for the waiver of tuition and room and board for faculty and employees of public institutions of higher education and their children who attend public institutions of higher education in the State. The University System of Maryland (USM) currently has a policy in which a permanent employee at a USM institution who has worked at the institution for two or more years is eligible for a tuition waiver at that institution. An employee's spouse and children are also eligible for the tuition waiver. Permanent part-time employees receive a reduction in tuition based on their employment percentage. The University of Maryland, Baltimore professional schools are not included in the

waiver policy. Similar tuition waiver programs exist at Morgan State University and St. Mary's College.

**Background:** Under the current employee tuition waiver policies, fiscal 2000 revenues were reduced by \$7.4 million at USM institutions, \$231,400 at Morgan State University, and \$183,300 at St. Mary's College. The average in-State full-time undergraduate tuition rate at USM institutions will be approximately \$3,500 in fiscal 2002. The comparable tuition rates at Morgan State University and St. Mary's College will be approximately \$3,200 and \$6,700 respectively.

**State Fiscal Effect:** Tuition waiver policies could be developed with the existing resources of the governing boards of University System of Maryland institutions, Morgan State University, St. Mary's College, and Baltimore City Community College. Tuition revenues would decrease in accordance with the adopted policies. It is assumed that the policies would allow for reciprocal relationships between institutions, whereby employees of one institution or their children could have tuition waived at one of the other institutions in exchange for the same consideration for employees of the other institution. It is noted that the adopted policies could effectively limit the decrease in tuition revenues to ensure that institutions are not significantly impacted.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – February 6, 2001  
mld/jr Revised – Correction – February 7, 2001  
Revised – House Third Reader – April 2, 2001  
Revised – Enrolled Bill – May 3, 2001

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