

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE
Revised

House Bill 965
 Appropriations

(Delegate Gladden, *et al.*)

Budget and Taxation

Morgan State University - Establishment and Funding of Distinguished Scholar Position

This bill authorizes Morgan State University (MSU) to establish a distinguished scholar position known as the Clarence W. Blount Chair of Public Policy and Urban Politics. The President of MSU may appoint a person to fill the position for a term of up to two years. A person appointed to the position will teach, conduct research, and perform community service in public policy and urban politics and will receive a salary of \$100,000 per year. Other employment contract terms and conditions may be established by the President of MSU. MSU may use State matching funds from the Private Donations Incentive Program to fund the position.

The bill is effective July 1, 2003.

Fiscal Summary

State Effect: MSU expenditures could increase by an estimated \$138,200 in FY 2004 to pay the salary, fringe benefits, and operating expenses associated with the distinguished scholar position. Future year expenditures would reflect an annual salary of \$100,000, fringe benefits, and inflation. No effect on revenues.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
Higher Ed Exp.	0	138,200	133,500	133,500	133,600
Net Effect	\$0	(\$138,200)	(\$133,500)	(\$133,500)	(\$133,600)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: There are no distinguished scholar positions at MSU established in State law.

MSU may earn up to \$1.5 million in State matching funds through the Private Donations Incentive Program (PDIP) based on private donations made to the university. Each private donation included in the determination of a State match must be specifically designated as an endowment, and State matches must be applied to an academic endowment program at MSU.

Background: Senator Clarence W. Blount has been a member of the State Senate for 30 years and has been the Senate Majority Leader for nearly 20 years. For the last 15 years he has served as the Chairman of the Senate Education, Health, and Environmental Affairs Committee. Senator Blount completed his undergraduate studies at Morgan State University.

The Private Donation Incentive Program was originally in effect from 1989 to 1992. It was reestablished by Chapter 515 of 1999, which implemented the recommendations of the Larson Task Force regarding the coordination, governance, and funding of the University System of Maryland. As initially established, MSU was eligible for up to \$750,000 in State matching funds. Chapter 104 of 2001 subsequently increased the maximum PDIP State match for MSU and other historically Black colleges and universities to \$1.5 million. Through fiscal 2002, MSU has received \$392,104 in State matches for PDIP. The proposed fiscal 2003 State budget includes \$6.6 million for PDIP State matches; however, the administration proposes to defer the \$6.6 million in funding to subsequent years contingent on legislation authorizing the reduction for fiscal 2003.

State Expenditures: MSU expenditures would increase by an estimated \$138,200 in fiscal 2004, which accounts for the bill's July 1, 2003 effective date. This estimate includes the \$100,000 salary, fringe benefits, start-up costs, and ongoing operating expenses. Future year expenditures reflect a stable salary, fringe benefits, and ongoing operating expenses. Depending on other contract terms and conditions set by the President of MSU, costs could be higher.

MSU could fund the position with State matches through PDIP. If PDIP funding is used, MSU endowment funds would decrease. The bill would not affect State matches to PDIP.

Additional Information

Prior Introductions: None.

Cross File: SB 853 (Senator McFadden, *et al.*) – Budget and Taxation.

Information Source(s): Morgan State University, Department of Legislative Services

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Analysis by: Mark W. Collins

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510