

HOUSE BILL 1188

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2004 Regular Session  
4r2232  
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By: **Delegates Jones, Conway, Busch, Barkley, Barve, Bohanan, Bozman, Branch, Cadden, Cardin, G. Clagett, DeBoy, Franchot, Gaines, Goodwin, Haynes, Healey, Heller, Hixson, Howard, King, Madaleno, Marriott, McIntosh, Moe, Niemann, Paige, Patterson, Proctor, Ramirez, Ross, Rudolph, and F. Turner**

Introduced and read first time: February 13, 2004  
Assigned to: Appropriations and Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education Affordability and Access Act of 2004 - Supplementary**  
3 **Appropriation**

4 FOR the purpose of limiting, to no more than a certain percent for certain academic  
5 years, the amount of the annual increase in tuition that may be charged each  
6 academic year to a resident undergraduate student at certain public senior  
7 higher education institutions in Maryland; providing that a certain tuition  
8 limitation only applies if certain appropriations in certain fiscal years have  
9 increased a certain amount over the preceding fiscal year; requiring the  
10 Governor to include a certain increase in the annual budget submission for  
11 certain fiscal years for the University System of Maryland and Morgan State  
12 University; providing that certain funding may not supplant certain funding to  
13 certain public senior higher education institutions; establishing the Higher  
14 Education Investment Fund; specifying that the Fund is a special, nonlapsing  
15 fund, that the State Treasurer shall hold the Fund separately, and that the  
16 Comptroller shall account for the Fund; specifying that the Fund consists of  
17 certain revenues and other moneys accepted for certain purposes; requiring  
18 certain investment earnings to be credited to the Fund; allowing the Fund to be  
19 used only for certain purposes and under certain circumstances; authorizing the  
20 Governor to include up to a certain amount from the Fund to make certain  
21 appropriations for certain fiscal years; requiring certain governing boards to  
22 establish certain enrollment policies; requiring a nonpublic institution of higher  
23 education that receives State financial assistance to submit a certain report to  
24 the Maryland Higher Education Commission; requiring the Board of Regents of  
25 the University System of Maryland to submit a certain report before taking  
26 certain cost containment actions; requiring certain committee meetings of the  
27 Board to be open and certain schedules and reports to be available for public  
28 disclosure; requiring the Board to establish a minimum level of tuition for  
29 certain students based on a certain calculation; prohibiting the number of  
30 out-of-state undergraduate students from exceeding a certain percentage of the  
31 student body at certain institutions of the University System of Maryland;

1 imposing a certain surcharge on the Maryland taxable income of corporations  
2 for certain taxable years; requiring the Comptroller to distribute the revenues  
3 from the surcharge to the Higher Education Investment Fund rather than to the  
4 State General Fund and certain special funds; providing for legislative  
5 appropriations for a certain fiscal year of certain revenues derived as a result of  
6 this Act; requiring the Board of Regents of the University System of Maryland to  
7 study certain issues and submit certain reports by certain dates; requiring the  
8 Board of Regents of Morgan State University to submit a certain report by a  
9 certain date; requiring the University System of Maryland to attain certain  
10 savings of a certain amount in a certain fiscal year; declaring the intent of the  
11 General Assembly; defining certain terms; providing for the application of this  
12 Act; and generally relating to State funding for tuition, management, finance,  
13 admissions and enrollment policies at certain public senior higher education  
14 institutions in Maryland.

15 BY repealing and reenacting, with amendments,  
16 Article - Education  
17 Section 10-211  
18 Annotated Code of Maryland  
19 (2001 Replacement Volume and 2003 Supplement)

20 BY adding to  
21 Article - Education  
22 Section 12-114, 12-115, 14-104(o), and 15-106.3  
23 Annotated Code of Maryland  
24 (2001 Replacement Volume and 2003 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article - Tax - General  
27 Section 2-614, 2-615, 10-101(j), 10-102, and 10-105(b)  
28 Annotated Code of Maryland  
29 (1997 Replacement Volume and 2003 Supplement)

30 BY adding to  
31 Article - Tax - General  
32 Section 2-613.1  
33 Annotated Code of Maryland  
34 (1997 Replacement Volume and 2003 Supplement)

35 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
36 MARYLAND, That the Laws of Maryland read as follows:

**Article - Education**

1

2 10-211.

3 (a) The nonpublic institutions of higher education in the State are an  
4 important educational resource and are vital to the provision of postsecondary  
5 education in the State.

6 (b) The State shall continue to provide financial aid as provided by law to  
7 nonpublic institutions of higher education to foster this important educational  
8 resource.

9 (C) A NONPUBLIC INSTITUTION OF HIGHER EDUCATION THAT RECEIVES  
10 STATE FINANCIAL AID SHALL SUBMIT A REPORT ANNUALLY TO THE COMMISSION  
11 RELATING TO THE SCHOLARSHIPS AND GRANTS THE NONPUBLIC INSTITUTION  
12 AWARDED TO MARYLAND STUDENTS.

13 12-114.

14 (A) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE UNIVERSITY  
15 SYSTEM OF MARYLAND IMPROVE ITS EFFECTIVENESS AND EFFICIENCY AND  
16 REDUCE ITS COST STRUCTURE BY BECOMING THE NATIONAL LEADER IN  
17 TRANSFORMING THE BUSINESS MODEL OF PUBLIC HIGHER EDUCATION TO PROVIDE  
18 WORLD CLASS EDUCATION, RESEARCH, AND PUBLIC SERVICE AT BELOW AVERAGE  
19 COSTS.

20 (B) IN ANY FISCAL YEAR IN WHICH THE BOARD OF REGENTS IMPLEMENTS  
21 COST CONTAINMENT MEASURES, BEFORE ADMINISTERING ANY LAYOFFS OR  
22 REDUCTIONS TO STUDENT SERVICES, THE BOARD SHALL SUBMIT, IN ACCORDANCE  
23 WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, A REPORT TO THE GENERAL  
24 ASSEMBLY DELINEATING ALTERNATIVE MEASURES THAT WERE CONSIDERED TO  
25 CONTAIN COSTS, INCLUDING EFFORTS TO REDUCE ADMINISTRATIVE COSTS.

26 (C) THE AUDIT COMMITTEE MEETINGS OF THE BOARD OF REGENTS SHALL BE  
27 OPEN TO THE PUBLIC AND INTERNAL AUDIT SCHEDULES AND REPORTS SHALL BE  
28 AVAILABLE FOR PUBLIC DISCLOSURE.

29 12-115.

30 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE  
31 NUMBER OF OUT-OF-STATE UNDERGRADUATE STUDENTS ATTENDING A  
32 CONSTITUENT INSTITUTION MAY NOT EXCEED 30% OF ITS TOTAL UNDERGRADUATE  
33 STUDENT BODY.

34 (2) THIS SUBSECTION DOES NOT APPLY TO:

35 (I) UNIVERSITY OF MARYLAND, UNIVERSITY COLLEGE;

36 (II) UNIVERSITY OF MARYLAND, EASTERN SHORE;

- 1 (III) BOWIE STATE UNIVERSITY;
- 2 (IV) COPPIN STATE COLLEGE; AND
- 3 (V) ALL STUDENTS ENROLLED EXCLUSIVELY IN DISTANCE  
4 EDUCATION PROGRAMS.

5 (B) (1) THE BOARD OF REGENTS SHALL ESTABLISH A MINIMUM LEVEL OF  
6 TUITION FOR AN OUT-OF-STATE UNDERGRADUATE STUDENT ENROLLED AT A  
7 CONSTITUENT INSTITUTION THAT IS EQUAL TO THE COST OF EDUCATING THE  
8 STUDENT.

9 (2) THE CALCULATION OF THE COST OF EDUCATION REQUIRED IN  
10 PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE CHARGES FOR FACILITIES  
11 RENEWAL, EQUIPMENT FOR NEW FACILITIES, ACADEMIC REVENUE BOND DEBT  
12 EXPENSES, AND OTHER CHARGES AS APPROPRIATE, RELATED TO THE COST OF  
13 BUILDING AND OPERATING STATE-SUPPORTED FACILITIES.

14 14-104.

15 (O) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT MORGAN STATE  
16 UNIVERSITY IMPROVE ITS EFFECTIVENESS AND EFFICIENCY AND REDUCE ITS COST  
17 STRUCTURE BY BECOMING THE NATIONAL LEADER IN TRANSFORMING THE  
18 BUSINESS MODEL OF PUBLIC HIGHER EDUCATION TO PROVIDE WORLD CLASS  
19 EDUCATION, RESEARCH, AND PUBLIC SERVICE AT BELOW AVERAGE COSTS.

20 15-106.3.

21 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
22 INDICATED.

23 (2) "ACADEMIC YEAR" MEANS THE PERIOD COMMENCING WITH THE  
24 FALL SEMESTER AND CONTINUING THROUGH THE IMMEDIATELY FOLLOWING  
25 SUMMER SESSION AT A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION.

26 (3) "FUND" MEANS THE HIGHER EDUCATION INVESTMENT FUND.

27 (4) "GOVERNING BOARD" MEANS:

28 (I) THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF  
29 MARYLAND; AND

30 (II) THE BOARD OF REGENTS OF MORGAN STATE UNIVERSITY.

31 (5) "PUBLIC SENIOR HIGHER EDUCATION INSTITUTION" HAS THE  
32 MEANING STATED IN § 10-101(J)(1) AND (2) OF THIS ARTICLE.

33 (6) (I) "TUITION" MEANS THE CHARGES AND FEES APPROVED BY THE  
34 GOVERNING BOARD OF A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION WHICH  
35 ARE REQUIRED OF ALL UNDERGRADUATE RESIDENT STUDENTS BY THE

1 INSTITUTION AS A CONDITION OF ENROLLMENT REGARDLESS OF THE STUDENT'S  
2 DEGREE PROGRAM, FIELD OF STUDY, OR SELECTED COURSES.

3 (II) "TUITION" DOES NOT INCLUDE:

4 1. FEES DEDICATED TO SUPPORT AUXILIARY ENTERPRISES  
5 AND OTHER SELF-FUNDED ACTIVITIES OF A PUBLIC SENIOR HIGHER EDUCATION  
6 INSTITUTION; OR

7 2. A FEE REQUIRED ONLY FOR ENROLLMENT IN A SPECIFIC  
8 DEGREE PROGRAM, FIELD OF STUDY, OR COURSE WHEN THAT FEE IS NOT REQUIRED  
9 OF UNDERGRADUATE RESIDENT STUDENTS AT THE PUBLIC SENIOR HIGHER  
10 EDUCATION INSTITUTION FOR ENROLLMENT IN OTHER DEGREE PROGRAMS, FIELDS  
11 OF STUDY, OR COURSES.

12 (B) (1) FOR FISCAL YEARS 2006 THROUGH 2008 ONLY, AND SUBJECT TO  
13 PARAGRAPH (2) OF THIS SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE  
14 ANNUAL BUDGET SUBMISSION AN INCREASE IN THE AGGREGATE AMOUNT OF  
15 GENERAL FUND AND HIGHER EDUCATION INVESTMENT FUND SUPPORT FOR THE  
16 UNIVERSITY SYSTEM OF MARYLAND, AND MORGAN STATE UNIVERSITY,  
17 RESPECTIVELY, OF AT LEAST 5% OVER THE PREVIOUS FISCAL YEAR.

18 (2) IN MEETING THE REQUIREMENTS OF THIS SUBSECTION, THE  
19 GOVERNOR MAY INCLUDE NO MORE THAN 3% OF THE CUMULATIVE FUNDING  
20 INCREASE FOR FISCAL YEARS 2006 THROUGH 2008 FROM THE HIGHER EDUCATION  
21 INVESTMENT FUND.

22 (3) THE FUNDING REQUIREMENTS OF THIS SUBSECTION REPRESENT A  
23 MINIMUM LEVEL OF GENERAL FUND AND HIGHER EDUCATION INVESTMENT FUND  
24 SUPPORT THAT THE GOVERNOR MAY EXCEED AS STATE RESOURCES PERMIT.

25 (4) FUNDING DISTRIBUTED UNDER THIS SUBSECTION MAY NOT BE  
26 USED TO SUPPLANT FUNDING OTHERWISE DISTRIBUTED IN ACCORDANCE WITH THE  
27 STATE'S PARTNERSHIP AGREEMENT WITH THE UNITED STATES DEPARTMENT OF  
28 EDUCATION, OFFICE OF CIVIL RIGHTS TO:

29 (I) BOWIE STATE UNIVERSITY;

30 (II) COPPIN STATE COLLEGE;

31 (III) MORGAN STATE UNIVERSITY; OR

32 (IV) UNIVERSITY OF MARYLAND, EASTERN SHORE.

33 (C) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, FOR THE  
34 ACADEMIC YEAR BEGINNING IN THE FALL OF 2004 AND EACH ACADEMIC YEAR  
35 THROUGH THE FALL OF 2007, A GOVERNING BOARD MAY NOT APPROVE, AND A  
36 PUBLIC SENIOR HIGHER EDUCATION INSTITUTION MAY NOT IMPOSE, AN INCREASE  
37 IN THE TUITION CHARGED FOR AN ACADEMIC YEAR TO A RESIDENT  
38 UNDERGRADUATE STUDENT AT THE INSTITUTION THAT EXCEEDS 5% OF THE

1 AMOUNT CHARGED FOR TUITION AT THE INSTITUTION IN THE PRECEDING  
2 ACADEMIC YEAR.

3           (2)    (I)    FOR FISCAL YEAR 2005, THE TUITION LIMITATION IN  
4 PARAGRAPH (1) OF THIS SUBSECTION ONLY APPLIES TO INSTITUTIONS OF THE  
5 UNIVERSITY SYSTEM OF MARYLAND IF THE AGGREGATE GENERAL FUND AND  
6 HIGHER EDUCATION INVESTMENT FUND APPROPRIATIONS FOR THE UNIVERSITY  
7 SYSTEM OF MARYLAND HAVE INCREASED AT LEAST 3.4% OVER THE ACTUAL  
8 APPROPRIATIONS FOR FISCAL YEAR 2004.

9           (II)   FOR FISCAL YEAR 2005, THE TUITION LIMITATION IN  
10 PARAGRAPH (1) OF THIS SUBSECTION ONLY APPLIES TO MORGAN STATE UNIVERSITY  
11 IF THE AGGREGATE GENERAL FUND AND HIGHER EDUCATION INVESTMENT FUND  
12 APPROPRIATIONS HAVE INCREASED AT LEAST 3.4% OVER THE ACTUAL  
13 APPROPRIATIONS FOR FISCAL YEAR 2004.

14           (3)    (I)    FOR FISCAL YEARS 2006 THROUGH 2008, THE TUITION  
15 LIMITATION IN PARAGRAPH (1) OF THIS SUBSECTION ONLY APPLIES TO  
16 INSTITUTIONS OF THE UNIVERSITY SYSTEM OF MARYLAND IF THE AGGREGATE  
17 GENERAL FUND AND HIGHER EDUCATION INVESTMENT FUND APPROPRIATIONS FOR  
18 THE UNIVERSITY SYSTEM OF MARYLAND IN THAT FISCAL YEAR HAVE INCREASED AT  
19 LEAST 5% OVER THE APPROPRIATIONS FOR THE PRECEDING FISCAL YEAR.

20           (II)   FOR FISCAL YEARS 2006 THROUGH 2008, THE TUITION  
21 LIMITATION IN PARAGRAPH (1) OF THIS SUBSECTION ONLY APPLIES TO MORGAN  
22 STATE UNIVERSITY IF THE AGGREGATE GENERAL FUND AND HIGHER EDUCATION  
23 INVESTMENT FUND APPROPRIATIONS IN THAT FISCAL YEAR HAVE INCREASED AT  
24 LEAST 5% OVER THE APPROPRIATIONS FOR THE PRECEDING FISCAL YEAR.

25    (D)    THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AND  
26 THE BOARD OF REGENTS OF MORGAN STATE UNIVERSITY SHALL ESTABLISH  
27 POLICIES TO ACCOMMODATE ENROLLMENT GROWTH, AS PROJECTED BY THE  
28 COMMISSION, AT THEIR RESPECTIVE INSTITUTIONS FOR THE ACADEMIC YEARS  
29 BEGINNING IN THE FALL OF 2004 THROUGH THE FALL OF 2007.

30    (E)    (1)    THERE IS A HIGHER EDUCATION INVESTMENT FUND.

31           (2)    THE PURPOSE OF THE FUND IS TO SUPPLEMENT GENERAL FUND  
32 APPROPRIATIONS TO PUBLIC SENIOR HIGHER EDUCATION INSTITUTIONS.

33           (3)    THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT  
34 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

35           (4)    THE TREASURER SHALL HOLD THE FUND AND THE COMPTROLLER  
36 SHALL ACCOUNT FOR THE FUND.

37           (5)    THE PROCEEDS OF THE FUND SHALL BE INVESTED AND  
38 REINVESTED.

39           (6)    ANY INVESTMENT EARNINGS SHALL BE PAID INTO THE FUND.

1 (7) THE FUND CONSISTS OF:

2 (I) REVENUES FROM THE SURCHARGE ON INCOME OF  
3 CORPORATIONS AS PROVIDED IN § 2-613.1 OF THE TAX - GENERAL ARTICLE; AND

4 (II) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR  
5 THE BENEFIT OF THE FUND.

6 (8) THE COMMISSION SHALL ADMINISTER THE FUND.

7 (9) MONEY IN THE FUND MAY ONLY BE EXPENDED TO SUPPLEMENT  
8 GENERAL FUND APPROPRIATIONS TO PUBLIC SENIOR HIGHER EDUCATION  
9 INSTITUTIONS.

10 (10) EXPENDITURES FROM THE FUND MAY ONLY BE MADE IN  
11 ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE GENERAL ASSEMBLY IN  
12 THE ANNUAL STATE BUDGET.

13 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
14 read as follows:

15 **Article - Tax - General**

16 2-613.1.

17 AFTER MAKING THE DISTRIBUTION REQUIRED UNDER § 2-613 OF THIS  
18 SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE TO THE HIGHER EDUCATION  
19 INVESTMENT FUND ESTABLISHED UNDER § 15-106.3 OF THE EDUCATION ARTICLE  
20 THE REVENUE FROM THE SURCHARGE ON INCOME OF CORPORATIONS IMPOSED  
21 UNDER § 10-102(2) OF THIS ARTICLE.

22 2-614.

23 After making the [distribution] DISTRIBUTIONS required under [§ 2-613] §§  
24 2-613 AND 2-613.1 of this subtitle, the Comptroller shall distribute monthly 24% of the  
25 remaining income tax revenue from corporations to the Gasoline and Motor Vehicle  
26 Revenue Account in the Transportation Trust Fund.

27 2-615.

28 After making the distributions required under §§ [2-613 and 2-614] 2-613,  
29 2-613.1, AND 2-614 of this subtitle, the Comptroller shall distribute the remaining  
30 income tax revenue from corporations to the General Fund of the State.

31 10-101.

32 (j) (1) "State income tax" means the State tax on income imposed under this  
33 title.

1 (2) "STATE INCOME TAX" INCLUDES THE SURCHARGE ON INCOME OF  
2 CORPORATIONS IMPOSED UNDER § 10-102(2) OF THIS SUBTITLE.

3 10-102.

4 Except as provided in § 10-104 of this subtitle[,]:

5 (1) a tax is imposed on the Maryland taxable income of each individual  
6 and of each corporation; AND

7 (2) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2003, BUT  
8 BEFORE JANUARY 1, 2008, IN ADDITION TO THE TAX IMPOSED UNDER ITEM (1) OF  
9 THIS SECTION, A SURCHARGE IS IMPOSED ON THE MARYLAND TAXABLE INCOME OF  
10 EACH CORPORATION.

11 10-105.

12 (b) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE State  
13 income tax rate for a corporation is 7% of Maryland taxable income.

14 (2) THE RATE OF THE SURCHARGE IMPOSED UNDER § 10-102(2) OF THIS  
15 SUBTITLE IS 12.86% OF THE TAX IMPOSED UNDER PARAGRAPH (1) OF THIS  
16 SUBSECTION.

17 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding the  
18 provisions of § 15-106.3 of the Education Article as enacted under Section 1 of this  
19 Act, for fiscal year 2005 only and from those additional revenues resulting from this  
20 Act that are credited to the Higher Education Investment Fund for fiscal year 2005,  
21 and from no other funds, and subject to the provisions of law relating to budgetary  
22 procedure to the extent applicable, the amounts specified below are hereby  
23 appropriated and authorized to be disbursed from as much of those additional  
24 revenues as are received by the State:

25 MORGAN STATE UNIVERSITY

26 R75T Morgan State University

27 In addition to the amount appropriated in the budget bill for fiscal year 2005, to  
28 supplement the appropriation for fiscal year 2005, the following amount to be used to  
29 offset the reduction of tuition for in-state undergraduate students for the academic  
30 year beginning in the fall of 2004 as required under this Act and for other purposes  
31 necessary to provide high quality and affordable post-secondary education and to  
32 fulfill the mission of Morgan State University:

33 Special Fund Appropriation \$1,600,000

34 UNIVERSITY SYSTEM OF MARYLAND

35 R75T University System of Maryland



1 In addition to the amount appropriated in the budget bill for fiscal year 2005, to  
2 supplement the appropriation for fiscal year 2005, the following amount to be used to  
3 offset the reduction of tuition for in-state undergraduate students for the academic  
4 year beginning in the fall of 2004 as required under this Act and for other purposes  
5 necessary to provide high quality and affordable post-secondary education and to  
6 fulfill the mission of the University System of Maryland:

7 Special Fund Appropriation \$25,400,000

8 SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the  
9 General Assembly to continue to support Maryland's historically black institutions in  
10 accordance with the agreement reached between the State of Maryland and the  
11 United States Department of Education, Office of Civil Rights in December 2000.

12 SECTION 5. AND BE IT FURTHER ENACTED, That:

13 (a) The Board of Regents of the University System of Maryland shall continue  
14 its effectiveness and efficiency initiative, established by the Board on June 27, 2003.

15 (b) On or before December 1, 2004, the Board shall submit, in accordance with  
16 § 2-1246 of the State Government Article, a report to the Governor and to the fiscal  
17 and education committees of the General Assembly.

18 (c) The report shall include the Board's findings and recommendations  
19 regarding:

20 (1) management strategies for achieving efficiencies in the operation of  
21 the University System of Maryland and its constituent institutions, including:

22 (i) consolidation and coordination of business and administrative  
23 functions;

24 (ii) consolidation, merger, or restructuring of institutions, centers,  
25 branches, or institutes; and

26 (iii) continuation or termination of low productivity or low degree  
27 programs;

28 (2) strategies for managing future enrollment increases in a cost  
29 effective manner, including:

30 (i) use of regional education centers;

31 (ii) distribution of projected enrollment increases to institutions  
32 that can accept additional students at a relatively lower cost;

33 (iii) in cooperation with the Maryland Association of Community  
34 Colleges, partnerships with community colleges across the State; and

35 (iv) increased use and coordination of on-line and distance  
36 education;

1           (3)     initiatives to manage enrollment growth by shortening the time it  
2 takes a student to earn a baccalaureate degree, including:

3                   (i)     improved utilization of existing facilities and resources;

4                   (ii)    utilization of existing faculty, recognizing time considerations  
5 associated with research, student contact, preparation, professional and  
6 administrative duties, and public service; and

7                   (iii)   examining credit requirements for baccalaureate degree  
8 programs;

9           (4)     entrepreneurial efforts to better leverage General Fund support  
10 provided by the State, including the development and expansion of institution-based  
11 research parks; and

12           (5)     efforts to improve access and affordability through the use of  
13 scholarship aid based on student financial need.

14     SECTION 6. AND BE IT FURTHER ENACTED, That, for fiscal year 2005, the  
15 University System of Maryland shall attain effectiveness and efficiency savings of at  
16 least \$17,000,000.

17     SECTION 7. AND BE IT FURTHER ENACTED, That the Board of Regents of  
18 the University System of Maryland shall study the tuition policies for out-of-state  
19 students at the constituent institutions of the University System of Maryland and  
20 selected peer institutions and recommend changes, as appropriate, to these policies.  
21 The Board shall submit the study, in accordance with § 2-1246 of the State  
22 Government Article, to the Governor and to the fiscal and education committees of  
23 the General Assembly by December 1, 2004.

24     SECTION 8. AND BE IT FURTHER ENACTED, That:

25     (a)     The Board of Regents of Morgan State University shall conduct an  
26 effectiveness and efficiency initiative and by December 1, 2005, the Board shall  
27 submit, in accordance with § 2-1246 of the State Government Article, a report to the  
28 Governor and to the fiscal and education committees of the General Assembly.

29     (b)     The Board shall include in its report findings and recommendations  
30 regarding:

31           (1)     management strategies for achieving efficiencies in the operation of  
32 Morgan State University;

33           (2)     strategies for managing future enrollment growth in a cost effective  
34 manner; and

35           (3)     efforts to improve access and affordability through the use of  
36 scholarship aid based on student financial need.

1 SECTION 9. AND BE IT FURTHER ENACTED, That, for a taxable year  
2 beginning after December 31, 2003 but before January 1, 2005:

3 (a) A corporation's estimated tax payments for the taxable year shall reflect  
4 the income tax surcharge imposed under § 10-102(2) of the Tax - General Article, as  
5 enacted by Section 2 of this Act; and

6 (b) Notwithstanding §§ 13-602 and 13-702 of the Tax - General Article, the  
7 Comptroller shall assess interest and penalties under §§ 13-602 and 13-702 of the  
8 Tax - General Article if a corporation pays estimated income tax for the taxable year  
9 in an amount less than 90% of the tax required to be shown on the corporation's  
10 income tax return for the taxable year.

11 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 July 1, 2004.