

SENATE BILL 770

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2004 Regular Session  
4lr2956  
CF 4lr2232

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By: **Senator Pinsky**  
Introduced and read first time: February 13, 2004  
Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education Affordability and Access Act of 2004**

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

1 this Act; requiring the Board of Regents of the University System of Maryland to  
2 study certain issues and submit certain reports by certain dates; requiring the  
3 Board of Regents of Morgan State University to submit a certain report by a  
4 certain date; requiring the University System of Maryland to attain certain  
5 savings of a certain amount in a certain fiscal year; declaring the intent of the  
6 General Assembly; defining certain terms; providing for the application of this  
7 Act; and generally relating to State funding for tuition, management, finance,  
8 admissions and enrollment policies at certain public senior higher education  
9 institutions in Maryland.

10 BY repealing and reenacting, with amendments,  
11 Article - Education  
12 Section 10-211  
13 Annotated Code of Maryland  
14 (2001 Replacement Volume and 2003 Supplement)

15 BY adding to  
16 Article - Education  
17 Section 12-114, 12-115, 14-104(o), and 15-106.3  
18 Annotated Code of Maryland  
19 (2001 Replacement Volume and 2003 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Article - Tax - General  
22 Section 2-614, 2-615, 10-101(j), 10-102, and 10-105(b)  
23 Annotated Code of Maryland  
24 (1997 Replacement Volume and 2003 Supplement)

25 BY adding to  
26 Article - Tax - General  
27 Section 2-613.1  
28 Annotated Code of Maryland  
29 (1997 Replacement Volume and 2003 Supplement)

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

32 **Article - Education**

33 10-211.

34 (a) The nonpublic institutions of higher education in the State are an  
35 important educational resource and are vital to the provision of postsecondary  
36 education in the State.

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

4 (C) A NONPUBLIC INSTITUTION OF HIGHER EDUCATION THAT RECEIVES  
5 STATE FINANCIAL AID SHALL SUBMIT A REPORT ANNUALLY TO THE COMMISSION  
6 RELATING TO THE SCHOLARSHIPS AND GRANTS THE NONPUBLIC INSTITUTION  
7 AWARDED TO MARYLAND STUDENTS.

8 12-114.

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

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

21 (C) THE AUDIT COMMITTEE MEETINGS OF THE BOARD OF REGENTS SHALL BE  
22 OPEN TO THE PUBLIC AND INTERNAL AUDIT SCHEDULES AND REPORTS SHALL BE  
23 AVAILABLE FOR PUBLIC DISCLOSURE.

24 12-115.

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

29 (2) THIS SUBSECTION DOES NOT APPLY TO:

30 (I) UNIVERSITY OF MARYLAND, UNIVERSITY COLLEGE;

31 (II) UNIVERSITY OF MARYLAND, EASTERN SHORE;

32 (III) BOWIE STATE UNIVERSITY;

33 (IV) COPPIN STATE COLLEGE; AND

34 (V) ALL STUDENTS ENROLLED EXCLUSIVELY IN DISTANCE  
35 EDUCATION PROGRAMS.

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

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

10 14-104.

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

16 15-106.3.

17 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
18 INDICATED.

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

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

23 (4) "GOVERNING BOARD" MEANS:

24 (I) THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF  
25 MARYLAND; AND

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

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

29 (6) (I) "TUITION" MEANS THE CHARGES AND FEES APPROVED BY THE  
30 GOVERNING BOARD OF A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION WHICH  
31 ARE REQUIRED OF ALL UNDERGRADUATE RESIDENT STUDENTS BY THE  
32 INSTITUTION AS A CONDITION OF ENROLLMENT REGARDLESS OF THE STUDENT'S  
33 DEGREE PROGRAM, FIELD OF STUDY, OR SELECTED COURSES.

34 (II) "TUITION" DOES NOT INCLUDE:

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

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

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

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

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

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

26                           (I)     BOWIE STATE UNIVERSITY;

27                           (II)    COPPIN STATE COLLEGE;

28                           (III)   MORGAN STATE UNIVERSITY; OR

29                           (IV)   UNIVERSITY OF MARYLAND, EASTERN SHORE.

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

38                   (2)     (I)     FOR FISCAL YEAR 2005, THE TUITION LIMITATION IN  
39 PARAGRAPH (1) OF THIS SUBSECTION ONLY APPLIES TO INSTITUTIONS OF THE

1 UNIVERSITY SYSTEM OF MARYLAND IF THE AGGREGATE GENERAL FUND AND  
2 HIGHER EDUCATION INVESTMENT FUND APPROPRIATIONS FOR THE UNIVERSITY  
3 SYSTEM OF MARYLAND HAVE INCREASED AT LEAST 3.4% OVER THE ACTUAL  
4 APPROPRIATIONS FOR FISCAL YEAR 2004.

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

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

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

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

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

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

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

31 (4) THE TREASURER SHALL HOLD THE FUND AND THE COMPTROLLER  
32 SHALL ACCOUNT FOR THE FUND.

33 (5) THE PROCEEDS OF THE FUND SHALL BE INVESTED AND  
34 REINVESTED.

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

36 (7) THE FUND CONSISTS OF:

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

1 (II) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR  
2 THE BENEFIT OF THE FUND.

3 (8) THE COMMISSION SHALL ADMINISTER THE FUND.

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

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

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

12 **Article - Tax - General**

13 2-613.1.

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

19 2-614.

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

24 2-615.

25 After making the distributions required under §§ [2-613 and 2-614] 2-613,  
26 2-613.1, AND 2-614 of this subtitle, the Comptroller shall distribute the remaining  
27 income tax revenue from corporations to the General Fund of the State.

28 10-101.

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

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

1 10-102.

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

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

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

9 10-105.

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

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

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

23 MORGAN STATE UNIVERSITY

24 R75T Morgan State University

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

31 Special Fund Appropriation \$1,600,000

32 UNIVERSITY SYSTEM OF MARYLAND

33 R75T University System of Maryland

34 In addition to the amount appropriated in the budget bill for fiscal year 2005, to  
35 supplement the appropriation for fiscal year 2005, the following amount to be used to  
36 offset the reduction of tuition for in-state undergraduate students for the academic

1 year beginning in the fall of 2004 as required under this Act and for other purposes  
2 necessary to provide high quality and affordable post-secondary education and to  
3 fulfill the mission of the University System of Maryland:

4 Special Fund Appropriation \$25,400,000

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

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

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

12 (b) On or before December 1, 2004, the Board shall submit, in accordance with  
13 § 2-1246 of the State Government Article, a report to the Governor and to the fiscal  
14 and education committees of the General Assembly.

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

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

19 (i) consolidation and coordination of business and administrative  
20 functions;

21 (ii) consolidation, merger, or restructuring of institutions, centers,  
22 branches, or institutes; and

23 (iii) continuation or termination of low productivity or low degree  
24 programs;

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

27 (i) use of regional education centers;

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

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

32 (iv) increased use and coordination of on-line and distance  
33 education;

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

- 1 (i) improved utilization of existing facilities and resources;
- 2 (ii) utilization of existing faculty, recognizing time considerations  
3 associated with research, student contact, preparation, professional and  
4 administrative duties, and public service; and
- 5 (iii) examining credit requirements for baccalaureate degree  
6 programs;
- 7 (4) entrepreneurial efforts to better leverage General Fund support  
8 provided by the State, including the development and expansion of institution-based  
9 research parks; and
- 10 (5) efforts to improve access and affordability through the use of  
11 scholarship aid based on student financial need.

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

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

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

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

27 (b) The Board shall include in its report findings and recommendations  
28 regarding:

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

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

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

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

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

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

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