

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 738

(The President)

(By Request – Administration)

Education, Health, and Environmental Affairs and Budget and Taxation

Appropriations

Higher Education - University System of Maryland - Governing Authority

This Administration bill provides that the Board of Regents of the University System of Maryland (USM) has all the powers and duties that have been assigned to it, except where the powers are limited by specific reference to USM. The bill also repeals a provision of law that requires presidents of USM institutions to stay within the limits set by the annual State budget when creating new positions at USM institutions.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: Although the bill may provide USM with additional autonomy, it would not have a material impact on State finances.

Local Effect: None.

Small Business Effect: A small business impact statement was not provided by the Administration in time for inclusion in this fiscal note. A revised fiscal note will be issued when the Administration's assessment becomes available.

Analysis

Current Law: Except for restrictions on the powers and duties that are expressly imposed by law, the Board of Regents of USM has all the powers and duties provided for the board in State law. The president of each constituent USM institution has the authority to create any position from the existing funds available to the university. This

authority, however, is limited by the number of positions specified in the annual State budget.

Background: In general, the Board of Regents of USM and constituent USM institutions have considerable autonomy in the formation of their budgets and in their authority to create new positions. However, the State budget situation in recent years has restricted the overall number of authorized State positions, and USM, like all State agencies, has been impacted by position reductions made to comply with the limitations. Combined actions of the General Assembly and the Board of Public works reduced the USM budget by \$67 million in fiscal 2003 and \$54.7 million in fiscal 2004, but increased tuition and fee revenues restored \$74 million of the reductions and ensured annual growth in the total revenues available to USM.

Similar language for St. Mary's College of Maryland was adopted through legislation enacted last year (Chapter 401). The legislation for St. Mary's College was introduced to protect an agreement the college had made with the State a decade earlier. Legislation enacted in 1992 established a specific level of State funding for the college that increases annually by the rate of inflation. In return for the more limited State funding, St. Mary's College received greater independence from the State. Believing its autonomy was threatened by 2002 budget and legislative actions, St. Mary's sought the change in order to ensure that its authority was not superceded.

State Fiscal Effect: The bill repeals the provision of law that specifically requires USM presidents to comply with position limits that are set in the State budget. Although this would constrain the ability of the General Assembly to restrict personnel growth at USM institutions, it would not preclude specific references to USM in position limitations imposed in the annual State budget.

Additional Information

Prior Introductions: None.

Cross File: HB 959 (The Speaker and the Minority Leader (By Request – Administration) – Appropriations).

Information Source(s): University System of Maryland, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2004
n/jr

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