

SENATE BILL 434

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CF 7lr1640

By: **Senators King, Waugh, Currie, Ferguson, Madaleno, and Serafini**

Introduced and read first time: January 27, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – St. Mary’s College of Maryland – Funding**

3 FOR the purpose of altering the calculation of the General Fund grant for St. Mary’s College
4 of Maryland, beginning in a certain fiscal year; requiring the amount of the grant to
5 be augmented by certain funds for a certain portion of the grant that supports certain
6 costs; requiring the amount of the grant to be augmented by certain funds if certain
7 funding is provided for certain wage increases for certain University System of
8 Maryland employees; requiring the amount of the grant to be augmented by certain
9 funds if certain funding is provided to the University System of Maryland to pay for
10 a certain increase in certain health and retirement costs for certain employees;
11 authorizing the amount of the grant to include certain funds if a certain condition is
12 met; stating the goal of the State regarding certain appropriations for the purpose of
13 stabilizing tuition costs for students at the College in a certain fiscal year; requiring
14 the Governor to include in the State budget for a certain fiscal year a certain
15 appropriation to the College for certain expenses; prohibiting the inclusion of a
16 certain appropriation to the College in a certain fiscal year in the calculation of the
17 General Fund grant for any following fiscal year; defining a certain term; and
18 generally relating to funding for St. Mary’s College of Maryland.

19 BY repealing and reenacting, with amendments,
20 Article – Education
21 Section 14–405 and 14–410
22 Annotated Code of Maryland
23 (2014 Replacement Volume and 2016 Supplement)

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

26 **Article – Education**

27 14–405.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) The Board of Trustees shall prepare and implement both a capital and
2 operating budget for the management of the College.

3 (b) (1) In order to [establish] **ENSURE** a **STABLE AND** predictable level of
4 funding, the Governor shall include in the annual budget submission a General Fund grant
5 to St. Mary's College of Maryland.

6 (2) [(i)] For fiscal year 1993, the grant shall be as provided for in the
7 State fiscal year 1993 appropriation.

8 [(ii)] **(3)** For fiscal [year] **YEARS** 1994 [and each year thereafter]
9 **THROUGH 2018**, the proposed grant shall be equal to the grant of the prior year augmented
10 by funds required to offset inflation as indicated by the implicit price deflator for State and
11 local government.

12 **(4) (I) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR**
13 **THEREAFTER, THE PROPOSED GRANT SHALL BE EQUAL TO THE GRANT OF THE**
14 **PRIOR FISCAL YEAR AUGMENTED BY FUNDS AS PROVIDED IN SUBPARAGRAPHS (II)**
15 **THROUGH (V) OF THIS PARAGRAPH.**

16 **(II) 1. IN THIS SUBPARAGRAPH, "NONPERSONNEL COSTS"**
17 **MEANS ALL OF THE COLLEGE'S EDUCATIONAL AND GENERAL EXPENSES EXCEPT**
18 **FOR EXPENSES FOR WAGES AND BENEFITS OF FULL-TIME EMPLOYEES OF THE**
19 **COLLEGE.**

20 **2. THE STATE SHALL PROVIDE TO THE COLLEGE FUNDS**
21 **REQUIRED TO OFFSET INFLATION AS INDICATED BY THE IMPLICIT PRICE DEFLATOR**
22 **FOR STATE AND LOCAL GOVERNMENT FOR THAT PORTION OF THE GRANT THAT**
23 **SUPPORTS NONPERSONNEL COSTS.**

24 **(III) FOR EACH FISCAL YEAR IN WHICH THE STATE PROVIDES**
25 **FUNDS TO THE UNIVERSITY SYSTEM OF MARYLAND FOR WAGE INCREASES TO**
26 **STATE-SUPPORTED EMPLOYEES OF THE UNIVERSITY SYSTEM OF MARYLAND,**
27 **INCLUDING COST-OF-LIVING ADJUSTMENTS, MERIT ADJUSTMENTS, OR ANY OTHER**
28 **WAGE INCREASE, THE STATE SHALL PROVIDE TO THE COLLEGE THE SAME**
29 **PROPORTION OF ADDITIONAL STATE FUNDING PER EMPLOYEE FOR**
30 **STATE-SUPPORTED EMPLOYEES OF THE COLLEGE.**

31 **(IV) FOR EACH FISCAL YEAR IN WHICH THE STATE PROVIDES**
32 **FUNDS TO PAY FOR THE INCREASE IN HEALTH AND RETIREMENT COSTS FOR THE**
33 **STATE-SUPPORTED EMPLOYEES OF THE UNIVERSITY SYSTEM OF MARYLAND, THE**
34 **STATE SHALL PROVIDE TO THE COLLEGE FUNDS TO PAY FOR THE INCREASE IN**

1 HEALTH AND RETIREMENT COSTS FOR THE STATE-SUPPORTED EMPLOYEES OF THE
2 COLLEGE.

3 (V) IF A NEW ACADEMIC BUILDING AT THE COLLEGE WILL
4 BECOME OPERATIONAL DURING THE UPCOMING FISCAL YEAR, THE PROPOSED
5 GRANT FOR THE UPCOMING FISCAL YEAR MAY INCLUDE FUNDS, TO THE EXTENT
6 POSSIBLE, SUFFICIENT TO OPERATE THE BUILDING.

7 [(3)] (5) The State shall pay the General Fund grants under this
8 subsection to the College on a quarterly basis.

9 [(4)] (6) Nothing in this subsection may be construed to restrict the
10 budgetary power of the General Assembly.

11 [(5)] (7) The College shall support all operating costs, including personnel
12 and retirement costs, from its General Fund grant and the other revenue sources of the
13 College.

14 (c) (1) Subject to the approval of the Board of Public Works, the Board may
15 acquire, lease, encumber, sell, or otherwise dispose of real property held by the State for
16 the use of St. Mary's College of Maryland.

17 (2) The Board may acquire, lease, encumber, sell, or otherwise dispose of
18 personal property.

19 (3) The title to any land acquired by St. Mary's College of Maryland shall
20 be held by the State of Maryland for the use of St. Mary's College of Maryland.

21 (d) (1) The Board may borrow money for the purposes and on the terms that
22 the Board determines.

23 (2) The Board may secure a loan with property acquired by the Board or
24 with revenues derived from the property.

25 (3) A loan under this section does not:

26 (i) Create or constitute a debt or obligation of the State or any unit
27 of the State other than the College; or

28 (ii) Create or constitute a debt or obligation contracted by the
29 General Assembly or pledge the faith and credit of the State within the meaning of Article
30 III, § 34 of the Maryland Constitution.

31 (e) (1) (i) The income of the College shall be deposited in the State
32 Treasury or as the State Treasurer directs.

1 (ii) The State Treasurer shall invest the funds and credit to the
2 College any interest or other income from the investment of the funds.

3 (2) The College may spend or encumber, within the fiscal year they are
4 received, revenues received in excess of those estimated for any fiscal year.

5 (3) Any unexpended or unencumbered balances of the College's revenues
6 shall not revert to the General Fund of the State at the end of each fiscal year.

7 (f) (1) Except as provided in § 11-203(e) of the State Finance and Procurement
8 Article, the College is exempt from Division II of the State Finance and Procurement
9 Article.

10 (2) (i) Subject to review and approval by the Board of Public Works and
11 the Administrative, Executive, and Legislative Review Committee of the General
12 Assembly, the Board of Trustees shall develop policies and procedures governing
13 procurements by the College.

14 (ii) The policies and procedures developed under subparagraph (i) of
15 this paragraph shall promote the purposes of the State procurement law as set forth in §
16 11-201 of the State Finance and Procurement Article.

17 14-410.

18 (a) (1) In this section the following words have the meanings indicated.

19 (2) "Academic year" means the period commencing with the fall semester
20 and continuing through the immediately following summer session at St. Mary's College of
21 Maryland.

22 (3) "Fund" means the Higher Education Investment Fund established in §
23 15-106.6 of this article.

24 (4) (i) "Tuition" means the charges approved by the Board of Trustees
25 of St. Mary's College of Maryland that are required of all undergraduate resident students
26 by the institution as a condition of enrollment regardless of the student's degree program,
27 field of study, or selected courses.

28 (ii) "Tuition" does not include:

29 1. Fees that are required of all undergraduate resident
30 students by the institution as a condition of enrollment regardless of the student's degree
31 program, field of study, or selected courses;

32 2. Fees dedicated to support auxiliary enterprises and other
33 self-funded activities of the institution; or

1 3. A fee required only for enrollment in a specific degree
2 program, field of study, or course when that fee is not required of undergraduate resident
3 students at the institution for enrollment in other degree programs, fields of study, or
4 courses.

5 (b) Notwithstanding any other provision of law, for the academic years beginning
6 in the fall of 2013 and the fall of 2014, the Board of Trustees may not approve and may not
7 impose an increase in the tuition charged for an academic year to a resident undergraduate
8 student at the institution over the amount charged for tuition at the institution in the
9 preceding academic year.

10 (c) From the Fund, the Governor shall appropriate to St. Mary's College of
11 Maryland:

12 (1) For fiscal year 2014, \$800,000; and

13 (2) For fiscal year 2015, \$1,616,000.

14 (d) The calculation made under § 14-405 of this subtitle for the fiscal year 2016
15 General Fund grant shall include the fiscal year 2015 appropriation from the Fund made
16 under this section.

17 **(E) IT IS THE GOAL OF THE STATE THAT ST. MARY'S COLLEGE OF**
18 **MARYLAND RECEIVE GENERAL FUND APPROPRIATIONS OR APPROPRIATIONS**
19 **FROM THE FUND FOR THE PURPOSE OF STABILIZING TUITION COSTS OF RESIDENT**
20 **UNDERGRADUATE STUDENTS IN THE SAME PROPORTION AS THE UNIVERSITY**
21 **SYSTEM OF MARYLAND IN THE SAME FISCAL YEAR.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That the Governor shall include in
23 the State budget for fiscal year 2019 an appropriation of \$720,000 to St. Mary's College of
24 Maryland to reimburse the College for expenses incurred during previous fiscal years that
25 were not covered by the General Fund grants to St. Mary's College of Maryland under §
26 14-405 of the Education Article for those fiscal years. The amount provided in fiscal year
27 2019 may not be included for the purpose of calculating the General Fund grant for any
28 following fiscal year.

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2017.