

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 428

(Delegate Smith)

Appropriations

Education, Energy, and the Environment

University System of Maryland - Board of Regents - Student Member Grant

This bill authorizes the University System of Maryland (USM) Board of Regents to award a grant consisting of private donor funds to a student member of the board during the first year of a two-year term. This is in addition to the tuition waiver the board may already grant in a student member's second year. The grant may not exceed the cost of the tuition and fees incurred by the student member during the first year of a student's term or cause the total amount of financial aid provided by the student to exceed the cost of attendance for the year. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: To the extent USM receives funding for scholarships from private donors and chooses to distribute that funding to student members of the board, USM higher education revenues and expenditures increase (by an offsetting amount and up to the cost of the tuition and fees incurred by a student member during the first year of their term). USM can authorize and distribute grants as applicable with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The first-year grant may be made by the USM foundation directly or through USM or a constituent institution from restricted funds raised from one or more private donors for the purpose of giving a grant to the student member. The grant may not be considered a gift or compensation or cause the student member to be classified as an employee of USM.

Current Law: The Board of Regents of USM is composed of 21 members, including two student members. Each student member must be a full-time student in good academic standing at a USM institution, except that the full-time requirement does not apply to a student at the University of Maryland Global Campus.

Except for the student members, each appointed member serves for a term of five years from July 1 of the year of appointment and until a successor is appointed and qualifies. These members may be reappointed. A student member serves a two-year term, beginning on July 1, and may be reappointed if the student remains a student at any campus of USM. A member appointed to fill a vacancy in an unexpired term serves only for the remainder of that term and until a successor is appointed and qualifies.

Board members may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations.

Only one of the student members may be a voting member of the board each year. Further, a student member can be a voting member in only one year of a two-year term.

Student Member Tuition Waiver

The board may grant a tuition waiver to a student member not to exceed the amount of the tuition obligation incurred by the student member during the second year of a two-year term. The tuition waiver may not be considered a gift or compensation or cause the student member to be classified as an employee of USM.

Acceptance of Gifts by Officials or Employees

The Public Ethics Law sets out requirements, prohibitions, and procedures that affect officials in the Legislative, Executive, and Judicial branches of government for the purpose of maintaining people's trust in government and protecting against the improper influence and the appearance of improper influence of government.

Under the Public Ethics Law, an official or employee generally may not knowingly accept a gift, directly or indirectly, from an entity that the official or employee knows or has reason to know (1) does or seeks to do business of any kind with the official's or employee's governmental unit; (2) engages in an activity that is regulated or controlled by the official's or employee's governmental unit; (3) has a financial interest that may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of the official's or employee's official duties; or (4) is a regulated lobbyist with respect to matters within the jurisdiction of the official or employee.

Maryland Tort Claims Act – State Personnel

Under the Maryland Tort Claims Act, unless the context clearly requires otherwise, “State personnel” includes a person who is a member of a State board, commission, or similar State entity or is providing a service to or for the State. It also includes a student enrolled in a State educational institution.

State Fiscal Effect: On average, undergraduate in-state tuition and fees at USM institutions in fiscal 2024 are approximately \$10,100 and out-of-state tuition and fees are approximately \$24,700. The student member may also be a graduate student, in which case annual tuition and fees could be significantly higher. Although many graduate programs are billed per-credit hour and the cost, therefore, varies from student to student, fiscal 2024 tuition and fees for out-of-state students in one program, the doctoral of dental surgery program at the University of Maryland, Baltimore Campus, are approximately \$92,500 annually. Depending on available funding, the grant amount may, therefore, be as large as \$92,500 annually. The amount of any grant is reduced to the extent the student member already receives financial aid such that any grant would cause total aid to exceed the cost of attendance.

The bill authorizes the grant to be made by the USM Foundation directly or through USM or a constituent institution. Only grants made through USM or a constituent institution impact State finances. USM Foundation is a nonprofit corporation separate from USM. It receives, manages, and administers donations given to support USM.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 142 (Senator Elfreth) - Education, Energy, and the Environment.

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

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