

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 897 (Senator Ferguson)
 Budget and Taxation

University of Maryland Joint Steering Council - Renaming and Funding

This bill renames the University of Maryland Joint Steering Council to be the MPowering Joint Steering Council. The Governor must include in the annual State budget for the council a general fund appropriation in the following amounts: \$2.5 million in fiscal 2020; \$5.0 million in fiscal 2021; \$7.5 million in fiscal 2022; and \$10.0 million in fiscal 2023, and each fiscal year thereafter. The money appropriated under the bill is supplemental to and may not take the place of funding that otherwise would be appropriated to the council. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: General fund expenditures increase by \$2.5 million in FY 2020 and escalate to \$10.0 million beginning in FY 2023. FY 2020 funding is at the discretion of the Governor. **The bill establishes a mandated appropriation beginning in FY 2021.**

(\$ in millions)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2.5	5.0	7.5	10.0	10.0
Net Effect	(\$2.5)	(\$5.0)	(\$7.5)	(\$10.0)	(\$10.0)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/ Background:

MPowering

In 2011, the General Assembly charged the University System of Maryland (USM) Board of Regents and, thus, University of Maryland, College Park Campus (UMCP) and University of Maryland, Baltimore Campus (UMB) with developing a plan to have an even greater impact on the State, its economy, the job market, and the next generation of innovators. The result, MPowering, was launched in 2012. Language in the fiscal 2014 budget restricted \$6.7 million of USM's appropriation to be used to fund MPowering initiatives and programs. These activities were part of an alliance between UMCP and UMB leveraging the resources of each institution to further advance transitioning research from laboratory to commercial application. The [MPowering website](#) lists 20 initiatives, including the Agriculture Law Education Initiative and the Center for Health-Related Informatics and Bioimaging.

The University of Maryland Strategic Partnership Act of 2016 (Chapter 25), codified the MPowering council as the University of Maryland Joint Steering Council. The council consists of members appointed by the presidents of UMCP and UMB. As established in current law, the council must:

- develop guidelines for faculty appointments that are joint faculty appointments;
- make recommendations to the presidents on joint faculty appointments;
- make recommendations to the presidents identifying competitor state peers for UMB and UMCP;
- establish a process by which undergraduate and graduate programs are evaluated to determine whether the students, the University of Maryland, and the State would benefit from alignment and collaboration and make recommendations to the presidents;
- carry out the programs and policies established under the MPower program as directed by the presidents; and
- perform any other duties assigned by the presidents.

State Expenditures: As shown in **Exhibit 1**, the bill mandates \$2.5 million in general fund expenditures in fiscal 2020 escalating to \$10.0 million by fiscal 2023. However, although the bill mandates \$2.5 million in fiscal 2020, funds cannot be mandated until fiscal 2021. Fiscal 2020 funding is at the discretion of the Governor. The Governor's proposed fiscal 2020 budget does not include any funds for this purpose. The \$10.0 million annual general fund appropriation remains level after fiscal 2023.

Exhibit 1
Mandated General Fund Expenditures
MPowering
(\$ in Millions)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
MPowering	\$2.5	\$5.0	\$7.5	\$10.0	\$10.0

Note: The \$10.0 million annual general fund appropriation is permanent beginning in fiscal 2023.

Source: Department of Legislative Services

This estimate assumes that the funds are added to the budget in a manner that does not increase any funds not intended for the bill's purpose. Adding the funds directly to the UMCP budget would increase the average full-time equivalent student funding for selected public four-year institutions, which would result in increases to the higher education funding formulas for community colleges and private institutions of higher education. Adding the funds directly to the UMB budget or creating a new budget code within USM will not impact the higher education funding formulas.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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