

Department of Legislative Services  
Maryland General Assembly  
2021 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

Senate Bill 895

(Senator Rosapepe)

Education, Health, and Environmental Affairs

Appropriations

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University System of Maryland - Student Fees - Review and Spending

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This bill requires that, when setting mandatory and nonmandatory student fees, the president of each University System of Maryland (USM) institution must present information on such fees for review by the student fee committee of record. The information presented to the committee must include (1) the amount of the fee; (2) the students who will be charged the fee; and (3) the proposed use of revenues from the fee. Unless the student fee committee of record reviews an exception to the use of the fee, revenues derived from fees as reviewed by the committee must be spent by the campus unit or department that requested the fee in a manner consistent with the intended purpose for which the fee exists. **The bill takes effect July 1, 2021.**

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Fiscal Summary

**State Effect:** USM institutions' *use* of student fee revenues is restricted, but there is no net effect on higher education revenues and expenditures, as explained below. The bill codifies current practice to require student fee *review* committees.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** Subject to the authority and applicable regulations and policies of the USM Board of Regents, each president retains the authority to set tuition and fees.

The Board of Regents has adopted policies on the establishment of tuition and mandatory fees, which already require student consultation. [Board Policy VIII-2.50 Policy on Student Tuition, Fees, and Charges](#) specifies that, for both mandatory and nonmandatory fees, each campus must ensure that an advisory committee is established and comprises appropriate numbers of students and stakeholders representing each area supported by a student fee. These advisory committees must be consulted prior to the establishment or change of student fees, and the process by which the committees are involved must be reported to the Board of Regents along with the proposed fee schedule.

**State Fiscal Impact:** The Department of Legislative Services (DLS) advises that the bill requires the presidents to present information on student fees to a committee of students, but it does not require the committee to *approve* any student fees or use of fee revenues. Further, under current Board of Regents' policy, committees of students and other stakeholders must be consulted on proposed changes to student fees. Therefore, DLS assumes that the bill's requirement for student fee review committees codifies current practice and does not have an operational impact on USM institutions. To the extent that student fee review committees *recommend* against additional fees or the use of fee revenues, and USM institutions *choose to follow* the recommendation, higher education fee revenues and expenditures decrease. Any such impact cannot be reliably estimated and is not a direct impact of the bill.

DLS further advises that, beginning in fiscal 2022, the bill restricts the use of student fee revenues to the department or unit within a USM institution that is collecting the fees. While the bill allows the student fee review committees to *review* exceptions to the use of fee revenues, the student committees do not have approval authority. Thus, university flexibility to reallocate student fee revenues, and expenditures, across the campus may be restricted by the bill. However, if the committee simply reviewing the exception is considered sufficient to allow the fee revenues to be spent beyond the intended purpose of the fee, then it likely has a limited impact on university flexibility. Regardless, while this may alter the use of fee revenues, it does not change the *overall* amount of student fee revenues and expenditures at a USM institution.

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### Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - March 8, 2021  
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