



UNIVERSITY SYSTEM OF MARYLAND

Office of Government Relations

2009 End of Session Report

April 14, 2009

Last evening, the Maryland General Assembly completed their work for the 2009 legislative session and adjourned Sine Die at Midnight.

The major responsibility of the System office is to prepare and advance the annual operating and capital budgets for the 11 universities, two research institutions, two regional higher education centers that comprise the University System of Maryland (USM). In addition, the USM Office of Government Relations tracked more than 50 individual bills that would have had varying impacts on the system, its faculty, staff and students. Working closely with the USM State Relations Council, and often with our colleagues in the independent and community college sector, USM succeeded in blocking or amending heavily several bills that would have imposed onerous new regulations. At the same time, USM supported legislation to increase information about textbook availability; ensure postsecondary opportunity for foster kids and members of Maryland's National Guard; and clarify the utilization of charitable contributions by university foundations.

The End-of-Session report is a snapshot of the major issues the System faced during the Session and their final resolution. The report is broken into three parts: Operating Budget, Capital Budget, and Bill Watch.

USM OPERATING BUDGET

The 2009 Legislative Session for Maryland's public universities began against an ominous backdrop. Upheaval in the global credit and financial markets, contraction of the nation's workforce, and continuing unfavorable economic prospects posed a countercyclical dilemma for lawmakers. High unemployment strains government's ability to provide support for those without employment, healthcare, or housing. It reflects a shrinking economy punctuated by decreased tax collections to fund other critical programs and services.

In difficult economic times the state must prioritize what it can and cannot afford. With the passage of the Fiscal Year 2010 budget, Governor O'Malley and the General Assembly have reaffirmed their commitment to keep Maryland's public universities affordable and accessible. **Given the state of the economy, the operating and capital budgets speak volumes of the Governor and General Assembly's support for public higher education and USM.**

In the end, the legislatively-adopted budget for USM approved a net reduction of \$5,886,973 in current General Funds. The fiscal year 2010 operating budget provides approximately \$1.054 billion in overall General Fund support and \$42.1 million in Higher Education Investment Fund revenue for USM.

From the onset, the USM Board of Regents showed their readiness to help tackle the State's burgeoning structural deficit **and** provide Maryland students with a quality college education at a reasonable cost. The USM financial contribution to help solve the budget puzzle began long before the gavel dropped to open the 2010 Legislative Session in January. A mere two months after the 2008 Session ended, the Board of Public Works cut \$4.5 million from USM's FY 2009 budget. Further reductions to the FY 2009 budget occurred in October 2008 (\$15 million from General Fund and \$20 million from fund balance transfer), twice more in December 2008 (\$16 million and \$14 million), and an additional reduction (\$5.6 million) for the under-attainment of revenue in the Higher Education Investment Fund (HEIF). The FY 2009 budget reductions for USM totaled \$76 million.

In response to the cuts, USM implemented systemwide hiring controls only allowing exceptions primarily to accommodate enrollment growth and sustain critical functions. USM also reduced funds for important facility renewal projects, student services, and academic program support. USM drew upon the fund balance responsibly in order to leave the System's bond rating intact and, more noticeably, joined with the rest of state government in implementing furloughs.

Governor's Priority:

As in 2008, the priority for Governor O'Malley was to fund higher education at an appropriate level in order to extend his tuition freeze for in-state undergraduate students at public institutions of higher education. With an unprecedented 4th consecutive year tuition freeze, Maryland would move from 6th to possibly 20th in terms of national tuition rates by state. The four-year effect of the freeze on tuition is that students will pay about \$1000 per year less than they would have paid if tuition had accelerated at a modest pace of 4.5 percent annually.

By holding tuition flat, the Governor and the General Assembly provided direct and seriously needed relief to Maryland's low- and middle family incomes. Policymakers in Maryland understand clearly the critical role a homegrown college-educated workforce plays in not only attracting business and industry, but also creating high-paying jobs. This is tuition relief that other states simply are not providing to their citizens.

With the continued support of the Governor and the General Assembly, and barring any additional reductions to the USM budget, Chancellor Kirwan is prepared to recommend to the USM Board of Regents that our USM universities hold in-state undergraduate tuitions frozen for the fourth consecutive year.

Given the state of the economy, and the need to adjust state funding for significant revenue write downs, the funding provided to USM shows a significant commitment and support for higher education by Governor O'Malley and the Maryland General Assembly.

Operating Budget Highlights

- The final agreement calls for a \$5.8 million cut in general fund support. The Senate rejected earlier House-supported additional general fund cut of \$3,717,566, and a separate \$1 million reduction for expected cost savings from USM's Effectiveness & Efficiency initiative.
- The agreement supports a request that USM continue to provide annual faculty workload reports for tenured and tenure-track faculty. The report is due December 1, 2009.
- The House and Senate agreed that \$1.5 million to each of Maryland's public Historically Black Institutions (HBIs) may not be expended until (A) the HBIs and the Maryland Higher Education Commission submit a report that outlines the effectiveness of student support services for undergraduates who may come to college less prepared; and (B) that each HBI submit a report to detail how the funds will be used to implement new programs and evaluate performance measures.
- House language reducing funds to the University System of Maryland at Hagerstown by \$500,000 **did not** appear in the final agreement.
- \$570,500 in General Fund support for the University of Maryland, Baltimore's, Wellmobile Program was re-established after an earlier House provision cut funding.
- The Governor's Supplemental Budget adjusts funds to support the fourth-year of a freeze for in-state undergraduate tuition at Maryland's public universities. Instead of \$16,053,022 in General Funds, the Governor's tuition freeze will be supported by \$16,053,022 in federal discretionary funds from the American Recovery and Reinvestment Act of 2009.
- In the Budget Reconciliation and Financing Act, the final budget modified the amount transferred from the USM fund balance. The House desired to transfer \$30 million and the Senate reduced the amount of the fund balance transfer to \$24 million. **However, the conference negotiations finalized a \$29 million USM fund balance transfer.**

- At times, the budget committees wish to express legislative intent or request the University System to perform certain studies or report on particular issues during the interim. This is usually written as “committee narrative” in the chairmen’s report of the budget committees’ action. Committee narrative does not have the effect of law nor does it require agreement to the language on the part of the entire House and Senate. However, both budget committees must agree on the wording. USM and the affected institutions feel obligated and are more than willing to respond to committee narrative on the following two issues:

(1) “The committees request that the University System of Maryland (USM) in conjunction with other stakeholders, submit a report by November 1, 2009 examining: (1) the status of **graduate assistants and adjunct faculty** in Maryland’s state public higher education institution...; (2) assessment of how the status of graduate assistants and adjunct faculty in the above institutions compares with graduate assistants and adjunct faculty nationally...; and (3) consideration of collective bargaining and other options that build upon the principles and practices of shared governance for improving the status of graduate assistants and adjunct faculty...”

(2) “ It is the intent of the General assembly that the Maryland Higher Education Commission in collaboration with the University System of Maryland (USM) shall convene a workgroup consisting of local elected officials...to study the fiscal and programmatic viability of the **University System of Maryland at Hagerstown (USMH)**. MHEC shall report to the budget committees on or before September 1, 2009.”

(3) “The General Assembly is concerned about the use of public higher education facilities to display or screen **materials and films** that are defined as obscene by the U.S. Supreme Court for purely entertainment purposes. The University System of Maryland...shall submit policies adopted by their respective governing boards on the use of public facilities for the displaying or screening of such pornographic films and materials by September 1, 2009.

(4) “The budget committees have reviewed the final report and recommendations of the **Commission to Develop the Maryland Model for Funding Higher Education** submitted in December 2008. The committees find the Higher Education Funding Model for Maryland recommended by the commission to be a comprehensive and well-developed model that balances quality, affordability, and access to Maryland higher education. The four-legged stool under the HEFMM includes: high State funding of higher education institutions; moderate tuition levels, and high State need-based financial aid; and accountability. Unfortunately the current global economic recession is impacting Maryland’s ability to commit to the HEFMM and other important recommendations made by the commission this year. However, the tuition freeze included in the fiscal 2010 budget for the fourth consecutive year

further improves Maryland's ranking in affordability and brings us closer to achieving the goal of moderate tuition. There are other opportunities to implement the commission's recommendations within current fiscal constraints.

Therefore, the budget committees urge the Maryland Higher Education Commission (MHEC), the institutions of higher education, the P-20 Council, and other stakeholders to move forward to implement those recommendations that can be implemented with existing resources, including incorporating the HEFMM into the State Plan for Higher Education and implementing an on-line Return on Investment to track progress with the goals; and developing a definition of "college-ready" and an educational longitudinal data system (ELDS) to align and link primary, secondary and higher education curricula and data.

In addition, the budget committees urge MHEC, working collaboratively with the Historically Black Institutions (HBI) to implement those recommendations from the HBI Study Panel that can be carried out within existing resources, including developing and implementing best practices for the new Access and Success program for HBIs; developing the institutional platform and identifying doctoral programs for targeted development; and developing capacity and outcome indicators to measure comparability and competitiveness.

The committees request that MHEC, in collaboration with the P-20 Council and other appropriate stakeholders, submit a report by December 1, 2009, that summarizes the progress made in implementing the commission's recommendations and specifically addresses the HBIs and developing a definition of "college-ready" and an ELDS framework that is agreed upon by K-12 and higher education."

USM CAPITAL CONSTRUCTION BUDGET

With a commitment of over \$169 million dollars in fiscal year 2010, the General Assembly approved **all** of the USM projects included in the Governor's Capital Budget. Two items were added in conference committee -- \$5 million for the UMCP East Campus Project and \$7.7 million for UMCP's Maryland Fire and Rescue Institute.

BOWIE STATE UNIVERSITY

Campuswide Site Improvements – \$3.237 million

Funds will be provided to upgrade Bowie State University's electrical distribution system. The new system will provide feeder redundancy and additional capacity to support future campus expansions.

New Fine and Performing Arts Building – \$34.028 million

This project will construct a new 62,465 net assignable square foot (NASF) Fine and Performing Arts Center to replace facilities in the existing Martin Luther King, Jr. Center that currently houses the visual arts, communications, history, government, English, foreign language, and music and theater programs. The facility will include classrooms, class laboratories, office space, a 200-seat recital hall, a 400-seat theater, a 200-seat black box theater, and an art gallery.

COPPIN STATE UNIVERSITY

New Science and Technology Center – \$9.745 million

The New Science & Technology Center (STC) is a continuation of the southern campus expansion acquisition and construction to house natural sciences, academic and industrial research programs, biology, biotechnology, physics, chemistry, general sciences, environmental sciences, preparing students to enter professional schools in dentistry, pharmacy, medicine or to pursue careers in industry of science and technology. The new STC will provide a state of the art technology based learning environment; which will build an academic identity for Coppin's commitment to the academic disciplines and professional practices associated with science and technology. The new facility will be located on the Southside of North Avenue adjacent to the new Health and Human Services Building.

Data Center Expansion -- \$2.371 million

Expand and upgrade the data centers and associated network infrastructures located in the Miles Connor Administration Building and the Grace Jacobs Office Classroom Laboratory Building. The Data Centers are the heart of Information Technology providing network servers and infrastructure, data storage, back-ups, etc. These improvements in increased environmentally controlled suitable space will help the University meet the growing information technology demands of students, faculty, and staff. Additionally, this project will help support campus growth and provide for business continuity and data recovery services. The FY 2010 budget includes funds for planning, construction and equipment. FY2010 Request: \$2,350,000.00 (Planning, Construction & Equipment)

New Physical Education Complex

Coppin State University is working with the Maryland Stadium Authority to purchase the necessary capital equipment within the current project budget.

SALISBURY UNIVERSITY

New Perdue School of Business -- \$28.0 million

Salisbury University seeks to continue the addition of much-needed academic space with the construction of a 112,800 square-foot building that will replace and expand the facilities currently supporting the Franklin P. Perdue School of Business and its academic, research, and public service programs. The new Perdue School of Business will be located on Route 13 near the main entrance of the campus. The building will contain 20 classrooms, one computer and four business labs, a 200-seat auditorium which can double as a large classroom, student lounges, break-out rooms, faculty and administrative offices, and the Perdue Museum. The facility will allow students, faculty, and the community to engage in both traditional and experiential learning settings. As the University's first building designed with silver Leadership in Energy and Environmental Design (LEED) certification, it will be a model of sustainability. Some of the environmental highlights include use of at least 20 percent recycled materials, state-of-the-art energy systems projected to use 24 percent less heating and cooling than similar classroom buildings, a minimum of 75 percent construction waste being recycled, and many bicycle racks to encourage students, faculty, and staff to consider alternate modes of transportation.

UNIVERSITY OF BALTIMORE

New Law School -- \$5.416 million

The new building will house state-of-the-art classroom spaces and a law library, a moot court room, two public law clinics and faculty offices, uniting currently fragmented law school units by bringing these distinct operations under one roof. The planned facility comprises 189,700 gross square feet, which includes 112,310 net assignable square feet. While increased space is a fundamental requirement in accommodating the growth we have experienced and the cutting-edge academic instruction we deliver, UB also makes special efforts to ensure its physical expansion and renovation projects focus both on quality and environmental sustainability. The new law center is no exception: It will be certified Silver—though we will strive for Gold—by the Leadership in Energy and Environmental Design Green Building Rating System. The design will incorporate green roofs and terraces, natural light and fresh-air ventilation that are consistent with the most strenuous green principles.

Late Session committee narrative in the Capital Budget:

“Satellite Law Center for the University of Baltimore: The committees would like to ensure that residents across the State of Maryland have adequate access to legal education. Therefore, the committees request that the University System of Maryland (USM) study the feasibility and logistical costs and benefits of establishing a satellite law center of the University of Baltimore in Prince George's County, at an existing regional higher education center to the extent feasible, to ensure equitable access to legal education across the State. The report shall be submitted to the budget committees by September 1, 2009.”

UNIVERSITY OF MARYLAND, BALTIMORE

School of Pharmacy Addition and Renovation -- \$16.362 million

The Pharmacy Hall Addition will result in 128,591 GSF/66,115 NASF of new space and includes three academic floors with lecture halls, teaching laboratories, a model pharmacy, student study spaces and student lounge areas. The remaining four floors will be dedicated to research laboratories and faculty offices. The project also includes the renovation of approximately 10,000 square feet of Pharmacy Hall space where the new Addition interfaces with the existing facility. The result will be an integrated complex able to support the School of Pharmacy's planned enrollment growth of 82%. The Addition to Pharmacy Hall is on track to be a LEED Silver certified building, incorporating environmentally sensitive design and construction. The building will utilize energy efficient equipment, wood products that are certified by the U.S. Forestry Service Council, recycled materials, lower lighting levels and natural day-lighting.

UNIVERSITY OF MARYLAND, COLLEGE PARK

Physical Sciences Complex -- \$4.618 million

The University of Maryland has moved rapidly to a new level of distinction. To accommodate the research generated by our outstanding faculty and to guarantee the highest quality education for our undergraduate and graduate students, we must provide the physical facilities needed by a modern university. This project is the first phase of a three-phased plan to provide a new home for the Department of Physics, the Department of Astronomy, and the Institute for Physical Sciences and Technology (IPST). The Phase I building, sized at 142,400 GSF/75,100 NASF, is proposed to be attached to the east side of the existing Computer and Space Sciences Building (CSS) in the northeast sector of the campus. More than half of the NASF in Phase I will be dedicated to solving the pressing need for modern research laboratory facilities. In addition, there will be offices and meeting spaces for the faculty, students, and staff.

Phase I is intended to replace some of the existing facilities, which are dilapidated and obsolete; to provide additional research space so that the volume of sponsored research can be increased; and to ameliorate campus wide shortages in research space. Phases II and III will ultimately increase the size of the complex to 369,500 GSF/193,100 NASF and replace the remaining substandard facilities, as well as bring the units together in one location to overcome operational inefficiencies resulting from physical separation of the units.

Maryland Fire and Rescue Institute North East Regional Training Center -- \$7.7million

Provide funds for the design, renovation, and construction of improvements to the Maryland Fire and Rescue Institute North East Regional Training Center located at the Aberdeen Proving Grounds.

East Campus Redevelopment -- \$5.0 million

Provide a grant equal to the lesser of (i) or (ii) the amount of the matching fund provided, to the University of Maryland Enterprise Corporation for the design and construction of facilities to relocate University of Maryland, College Park operations currently housed at the East Campus development site. These operations will be relocated to other areas of the campus

TOWSON UNIVERSITY

New College of Liberal Arts Complex – 35.725 million

Provide funds to construct Phase II of the new College of Liberal Arts Complex, provided that notwithstanding Section 6 of this Act, work may commence on this project prior to appropriation of all the funds necessary to complete this project

Completion of the College of Liberal Arts Complex will result in an academic building that will contain 293,000 gross square feet of classroom, research, laboratory, student study, and office space. In addition to accommodating planned enrollment growth, completion of the project will consolidate ten departments of the College into one facility. Currently, departments within the College of Liberal Arts are housed in four separate buildings. Bringing the Liberal Arts faculty, staff, and students together in one building will improve instructional delivery and operational efficiency. Space vacated as a result of this move will provide expanded space for the College of Education, which continues to grow and has substantive space needs.

UNIVERSITY SYSTEM OF MARYLAND

Capital Facilities Renewal Program – \$17.0 million

The USM Facilities Renewal Program is part of an overall pro-active approach by the Board of Regents to address the problem of deferred maintenance.

ADDITIONAL CAPITAL NARRATION FROM THE JOINT COMMITTEE

Commission to Develop the Maryland Model for Funding Higher Education

Capital Needs and Priorities: The budget committees urge the Maryland Higher Education Commission (MHEC) in collaboration with institutions of higher education to implement those recommendations of the Commission to Develop the Maryland Model for Funding Higher Education that can be implemented within existing resources. These include an assessment of the cost of meeting all facility space needs at public campuses; and assessing the HBI capital

priorities to ensure they are aligned with undergraduate needs and doctoral program needs as identified. The budget committees further encourage the Governor to accelerate capital projects at HBIs to ensure that facilities are available to meet identified needs, and to fulfill the capital commitments contained in the five-year Capital Improvement Program for higher education institutions.

USM BILLWATCH

Senate Bill 760/House Bill 735: State Personnel – At-Will Employment – Reforms and Reports

Original USM Position: Support with Amendment

USM Impact/outcome: None

House Bill 735 presented a late and challenging situation for the University System of Maryland. The original version of the bills sought to provide additional merit system protections to State employees, increase the reporting requirements, and establish new regulations for the recruitment of professional and skilled service positions.

The House of Delegates added a provision in Section 4-302 of the annual reporting requirements that brought the independent personnel system of the University System of Maryland under the purview of these new regulations. While it is true that the USM by statute maintains an independent personnel system, what makes USM unique in state government, is that it is bound by a Governing Board that is vested and tasked with the rights and responsibilities of operating said personnel system.

In addition, under 2-10A-08 of the bill, the House also added a Joint Committee of Fair Practices and State Personnel Oversight. The language provided that the Joint Commission have oversight of the USM personnel system.

Chancellor Kirwan sought, and subsequently received, an amendment to the measure that specifically **exempts** the University System from the legislation. House Bill 735 was approved by the General Assembly with the USM amendment.

Senate Bill 667/House Bill 289: Attorney General - State Legal Business - Hiring Counsel

Original USM Position: Monitor

USM Impact/outcome: Minimal

General authority to hire attorneys is included in the statutes relating to various State agencies, but the Office of the Attorney General has long considered that these provisions do not override its constitutional and statutory authority to represent the State's officials and units in the proceedings, and that State agencies are not permitted to employ or be represented by legal counsel other than the Attorney General without the Attorney General's prior approval.

The issue arose from a disagreement between the Office of the Attorney General and the Maryland Stadium Authority leading to the inclusion of language in the 2006 and 2007 Joint Chairmen's Report stating that the Office of the Attorney General had the authority to review and approve or disapprove any contract hiring legal counsel, including a retainer agreement, made by the Maryland Stadium Authority.

Independent confirmation from the Office of the Attorney General concluded that these provisions **do not** apply to the University System of Maryland or its constituent institutions.

Senate Bill 230/House Bill 200: Maryland Uniform Prudent Management of Institutional Funds Act

Original USM Position: Support
USM Impact/outcome: Moderate

Throughout the Legislative Session, several USM officials testified in support of the UPMIFA legislation. The bill, heard before both the House Committee on Judiciary and Senate Judicial Proceedings, provides uniform and fundamental rules for the investment of funds held by charitable institutions and the expenditure of funds donated as "endowments" to those institutions. The rules supported two general principles: 1) that assets would be invested prudently in diversified investments that sought growth as well as income, and 2) that appreciation of assets could prudently be spent for the purposes of any endowment fund held by a charitable institution.

Unlike last year when similar legislation was introduced, the bills had strong support not only from the University System's foundations, but also from the constituent institutions represented by the Maryland Independent Colleges and University Association.

The Senate passed the bill as introduced. The House passed the bill with numerous amendments modified in a way that makes the bill workable for the University System. The legislation is designated as an "emergency" and will become law upon the signature of the Governor.

The new law clarifies the rights of charities to go to court, with notice to the Attorney General to remove restrictions from the investment, management, or purpose of a fund where those restrictions have become impracticable or wasteful, unlawful or impossible to achieve. In cases where the fund is old (more than 20 years) and small (\$50,000 or less) the governing board of the charity, with notice to the Attorney General, can remove a restriction that meets the above criteria. In these cases the governing body must use the fund in a way that is consistent with the donor's original intent.

House Bill 538/Senate Bill 372: Foster Care – Tuition Exemption – Expanded Eligibility

Original USM Position: Support

USM Impact/outcome: Low

In the summer of 2008, the University System of Maryland met with representatives of Maryland's Department of Human Resources to discuss postsecondary educational support for children in the foster care system.

With USM testifying in strong support, House Bill 538 expands eligibility for tuition and mandatory fee waivers for public institutions of higher education in Maryland to younger siblings of foster care recipients who have been adopted by the same family. To be eligible, the foster care children must share one or both parents before the adoption and be adopted from an out-of-home placement, at the same time, by the same family. The bill also expands eligibility to foster care recipients who were adopted from an out-of-home placement after their thirteenth, rather than fourteenth, birthday.

Senate Bill 402/House Bill 900: Review of Duplicative Academic Programs

Original USM Position: Oppose

USM Impact/outcome: Measure died on the Senate Floor

Senate Bill 402 would have required the Maryland Higher Education Commission (MHEC) to review any determinations it made regarding unreasonable or unnecessary duplication of programs approved or implemented between July 1, 2005 and December 1, 2005, if an objection to the determination was filed by a Historically Black Institution (HBI). Upon request from an HBI, MHEC would have to make a determination about unreasonable or unnecessary duplication of programs approved or implemented after July 1, 2007. Finally the bill also authorizes judicial review in the circuit court of unnecessary program duplication determinations made by MHEC.

As with its legislative predecessors, USM opposed Senate Bill 402 and Chancellor Kirwan testified that the current program approval process has proven to be effective in addressing the concerns of HBIs in the program approval process. The program approval that has given rise to this bill—the University of Baltimore/Towson University MBA program – is in the court system for judicial review at present, and the need for the legislation is problematic. Last year, MHEC determined there is no discernable harm to the MBA programs existing at a Historically Black Institution (HBI) and Towson University is better able to recruit and retain business faculty. In addition, MHEC ruled that Towson was in the strongest position to handle a well-documented unmet need of regional employers for business administration graduates.

Senate Bill 275/House Bill 308: Higher Education Investment Fund – Funding

Original USM Position: Support

USM Impact/outcome: High

The attempts to provide a permanent extension to the Higher Education Investment Fund (HEIF) took several different forms this Legislative Session. It appeared as Senate Bill 275 and House Bill 308. In addition, the HEIF provisions were folded into House bill 789, the Bohanan Funding Commission bill. With those legislative attempts losing steam in the waning days, *the extension of the HEIF until fiscal year 2011 came as an addition to the Budget Finance and Reconciliation Act or BRFA.*

The BRFA extends for one-year the 6% distribution of the total funds generated through the corporate income tax to HEIF and 9.15% to the general fund rather than distributing the entire 15.15% to the general fund beginning in fiscal year 2011. Money in HEIF may be distributed to institutions of higher education for projects that support the attainment of State goals or institutional missions. MHEC, supported by a group of independent advisors as necessary, must select projects from among the proposals to receive funding. One important change made:

- (1) When the legislation was first passed by the General Assembly, the term “PUBLIC SENIOR HIGHER EDUCATION INSTITUTION” was used. Shortly after passage it was realized that the intent was to cover all of public higher education and unfortunately the USM research institutions, University of Maryland Center for Environmental Science, and the University of Maryland Biotechnology Institute did not fall within that definition. The Act brings both institutions under the definition.

House Bill 693: Designated Growth Institutions

Original USM Position: Oppose

USM Impact/outcome: Measure died in committee

House Bill 693 would have required universities, designated as “growth institutions,” to submit community impact statement to the General Assembly whenever the student population increases or a master plan is updated. The statement would have to assess the impact on municipal resources such as transportation, housing, and public safety and include a mitigation plan. A “growth institution” means a university designated by the USM Board of Regents as such with a student population of 14,000 or more. The bill also calls for “monitoring and tracking of, and applying appropriate discipline to, students living off-campus within a 10-mile radius.”

The bill would have had an impact systemwide; however, it was targeted at a specific university. Good faith efforts have been made on both sides to resolve the customary “town-gown” issues that arise in the regular course of growth, and witnesses expressed that many of the issues are regularly addressed through the institution’s 5-year master plan. Moreover, the institution has already been working with the community, county government, and the local elected officials to address both on-campus development and off-campus (student) behavior issues.

Senate Bill 693: Election Law – Maryland Student Voting Rights Act of 2009

Original USM Position: Oppose

USM Impact/outcome: Measure died in committee

Senate Bill 693 sought to expand “Motor Voter” registration infrastructure to institutions of public higher education and changed electioneering boundaries for polling places at public universities. USM testified that it believes strongly that students who leave home to attend college, or those students deployed overseas, should have the right to choose where they vote. Specific USM concerns were related to cost, administrative burden, and the ability for students to move safely and freely within campus buildings.

House Bill 1392: Election Law – Miscellaneous Revisions

Original USM Position: Monitor

USM Impact/outcome: Measure died in committee

Current law requires local election boards to establish a separate precinct on a campus of 500 or more specifically for student, faculty and staff. An exception was made if the local elections board could prove there was an established *precinct* within one-half mile of the campus.

House Bill 1392 now requires local election boards to establish a separate precinct on campus unless they can show there is an established *polling place* within one-half mile of the campus.

Senate Bill 802/House Bill 710: Higher Education - Edward T. Conroy Memorial Scholarship Program – Alterations

Original USM Position: Support with Amendment

USM Impact/outcome: Low

The Edward T. Conroy Scholarship, administered by the Maryland Higher Education Commission (MHEC), provides up to \$9,000 to the children and spouses of members of the US

military who died or suffered a service-connected disability as a result of service; POW/MIAs of the Vietnam War; victims of the September 11, 2001 terrorist attacks; and State or local public safety employees or volunteers who died or suffered 100 percent disability in the line of duty.

As originally drafted, House Bill 710, would have repealed the Conroy Scholarship and replaced it with a tuition waiver program. The proposed change was driven by the fact that eligible students were being placed on a waiting list until MHEC had the funds to make an award. SB 802, as drafted, would have had a significant fiscal impact and cost USM institutions an estimated \$566,514 in lost tuition revenue.

USM testified in support of amendments to retain the scholarship program but decentralize the determination of eligibility. MHEC will continue to publicize the program, but students would contact the financial office at the institution they plan to attend if they feel they meet the eligibility criteria. The institution will determine a student's eligibility and MHEC will now allocate funds contingent on verification. If funds cannot be allocated immediately by MHEC to the student, USM institutions **will be reimbursed** as the Conroy funds become available. The net effect is that Conroy eligible students would be able enroll at USM institutions without delay or deferment.

House Bill 353/Senate Bill 551: Deadly Weapons Prohibition

Original USM Position: Support with Amendment

USM Impact/outcome: The measures died in committee

House Bill 353 and Senate Bill 551 would have prohibited a person from carrying or possessing any firearm, knife, or deadly weapon on the property of a public institution of higher education in the State. The prohibition in the bills did not apply to an on-duty law enforcement officer, a guard hired by the institution, a person engaged in organized shooting activity for educational purposes, or other specified historical activities with an educational purpose with a written invitation from the president of the institution.

USM supported the proposed legislation with a System amendment that would have made clear the ability of university presidents, in consultation with their respective communities and stakeholders, to enhance existing campus prohibitions on deadly weapons.

House Bill 1526: Workforce Development – Maryland Workforce Corporation

Original USM Position: Support with amendment

USM Impact/outcome: Moderate

House Bill 1526 establishes the Maryland Workforce Corporation to coordinate with State agencies to develop an overarching framework for the State's workforce development efforts.

The University System of Maryland testified in strong support of HB 1526 and worked with the sponsors to amend the bill naming the Chancellor of the University System of Maryland to the Corporation's board.

The new Corporation will work with State agencies to develop a plan and framework for innovative, demand-driven workforce development and training programs; secure public and private funds for the programs; administer the programs it develops in accordance with its plan; provide grants and other assistance to support its programs; contract with training providers to conduct education and skills training programs; act as a research and development resource in finding solutions for new and emerging workforce issues; and evaluate the effectiveness of the programs under its purview.

House Bill 789/Senate Bill 861: Higher Education Funding Model for Maryland Act of 2009

Original USM Position: Support

USM Impact/outcome: Measure died in committee*

House Bill 789 and Senate Bill 861 would have placed into law the two-year effort of the Maryland Commission to Develop the Maryland Model for Funding Higher Education. Legislators and higher education officials remained hopeful that a comprehensive blueprint for postsecondary support could emerge in this profound economic slowdown. The University System of Maryland, as represented by Chancellor Kirwan and several USM institution presidents, supported several key tenets of the measures.

USM hailed the rational and integrated funding model developed by the Commission; the priority it placed on economic competitiveness; and the appropriate performance measures that gauged Maryland's system of higher education against those of the states it competes with for employers and jobs. The bill outlined, and USM supported, recommendations to address competitiveness and comparability at Maryland's Historically Black Institutions with an emphasis on undergraduate student success. The bill called for a coordinated effort that increased base funding, integrated services focusing on improving graduation rates, and continued important capital support.

The measure called for an increase in the amount of capital funding going to the state's public 4-year institutions and community colleges through the Governor's Capital Improvement Program (CIP). USM viewed this as an important component not only to help institutions provide access to higher education that the state needs, but also ensure quality classroom and laboratory space to sustain the state's preeminence in research and development. USM also supported the bill's recommendation to study and develop a mechanism for creating a separate funding category in the CIP for research space.

While neither bill went beyond the hearing stage, important provisions such as the Higher Education Investment Fund extension and HBI support for student academic services did re-appear to some degree in budget vehicles and/or committee narrative*

Senate Bill 183/House Bill 85: College Textbook Competition and Affordability Act

Original USM Position: Support with amendment

USM Impact/outcome: Moderate

The final version of the General Assembly's work to lower the cost of textbooks came as the result of a hard-fought compromise between legislators and Maryland's entire higher education community. From the beginning, the University System of Maryland (USM) supported the intent of Senate Bill 183 and its companion, House Bill 85.

The issue of the rising costs of textbooks is a concern at the federal and state level. In November of 2008, all the higher education segments in Maryland convened an all day Textbook Summit. The Summit was designed to bring together all the parties involved in the textbook arena and provide a full understanding of the textbook provisions in the federal Higher Education Act Reauthorization that goes into effect in July 2011; explore options such as the utilization of E-Textbooks, Textbook Rental Programs and other alternatives; and understand fully the issues affecting students, faculty, campus bookstores, off campus bookstores as well as legislators.

In February, the USM Board of Regents (BoR) approved a 10-point policy for systemwide textbook adoption – the first time that the USM has adopted any formal policy with regard to textbook and course material selection. As adopted, Senate Bill 183 dovetail the Board of Regents policy on textbook adoption and, to some degree, the bills' conform to the language and intent of existing federal law.

Over the course of two Legislative Sessions the University System worked closely with our independent and community college peers to increase the understanding of the General Assembly and the public at-large about textbook affordability. Senate Bill 183 is a reflection of not only the hard work of our fellow higher education colleagues, but also the willingness and astuteness of the sponsors' to work collaboratively to make a better bill.

The measure headed to the Governor's desk is a "mixed bag" for not only USM, but also other sectors of higher education in Maryland. The impact will vary from campus-to-campus and the net-savings for students remains to be seen. The measure will likely become law and the administrative costs associated to implement the new mandates; the bill's unknown impact on wholesale publisher pricing; the release of course book selections before final adoption by faculty; and a "let the buyer beware" caveat for students are all issues that can only be unveiled and evaluated in practical application.

Senate Bill 66: Supplemental Retirement Plans and Optional Retirement Program – Employing Institutions - Community Colleges

Original USM Position: Support with amendment

USM Impact/outcome: None

The Maryland Higher Education Commission submitted legislation to establish community colleges as independent employing institutions with respect to their employees' eligibility for the Optional Retirement Program (ORP) and administration of supplemental retirement plans. It requires each institution to administer the participation, termination, and retirement of its employees with respect to ORP, and authorizes each institution, except Baltimore City Community College (BCCC), to establish and administer its own supplemental retirement plans in accordance with federal tax law.

As originally drafted, Senate Bill 66 would have unintentionally placed the USM outside the scope of the currently designated ORP vendors working with USM. MHEC and USM were able to agree upon amendments preserving USM's current administration of its retirement program.

Senate Bill 728: Higher Education – System and Funding

Original USM Position: Support

USM Impact/outcome: Measure died in committee

Senate Bill 728 proposed a constitutional amendment requiring the State to maintain a system of higher education that is broadly accessible to the people and dedicated to excellence. The proposed amendment requires the State to fund public institutions of higher education in an amount necessary to provide instruction that, in a condition of full efficiency, is as nearly free as possible to Maryland residents. The constitutional amendment would have taken effect if approved by a majority of Maryland voters at the November 2010 general election.

USM testified that Senate Bill 728 was in complete alignment with the goals of the University System of Maryland and Chancellor Kirwan noted that it “takes us to the next step” to address global competitiveness and technological challenges.

Senate Bill 892: Historically Black Institutions - State Funding - Blount-Rawlings-Britt HBI Comparability Program

Original USM Position: Monitor

USM Impact/outcome: Measure died in committee

In March, USM offered testimony supporting the intention of Senate Bill 892. The rationale was that there existed a specific charge of the Maryland Commission to Develop the Maryland Model for Funding Higher Education was to determine the definition of comparable and competitive funding for HBIs and to make recommendations as to a funding model to

implement its recommendations. The Commission enlisted national experts in the area of HBI funding, and subsequently, the Commission produced recommendations calling for additional base operating funding for HBIs. The panel also recommended the priority be given to capital funding for HBIs.

As a stand-alone bill, several provisions in House Bill 892 needed clarifications. One provision, the establishment of a specific annual percentage (35%) of all higher education capital funding dedicated to capital improvements at Maryland's Historically Black Institutions indefinitely, was especially problematic. The rigid funding formula was not consistent with the state's capital funding process, and in some years, such as two years ago when Coppin State received more than \$100 million in capital funding, the 35% figure would have been too low. In other years, when campuses must focus on capital planning in preparation for major projects, the \$35 million would exceed the dollar value of state approved projects.

Senate Bill 373: Higher Education – Maryland National Guard Members – Nonresident Tuition Exemption

Original USM Position: Support

USM Impact/outcome: Minimal

Under current law, public institutions of higher education in Maryland charge in-state tuition rates to three categories of individuals: (1) active duty members of the U.S. armed forces; (2) the spouses and dependent children of active duty members of the U.S. armed forces; and (3) honorably discharged veterans of the U.S. armed forces. An active duty member of the U.S. armed forces is exempt from nonresident tuition charges if the member is stationed in Maryland, resides in Maryland, or is domiciled in Maryland.

Senate Bill 373 exempts a member of the Maryland National Guard from paying non-resident tuition at a public institution of higher education if they: (1) joined or subsequently served to provide a critical military occupational skill, or (2) is a member of the Air Force critical specialty code.

The University System of Maryland testified in support of the measure. The new law takes effect July 1, 2009.