



UNIVERSITY SYSTEM OF MARYLAND
Office of Government Relations
2016 End of Session Report
April 11, 2016

The Maryland General Assembly completed its work for the 2016 Legislative Session and adjourned Sine Die at midnight. Today marks the end of the 2016 Maryland General Assembly session. Nearly 2,817 bills were introduced this session – 1,173 originated in the Senate and 1,644 originated in the House. In addition, the University System of Maryland (USM) Office of Government Relations, in conjunction with the state government relations representatives from each USM institution, tracked, or testified actively on, more than 100 individual bills that would have had varying impacts on the System, the faculty, staff and students.

One of the main responsibilities of the Chancellor's Office is to prepare and advance the annual operating and capital budgets for the 11 universities, one research institution, and two regional higher education centers that comprise the USM. Working closely with the USM State Relations Council, and often with our colleagues across all sectors of education. The USM supported the efforts of legislative leadership to focus on the state's economic development structure and incentive programs to strengthen collaborations on technology transfer and commercialization; joined efforts to make college more affordable by keeping the tuition increase at a modest 2%; and the USM lent its support for the establishment of a Student Veterans Commission. At the same time the USM succeeded in amending several bills that would have imposed onerous new regulations or financially curtailed USM programs.

These efforts do not happen in a silo. The USM Office of Government Relations, State Relations Council, Council of University System Staff (CUSS), Council of University System Faculty (CUSF), and the USM Student Council collaborated closely this year to share information and updates. For the first time, all the USM councils participated in a joint advocacy day in Annapolis. Early in the legislative session, the USM Communications Council helped develop the message and major themes used throughout the presentations and publications. The ***"2016 USM Quick Points of Excellence"*** was distributed to members of the General Assembly.

It would be remiss not to acknowledge and thank the dedicated professional staff of the Department of Legislative Services (DLS). These individuals provide critical analysis of the performance and function of the USM and often help translate the legislative intentions and objectives of those to whom they report.

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

BACKGROUND

The 2016 Legislative Session for Maryland's public universities began amid continued uncertain state economic conditions. The Board of Revenue Estimates put it best in its December analysis:

“Except for a few adjustments that do increase revenue, the big picture economic outlook remains generally static relative to what we have had since September 2013. Our expectation is for economic growth, but at a rate lower than in comparable periods of economic expansion. This is both a national and State issue. Maryland's economic performance is, of course, adversely impacted by generally flat-lined federal government expenditures and political instability.”

The Board also noted, *“The national recovery from the “Great Recession” remains muted. The fact that so many economists and pundits continue to refer to this point in time as “economic recovery,” six years after the end of the recession, as opposed to an “economic expansion” is telling. Moreover, the fiscal drag from federal budget sequestration and general ongoing federal policy uncertainty continue to restrain growth in Maryland and the region. In other words, the economic picture has not changed much, accordingly our outlook remains subdued relative to normal periods of economic expansion. It must be stressed that our outlook calls for improving employment and wages as the economic expansion continues, just not at the rates of growth witnessed throughout the expansionary periods of the 1990s and 2000s.”*

The USM absorbed major budget cuts in both the FY 2015 and FY 2016 appropriations as the state addressed its structural deficit. It is also important to understand that the current fiscal environment still required work on the State's deficit and this issue was implicit in the initial planning for FY 2017. The planning dollars for the FY 2017 Current Services Budget (CSB) did not include an increase in State funds, thus USM restricted hiring and other spending in an effort to both contain costs and strategically consider options for position openings as they occur.

The FY 2017 operating budget for the USM is a testament to the state's regard for public higher education in Maryland. Governor Hogan and the General Assembly made great strides towards funding guideline attainment. The policy imperative to keep Maryland's public universities affordable, accessible, and of the highest quality remains a key priority. The USM is grateful that the General Assembly fully funded the mandatory costs in the Governor's proposed budget as well as enhancement funding for college completion efforts.

The USM will continue to remind policymakers of the critical role a homegrown,

college-educated workforce plays in not only attracting business and industry, but also creating high-paying jobs. The Board of Regents, Chancellor Caret, and the institution presidents have persuasively and regularly delivered the message about the competitiveness of the USM in attracting the best and the brightest faculty, students, and skilled staff to keep the enterprise afloat.

FISCAL YEAR 2017 OPERATING BUDGET

Over the past three months, USM has worked closely with the General Assembly to ensure access to exceptional and affordable academic opportunities. The final USM operating budget for fiscal year 2017 passed both the House and Senate and makes strong bipartisan progress towards covering several of the USM's several top priorities for Maryland public higher education. The General Assembly approved state support for the USM totaling \$1.34 billion, coming from the General Fund and the Higher Education Investment Fund. This is an increase of \$75 million—or approximately 6 percent—over the FY 2016 budget revised for increased health cost deficiency funding (\$16.5 million). At the conclusion of the 2016 Legislative Session, the General Assembly did not transfer any USM fund balance.

The budget increases will fund several top priorities across the USM: \$38 million for merit pay increases; \$42 million toward increased healthcare and retirement expenses; \$5 million for a 1 percent “tuition buy down” for in-state, undergraduate students; and almost \$7 million targeted to improving college completion. In return, the USM will hold tuition increase for in-state, undergraduate students to a very modest 2 percent. In addition, through cost cutting and reallocation actions driven by the ongoing Effectiveness and Efficiency (E&E) efforts, the USM will provide at least \$17 million in added savings to ensure that the fiscal year 2017 budget is balanced.

Key Budget Actions

Chancellor Caret, the Board of Regents and USM presidents made compelling arguments to maintain Governor Hogan's allocation for mandatory costs and the enhancement package that focuses on college completion. The USM's mandatory costs will increase by about \$123 million in the coming fiscal year, which is driven by merit pay increases, higher healthcare benefits costs, and the increased costs associated with retirement benefits.

As a part of the budget process the Department of Legislative Services (DLS) recommended a \$3.2 million cut to the health cost deficiency funding. The Senate did not propose a cut but instead added language restricting \$3.2 million for college completion efforts or, in the event of the passage of Senate Bill 1052, expenses related to the relocation of the Chancellor's Office to Baltimore City. The final conference committee decision amended the restrictive language to read that \$3.2 million ***“may be expended only on completion initiatives at University System of Maryland institutions. A report shall be submitted to the budget committees by June 30, 2016, on the allocation and use of funds.”***

The DLS also recommended an additional cut to USM's merit pay funding of \$1.4 million to reflect what it believed to be the state average. The Senate rejected the DLS recommendation. The DLS suggested that USM employees would receive higher salary increments than state employees because the USM merit pool is funded at fixed 2.5% (regardless of length of service). The state average for salary increments is 2.4% and that can change in any given fiscal year. The USM maintained that drawing a comparison between the state's step-based increment system and USM's performance based system is problematic. The state provides increments to nearly all of its employees according to a fixed grid consisting of more than 20 grades and 20 steps within each grade. As state employees move from step to step some will see a merit percentage above the average of 2.4% and some will receive a percentage lower than 2.4%. **In the end, the USM argued successfully that the 2.5% is not only in line with the state average, but also a way to provide consistency and fairness between USM employees and their state counterparts.**

The USM opposed, and the General Assembly rejected, a recommendation from DLS to transfer \$2 million in enhancement funds to selected institutions that will be expanding their program offerings at the Universities at Shady Grove and USM Hagerstown.

The USM recognized and appreciated the issues raised by DLS, and the concern it voiced over the potential financial and academic risks incurred by USM institutions offering programs at the regional centers. However, in allocating fiscal year 2017 enhancement funds between USM institutions and regional centers, the USM initiated an extensive proposal development, review, and selection process focused on addressing key state and System goals (degree completion, workforce preparation, capacity building, etc.). The allocation decisions made by the System were designed purposely to maximize gains under those goals in the most cost effective and efficient way possible. The process was designed to meet the performance expectations of the Board of Regents the Governor and the General Assembly.

The House accepted a DLS recommendation to pare \$346,000 in the USM office budget turnover reduction funding. The Senate did not seek a reduction. The USM opposed this recommendation. **In the end, the budget conference committee agreed to a \$100,000 reduction in turnover reduction funding.**

Interagency Agreements

SECTION 29. AND BE IT FURTHER ENACTED, That on or before August 1, 2016, each State agency and each public institution of higher education shall report to the Department of Budget and Management (DBM) any agreements in place for any part of fiscal 2016 between State agencies and any public institution of higher education involving potential expenditures in excess of \$100,000 over the term of the agreement.

Further provided that DBM shall provide direction and guidance to all State agencies and public institutions of higher education as to the procedures and specific elements of data to be reported with respect to these interagency agreements, to include at a minimum:

- (1) A common code for each interagency agreement that specifically identifies each agreement and the fiscal year in which the agreement began;
- (2) The starting date for each agreement;
- (3) The ending date for each agreement;
- (4) A total potential expenditure, or not-to-exceed dollar amount, for the services to be rendered over the term of the agreement by any public institution of higher education to any State agency;
- (5) A description of the nature of the goods and services to be provided;
- (6) The total number of personnel, both full-time and part-time, associated with the agreement;
- (7) Contact information for the agency and the public institution of higher education for the person(s) having direct oversight or knowledge of the agreement;
- (8) The amount and rate of any indirect cost recovery or overhead charges assessed by the institution of higher education related to the agreement; and
- (9) The justification submitted to DBM for indirect cost recovery rates greater than 20%.

Further provided that DBM shall submit a consolidated report to the budget committees and the Department of Legislative Services by December 1, 2016, that contains information on all agreements between State agencies and any public institution of higher education involving potential expenditures in excess of \$100,000 that were in effect at any time during fiscal 2016.

Further provided that the Secretary shall review each current higher education interagency agreement in excess of \$500,000 to determine why the services cannot be provided by the State agencies and is, therefore, appropriate for using higher education; ensure that agencies maintain documentation of all agreements, amendments, task orders, and invoices; ensure that the overhead charges and direct service costs are not excessive; and ensure that all work performed by higher education is documented. Further provided that no new higher education interagency agreement may be entered into during fiscal 2017 without prior approval of the Secretary.

COMMITTEE NARRATIVE

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 will respond to committee narrative on the following issues (note: original language from the committee narrative is used in this section):

Institutional Aid, Pell Grants, and Loan Data by Expected Family Contribution Category

In order to more fully understand all types of aid available to students, the committees request that data be submitted for each community college, public four-year institution, and independent institution on institutional aid, Pell grants, and student loans. Data should include, by expected family contribution (EFC), the number of loans and average loan size of federal subsidized and unsubsidized loans, and loans from private sources as reported to the Maryland Higher Education Commission (MHEC). Additionally, data should be provided on Pell grants, including the number and average award size by EFC. Finally, data should include the number of institutional aid awards and average award size by EFC for institutional grants, institutional athletic scholarships, and other institutional scholarships. The data in the response should differentiate between need-based aid and merit scholarships. Data should also include the number of institutional aid awards and average award size by EFC for tuition waivers/remissions of fees to employees and dependents and students. Waiver information for students should be reported by each type of waiver in State law. This report should cover fiscal 2015 and 2016 data received by MHEC from State institutions and is to be submitted in an electronic format.

Report on fiscal 2015 financial aid categories by EFC due July 1, 2016
Author: MHEC

Report on fiscal 2016 financial aid categories by EFC due June 30, 2017
Author: MHEC

Instructional Faculty Workload Report

The committees request that the University System of Maryland (USM), Morgan State University (MSU), and St. Mary's College of Maryland (SMCM) continue to provide annual instructional workload reports for tenured and tenure-track faculty. By focusing on these faculty, the committees gain a sense of the teaching activities for the regular core faculty. However, there are other types of instructional faculty at institutions such as full- and part-time nontenured/nontenure-track faculty including adjunct faculty, instructors, and lecturers. Focusing on only tenured/tenure-track faculty provides an incomplete picture of how students are taught. Therefore, the report should also include the instructional workload when all types of faculty are considered. Additional information may be included at the institution's discretion. Furthermore, the USM report should include the percent of faculty meeting or exceeding teaching standards for tenured and tenure-track faculty for the University of Maryland, Baltimore.

Report on instructional faculty workload is due December 15, 2016
Authors: USM, MSU, SMCM

Report on Best Practices and Annual Progress toward the 55% Completion Goal

The committees understand that in order to meet the State's goal to have at least 55% of Maryland's residents age 25 to 64 holding at least one degree credential by 2025, accurate and timely information on degree progression and best practices are needed to ensure that the State is on track to meet the goal. The committees request that the Maryland Higher Education Commission (MHEC) annually collect and analyze student- and transcript-level data on progression, graduation, and other relevant metrics from each public institution of higher education, including community colleges and regional higher education centers. MHEC should submit a report by December 15 each year that analyzes the data and shows each institution's progress toward the State and institutional goals in 2025. The report should also include a summary of best practices and findings on the effectiveness of institutions' programs, as well as any concerns regarding lack of progress or best practices that are not being implemented by institutions. In addition, the committees request that MHEC, in collaboration with the Governor's Prekindergarten-20 Council, convene a biennial Summit on Completion that provides a forum for representatives of all segments of education (including K-12), economic and workforce development, and other stakeholders to share best practices on college completion that are underway in Maryland and hear from experts on best practices in other states that may be replicated in Maryland. A summary of the summit should be included in the annual report on best practices and progress toward the 55% goal.

The report on best practices and progress toward the 55% completion goal is due December 15, 2016 and annually thereafter.

Author: MHEC

FISCAL YEAR 2017 CAPITAL CONSTRUCTION PROJECTS

BOWIE STATE UNIVERSITY

Construction of the Natural Sciences, Mathematics and Nursing – \$31.5 million

The Natural Sciences, Mathematics and Nursing Building will improve BSU's teaching and research laboratory and classroom space. While the current science facility, the Crawford Science Building, offers about 15,000 net assignable square feet (NASF) for laboratory space, according to the 2016 CIP, NSC will offer about 39,000 NASF for laboratory space. NSC also includes space for a greenhouse, lounge, central services, and data processing that are all important for improving educational spaces at BSU. NSC will also have about 16,000 NASF for offices and about 12,000 NASF for classrooms. While the 2013 CIP documentation noted that NSC had about 85,672 net square feet (NSF), current documentation shows 87,890 NSF, an increase of 2,218 NSF, or 2.6 percent, mostly due to increased classroom laboratory space. Construction is currently well underway for the new STEM focused facility for students studying math, engineering, nursing, biology, chemistry, physics, and physical sciences. The research lab suite will be an environment for chemistry, biology and physics, which will include

core labs for microscopy, spectrometry, and nuclear magnetic resonance (NMR.) The building will have an iconic cylindrical, glass-walled multipurpose room with a signature feature that will serve as a visual of the university's commitment to science, technology, engineering and mathematics (STEM), and nursing education. The final project will be completed in the spring of 2017.

SALISBURY UNIVERSITY

Sea Gull Stadium – \$425,000

The Sea Gull Stadium turf field replacement project will replace the existing 101,436 square foot synthetic turf field. The existing binding material has failed and the field has experienced a significant amount of fiber loss. Consequently, the turf field has deteriorated to a point where its use poses growing safety concerns and potential liability issues to the University. These new funds will be used to install a new turf field that complies with safety standards. The dimensions of the field will not change.

TOWSON UNIVERSITY

New Science Facility – \$6.15 million

The New Science Facility will house the College of Science and Mathematics providing space that will accommodate enrollment growth and allow for the expansion of academic programs. The facility was added to the 2014 Capital Improvement Program (CIP) to replace the Smith Hall expansion and renovation project. A detailed engineering review and assessment of Smith Hall revealed significant deficiencies in the building envelope, making full replacement of the building facades necessary. Furthermore, the existing structural system cannot accommodate the additional weight of the rooftop mechanical equipment needed for a modern science facility, and structural modifications would be needed to bring the building up to current codes. Given these deficiencies, three conceptual schemes were considered with the construction of a new facility, deemed as the best solution that would meet Towson University's (TU) science needs.

UNIVERSITY OF BALTIMORE

Langsdale Library – \$9.3 million

This project is necessary due to the deterioration of the existing Langsdale Library facility. Langsdale Library was built in 1965 and has had no major renovations. The FY 2017 budget provides funding to begin renovation and construction. When complete, the library improvements will include: modern study space for UB students, new office space, new electrical wiring to allow more information technology to function in the building, and upgraded mechanical systems to improve temperature and humidity control that is critical to maintaining library materials and the equipment used to support technology. The facility will also provide common space for group work and allow for the conversion of library materials into electronic formats to help reduce overall stack

space. The library will include space for workstations, media production, exhibits, a student lounge and central building services. Langsdale Library, centrally located on UB's midtown Baltimore campus, is an important community and state resource. Among the library's services, Langsdale Library exclusively houses historic documents of value to the State of Maryland and City of Baltimore, including special collections, papers and materials. The library is open and accessible to the public.

UNIVERSITY SYSTEM OF MARYLAND

Southern Maryland Higher Education Center Building III – \$3.06 million

This project provides a third academic facility on the Southern Maryland Higher Education Center (SMHEC) campus to support new education, research, and professional training programs. The facility will support local and regional initiatives related to Unmanned Autonomous Systems (UAS), which, due to its location near the Naval Air Warfare Center Aircraft Division at Patuxent River, is expected to generate significant UAS activity in the tri-county region of Calvert, Charles, and St. Mary's counties. In addition, the University of Maryland, College Park (UMCP) has established a test site for UAS at the St. Mary's County Regional Airport as part of the Mid-Atlantic Aviation Partnership with Virginia and New Jersey. In addition, the facility will increase the availability of undergraduate engineering programs by expanding existing programs and offering new programs. UMCP plans to start offering an undergraduate electrical engineering program in fall 2016, primarily for Navy personnel, limiting enrollment to 10 students. The Naval Air Weapons Aviation Center has agreed to provide 10 full scholarships when the program begins in fall 2016.

Biomedical Sciences and Engineering Facility at the Universities of Shady Grove – \$36.7 million

The USG Biomedical Education facility at Shady Grove was funded for construction, with preauthorized amounts in FY18 and FY19. A note in the committee narrative states the intent that the project begin on June 1, 2016 and that the USM can provide a bridge loan to assist with the FY2017 expenses (assumes reimbursement from State funds the following year).

Capital Facilities Renewal – \$17.0 million

This annual facilities renewal program provides funding for infrastructure improvements at various facilities at USM institutions. Capital facilities renewal funds are allocated among institutions on a pro rata share of self-reported replacement costs for all State-funded academic facilities. Funding for fiscal 2017 includes \$17 million in revenue bonds that will enable USM to undertake 33 projects at 11 institutions.

FROSTBURG STATE UNIVERSITY – \$2.5 million

Initial planning funds were added to the FY 2017 Capital Budget to accelerate the construction of the FSU Educational Professions and Health Sciences Center by two years.

UNIVERSITY OF MARYLAND, BALTIMORE

Central Electric Substation and Electrical Infrastructure Upgrades – \$4.0 million

Provide funds to acquire property and begin design of electric substation and electrical infrastructure upgrades for the University of Maryland, Baltimore.

Health Sciences Research Facility III – \$81.0 million

Provide funds to continue construction and equip a new research facility for the University of Maryland, Baltimore School of Medicine.

UNIVERSITY OF MARYLAND, COLLEGE PARK

James Clark Hall – New Bioengineering Building – \$69.995 million

Provide funds to continue construction of the new bioengineering building. The facility will include research and instructional laboratories, classrooms, office and conference space, and animal care facilities, addressing several issues constraining the growth of the Bioengineering Program. This includes the lack of space and specialized facilities, separate location of functions, and inadequate and insufficient animal care space. The current space no longer meets the needs of the rapidly expanding Fischell Department of Bioengineering. It is projected that the department will increase from 34 faculty, 10 staff, and 398 majors in fiscal 2012 to 58 faculty, 19 staff, and 600 majors by fiscal 2021. The recently created Robert E. Fischell Institute of Biomedical Devices is expected to have 24 faculty and 18 staff by fiscal 2021. Clark Hall will help the state develop and grow its burgeoning biotechnology and biomedical device industries.

Brendan Iribe Center for Computer Science and Innovation – \$27.0 million

Provide funds to continue design and begin construction of a new computer science building. The Brendan Iribe Center for Computer Science and Innovation will house the university's top ranked Department of Computer Science and the University of Maryland Institute for Advanced Computer Studies (UMIACS), providing space needed to support the growth of the department and facilitate the integration of modern teaching and research activities. The facility will be designed with flexible space and be adaptable to the changing needs of the department. This project will strengthen UM's leadership in computer science, cybersecurity and virtual/augmented reality as well as serving as a key driver of the state's knowledge economy.

Edward St. John Learning and Teaching Center – \$5.1 million

Provide funds to complete construction and equipping of the new Edward St. John Learning and Teaching Center. The Edward St. John Learning and Teaching Center will provide 14 technologically advanced classrooms, nine general chemistry class labs, seminar rooms, technology support facilities and student study spaces. This project replaces large obsolete, poorly configured instructional space in several buildings. The St. John Learning and Teaching Center will house the Center for Teaching Excellence and the Academy of Innovation and Entrepreneurship.

New Cole Field House – \$3.0 million

Provide funds to convert and expand Cole Student Activities Building to create a hub for innovation and a national model for integrating research, academics and athletics. The project will enable the university to grow its clinical and research programs in sports medicine and occupational health by creating a new Center for Sports Medicine, Health and Human Performance in partnership with the University of Maryland School of Medicine. The university will also construct a Terrapin Performance Center, which will include an indoor football practice field and new training facility. The state's contribution is only for the academic spaces.

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY

Interdisciplinary Life Sciences Building – \$7.64 million

The Interdisciplinary Life Sciences Building will address a shortage of teaching space to support science, technology, engineering, and mathematics (STEM) programs and provide interdisciplinary research space supporting life sciences and graduate education. Additionally, it will address deficiencies in research support facilities including animal research space.

UNIVERSITY OF MARYLAND EASTERN SHORE

School of Pharmacy & Allied Health Professions – \$3.5 million

The new School of Pharmacy and Allied Health Professions (SPHP) project is an 110,000 GSF/66,000 NASF building that will accommodate the School of Pharmacy programs (Doctor of Pharmacy and Doctor of Pharmaceutical Sciences), Graduate Physician Assistants program, Doctor of Physical Therapy program, Rehabilitation Services program, and support spaces. In the School of Pharmacy, the spaces to be provided will include Pharmacy Practice labs (dispensing lab), Anatomy and Physiology labs, Pharmacology labs, Pharmaceutical teaching labs, and auditorium style classroom for 120 students, computer lab, staff and faculty offices, conference rooms, and support spaces. The \$3.5 million will provide planning funds for this much needed facility.

FINAL STATUS OF LEGISLATION BY BILL NUMBER

Senate Bill 218

Higher Education - University System of Maryland and Morgan State University - Prohibition Against Inclusion

USM Position: Monitor

Final Status: Passed

In 1988, legislation authorized Morgan State University and St. Mary's College of Maryland to each have its own governing board – the only public baccalaureate degree granting institutions in Maryland to have such authority. The legislation also designated Morgan State University as Maryland's Public Urban University.

Written testimony was provided stating that USM is not aware of any plan to usurp the authority and autonomy that Morgan State University possesses currently.

The USM Board of Regents has always focused only on the USM institutions in its oversight and discussions. The last significant reorganization was the closing of the University of Maryland Biotechnology Institute (UMBI). Even then, all focus was on how USM institutions could best reallocate resources to absorb UMBI units within the existing university infrastructure.

Senate Bill 313

(Cross filed with House Bill 231)

Institutions of Higher Education - Reduction in Financial Aid – Reduction Prohibited

USM Position: Opposed

Final Status: Failed

House Bill 231 would prohibit individual financial aid awards from being reduced by any other form of financial aid. The bill would also prohibit public universities from considering private scholarships when assembling financial aid packages.

The USM urged an unfavorable report primarily because of federal regulation. If a student receives Title IV financial aid from the federal government, and subsequently receives outside scholarships, those scholarships are considered resources that reduce the student's total eligibility for federal aid and his/her total eligibility for need-based federal aid.

Maryland's public universities do not have a choice in the matter. Federal rules concerning "over-award" situations require the school to reduce the financial aid package when the sum of financial aid from all sources exceeds the school's cost of education. Pell Grants are the only Title IV aid that can't be reduced. All other Title IV aid is subject to these over-award limits and must be reduced when these limits are exceeded.

An outside scholarship is most likely to affect campus-based aid, such as the FSEOG grant, Perkins loan and Federal Work-Study, the Federal Stafford loan, and the

university's own student aid funds. Moreover, students are required to report all outside scholarships to the school's financial aid office. If a student fails to report an outside scholarship in advance, the school is still required to make any required reductions if they find out about the award within certain time constraints, and the student would be required to repay the school or the federal government for any aid that was canceled.

When financial aid officers reduce aid because of over-awards they are following the law in an effort to redirect limited aid funding to students who need it most. This is very important because many schools (and other aid providers) don't have enough aid funds to accommodate the unmet financial need of all of their students.

Senate Bill 332

University System of Maryland - Chancellor – Appointment

USM Position: Oppose

Final Status: Failed

USM Regent Bob Pevenstein was joined by Dr. Muriel Howard, President of the American Association of State Colleges and Universities, and Rick Legon, President of the Association of Governing Boards to testify on Senate Bill 332. The USM urged an unfavorable report while Dr. Howard and Mr. Legon voiced concern of the bill's main thrust. The bill subjects the appointment of the Chancellor of the USM to the advice and consent of the General Assembly.

The USM asserted that the Education Article vests the governing authority of the University System of Maryland in a Board of Regents, appointed by the Governor and confirmed by the Senate. The selection of a chancellor and the presidents of Maryland's public universities is the most important job entrusted to the Board of Regents. The process by which the chancellor is selected is one of the most tried and true in higher education. No state in the nation exposes the appointment of a public university system head to the advice and consent of its legislature, and for good reason.

Searching for and recruiting a system head is challenging and difficult enough. The USM argued that by making the appointment subject to the approval of the Maryland General Assembly, as Senate Bill 332 would propose, qualified candidates would simply decline participation based on potential timing gaps, political insecurity, or privacy concerns--thereby severely limiting the pool of potential applicants.

Senate Bill 453

Workgroup to Study the Optional Retirement Program

USM position: Support

Final Status: Failed

Senate Bill 453 establishes a Workgroup to Study the Optional Retirement Program (ORP). The University System of Maryland (USM) staffs the workgroup. The workgroup must report its findings and recommendations to the Governor and General Assembly by December 1, 2016.

The workgroup must review the population of employees eligible to participate in ORP; review the contribution requirements for ORP; review the eligibility criteria for health benefits of ORP participants; and make recommendations regarding any changes to ORP that would improve the program and be beneficial to program participants and the State.

Senate Bill 493

(Crossfiled with House Bill 1410)

Teacher Induction, Retention, and Advancement Act of 2016

USM Position: Support

Final Status: Passed

This bill establishes a Teacher Induction, Retention, and Advancement program. First-year teachers who participate in the program are to be afforded at least 20% more time for mentoring, peer observation, assistance with planning, or other preparation activities than first-year teachers not in the program. Any costs incurred must be borne 80% by the state and 20% by the local board of education. The bill mandates an appropriation of \$7.0 million annually for the program. The bill also increases the maximum state-matching stipend for teachers who hold National Board Certification (NBC) from \$2,000 to \$5,000. Finally, the bill requires the Maryland State Department of Education (MSDE) to convene a workgroup that must address specified topics related to teacher induction, retention, and advancement. By September 1, 2016, the workgroup must submit a report regarding the recommendations.

This bill addresses pre-tenure induction, professional development and continuous improvement, as each represents a priority that could establish Maryland as one of the most forward-looking states in the country with respect to teacher induction and career ladders.

National Board Certification is a nationally recognized credential based on most rigorous standards and evaluations of teacher capacity and teacher performance. In the task force report, the P-20 Council strongly supported career ladders for teachers, including providing support for teachers who wanted to move beyond initial certification, to become mentors, teacher-leaders, and even clinical faculty in education programs in colleges and universities.

Giving first-year teachers an additional 20% time to participate in mentoring and induction activities is a critical component of high quality teacher induction. This provision in the bill is directly aligned with international best practices. International high performing systems with similar demographics to Maryland—Finland, Singapore, Ontario—ensure that beginning teachers have a reduced teaching load so they can observe master/lead teachers, collaborate on lesson planning, and develop stronger classroom management skills by working with mentors.

The workgroup proposed in the bill is the quickest and most efficient way to create implementation highways to achieve the key recommendations in the legislation. The workgroup is necessary to define and establish the implementation plan that will

accomplish the goals of this legislation. By including higher education as a partner in the workgroup, the bill recognizes that teacher preparation and development is a shared responsibility of the P-20 community in Maryland.

Senate Bill 560

One Maryland Economic Development Tax Credits - Business Incubators, Enterprise Zones, and Regional Institution Strategic Enterprise Zones

USM Position: Supported

Final Status: Failed

This bill expands the applicability of the One Maryland economic development tax credit to include a “business incubator” that establishes or expands in a Regional Institution Strategic Enterprise (RISE) Zone or in an Enterprise Zone.

In the last four years, the University System of Maryland has helped to create over 300 new companies and tech transfer at UMB and University of Maryland College Park (UMCP) has doubled. The research parks affiliated with UMB, UMCP and the University of Maryland, Baltimore County (UMBC) are home to 200 tenants generating 6,000 Maryland jobs and \$1.1 billion in mostly private capital investment. These parks are dynamic, creative communities with the capacity to more than double in size and create another 7,500 high-quality Maryland jobs. However, at UMB and UMCP, the incubators are 100% occupied. Existing companies don’t have enough space to add employees and we have no room for new companies.

SB 560 helps to create incubators that will nurture dozens of companies in environments conducive to their long-term survival and growth. SB 560 will help to create new incubators, which will be home to hundreds of companies. By connecting the One Maryland Economic Development Tax Credit with RISE Zones, SB 560 will help to create thriving Innovation Districts next to Maryland’s Universities.

Senate Bill 583

Higher Education - University System of Maryland - Quasi-Endowment Funds

USM position: Support

Final Status: Failed

Funding for facilities renewal for state-supported capital facilities is under great stress nationally. In Maryland it accounts for more than \$1.7 billion in deferred maintenance for the System’s academic and research facilities. The Board of Regents, in 2005, established a goal of spending 2 per cent of replacement value annually on state-supported capital facilities. Recently, USM institutions have been reporting spending on facilities renewal at approximately the 1 per cent level.

Senate Bill 583 grants the Board of Regents authority to establish a quasi-endowment of up to \$50 million through a transfer of cash balances currently held by the state treasurer into the System’s endowment fund known as the Common Trust Fund, where the funds will be managed as an endowment, where the principal is invested in perpetuity, and

annual spendable income of more than \$2.1 million would be generated to use for institutional facilities renewal needs.

The spendable income generated from the new quasi-endowment is one of several strategies being pursued that in combination would assist USM institutions in satisfying facilities renewal needs in accordance with Board of Regents policy.

Senate Bill 602
(Crossfiled with House Bill 1498)
Maryland Healthy Vending Machine Act
USM Position: Oppose
Final Status: Failed

The Maryland Healthy Vending Machine Act would have required that at least 75% of packaged food and beverage options offered in a food and beverage vending machine located on property owned or managed by the state to be healthy food and beverage options.

The USM testified that although the exact amount cannot be determined, the proposed legislation could have a significant fiscal impact. Essentially, the current vending items in machines systemwide would have to be replaced with healthy options.

Using the common definition of a vending machine, the fiscal impact is the potential decline in vending sales and related commissions paid by the vendor(s). More to the point, consumer preferences may not align with the “healthy” food or beverage choices, which may result in fewer purchases and lead to higher prices. The higher prices may be necessitated by the vendor’s desire to recoup higher costs related to spoilage, signage, more frequent re-stocking of the customer desired products, etc. Campus business officers also believe that university staff hours may be required if university wall space becomes necessary to meet the vendor's signage requirement.

While Senate Bill 602 and House Bill 1498 are well-intended and healthy food options are good food options, the USM expressed concerns about consumer choice and the practicality of labeling any self-serve dispenser of milk, juice, or soda as a “vending” machine.

Senate Bill 606
(Crossfiled with House Bill 1458)
Maryland College Collaboration for Student Veterans Commission
USM Position: Support
Final Status: Passed

The bill establishes the Maryland College Collaboration for Student Veterans Commission to examine the educational support mechanisms for returning veterans and facilitate the sharing of best practices. “College Collaboration” means the Maryland

College Collaboration for Student Veterans, Memorandum of Understanding (MOU) between the state and Maryland institutions of higher education dated January 31, 2011.

The commission must:

- Work to ensure the educational success of returning veterans, including their recruitment, successful transition into higher education, retention, and eventual graduation;
- Facilitate the sharing of best practices among institutions of higher education and State agencies regarding academic transition programs and support services designed for returning veterans;
- Work with institutions of higher education in the State to provide the following services to veterans, as set forth in the College Collaboration: (1) awareness of veteran reintegration challenges; (2) communication and coordination of available veteran services; (3) a designated “one door” office that coordinates veteran services and supports; (4) behavioral health services; (5) financial aid and GI Bill support services; and (6) peer support groups; and
- Publish an annual report and any other material the commission considers necessary and submit the annual report to the Governor and the General Assembly.

The USM told legislators that the public institutions of higher education are privileged to assist student veterans, service members, and their families. The educational process for student veterans (as for other student populations) involves an array of financial support, access to campus resources, and collaboration with faculty, staff, and fellow students, which together, cultivate a community in which they can thrive. The legislation will provide a clearinghouse for information and activity as it pertains to the education of Maryland’s veteran students. Establishing a platform to share best practices, raise awareness of reintegration challenges, and highlight campus support services could be key in helping a veterans as they transition into college.

Senate Bill 671

(Crossfiled with House Bill 402)

Public Information Act - Personnel and Investigatory Records - Formal Complaints Against Public Employees

USM Position: Oppose

Final Status: Failed

This bill would have amended Maryland’s Public Information Act to declare that records related to investigations, hearings and discipline of its employees are public information.

The USM shared its reservations along with the Maryland State Police and fellow state agencies regarding the potential negative impact of the bill. The types of information that

may be included in an investigatory or disciplinary record are often the most highly sensitive information that may be collected regarding an employee; information that, under any other circumstances, would be entirely and properly protected under the Public Information Act.

The possibility that such information could be made public will almost certainly chill employees' willingness to file certain types of complaints and impede the ability of investigators to obtain candid information from potential witnesses to alleged misconduct. It could subject to public dissemination otherwise confidential information about employees who are not parties to a complaint.

Finally, the ability to make any exceptions to the public disclosure of such information is left to the discretion of the record's custodian. Given the nature of many investigatory and disciplinary records, this discretionary process will often be inevitably subjective and can expose the custodian to the risk of litigation for even an arguable error in judgment of a highly subjective decision.

Senate Bill 676

(Crossfiled with House Bill 1014)

College Affordability Act of 2016

USM Position: Favorable with amendment

Final Status: Passed

The USM urged a favorable vote with amendment on the College Affordability Act of 2016. This bill establishes a matching state contribution to eligible college savings accounts, creates a refundable tax credit of up to \$5,000 for undergraduate student loan debt, and alters eligibility criteria for specified student financial aid.

The USM supports a \$250 supplemental state contribution to the College Savings Plans of Maryland for lower-income account holders. In the long game of compounded interest this is a forward-thinking and sensible investment. The creation of a Student Loan Debt Relief Credit is a helpful tool as well. The credit could grant USM graduates greater financial freedom by way of increased disposable income or ease the burden of loan repayment.

However, the USM does have concerns regarding the Educational Excellence Award (EA) and Guaranteed Access (GA) portion of the bill. USM financial aid officers have indicated that these changes would result in a considerable administrative and academic burden making an already complex system of financial aid disbursement much more complicated.

The original draft of the bill required students to enroll in at least 30 credit hours in an academic year, including summer semester, to be eligible for a Guaranteed Access (GA) or Educational Excellence Award (EA) grant. In the fall semester of an academic year the MHEC will not know if students reached the 30-credit requirement. The questions of

failing a class or withdrawing from a course (repayment in the event of either) were all unanswered the bill.

The USM believed strongly, if the 30-credit hour requirement remained in a final version of the bill, then partial awards of GA and EA grants are provided for students who enroll in at least 24 credits in an academic year. The award could be pro-rated accordingly. For instance, a student who enrolls in 24 credits per academic year would receive 80% of the full GA or EA award. This structure would result in further incentivizing students to continue their education and is consistent with current federal financial aid requirements.

As amended, the following provisions will apply beginning in the 2018-2019 academic year. Beginning in a student's third semester of full-time enrollment, if the student successfully completed at least 12 but less than 15 credits in the prior semester, then the amount of an Educational Assistance (EA) grant or a Guaranteed Access (GA) grant made to the student under the Delegate Howard P. Rawlings Educational Excellence Award (EEA) Program is proportional to the number of credits out of 15 the student successfully completed. For example, a student who completed 12 credits in the prior semester receives 80% (12/15) of the amount that would have been awarded if the student had completed 15 credits instead. The bill also clarifies the length of time a student is eligible to receive an EEA (two or four years, depending on the program) and that a student may be eligible for an additional year if the student meets specified requirements, including extenuating circumstances.

Academic advising, and the degree plans that are required for all of our students, are based on the four-year completion model. However, there are customized individual plans that incorporate work, life and family. If a student is "forced" to take more credits than they can manage, it could have a negative effect on their ability to maintain good academic standing and result in an increased time-to-degree if they in fact are able to complete at all. This is particularly important in a first-year students' transition into college.

Money and academic preparation are the two biggest drivers in the ability to successfully earn a college degree. The bill has much positive potential, but the bill also had the potential to create some unintended consequence.

Senate Bill 702

(Crossfiled with House Bill 804)

Public Institutions of Higher Education - General Education Programs - Semester Hour Maximums

USM Position: Oppose

Final status: Failed

Senate Bill 702 would have allowed one additional 3-semester hour course for the purpose of taking a class in social justice or cultural competency.

The University System of Maryland believes that current COMAR regulations provide adequate latitude to institutions to accommodate courses in social justice or cultural competency and, indeed are currently either specifically required or included among courses that meet general education requirements within the 46 semester hours allowable maximum.

In fact, a provision in the College and Career Readiness and College Completion Act of 2013 (SB740) required that baccalaureate degrees be limited (with certain exceptions) to no more than 120 semester hours. This provision was one of the strategies to decrease time-to-degree and increase college completion. Allowing an increase of the maximum semester hours in general education may have an adverse effect on the progress that has been made to address the “credit creep” that made the provision necessary.

A degree comprised of courses required for a major, supporting courses, and general education is designed to meet the learning outcomes that align with a student’s personal, educational and professional goals; increasingly with external program accreditation standards; and in all cases with COMAR and Middle States Commission on Higher Education’s standards for degree programs and general education.

The 12-institution USM Diversity Network was established in 1995 to serve as a catalyst to promote a greater awareness of and appreciation for diversity. Today, being re-established as the Diversity and Inclusion Council, the group will work collaboratively with the administration of the USM institutions to meet the increasingly difficult challenges of a diverse world. Again, the USM believes that current COMAR regulations provide adequate latitude to institutions to accommodate courses in social justice or cultural competency.

Senate Bill 717

(Crossfiled with House Bill 1339)

Environment - Radiation Machines - Registration Fees and Inspections

USM Position: Opposed

Final Status: Failed

This bill would have required the Maryland Department of the Environment (MDE) to adopt regulations related to the licensing and registration of specified radiation machines that, based on the anticipated cost of monitoring and regulating sources of radiation, establish (1) a fee schedule for general and specific licenses and other sources of radiation and (2) a rate for the registration of radiation machines that is uniform across professions for similar machines. The bill also repeals specific statutory provisions regarding the fee schedule and inspection policies for radiation machines or other sources of radiation at dental facilities. Furthermore, the bill repealed an exemption from registration fees for the accredited dental school in the state.

The University of Maryland, Baltimore School of Dentistry was concerned about both the increase in fees and the repeal of fee exemption from the code since the School of Dentistry currently operates 100 radiation machines.

Senate Bill 818**(Crossfiled with House Bill 928)****State Personnel - Individuals With Disabilities - Hiring Preferences**

USM Position: Oppose

Final Status: Passed

House Bill 928 would create a statutory hiring preference for applicants with disabilities who apply for institution positions. USM institutions do not maintain formal numerical hiring preference systems. The bill had the potential to create real negative consequences if the USM were required to develop a preference program for a single group of applicants. More importantly, the USM already meets the goals of the bill through existing sound and fair recruitment and hiring practices.

The principle of affording qualified persons with disabilities the maximum opportunity to be employed in institution positions is a function of ongoing recruitment practice and simple common sense. However, the USM does not mandate any formal preferences for specific applicant groups. Institutions have long-standing equal employment opportunity policies and affirmative action practices for all recruitment and hiring efforts. These efforts extend to various groups, including persons with disabilities.

Beyond these best practices, the USM does not believe that a formal point system of job preferences for discrete groups of applicants is a helpful tool. It is critically important that institutions have the ability to hire the most qualified individuals for their range of staff and faculty positions. The benefits that highly skilled applicants in various groups might bring to campus employment are recognized in institution recruitment and hiring; for such individuals, a numerical or other formal preference will do little to enhance their chances of hire. However, a rigid preference system could result in the hire of applicants who are less able to contribute an institutions higher education mission. The potential cost outweighs any benefits of a numerical or other hiring preference system.

The bill poses particular problems because it would mandate by statute a preference program for one single group of employees. In the USM, this would have the anomalous effect of giving persons with disabilities an advantage over other worthy applicants for whom the USM makes special recruitment efforts, including veterans, racial and ethnic minorities, and other underrepresented groups within the scope of our affirmative action activities.

Senate Bill 906**(Crossfiled with House Bill 1002)****Weapon-Free Higher Education Zones**

USM Position: Support with amendment

Final Status: Failed

The original draft of this legislation prohibited the carrying or possession of firearms, knives, or deadly weapons on the property of public institutions of higher education. As amended, the bill limits the definition of deadly weapon to “firearm” and requires

universities to post signage at their main entrance alerting campus visitors of the firearms prohibition.

While campus safety and security is a complex and multi-layered issue, one thing is clear – the unauthorized possession of a deadly weapon at any USM institution is prohibited and violators are subject to disciplinary action. Several years ago the USM Board of Regents established the Campus Safety and Security Workgroup.

The USM is a diverse system that includes several different types of institutions, and given that campus safety and security is an ongoing, ever-changing issue, the USM asked the sponsor to incorporate flexibility into whatever recommendations the committee makes. Another amendment simply clarifies that a person who is required or authorized by the policies of an institution to possess a firearm may do so.

Senate Bill 928

(Crossfiled with House Bill 492)

Task Force to Study the Nurse Shortage in Maryland

USM Position: Support with amendment

Final Status: Failed

Senate Bill 928 would establish a task force to analyze recent changes in the nursing profession that have resulted in a shortage of nurses in the state and nation. The USM lobbied successfully for an amendment adding two representatives from the System to the taskforce.

The USM acknowledged the challenges facing the health care industry and the need for more highly trained nurses in Maryland. Hospitals and other health care providers are requiring the Bachelor of Science in Nursing (BSN), rather than the Registered Nurse (RN) which is given as an Associate Degree in Nursing (ADN) – as the basic credential for working in their setting. Since RN programs are primarily provided by our community colleges, only institutions permitted to deliver four-year degree programs grant the BSN.

Community colleges provide their degrees less expensively than comprehensive or specialized four-year institutions. However, providing advanced study is routinely more expensive – no matter where it's delivered – as more highly trained faculty are required to provide the teaching for those students. Highly trained nursing faculty are at a premium and USM institutions have been focused on providing programs for advanced degree preparation for the faculty needed to teach and train bachelors, masters, and doctoral-level nurses. It would not be possible for community colleges to provide the more advanced degrees for nurses for the same costs, given that these institutions currently provide the ADN degrees.

The USM has been focused on expanding current programs, including face-to-face, hybrid and on-line formats to meet the needs of the nursing profession. The USM understands the shortages in key health-related and technical fields and have worked

diligently with our community college partners to address those deficiencies where students are geographically place bound.

According to MHEC data, 1,509 community college students were awarded Associate Degrees in Nursing in 2014, down from a high in 1,624 in 2012. Even if all these students wanted to immediately seek BSN degrees, USM public and private 4-year institutions would be close to fulfilling this need, and is willing to continue expanding program offerings if needed.

Senate Bill 937
(Crossfiled with House Bill 1603)
Sustainable Oyster Harvest Act
USM Position: Monitor
Final Status: Passed

The Department of Natural Resources (DNR) manages the public oyster fishery in various ways, including regulation of the season and times for harvesting, daily catch limits, and zoning of public shellfish fishery areas to allow for specific oyster harvest gear.

In response to the oyster population in the Chesapeake Bay languishing at 1% of historic levels, decreased suitable oyster habitat, and a dwindling number of harvesters, DNR unveiled a new management and restoration plan for oysters and the State's oyster industry in December 2009. However, a stock assessment on the oyster population has not been done.

This bill requires that a stock assessment be done by the DNR in consultation with the University of Maryland Center for Environmental Science. If the fishery is found to be overfished management recommendations must be made in consultation with stakeholders to bring the population to sustainable levels.

Senate Bill 982
State Retirement and Pension System – Private Equity and Venture Capital Investments
USM Position: Support
Final Status: Passed

Senate Bill 982 authorizes the Board of Trustees of the State Retirement and Pension System (SRPS) to enter into an agreement with the Maryland Technology Development Corporation (TEDCO) or another entity to make and manage investments on behalf of the board in private equity and venture capital in the state. Further, these funds will be invested in the state with a goal to increase the venture capital available in Maryland as long as the investments are consistent with the SRPS board's fiduciary duties.

The bill also expresses legislative intent that when allocating investments, 50% of the venture funds should be placed in commercialization of technology sponsored or created

by a university in the state. Funds available for this purpose are state contributions to the pension fund in excess of all statutory requirements.

Senate Bill 1052

University of Maryland Strategic Partnership Act of 2016

USM Position: Support with amendment

Final Status: Passed

Senate Bill 1052 formalizes a strategic partnership between the University of Maryland, College Park and the University of Maryland, Baltimore. The bill was amended in both chambers to produce a final version that contains the following provisions:

University of Maryland Strategic Partnership

Defines that the University of Maryland is a strategic partnership between the following two distinct campuses within the University of Maryland: the University of Maryland, College Park Campus and University of Maryland, Baltimore Campus. Further states that the President of each campus shall have the responsibility for that campus within the University of Maryland. In addition to the powers and duties established in the bill, the presidents have the powers and duties conferred to the presidents of the constituent institutions of USM.

States that the University of Maryland Strategic Partnership is a formal strategic alliance which leverages the resources of each campus within the University of Maryland to benefit the state through improving and enhancing the academic programs and experiences for students, research programs, technology transfer and commercialization for economic development, public service, and the commitment to community development.

Instructs the presidents of University of Maryland to jointly develop and implement a plan that encourages and promotes alignment, cooperation, and collaboration between the College Park Campus and the Baltimore Campus. The plan shall identify all undergraduate and graduate academic and research programs that may benefit from alignment and collaboration between the campuses, identify aspirational competitor state peers for the University of Maryland to be used in the funding guidelines for each campus, and promote the effectiveness and efficiencies between the campuses, including potential savings in human resources, procurement, and information technology.

Language was added naming University of Maryland Baltimore County as one of the state's research institutions.

The bill states that the University of Maryland Baltimore Campus professional schools or their administrative functions may not be relocated out of Baltimore City. However, there must be collaboration with the professional schools located in Baltimore City; professional school courses may be offered at a location other than Baltimore City. Nothing in the strategic partnership may be construed to prevent or restrict collaboration

or coordination between UM and other institutions. By December 1, 2016, the presidents of the UM campuses must study and recommend to the Chancellor mechanisms that would permit the joint reporting for national university rankings of the UM campuses, including reporting under a unified federal identification number.

The presidents of the UM campuses and other campuses serving the Baltimore metropolitan region shall develop a joint plan to advance employment levels in Baltimore City, including the creation of entry-level employment opportunities for individuals that includes a plan for on-the-job skills training that will result in a measurable employment skill, certification, or license.

In addition to current items required, the Consolidated Transportation Program (CTP) must include a summary of current efforts and future plans to increase commuter access between the campuses of UM, including easing traffic congestion and use of mass transit.

University of Maryland Joint Steering Council

The council consists of members appointed by the President of UM College Park Campus and the President of UM Baltimore Campus. The council must make various recommendations related to the creation of UM, including those related to joint faculty appointments.

The council is the successor group to MPowering, the State Steering Committee established by the presidents of UMB and UMCP. The council must carry out the programs and policies established under the MPower program as directed by the presidents.

Center for Maryland Advanced Ventures at the University of Maryland

The bill establishes the Center for Maryland Advanced Ventures at the University of Maryland (CMAVUM), which must be located in Baltimore City on the University of Maryland, Baltimore campus.

CMAVUM must:

- Pursue grant funding for UM, including interdisciplinary grant funding;
- Develop and implement guidelines for the transfer of technology developed by UM to the private sector including a process to identify research projects that may be viable for commercialization; and
- Facilitate the transfer of technology from UM to commercial industries using specified techniques.

The center also must provide these services related to interdisciplinary grant funding and transfer of technology to any public institution of higher education that requests the services. Funding for the center was included.

University of Maryland Center for Economic and Entrepreneurship Development

The bill establishes the University of Maryland Center for Economic and Entrepreneurship Development (UMCEED), which must be located on UM College Park Campus. Funding was included for the center.

Following all state law, regulations, and processes for program review and approval, UMCEED must advance the education of students by developing degree and credential programs in the following fields of study: virtual and augmented reality; neurosciences; biomedical devices; data analytics; and cybersecurity.

University System of Maryland Corporate Headquarters

USM corporate headquarters must be located in Baltimore City by July 1, 2017

Language was added directing the Chancellor to develop a plan for moving the corporate headquarters to Baltimore City and that the Chancellor shall submit that plan including cost estimates to Senate B&T and House Appropriations committees by December 1, 2016.

The bill provides flexibility to the USM to retain additional satellite offices at other locations determined by the Board of Regents.

Enhanced Funding Guideline Attainment

For each year from fiscal 2018 through 2021, the Governor must appropriate in the annual budget at least an additional \$4.0 million to USMO for the purpose of increasing the estimated funding guideline attainment levels of the primarily residential institutions in USM with the lowest estimated funding guideline attainment levels in fiscal 2016. USM must allocate the funds each year in a manner that brings the primarily residential institutions with the lowest estimated funding guideline attainment levels in fiscal 2016 as close as possible to an estimated 64% funding guideline attainment level by fiscal 2021. The general funds distributed under this requirement are in addition to the annual appropriation for each institution, and they must be included in each institution's base budget for all fiscal years after the distribution. Thus, general fund expenditures increase by \$4.0 million in fiscal 2018, \$8.0 million in fiscal 2019, \$12.0 million in fiscal 2020, and \$16.0 million in fiscal 2021 and in each year thereafter.

Language was added to the bill directing the Board of Regents of the University System of Maryland with the Senate Budget and Taxation Committee and the House Appropriations Committee to develop a multiyear strategy to enhance the funding guideline attainment for all institutions within the University System of Maryland and submit a progress report on September 15, 2016 with a final report due before December 1, 2016.

Community Development

The presidents must report annually to the USM Board of Regents and the Chancellor of USM regarding collaboration with the City of Baltimore, Prince George's County, and the City of College Park in the area of community development.

The General Assembly finds that, because of their position as major anchor institutions and employers in their respective communities, the UM campuses in Baltimore City and Prince George's County have a responsibility and an opportunity to provide collaborative leadership, as well as intellectual and policy support in the development of their respective communities. It is the intent of the General Assembly, therefore, that the UM campuses in Baltimore City and Prince George's County focus their community development priorities in the respective communities in the areas of health care, housing and development, transportation, public safety, public education, and sustainability.

Senate Bill 1169

(Crossfiled with House Bill 1405)

Baltimore City - Procurement by Public Institutions of Higher Education - Preference for Local Bidders or Offerors

USM Position: Monitor

Final Status: Failed

This legislation would have created a 5% price preference on bids/offers received from firms whose principal offices are located in Baltimore City on procurement contracts issued by higher education institutions located in Baltimore City. The bill's provisions would apply to procurements from three USM institutions: University of Maryland, Baltimore; Coppin State University; and the University of Baltimore. It would also apply to Morgan State University and Baltimore City Community College.

While the USM did not take a formal position on the bill, establishing a preference for local businesses would be problematic given that the definition of what constitutes a principal office or operation is not clearly defined in the bill. In addition, there is an existing Small Business Preference (SBP) Program in statute that grants small businesses a 5% preference on designated procurements. This existing program has proven to be very ineffective and has generally made no difference in contract awards, even when the preference is applied.

The bill would also offer a preference for local businesses in Baltimore City for certain procurements within the state. This is troublesome. Other states could view this as a local preference and could retaliate against Maryland firms, regardless of their location, if this bill were enacted. These states could invoke reciprocal preference as Maryland law currently allows if another state has a local preference. Although the goal of the proposed bill is laudable, it may end up hurting all Maryland businesses while not helping Baltimore City businesses. A preference of 5% would not make a difference, as has been borne out by the existing Small Business Preference Program.

The bill's provisions would make an already complicated procurement process even more complex and require procurement officers to investigate and determine locations of business operations. The basic tenant of procurement is to have broad-based competition.

The bill would ultimately limit competition because it is assumed that some firms would choose not to submit bids or offers on university procurements, thereby increasing the cost for goods and services procured by universities located in Baltimore City. Also problematic is that this preference applies to all procurements for goods and services. This is a departure from the Small Business Preference program that authorizes, but does not mandate, its inclusion on procurements.

Senate Bill 1170

(Crossfiled with House Bill 1403)

Next Generation Scholars of Maryland

USM Position: Support

Final Status: Passed

This bill reestablishes the College Readiness Outreach Program as the Next-Generation Scholars of Maryland Program to allow eligible students in grades 7 and 8 to prequalify for a Guaranteed Access Grant and requires students to agree in writing to meet specified qualifications. For fiscal year 2018 through fiscal year 2023, the bill requires the governor to include \$5 million annually in general funds for a Next-Generation Scholars Pilot Program to be administered in school systems in which at least 50% of the students are eligible to receive a free lunch under the National School Lunch Program (NSLP) in the 2015-2016 school year.

The USM has long been a proponent of early awareness and support services to encourage more low-income, first-generation students to pursue postsecondary education. The USM's Way2Go Maryland initiative is just one example. Since 2011, First Generation College Bound and Way2GoMaryland have partnered to help more underrepresented students excel. A case manager and pre-college access school liaisons are dedicated to providing support and intervention services. The partnership offers students and their parents/guardians activities designed to develop winning college-bound attitudes and behaviors. By providing early college awareness to middle school youth the program tracks and maintains contact with students as they matriculate into high school, provides follow-up, intervention, and support services to 9th-11th graders before official enrollment into the College Access Program.

In addition, several USM institutions have partnered with the state's GEAR-UP local school systems (Baltimore City, Dorchester County, and Wicomico County) and have also received CPIP (the State's required match to GEAR-UP) and Upward Bound grants to provide a full range of services to students in select areas of the state. The program described in the bill would further enhance these efforts and has the potential to provide systemic support to activities across a broader range of school systems.

House Bill 230**Institutions of Higher Education - Reduction in Financial Aid - Notification**

USM Position: Opposed

Final Status: Failed

House Bill 230 would have required an institution of higher education to notify a state or a nonprofit organization when grant or scholarship funds supplant federal loans or campus-based aid. Currently, the USM does not maintain records of outside donors. Campus aid officials would have to confirm that the student meets the criteria for distribution of the award, and the award is applied directly to the student's billing account.

House Bill 230 would have created a significant hardship on financial aid offices already steeped in federal aid regulations and administrative tasks. Moreover, many aid reductions in response to private scholarships are dictated by federal aid regulations, and institutions should not be required to notify private scholarship providers when they are simply complying with federal and state regulations. These reductions processes often combine required federal and state reductions with reductions governed by institutional policy and it would be extremely difficult to distinguish between the two.

In addition, each campus would have to develop systems to identify when institutional aid may have been reduced in response to a private scholarship. It would also be extremely difficult to distinguish between adjustments triggered by private scholarships and other required aid adjustments, such as revisions to student's cost-of-attendance budgets, and changes to students' financial need based on corrections to their FAFSA data. All of these adjustments regarding cost, need, and other aid can lead to over-awards, which require reductions.

House Bill 544**Sales and Use Tax - Tax-Free Periods - University and College Textbooks**

USM Position: Support

Final Status: Failed

House Bill 544 would have created a tax-free period for the purchase of textbooks. In testimony, the USM recognizes that students feel the pinch of buying textbooks at the start of each semester. In addition to easing the cost and expense of buying educational textbooks, House Bill 544 recognizes what the National Association of College Stores found in a fall 2013 survey – that 76.2 percent of students acquire their materials two weeks or less from the semester. Students in the fall of 2013 actually purchased more of their materials closer to the start and after the start of classes than students in fall 2011. The US Government Accountability Office also found that students they interviewed said they had sufficient information and time to comparison shop for their course materials before each academic term. Savvy shopping, near-perfect timing, and the tax savings combine to make House Bill 544 a very consumer-friendly bill that the USM knows our students will appreciate.

House Bill 580**(Crossfiled with Senate Bill 472)****Labor and Employment - Maryland Healthy Working Families Act**

USM Position: Oppose

Final Status: Failed

House Bill 580 would establish a uniform minimum mandatory sick leave program for all employers, including public universities, in Maryland. In testimony to the committee, the USM expressed appreciation for the goals of the bill. USM institutions have had policies in place for many years to ensure that regularly employed USM staff and faculty have adequate sick and other leave protections available when they need them. In fact, regular staff and faculty in the USM all accrue a minimum of 15 days of sick leave annually, with additional forms of sick leave available both faculty and staff.

However, prescribing a sweeping “one-size-fits-all” sick leave program as the bill proposes would create serious issues for institutions whose work-force requirements and environments are unique. The need to respond effectively and efficiently to the cyclic demands of an academic year calendar, the compensation of many individuals through stipends or on a per-project or per-course basis, substantial time-limited part-time employment, and the frequent inclusion of compensated work as part of a student financial aid package. All of these factors create enormous challenges for institutions expected to implement the provisions of House Bill 580. For the bill to be feasible in a higher education environment, significant amendments would be needed.

House Bill 580 would encompass an exceedingly broad range of employees, including groups of higher education employees for whom the bill’s provisions cannot reasonably be applied. Institutions have numerous employees on temporary and “as-needed” contracts or rosters from which the employee may be called upon to work only intermittently for short periods of time, and not on any kind of regular work schedule.

In addition to defining “family member” expansively the bill raises questions about minimum work hours. Is working eight hours per week sufficient to warrant the provision of a systematic benefits program? The administrative burden of administering a sick leave benefit for employees who work minimal hours far outweighs the benefit -- e.g., earning 1 hour of sick leave for every 30 hours of work as the bill proposes. An employee who works one day a week for a 15-week semester would accrue just 4.3 hours of sick leave. Most USM jobs in which less than half-time employment is the norm are temporary, intermittent, or student-aid linked, or of the non-hourly or non-salary nature described above. We urge that the minimum weekly hours of work for sick leave eligibility be increased from eight to at least 16 hours. The bill is problematic due to questions over absence verification, liability and damages, and absence control programs. For these reasons and more the USM expressed concern regarding House Bill 580.

House Bill 594**Humane Adoption of Companion Animals Used in Research Act of 2016**

USM Position: Opposed

Final Status: Failed

This bill requires a “research facility” in which dogs or cats are used for “scientific research purposes” to take reasonable steps to provide for the adoption of a dog or cat that is no longer needed by (1) establishing a list of animal rescue organizations that are willing to take a dog or cat from the research facility and (2) offering the dog or cat to the organizations identified in the list. The House Health and Government Operations Committee amended the bill to establish a new regulatory reporting requirement in the Maryland Department of Agriculture.

UMB and JHU opposed the bill because the added reporting requirements duplicated current reporting requirements in federal law for research facilities that use cats and dogs in research. UMB and JHU were also very concerned that the driving force behind House Bill 594, the Beagle Freedom Project, has publicly acknowledged that their ultimate goal is to prohibit the use of ALL animals in medical research. Studies using animals have led to treatments, drugs and procedures for nearly every type of disease and condition, many that also effect dogs and cats. Medical advances that are taken for granted today would not have occurred without research using animals.

Both institutions were deeply concerned that the amended version expands sources of personal information that potentially put faculty, staff and individuals who adopt retired research animals at risk to those who are willing to employ harassment and sometimes violence to advance their cause to halt all animal research.

House Bill 699**(Crossfiled with Senate Bill 700)****Department of Health and Mental Hygiene – Biosafety Level 3 Laboratories**

USM Position: UMB/UMCP - Support with Amendments

Final Status: Failed

The bill requires the Department of Health and Mental Hygiene (DHMH) to identify, locate, and collect relevant public health and safety information from each biosafety level 3 (BSL-3) laboratory in the State that (1) does not work with federally regulated biological select agents and toxins or their products and (2) is either a commercial or for-profit laboratory or is owned or is part of a teaching hospital or an institution of postsecondary education. Each affected BSL-3 laboratory must report required information to DHMH and is subject to fine and penalty provisions for failing to do so.

USM advised that UMB/UMCP currently reports similar information on their own BSL-3 labs to the Maryland Biological Agents Registry and that it can provide similar information to DHMH. However, Johns Hopkins, UMB, and UMCP expressed their concerns that some reporting provisions of the bill are extremely vague and would be burdensome to implement and therefore suggested amendments that specified the kind of

information to be submitted to DHMH. The House Health and Government Operations committee amended the House version to require DHMH to develop a standardized form with specific informational requests.

House Bill 926

(Crossfiled with Senate Bill 979)

Optional Retirement Program - Eligibility - Alterations

USM Position: Support

Final Status: Passed

This bill whose purpose is to safeguard the retirement benefits of certain public higher education employees. The concerns addressed by the bill are narrow but complex. The bill provides critically important retirement protections to ORP participants who may be affected by changes to Fair Labor Standards Act (FLSA) regulations proposed by the U.S. Department of Labor (DOL).

Proposed FLSA Regulations: On July 6, 2015, the DOL issued proposed regulations intended to update and modernize provisions governing the determination of whether employees are exempt from the FLSA's overtime requirements. The DOL indicated that the proposal is a key component in the Obama Administration's "income inequality" initiative, and we understand that it is intended primarily to address issues in the fast food, retail and other private industries. Nonetheless, the proposed regulations would have an impact on the USM and affect a number of USM employees.

Most importantly, the proposed regulations would significantly increase the minimum salary threshold at which an employee may be deemed exempt from the FLSA's overtime requirements under the FLSA's exception for executive, administrative and professional employees (i.e., an "exempt" employee). The current salary minimum was set in 2004 at \$23,660 per year. The proposed regulations would increase that threshold by 113% to an annual salary level of \$50,440 for 2016, and thereafter would index regular future increases to the Consumer Price Index.

While this change is only proposed at this time, the Department of Labor has indicated its intention to issue final regulations over the next few months, with implementation required during calendar 2016. In light of the potentially short implementation deadline, the USM has been working diligently to ensure that our institutions will be able to comply with the final regulations in a responsible and expeditious manner. Part of this effort included identification of the non-salary impacts that the regulations may have on employees who may be directly affected.

Impact of the FLSA Regulations on USM Employees' Retirement Benefits: House Bill 926 responds to a potentially serious negative impact on our exempt employees who will have to convert to nonexempt status by virtue of an increased FLSA salary threshold. Most USM exempt staff and faculty employees participate in the state's Optional Retirement Program (ORP), established in the State Personnel and Pensions Article, Title 30, to provide certain higher education employees with the option of a defined contribution plan with no vesting restrictions. Under state law, however, eligibility for

the ORP is limited to FLSA-exempt staff and faculty employees. Nonexempt employees are excluded from participating in the ORP option.

Any exempt employee whose salary is less than the new FLSA salary threshold upon implementation of the new regulations will automatically become a nonexempt employee. Without amendments to the ORP law, such employees will immediately lose their eligibility to continue in the ORP and be required to convert to the State Retirement System. They will receive no service credits whatsoever for their years worked in the USM and, thus, will be subject to a new 10-year vesting requirement, even if they had worked for decades at an institution. A forced change in retirement systems would also affect eligibility for health benefits subsidies for employees' spouses and dependents following retirement. The USM estimates that over 2,000 exempt staff are paid less than the proposed new FLSA threshold, and we believe that a majority of them now participate in the ORP. While we cannot be certain that the final regulations will maintain the proposed \$50,440 salary minimum for exempt status, we believe that the only responsible course is to plan for that possibility.

Protections Afforded: This bill is intended to prevent the disruption of retirement benefits to any ORP participants who may have to be converted to nonexempt status by virtue of the FLSA changes. The bill will effectively “grandfather” their ORP participation by permitting any ORP participant “who is reclassified by [their higher education employer] to a position that would no longer be eligible for participation in the Program” to continue in the ORP. Protecting the continued eligibility of ORP participants who may be converted to nonexempt status by virtue current and future adjustments to the FLSA minimum salary threshold of is the sole purpose of bill, and the USM believes that it is a critically important one.

In order to safeguard the pension benefits of USM employees who may be affected by upcoming changes to the FLSA, the USM respectfully requests that the Committee give House Bill 926 a favorable report. We thank you for the opportunity to express our support for this important bill.

House Bill 966

Higher Education - College of Southern Maryland - Bachelor's Degree Programs

USM Position: Oppose

Final Status: Failed

House Bill 966 would authorize the College of Southern Maryland (CSM) to offer upper-level undergraduate courses and award bachelor's degrees.

The USM testified alongside the independent colleges and explained that, collectively, both sectors have forged an abundance of collaborations with various community colleges around Maryland to ensure access to upper-division coursework and curricula. Already there exist a myriad of 2+2 programs, which are a more efficient and effective way to deliver postsecondary education.

Understanding the shortages in key health-related and technical fields, the System has worked diligently with community college partners to address those deficiencies where students are geographically place bound. Proposed funding for a new higher education building at the Southern Maryland Higher Education Center is in the works. In fact, within the last calendar year, the College of Southern Maryland and the School of Nursing at the UMB signed an MOU to deliver a 2 + 2 nursing degree and a 3+1 RN to BSN degree with concurrent admission and enrollment. The USM looks forward to serving the residents of St. Mary's, Calvert and Charles counties to an even greater extent.

The USM institutions are concerned about enrollment competition and altering the community college mission of equitable access to higher education. Losing focus on the core missions may adversely impact Maryland residents who have come to expect the best, focused and accessible education from our community college partners.

House Bill 1007

Freedom to Vote Act

USM Position: Support with Amendment

Final Status: Passed

House Bill 1007 requires public institutions of higher education to provide a link to the State Board of Election's (SBE) online voter registration system on the home page of the portal used by students to register for course work by July 1, 2017.

The bill is aimed at increasing the level of voter registration in the state and keeping existing voter registration records up to date. The requirements include (1) a one-time automatic registration of certain individuals in 2017 (who are given notice by mail of the option to decline to register) and (2) increased access to voter registration in conjunction with state agency and public higher education institution services, generally through an electronic voter registration system or a link to the SBE online voter registration system. SBE must also mail voter registration applications and instructions on how to access the online voter registration system to individuals who are not registered to vote.

House Bill 1087

Task Force to Study a Promise Scholarship Program in Prince George's County

USM Position: Monitor

Final Status: Passed

House Bill 1087 would create a task force to study the feasibility of creating a Prince George's County Promise Scholarship Program to provide scholarships to pay for tuition and mandatory fees not covered by federal or state financial aid for graduates of Prince George's County public high schools who enroll at Prince George's Community College. The inspiration for House Bill 1087 comes from a program in Tennessee. In 2014, Tennessee established a program, beginning with the class of 2015, offering two years of tuition-free education at the state's community colleges or technical schools. The program, known as Tennessee Promise, is a "last-dollar" scholarship covering the costs

of tuition and mandatory fees not met by federal Pell grant, the Tennessee HOPE scholarship, or the Tennessee Student Assistance Award Program. Eligibility requirements include: completion of the FAFSA; enrolling in a college full time for up to five consecutive semesters; maintaining a 2.0 grade point average; and completing eight hours of community service per semester.

House Bill 1142

Education - Institutions of Higher Learning - Affirmative Consent Standard

USM Position: Oppose

Final Status: Failed

The USM policy definition of affirmative consent addresses directly and concisely the problem House Bill 1142 is intended to address. Codifying these terms under a “reasonable person” test is troublesome because it may have confused the issue and result in inconsistent application of the affirmative consent standard.

As written, House Bill 1142 would inadvertently result in procedural due process concerns to the extent that it may be interpreted by institutions to require them not to provide a respondent with an opportunity to be heard on the issue of affirmative consent if the respondent’s intoxication was a factor. Although intoxication of a party will never relieve that party of the responsibility of determining whether affirmative consent was communicated, institutions are cognizant of the responsibility to afford due process to the accused student.

Under the standard articulated in House Bill 1142, a victim faces the potential of a counter-complaint from the alleged perpetrator if he or she is unable to recall whether she or he obtained affirmative consent. Furthermore, institutions may in fact open themselves up to liability under Title IX if they fail to investigate such counter-complaints. This is because most campus sexual assaults involve a male perpetrator and a female victim and, therefore, not investigating a perpetrator’s counter-complaint could be considered gender discrimination.

USM institutions are required by law to adopt trauma-informed policies and procedures and have developed a trauma-informed approach to responding to sexual violence on its campuses. This approach emphasizes that actions taken during an institution’s investigation and adjudication do not re-victimize a survivor. The USM expressed to the committee that both the spirit and letter of the law are being met. House Bill 1142 would create possible confusion, additional hindrances to act nimbly, and potential inconsistency in addressing instances of sexual misconduct.

House Bill 1381

Income Tax Preparers - Grant Program - Free Application for Federal Student Aid

USM Position: Monitor

Final Status: Failed

House Bill 1381 would have required the Maryland Higher Education Commission (MHEC) to establish a grant program to encourage income tax preparers to prepare and file, on behalf of a client, the Free Application for Federal Student Aid (FAFSA) form.

In order to be eligible for a grant under the program, the income tax preparer must prepare and file the FAFSA form for a client that qualifies for the state earned income tax credit. Additionally, MHEC must establish a grant application process, the amount of each grant, and verify the use of each grant. Funds from this program must be used to compensate an income tax preparer for the costs associated with filing the FAFSA form on behalf of a client.

Although the USM did not testify on this bill it is worth mentioning that the complex formula built into the questions on the FAFSA calculates income and family expenses differently than the formula built into a tax return.

House Bill 1400

(Crossfiled with Senate Bill 1172)

Seed Community Development Anchor Institution Fund

USM Position: Supported

Final Status: Passed

This bill establishes a Seed Community Development Anchor Institution Fund within the Department of Housing and Community Development (DHCD) to provide grants and loans to “anchor institutions” for community development projects in “blighted areas” of the state. DHCD must administer the fund, which consists of money appropriated in the state budget, investment earnings of the fund, and any other money accepted from any other source for the benefit of the fund. For fiscal 2018 through 2022, the Governor must include in the annual budget bill an appropriation of \$5 million to the fund. To be eligible for a grant or loan, an anchor institution must provide evidence of matching funds from a private source.

This funding could assist anchor institutions like UMB in leveraging private funding for development in blighted areas around its campus such as UMB’s proposed Community Engagement Center which would offer West Baltimore residents an easy place to access services and to partner with the University in building healthier, wealthier, more vibrant neighborhoods.