



March 1, 2013

OUT-OF-STATE GRADUATE TUITION EXEMPTION PRESENTED IN HOUSE HEARING

On Tuesday, Senior Vice Chancellor for Academic Affairs Joann Boughman testified before the House Appropriations Committee on House Bill 740. House Bill 740 would exempt an active duty member of the U.S. Armed Forces or an honorably discharged veteran who attends the institution within five years of discharge from paying out-of-state tuition for graduate level education at a public institution of higher education.

Dr. Boughman testified that current reductions in Armed Forces would lead to more military veterans seeking a place to pursue their higher education goals and “who better to have as part of Maryland’s public colleges and universities.” However, House Bill 740 was simply too costly and too unworkable to support.

Current law states that active duty military personnel domiciled, stationed, or otherwise resident in Maryland or stationed are considered state residents for purposes of tuition. An honorably discharged veteran of the U.S. Armed Forces is exempt from nonresident tuition if the veteran presents within four years after discharge, (1) evidence that the veteran attended a secondary school in Maryland for at least three years and (2) documentation that the veteran graduated from a Maryland high school or received the equivalent of a high school diploma in Maryland.

House Bill 740 increases by one year the time in which an honorably discharged veteran could enroll in a public postsecondary program. More detrimentally, House Bill 740 lifts residency requirement for active duty or honorably discharged to enroll in a graduate program at a Maryland public university at in-state tuition rates.

Under House Bill 740, *anyone* who serves or had served honorably in the military would be granted in-state tuition status for purposes of graduate level education. No previous connection to Maryland would be needed. No future intention of remaining resident would be expected. In effect, a Virginia resident domiciled or stationed in Alexandria could drive 36 minutes on the Capital Beltway to the University of Maryland, College Park (UMCP) and the Maryland taxpayers will have just footed the bill for the difference between his in-state graduate tuition and out-of-state graduate tuition. At two USM institutions, the loss is estimated to be nearly \$2 million in forgone tuition revenue in fiscal year 2014 alone.

Moreover, it's impossible to predict just how many active duty or honorably discharged veterans would take advantage of the program. The Washington Metropolitan Region is a hub of defense activity, thereby making the area tremendously attractive to military personnel and their families.

WIDE-RANGING HIGHER EDUCATION POLICY MEASURE EXAMINED IN HEARING

On Tuesday the House Ways & Means Committee met to discuss House Bill 833, the College Readiness and Completion Act of 2013. House Bill 833 is a fusion of several individual higher education initiatives from across the nation rolled into a single piece of legislation.

Senior Vice Chancellor Boughman and Vice Chancellor PJ Hogan testified that the USM supports the concepts and goals of HB 833. However, they expressed a number of concerns with the particular language within the legislation, as sections of the bill would create serious implementation issues at USM campuses. House Bill 833 sets out various requirements and deadlines for the implementation of new initiatives in areas including, but not limited to:

Common Course Numbering, Transfer Agreement, and Reverse Transfer Agreement

MHEC, in collaboration with the public institutions of higher education, must develop and implement the following:

- a common course numbering system at all public higher education institutions by July 1, 2015;
- a statewide transfer agreement whereby all credits that a student earns at any community college in the state toward an associate's degree must be transferrable to any public four-year higher education institution in the state for credit toward a bachelor's degree by July 1, 2016;
- and a statewide reverse transfer agreement whereby all credits that a student earns at any public four-year higher education institution in the state toward a bachelor's degree are transferrable to any community college in the state for credit toward an associate's degree by July 1, 2016.

Near Completers

A “near completer” is defined as an individual who has completed some college credits but does not have a college degree and is no longer attending an institution of higher education. MHEC, in collaboration with institutions of higher education, must create a statewide communication campaign to identify near completers in the state and to encourage near completers to re-enroll in an institution of higher education to earn a degree.

Degree Plan

Each undergraduate student enrolled in a public four-year higher education institution must file a degree plan with the institution as soon as practicable but not later than by the completion of 45 credit hours of course work. Each undergraduate student who transfers to a public four-year institution with at least 45 credit hours of course work must file a degree plan with the institution during the student’s first semester at the institution. A degree plan must be developed in consultation with an academic advisor in the student’s degree program.

Block Scheduling

Each public institution of higher education in the state must:

- develop a block scheduling system whereby a degree-seeking student is automatically enrolled in courses for the first year of enrollment;
- require the block schedule for each degree-seeking student to include credit-bearing mathematics and English courses in the first 24 credit hours;
- and require the block schedule for each degree-seeking student enrolled in a developmental course in mathematics, reading, or English concurrent with or in the semester immediately following completion of the developmental course.

Financial Aid for Community College Transfer Students

Each public four-year institution of higher education must dedicate a portion of institutional financial aid to provide financial assistance to resident undergraduate

Dual Enrollment

The requirement that a recipient of an Early College Access Grant be a resident of the state is repealed. A public institution of higher education may not charge tuition to a dually enrolled student. For each dually enrolled student who is enrolled in a public school in a jurisdiction, the local board of education must pay the public institution of higher education the lesser of (1) the amount calculated in the formula described below or (2) the cost of tuition.

P-20 Leadership Council

The bill adds to the duties of the P-20 Leadership Council the following: ensuring college readiness and college completion strategies are implemented. By December 1, 2014, and every two years thereafter, the council must report on the progress of implementing college readiness and college completion strategies.

Dr. Boughman and Vice Chancellor Hogan commented on specific language in the bill with the following major points:

Common Course Numbering

The state's online articulation system, ARTSYS, managed by USM, makes common course numbering unnecessary.

- The system not only provides course equivalencies but also recommended transfer program plans.
- The system is dynamically updated, i.e., when a course evaluation is completed the results are instantaneously updated in the system.
- The system can be used in conjunction with the electronic transcript system, ET, so that students are able to run "what if" scenarios.
- The system is utilized by all public institutions and eight of the independent colleges and universities.
- ARTSYS has more than 3 million hits a year and the electronic transcript aspects of the system have saved institutions more than \$1.75M.
- The establishment of a common course numbering system would include costs for convening a complex set of faculty and administrative committees to evaluate and agree upon common course outcomes for existing courses, and a standing committee to evaluate new courses; major modification of student information systems; and an infrastructure to support the dissemination of the information.
- Common course numbering is not only unnecessary, cost and resource prohibitive, but it is not supportive of our efforts to move to a more comprehensive articulation process based upon outcomes. Examples include Maryland's "first in the nation" Associate of Arts in Teaching and the Associate of Science in Engineering. Another longstanding Statewide Articulation agreement is the RN to BSN.

Transfer Agreements

- COMAR 13B.06.01.03 already specifies the full transfer of the general education core among all public institutions.
- COMAR 13B.06.01.05 already specifies "(1) Credit earned at any public institution in the State is transferable to any other public institution if the:
(a) Credit is from a college or university parallel course or program;
(b) Grades in the block of courses transferred average 2.0 or higher; and

- (c) Acceptance of the credit is consistent with the policies of the receiving institution governing native students following the same program.
- A survey of 1,406 community college students who transferred to 4-year institutions showed: 40% were able to transfer all of their CC credits; 33% lost between 1 and 6 credits. When credits were not transferrable, it was because comparable courses were not available or the student had earned more than 60 CC credits.

Reverse Transfer Agreement

The reverse transfer system is in place, and being enhanced and enlarged in real time. However requiring that all credits transfer for credit toward an associate's degree is untenable, as some of the 4-year institution courses may not apply directly toward a specific AA degree.

Communication Campaign for Near Completers

The concept of a statewide campaign is very appealing, and collaboration among institutions and with MHEC would enhance the probability that some students would return for completion. However, the definition of "near completers" should be stricter, i.e., requiring previous completion of 90 credits.

Currently institutions within the USM are reaching out to their own "near completers." Because near completers have been on a trajectory in a specific degree program at an institution, we believe it is more likely that they would return to their own institution to complete. We have not yet expanded any program across all institutions, as the many differences between degree requirements for programs from campus to campus will create additional challenges for students. USM has provided some financial aid incentives for the campuses to use for near completers (about \$30k per campus this year), although it will be more like \$15k in future years. In addition, each institution is developing its own programs of incentives.

Degree Plans

USM institutions concur that students should galvanize their planned curriculum in a reasonable amount of time, however, there may be more exceptions to a 45 credit hour limitation. For example, some cases require admission to specific schools (business) or programs after 60 hours of credit, so an original plan would have been a place holder. Each campus has accountability for goals in improving advising and many campuses have developed model plans being shared with other institutions. UMCP's program is on line, others have developed "intrusive" advising programs that require a student recognized as off track to be advised before registration for the next semester is possible. As students do migrate among majors, a more complex and nuanced program will be required at each institution, developed to take advantage of the personnel and expertise

on their campus. Nonetheless, good and devoted advising is the best action plan for every student.

“Transfers” will need especially nuanced and careful advising so that each student may obtain maximum credits earned toward degree. However, the fact that “new” students of ANY type (first time registering in a higher education institution or with experience at another institution) need careful and thoughtful advice is clearly recognized. Campuses are seriously addressing these issues. Reports on the Completion goals report include information so that it may be determined whether the campus is meeting their goals for which they are accountable.

Block Scheduling

In some specific situations, block scheduling may work very well. However, in a state where we enroll a wide diversity of students and students do move among campuses and institutions, there are serious challenges to this approach.

- What if a freshman comes in with some AP or CLEP credit or credit from dual enrollment that interrupts the block?
- What about transfer students with only a few hours of credit? Or one with some competency based credit?
- What happens when a student has the opportunity to take some courses in on-line versions if out of block?

USM has evidence that continuing math as smoothly as possible is of real benefit to the student, and advising should recommend that series. However, semesters or term interruption (i.e., a summer student) do not always make synchrony of blocks possible. USM believes the work in the area of Academic Transformation will help provide evidence of the most productive way to manage some of these issues.

The complexities are myriad, and institutional flexibility in scheduling may be the most valuable tool available for the student. The diversity of need for students in scheduling and timing of courses will always be a real challenge, but again institutional flexibility will allow the student to develop the most efficient and effective schedule for themselves. This language seems to assume a common “full time” student, or that all part-time students have the same or similar needs.

Dually Enrolled Students

The issues around payment for dual enrollment will require serious consideration by both the K-12 and higher education communities, and comprehensive fiscal notes will need to be developed. USM feels that if the committee has the interest in moving forward it would be best to consider convening all segments of education.

EXPANSION OF ENFORCMENT AUTHORITY SOUGHT

On Tuesday in Appropriations, JoAnn Goedert, Associate Vice Chancellor, and an official with the Department of Budget and Management urged an unfavorable report on House Bill 1280. HB 1280 would establish the exclusive authority of the State Labor Relations Board (SLRB) and the State Higher Education Labor Relations Board (SHELRB) to decide all controversies and disputes related to the state's collective bargaining statutes. The legislation specifically authorizes both boards to order respondents to pay complainants who prevail any back pay, foregone wages or earnings, the value of lost benefits, and interest to which they are entitled. The decisions of both boards would be final administrative decisions; actions to enforce the decisions may be brought by the board in the appropriate circuit court (in the county in which the board's principal office is located).

USM explained that the bill would amend the current collective bargaining laws for state employees to create an extraordinary expansion of the enforcement authority and USM is concerned this imposes a risk of open-ended costs to our institutions while doing little to advance the essential functions of the SHELRB.

The enforcement powers of the bill impose monetary penalties on an institution—creating remedies more akin to damages awarded in a tort or contract dispute, rather than measures that directly correct practices that the board deems at odds with the collective bargaining law's requirements. An equally important concern to USM is the vague and sweeping nature of the expanded enforcement powers, and the potential that they create for massive costs to the institutions. This vagueness manifests itself, for example, in the following provisions:

- An institution can be required to pay for economic relief for any violation of the collective bargaining law or SHELRB regulations, regardless of the nature of the alleged violation. SHELRB decisions often turn on narrow issues of interpretation that are before the board for the first time, but the bill does not distinguish between fine and novel interpretational distinctions and violations made in bad faith or negligent disregard of clear legal requirements. Moreover, SHELRB regulations are largely procedural, and the potential for economic penalties exists for minor procedural missteps as well as egregious substantive violations.
- The bill authorizes a sweeping range of economic remedies, including back pay, “foregone” wages and earnings, interest, and undefined “lost economic benefits.”
- Economic damages are available to any “complainant,” without any attempt to define that term. Under this construct, the SHELRB could extend an economic remedy to hundreds or thousands of current and, arguably, even past employees of

an institution—a class action-like remedy that may be awarded without any need to first meet the detailed statutory and common law standards for class action relief in the courts.

- The bill lacks any statute of limitations, or firm timelines for the filing and adjudication of a SHELRB action. Without such reasonable time limits, an institution’s financial liability for lost wages, interest and other economic relief can be magnified indefinitely by the passage of time. Moreover, the bill provides no process or standards for appeal of a board decision that may have such economic consequences.

USM employees already have strong statutory grievance rights that are set out in Education Article Title 13, Subtitle 2. This process affords employees extensive due process safeguards and establishes clear standards and procedures for deciding the merits of a case and rights to appropriate relief—including economic awards-- that may arise from a grievance.

BILL TO LIMIT RATIO SUPERVISOR TO STATE EMPLOYEE HEARD IN HOUSE COMMITTEE

House Bill 1213 requires the Secretary of Budget and Management, in collaboration with agency heads, to establish a program to make the ratio of State employees to supervisors in all units of the Executive Branch be 14:1 by fiscal year 2016 and 15:1 by fiscal year 2018. The bill also establishes an Employee Span of Control Review Board to establish guidelines for the program and to consider waivers.

On Tuesday, JoAnn Goedert of USM, and Eloise Foster, Secretary of the Department of Budget and Management urged the Committee to reject House Bill 1213 due to the unlikelihood that an effort to re-organize USM and state government activities around a particular span of control ratio would contribute to efficiencies or other cost savings.

Ms. Goedert explained that the work done at USM institutions is, on the whole, uniquely complex. Operating a university campus requires a degree of routine work, e.g., food service, housekeeping, and some office functions. However, as part of the USM’s Effectiveness and Efficiency Initiative, USM has already made strides in increasing the efficiency of those operations through technology, shared services and other means. Thus, disproportionately large numbers of our employees, especially in academic and research areas, engage in the kind of complex work for which small spans of control are necessary. It’s estimated that less than one-third of USM employees perform “routine, fixed work” that is even amenable to traditional span of control analysis.

UPCOMING HEARINGS

HB 871; Higher Education Fair Share Act

Appropriations

March 5

1pm

HB 1332; Educational Institutions – Personal Electronic Account – Privacy Protections

Appropriations

March 5

1pm

SB 543; Foster Care Recipients - Waiver of Tuition and Other Charges

Education, Health and Environmental Affairs

March 6

1pm

SB 607; Student Notification - Financial Information (College Cost Sheet)

Education, Health and Environmental Affairs

March 6

1pm

SB 510; Fully On-Line Distance Education Programs - Regulation

Education, Health and Environmental Affairs

March 6

1pm

SB 705; Exemption from Paying Non-Resident Graduate Tuition - Servicemembers

Education, Health and Environmental Affairs

March 6

1pm

SB 838; Educational Institutions – Personal Electronic Account – Privacy Protection

Education, Health and Environmental Affairs

March 6

1pm

SB 740; College Readiness and Completion Act of 2013

Education, Health and Environmental Affairs

March 6

1pm

SB 808; Institution Management - Admissions Requirements

Education, Health and Environmental Affairs

March 6

1pm

SB 677; SLRB & HELRB - Enforcement Authority

Senate Finance

March 7

1pm

SB 841; Higher Education Fair Share Act

Senate Finance

March 7

1pm

HB 935; Public Institutions of Higher Education - In-State Tuition for Military Veterans

Appropriations

March 12

1pm

HB 739; Public Institutions of Higher Education – Legal Presence and Tuition Rates -- Reporting

Appropriations

March 12

1pm

HB 734; University System of Maryland – Institution Management – Admissions Requirements

Appropriations

March 12

1pm

HB 862; Higher Education – In-State Tuition – Reduction for Educators

Appropriations

March 12

1pm

HB 1272; Maryland College Sports Fans and Athletes Bill of Rights

Appropriations

March 12

1pm

HB 871; Dually Enrolled Students - In State & In-County

Ways & Means

March 13

1pm

HB 1288; Accountability in Education Act

Ways & Means

March 13
1pm

HB 1319; Procurement – Competitive Sealed Proposals – Construction Contracts – Economic Inclusion Plans

Health and Government Operations
March 13
1pm

SB 704

Tax-Free Periods - University and College Textbooks

Budget & Taxation
March 13
1pm

SB 714

Income Tax - Subtraction Modification - Student Loan Debt
Budget & Taxation
March 13
1pm

SB 812

Tuition Cap and College Opportunity Act of 2013

Budget & Taxation
March 13
1pm

HB 1412; Public Senior Higher Education – Mandatory Fees – Limit on Increases

Appropriations
March 14
1pm

SB 932

Criminal Law - Deadly Weapons on the Property of an Institution of Higher

Education
Judicial Proceedings
March 20
1pm

Full Operating Budget Schedule

University of Maryland Baltimore County, University of Maryland Eastern Shore
March 4, 2013
1:00 p.m.
Senate Budget and Taxation

