



UNIVERSITY SYSTEM OF MARYLAND
Office of Government Relations
2012 End of Session Report
April 10, 2012

The major responsibility of the University System of Maryland office is to prepare and advance the annual operating and capital budgets for the 12 institutions and two regional higher education centers that comprise the USM. In addition, the USM Office of Government Relations, in conjunction with the state legislative officials from each USM institution, tracked more than 80 individual bills that would have had varying impacts on the system, its faculty, staff and students.

Cuts to higher education were particularly deep during the recession. With the expiration of federal stimulus dollars last year, funding was cut nationally by nearly \$6 billion, or 7.6 percent, according to the Grapevine Report.¹ The cost of college and rising student debt has President Obama proposing a shift of federal aid away from colleges that don't control rising tuition and calling on governors to reverse the trend of declining state support for higher education.

Across the country we are seeing public university budgets being slashed. The University of Washington and the University of California institutions have lost more than 30 percent of their public funding. Similar cuts have occurred in Texas, Arizona, Florida, and North Carolina to name just a few. In real dollars, for the biennial budget period from 2011-2013, the Oregon University System received an education and general budget of \$495.3 million – \$600,000 **less** than in 1997-1999. These universities have relied on huge tuition increases to offset this loss of public funds. As just one example, a UC Davis professor noted in an article recently that tuition at University of California has gone from \$5,357 in 2005, to \$12,192 today, and—under current proposals—will be as high as \$22,068 by 2015. That's a four-fold increase in just 10 years.

The Board of Regents, Chancellor Kirwan, and the institution presidents are rightfully concerned about the overall competitiveness of USM in attracting the best and the brightest faculty and students, as well as highly skilled staff to keep the enterprise afloat. But as revenue begins to recover, and austerity measures and course redesign shape the way in which USM

¹ http://www.sheeo.org/finance/shef/SHEF_FY11.pdf

does its business and teaches its students, something very interesting will emerge. Maryland will be the face of reform, recovery, and reemergence of American higher education.

In a speech to the National Governor's Association on February 29th, President Obama singled out Maryland by saying, "[Governor] Martin [O'Malley] in Maryland is doing some outstanding work on this front. He worked with the legislature to keep tuition down by controlling costs and cutting spending on college campuses, and you're seeing a real impact — from the flagship University of Maryland all the way down. And a lot of you are starting to experiment with this as well.

We can't allow higher education to be a luxury in this country. It's an economic imperative that every family in America has to be able to afford. And frankly, I don't think any of this should be a partisan issue. All of us should be about giving every American who wants a chance to succeed that chance."²

Our efforts do not happen in a silo. The USM Office of Government Relations, State Relations Council, Council of University System Staff (CUSS) and the Council of University System Faculty (CUSF), and the USM Student Council collaborated closely this year to share information and updates. Early in the legislative session, the USM Communications Council helped develop the message and major themes used throughout the presentations and publications. The ***"USM Quick Points of Excellence"*** were distributed to every member of the General Assembly.

The crescendo of this teamwork occurred just as House budget negotiators proposed steeper cuts to USM than their senate counterparts. When the time was right our Capwiz system generated more than 21,400 e-mails to legislators from nearly 3,000 staff, faculty, students and community supporters concerned about the proposed cuts to USM. The efforts of CUSS, CUSF, and the USM Student Council were felt across the capital. The collaboration this year was unprecedented.

More than any year, we worked closely with our friends and also colleagues from Morgan State University, St. Mary's College of Maryland, and also our colleagues in the independent and community college sectors, to stop or modify several bills that would have imposed onerous new regulations on topics ranging from storm water management to the repeal of academic program fees. At the same time, USM supported legislation to expand postsecondary opportunity for every Marylander by setting the stage for a modest tuition increase and ensuring a pathway to college for academically qualified undocumented students.

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

² <http://www.educationnews.org/education-policy-and-politics/president-obama-urges-nga-for-more-education-funding/>

USM OPERATING BUDGET

A Message to the USM Community from Chancellor Brit Kirwan

As you know, the Maryland General Assembly's 2012 legislative session came to an end earlier this week with no small amount of budgetary turmoil. While the House and Senate both passed the state's operating and capital budgets, both chambers did not pass the tax legislation and the Budget Reconciliation and Financing Act (BRFA) required to fully fund the operating budget.

On the capital side, the General Assembly approved every University System of Maryland (USM) project in the Governor's FY 2013 capital budget. We very much appreciate that the USM will receive approximately \$221 million for critical projects across the state.

On the operating side, it is my hope and expectation that Governor Martin O'Malley and the legislative leadership will work out their differences and reconvene to pass the tax legislation and BRFA in a special session. However, if the BRFA and tax bills are not passed prior to the beginning of the next fiscal year, the so-called doomsday budget will go into effect on July 1.

While the situation remains very fluid, and the precise size and nature of the cuts to USM's operating budget are not firmly established, it is important for me to inform you of just how severe the cuts would be should the doomsday budget actually become our FY 2013 operating budget. USM's Office of Government Relations estimates that the USM could expect direct budget cuts exceeding \$50 million of general funds. A cut of this magnitude would drastically undercut our efforts to meet the state-established goal of a 55 percent college completion rate by 2020 and to use the creativity of our faculty, staff, and students to advance the state's economy and quality of life.

In addition, a \$50 million cut would no doubt result in financial aid reductions, programmatic cuts, student service curtailments, and staff layoffs. It would also dictate an in-state, undergraduate tuition increase significantly higher than the 3 percent included in the governor's proposed budget. Moreover, under this doomsday budget, the six-month, cost-of-living increase for all state employees—USM employees included—would be eliminated and employee health insurance cost sharing would increase.

Given the impact such a budget would have on our ability to serve the needs of our students and the state, it is imperative that our elected officials return to Annapolis in a spirit of cooperation and compromise and conclude the unfinished business of the 2012 legislative session in special session. I urge all of us to reach out to our leaders in Annapolis and let them know the dire consequences of their inaction.

While we press the case in Annapolis, we also have an obligation to prepare for all possible outcomes. If the legislature does not act, the doomsday budget will go into effect by default. We are in the process of developing a series of possible actions to take depending upon the level of the budget cuts USM sustains. As this effort progresses, we will work with the

presidents and colleagues across the university system to protect as far as possible the education, research, and service missions of our institutions.

Hopefully we will not need to resort to these drastic actions. Over the past several years, Maryland has rejected the national trend of disinvestment in higher education. From Pennsylvania to California, university budgets have been slashed, resulting in massive tuition hikes, significant layoffs, devastating cuts to service, and erosions in quality. During this period, Maryland has chosen a different—a smarter—direction. Recognizing higher education as the engine of innovation, discovery, and knowledge that will propel our economy and quality of life forward, Maryland made funding for the USM a top priority. I pledge to marshal all the USM resources to ensure these wise investments in our state's future continue in FY 2013.

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Over the last 4 years, the USM Board of Regents has shown its readiness to help tackle the State's structural deficit **and** provide Maryland students with a quality college education at a reasonable cost. The core of that fidelity rests in the Board of Regents' Effectiveness and Efficiency (E&E) Initiative. E&E hasn't spared USM from cuts, but E&E (in addition to being held out as a national model) has helped USM "tread water" financially. E&E has generated more than \$250 million in direct cost savings. USM has worked diligently to earn the trust and support of budget makers in Annapolis. Academically, USM's efforts in course redesign have garnered national attention, four-year and six-year graduation rates are well above national averages, and time-to-degree is at its best level ever at 4.5 years.

Once a full and thorough reading and understanding of all items and language within the state budget takes place the Chancellor and the Board of Regents will discuss and make decisions for 2012-2013 academic year tuition rates. Over the past years, given the state of the economy, and the need to adjust state funding for significant revenue write-downs, the funding provided to USM had shown a significant commitment and support for higher education by Governor O'Malley and the Maryland General Assembly. The USM hopes that trend continues.

Other Operating Budget Actions:

University of Maryland, Baltimore Budget Restriction

Provided that \$250,000 of this appropriation made for the general operating expenses at the University of Maryland, Baltimore may only be transferred by budget amendment to the USM office for use by USM institutions to leverage state resources to assist farmers in the state with estates and trust issues, compliance with environmental laws, and other matters necessary to preserve family farms.

Towson University Site Approval

The General Assembly considered legislation, as well as budget language, requiring a decision by the Maryland Higher Education Commission (MHEC) on the request of Towson University to construct a building on the Harford Community College Campus. Legislation passed the House, but on March 30, 2012 the Secretary of MHEC issued a decision to approve the Towson University 2+2 Building with the provision to give Morgan State University the opportunity to purchase half of the building or lease space in the building.

Incentive Funding

The committees restricted \$1 million of the USM's general fund appropriation so that it may be used to provide incentive funding to USM institutions that choose to offer new programs at any of the non-USM regional higher education centers. The USM must also report on the institutions receiving the funds, the amount, location, and the proposed program on December 20, 2012, and again on June 30, 2013.

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 by Expected Family Contribution Category

The committees request that data be submitted for each University System of Maryland (USM) institution on undergraduate institutional aid awards. Data should include the number of institutional aid awards and average award size by expected family contribution (EFC) for institutional grants, institutional athletic scholarships, and other institutional scholarships as reported to the Maryland Higher Education Commission for fiscal 2012. 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 for fiscal 2012. The report is due December 14, 2012.

Loan Data by Expected Family Contribution Category

In order to more fully understand all of the types of aid available to students, the committees request that undergraduate loan data be submitted for each University System of Maryland (USM) institution. 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 for fiscal 2012. Additionally, data should be provided on Pell Grants including the number and average award size by EFC for fiscal 2012. The report is due December 14, 2012.

Faculty Workload Report

The committees request that the University System of Maryland (USM) 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 at the institutions. Additional information may be included in the report at USM's discretion. Furthermore, the report should include the percent of faculty meeting or exceeding teaching standards for tenured and tenure-track faculty for the University of Maryland, Baltimore. The report is due December 1, 2012.

Report on Outcomes of Students Participating in Access and Success Programs by Cohort

The committees understand that as part of the State's agreement with the federal Office for Civil Rights, the State has provided annual funding to Maryland's public historically black institutions (HBI) to improve retention and graduation rates. From fiscal 2001 to 2006, the funds were budgeted through the Maryland Higher Education Commission (MHEC) and released after each HBI submitted proposals to MHEC outlining how the funds would be spent in the coming year. Beginning in fiscal 2007, Access and Success funds were appropriated directly to the HBIs. The committees request that MHEC collect progression, retention, and graduation data from each public HBI on all students participating in Access and Success program in fiscal 2012. Data should be analyzed and presented by institution and program. Data should include the throughput completion rate in credit-bearing coursework for required remedial classes. The report should include a summary of fiscal 2012 programs supported by Access and Success funds and a statement from each institution on how findings from the 2011 report have been used to inform and improve programs and student services supported by Access and Success funds. The report is due October 15, 2012, and every year thereafter.

Framework for Performance-based Funding

The committees are interested in creating incentives for Maryland public higher education institutions to increase student and institutional performance using State funds. The State provides nearly \$1.5 billion in funding to support public higher education institutions. The committees request that the Maryland Higher Education Commission (MHEC), in conjunction with the University System of Maryland (USM), Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and the Maryland Association of Community Colleges (MACC), develop a framework for State funding that rewards institutional and student performance on metrics to be recommended by the workgroup, consistent with the recommendations of the Commission to Develop the Maryland Model for Funding Higher Education. The framework should incorporate the recommendations on predictive performance methods that an MHEC workgroup is completing in response to a 2011 Joint Chairmen's Report request, which is due September 1, 2012. MHEC should consider experts that are

available to Maryland through the Lumina Foundation and Complete College America grants. The report is due December 15, 2012.

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 is 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, on behalf of the Governor and General Assembly and in collaboration with the Governor's P-20 Council, convene an Annual 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 is due December 15, 2012 and each year thereafter.

USM CAPITAL CONSTRUCTION BUDGET

USM urged full funding of the Governor's fiscal year 2012 budget recommendations for all System institutions, as well as our System-wide Facilities Renewal program. With a commitment of more than \$221 million dollars in fiscal year 2013, the General Assembly approved **all** of the USM projects included in the Governor's Capital Budget. USM relies heavily on our campus infrastructure to deliver quality academic programs and house critical research.

System-wide Facilities Renewal (FR) funds are a critical piece of USM's overall facilities renewal program. Of the \$221 million, \$27 million is in academic bond funds to address facility renewal. The board's program also encourages increases in operating expenditure for facilities renewal toward an annual spending target equal to 2% of the replacement value of campus facilities, as well as a high proportion of renovation and replacement projects in the capital improvement program.

UNIVERSITY OF MARYLAND, BALTIMORE

Health Sciences Research Facility III: \$4,700,000 for the design of a new research facility for the School of Medicine, subject to the requirement that the University of Maryland, Baltimore provide an equal and matching fund for this purpose.

UNIVERSITY OF MARYLAND, COLLEGE PARK

Physical Sciences Complex: \$29,550,000 to complete construction and equip Phase I of a new Physical Sciences Complex to provide modern laboratory and office space for the Department of Physics, the Department of Astronomy, and the Institute for Physical Sciences and Technology.

Campuswide Building System and Infrastructure Improvements: \$10,000,000 to design, construct, and equip campuswide infrastructure improvements at the College Park campus

University Learning and Teaching Center: \$2,050,000 to begin design of the University Learning and Teaching Center

Remote Library Storage Facility: \$435,000 to begin design of the Remote Library Storage Facility

University of Maryland Athletic Fields: \$1,000,000 for the acquisition, design, construction, renovation, and equipping of new synthetic athletic fields

New Bioengineering Building: \$5,000,000 to begin design of a new Bioengineering Building

High Performance Computing Data Center: \$5,000,000 for the design, construction and capital equipment for a joint High Performance Computing Data Center between the University of Maryland College Park and Johns Hopkins University

BOWIE STATE UNIVERSITY

Campuswide Site Improvements: \$2,166,000 to design and construct Campuswide Site Improvements

New Natural Sciences Center: \$3,100,000 to begin design of a new Natural Sciences Center

\$1,500,000 of the USM Facilities Renewal Program may only be used to replace the air conditioning system in the James Gymnasium at Bowie State University

TOWSON UNIVERSITY

Campuswide Safety and Circulation Improvements: \$13,700,000 to design and construct campuswide safety and circulation improvements, provided that notwithstanding Section 6 of this Act, work may commence on this project prior to appropriation of all the funds necessary to complete this project. Given the 18-month construction period, the authorization of \$6 million coupled with the remaining \$7.8 million pre-authorized for fiscal year 2014 will allow the project to be bid for construction during fiscal year 2013

Smith Hall Expansion and Renovation: \$5,700,000 to begin design of the expansion and renovation of Smith Hall

FROSTBURG STATE UNIVERSITY

New Center for Communications and Information Technology: \$44,550,000 to construct a new Center for Communications and Information Technology, provided that notwithstanding Section 6 of this Act, work may commence on this project prior to appropriation of all the funds necessary to complete this project

COPPIN STATE UNIVERSITY

New Science and Technology Center: \$28,775,000 for site acquisition, design, and construction of a New Science and Technology Center, provided that notwithstanding Section 6 of this Act, work may commence on this project prior to appropriation of all the funds necessary to complete this project

UNIVERSITY OF BALTIMORE

New Law School Building: \$4,037,000 to equip a new Law School Building

SALISBURY UNIVERSITY

New Library: \$1,900,000 to begin design of a new Library. The General Assembly also included pre-authorizations to fully fund the remainder of the project through FY 2016.

UNIVERSITY OF MARYLAND BALTIMORE COUNTY

New Performing Arts and Humanities Facility: \$33,225,000 to design and construct Phase II of the New Performing Arts and Humanities Facility, provided that notwithstanding Section 6 of this Act, work may commence on this project prior to appropriation of all the funds necessary to complete this project

Campus Traffic Safety and Circulation Improvements: \$1,000,000 to design improvements to the campus vehicular circulation system

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
(Allegany County)**

New Environmental Sustainability Research Laboratory: \$1,150,000 to begin design of the New Environmental Sustainability Research Laboratory

UNIVERSITY SYSTEM OF MARYLAND OFFICE

Facilities Renewal Program: \$10,000,000 to design, renovate, construct, and equip various facilities renewal projects on University System of Maryland campuses across the state.

Biomedical Engineering Building: \$5 million pre-authorization for the Biomedical Engineering Building at the Universities at Shady Grove

USM BILLWATCH

House Bill 442

Maryland Innovation Initiative

USM Position: Support

Final Status: Passed

House Bill 442 establishes the Maryland Innovation Initiative within the Maryland Technology Development Corporation (TEDCO). The goal of Senate Bill 239 is to promote technology transfer from Maryland's public and private nonprofit research institutions to the private sector. The General Assembly also approved \$5 million in the supplemental budget to support these efforts.

More specifically, the initiative authorizes grant funding to qualifying universities to promote the commercialization of technology developed at the institution and requires USM to undertake qualified "high impact development Activities." High Impact Development Activities are activities that create or facilitate: 20+ new jobs; the award or completion of \$100M in externally funded research; the establishment or relocation of one or more new companies to Maryland; the production of at least \$100M of revenue per annum; the licensing or potential commercialization of a promising new technology; an academic program to meet workforce demand in a documented labor shortage field; and promote the economic interests of the state for which USM shall use its powers as a Public Corporation.

The bill also requires the Board of Regents to adopt policies to establish high impact development activities. Finally, the bill alters the review and approval process for certain types of higher education contracts by the Board of Public Works.

Senate Bill 63**Child Abuse and Neglect - Notice and Reporting Requirements, Disclosure, and Task Force**

USM Position: Support with amendment

Final Status: Passed Senate w/USM amendment; In House Rules Committee at Sine Die

Senate Bill 63 adds medical examiners and parole and probation agents to those workers who, when acting in a professional capacity, are required to report suspected incidences of child abuse or neglect. A USM amendment would allow the USM presidents and the chancellor to carry out appropriate actions following a report of suspected child abuse committed by: a current employee; a contractor, employee of a contractor, or volunteer of the institution who has on-campus contact with children; in connection with an institution sponsored, recognized or approved program, camp, or other activity; or on institution property.

The USM for many years has had strong policies supporting the voluntary reporting by employees, students, and others of abuse and misconduct on our campuses and protecting those who make such reports. On December 9, 2011, the Board of Regents strengthened those safeguards with approval of a new policy that specifically addresses the mandatory child abuse and neglect reporting requirements of the Family Law Article. The USM has followed up on that policy action with a range of efforts to ensure both full compliance with the reporting law and effective response when reports involving the USM community are made.

The amendment would add public higher education institutions to this long list of organizations that can receive reports and records when needed by an institution to take appropriate action regarding an alleged abuser. For obvious reasons, when abuse is alleged by an institution employee, contractor, or volunteer, or when it occurs in USM facilities or in connection with a USM-sponsored program, it is essential that the institution be able to confirm an appropriate report has been made to Child Protective Services. Then, after the CPS investigation is completed, the institution needs to know the outcome of that investigation in order to take any required personnel or administrative action.

Senate Bill 434**House Bill 746****House Bill 310****Internet Account Privacy Protection**

USM Position: Support with amendment

Final Status: Failed

Collectively, these bills would prohibit an academic institution from requiring a student or an applicant for admission to provide the institution with access to the student's or applicant's personal Internet site or personal electronic account through an electronic device; disclosing any user name, password, or other means for accessing a personal Internet site or personal electronic account through an electronic device; or installing on a student or applicant's personal electronic communications device software that monitors or tracks the content of the device.

The bills also prohibits an academic institution from refusing to allow a student to participate in activities sanctioned by the academic institution, or discipline the student in any manner, because of the student's refusal to comply with a request by the institution for access or specified software installation.

A panel of USM information technology experts testified in opposition to House Bill 310 and Senate Bill 434. The bills' sponsors and other supporters turned to a situation outside of the state of Maryland as the impetus for the legislation. In 2011, the University of North Carolina (UNC) updated its Department of Athletics Policy on Student-Athlete Social Networking and Media Use. The policy requires each team to "identify at least one coach or administrator who is responsible for having access to and regularly monitoring the content of team members' social networking sites and postings." The policy was apparently in response to a National Collegiate Athletic Association (NCAA) Notice of Allegation (NOA) that alleged, among other things, that the institution failed to "monitor social networking activity that visibly illustrated potential amateurism violations within the football program, which delayed the institution's discovery and compounded the provision of impermissible benefits..." The NCAA investigation was apparently triggered by the "tweets" from a former UNC football star.

USM officials testified that policies on the Acceptable Use of Information Technology Resources require that everyone in the university community using IT resources abide by security standards set forth by the chief information officers. The rules for student use of our network are one such standard. Students are told they must ensure their computers are equipped with appropriately updated anti-virus software and install the security updates issued by their software vendors. These bills would have prevented the institutions from requiring the use of security software on student-owned devices that seek to connect to our networks. Anti-virus software, in particular, is software that monitors the content of the files on the electronic device. This would have the impact of increasing, not decreasing, the threat to student privacy.

In the end, the USM worked with the sponsor to craft friendly amendments, but the House Appropriations still had reservations.

House Bill 696

Hiring of Outside Legal Counsel – Requirements

USM Position: Letter of Concern

Final Status: Failed

House Bill 696 would have required public institutions of higher education to seek the approval of the Office of the Attorney General before hiring outside legal counsel in a matter exceeding \$25,000.

The USM submitted a letter of concern because the legislation would impede USM from responding quickly to selected legal needs and new business development initiatives in the state. As written, HB 696 could have jeopardized technology transfer efforts and the protection of intellectual property. Currently, the USM Board of Regents Rule 270.0 VIII-3.20 details procedures relating to review by the Office of the Attorney General of contractual agreements

in financing real estate and capital projects. After concerns were expressed the sponsor offered amendments that would remove USM from the legislation.

Senate Bill 608

Tuition Waiver for Maryland Higher Education Commission Employees

USM Position: Oppose

Final Status: Failed

SB 608 would have granted a full tuition waiver for the employees and children of the Maryland Higher Education Commission at any Maryland community college or public university. USM testified in opposition to Senate Bill 608 because MHEC routinely exercises a regulatory function by overseeing the approval of academic programs for all sectors of higher education. USM believed that it might create the appearance of impropriety for a regulatory agency to seek what some might view as a personal cash benefit from a regulated entity. Moreover, USM was concerned about setting a precedent of tuition waivers for selected classes of state employees outside of USM. This could open a major dilemma, both fiscally and politically, should other state agencies pursue tuition waivers for their employees.

In addition to state law, tuition remission is administered in accordance with the Board of Regents' policy and federal tax law. Given that MHEC employees are not employees of the USM, it's not clear whether MHEC employees would qualify as USM employees under federal tax law governing employer-provided tuition benefits.

Senate Bill 687

Academic Program Application Fee – Repeal

USM Position: Support

Final Status: Failed

Senate Bill 687 repeals the authority of the MHEC to charge an application fee to an institution of postsecondary education seeking approval of academic programs. A last minute amendment delayed implementation of the repeal until July 1, 2013. The USM testified in support of repealing the fee. Last April, the passage of Budget and Reconciliation Financing Act (BRFA) authorized MHEC to charge fees for academic program approval. On May 18, 2011, MHEC commissioners convened and expressed "concerns about the practicality of imposing these fees on in-state institutions..." and to "...urge the Governor and Department of Budget and Management and the Legislature to work with us to consider other means to fund Program and Institutional Approval Fees." The commission subsequently passed a motion stating: ***"The Legislature should reconsider the legislation, which authorized the imposition of these fees on in-state institutions, in future fiscal years."***

The USM agreed wholeheartedly with the commission's desire to reconsider the authorization of academic program fees. The latest figures available to USM show that the new fee requirement raised only one-third of its projected revenue.

Senate Bill 1036
Academic Facility Bonding Authority

USM Position: Support

Final Status: Passed

Senate Bill 1036 is a departmental bill authorizing the use of \$32 million in academic facilities bonds for the purpose of financing construction, renovation, and renewal projects at USM buildings and campuses.

USM must gain legislative approval to use academic revenue bond (ARB) proceeds for certain capital improvements projects at academic facilities. The proposed fiscal 2013 capital budget includes \$32.0 million in ARBS: \$17.0 million for facilities renewal projects budgeted within the USM system office; \$10.0 million for the new Science and Technology Center at Coppin State University; and \$5.0 million for campus-wide building system and infrastructure improvements at the University of Maryland, College Park.

House Bill 1228
Regional Higher Education Centers - Funding Formula

USM Position: Support as Amended

Final Status: Passed

House Bill 1228, as originally drafted, required the Governor to provide grants for each regional higher education center (RHEC) using a specified funding formula. The operating funds for each RHEC, including a center that is administered by the USM, must be calculated using the proposed formula and may not exceed the amount of funding calculated using the funding formula. System officials, in addition to representatives from the Universities at Shady Grove and USM Hagerstown, testified in strong opposition to House Bill 1228.

The bill was amended heavily, omitting USM, and requiring the MHEC to calculate grants for each RHEC under their purview using a specified formula. Funding for the formula is as provided in the annual state budget. MHEC must review and make recommendations regarding the inclusion of outcome and performance measures in the RHEC funding formula and report its findings and recommendations to the Governor and the General Assembly by October 1, 2013.

As originally written, HB 1228 would have resulted in a 17% (or \$1.2M) reduction to the USG FY2013 budget. This reduction would severely cripple its highly successful operation in Montgomery County. USG is a thriving example of how to increase access to affordable high-quality public higher education, and is unique not just in Maryland but nationwide. This proposed cut would penalize Montgomery County, Maryland's largest jurisdiction and an economic engine for the state, by reducing the available opportunities for its residents to obtain the undergraduate and graduate degrees they so desperately need in today's economy. The USG model has proven to be a great achievement in a short period of time, and an approximately \$1.2 million budget reduction would wipe out the progress made to date and further penalize both its accomplishments and efficiencies.

In addition, HB 1228 would result in a 53% (or \$1.0M) reduction to the USMH budget. With the severity of the cut, it is questionable whether USMH would be able to continue to provide educational opportunities to students in that region. Fuel and utilities costs and contractual services to maintain the facility would absorb the bulk of the remaining balance. The size of the reduction would, in effect, render the center inoperable.

House Bill 972
Higher Education Workforce Equity Act

USM Position: Oppose

Final Status: Withdrawn by Sponsor

House Bill 972 would have extended collective bargaining to tenured or tenure-track faculty, adjunct faculty, and graduate student employees working at the constituent institutions of the USM, Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC). The bill also authorizes the establishment of three additional bargaining units at each higher education institution, one for tenured or tenure-track faculty, a second for adjunct faculty, and a third for graduate student employees.

USM testified in opposition to HB 972 and was joined by student representatives and faculty from across all ranks. Several testified that shared governance is the single most effective method for addressing the concerns of all members of our university community and helps to maintain a collegial relationship between faculty and administration. The USM was also concerned with the idea of giving adjunct faculty and graduate assistants full collective bargaining rights because of the complexity and immensely diverse nature of these two groups. In short, there are no two situations alike and allowing these groups to demand collective representation would not serve their best interests.

Representatives supporting and opposing House Bill 972 are having a dialogue to explore ways that may be better suited to address the representational desires of faculty and graduate assistants. In the end, the parties agreed upon a process of "meet and confer" at an elevated level, and, in some ways, a more formal way of approaching employment conditions.

Senate Bill 758
Containment Laboratories

USM Position: Support with Amendment

Final Status: Failed

Senate Bill 758 would have established the Containment Laboratory Oversight Division within the Department of Health and Mental Hygiene and required the Division to establish and enforce standards and requirements relating to containment laboratories. The USM supported an amended version of the legislation, which, without the amendment, would have allowed the Department of Health and Mental Hygiene to have oversight over level III biomedical research laboratories in the USM.

The amendment exempted USM institutions that have biomedical research laboratories that are subject to federal oversight or regulation, as well as those managed "in compliance with the

Centers for Disease Control and Prevention and National Institutes for Health.” This would prevent the Department of Health and Mental Hygiene from further complicating an already complex issue within each of our major research institutions.

Currently, each biomedical laboratory in the USM is subject to federal regulation and oversight from the CDC, USDA, and NIH to ensure maximum safety and security when handling sensitive biological material. The USM holds each of its institutions to the highest standard when dealing with the operation of containment laboratories and appreciates the intent of this bill, but believes that those institutions subject to existing federal regulations should be exempt from this legislation.

Senate Bill 809

Textbook Tax Holiday

USM Position: Support

Final Status: In committee at Sine Die

Senate Bill 809 would establish tax-free periods for textbooks at public senior higher education institutions and regional higher education centers statewide. The bill would establish the two weeks surrounding the onset of each academic semester as a tax-free holiday for textbooks required for courses at these institutions.

Students from the USM Student Council and representatives from Student Government Associations throughout the USM came out to support the bill and urged legislators to do the same. Proponents of the legislation believe this will help boost sales for campus bookstores struggling to compete with online vendors exempt from having to pay state sales tax.

Senate Bill 945

Reimbursement of Legal Expenses

USM Position: Oppose

Final Status: In Committee at Sine Die

SB 945 would have required the University of Maryland, Baltimore (UMB) to reimburse the Alan and Kristin Hudson Farm up to \$500,000 ***“as reimbursement for legal expenses incurred by the Hudson Farm”*** in defending a lawsuit brought against it by the Assateague Coastkeeper, Waterkeeper Alliance and the UMB Environmental Law Clinic.

Filed in 2010, the lawsuit against Perdue Farms and Alan and Kristen Hudson, who raise more than a half million chickens a year on their 293-acre farm located in Wicomico County, alleged that the operation polluted the Pocomoke River. In its filing, the clinic argued there was evidence the farm was the source of high bacteria counts found in a drainage ditch that drains into the Pocomoke River. As a result of the suit, the Maryland Department of the Environment investigated the Hudson Farm and fined it \$4,000 and closed its inquiry.

Clinical training is one of the most significant developments in legal education. Supreme Courts in all 50 states have indicated their support for the role clinics play in legal education by adopting student practice rules to encourage law schools to provide clinical instruction. The

American Bar Association's (ABA) law school accreditation standards now mandate that each law school offer substantial opportunities for "live-client or other real life practice experience." Political interference in law school clinical programs will have an adverse impact on the quality of the educational mission and jeopardize the principle of ethical independence under the ABA Code of Professional Responsibility.

USM officials asked the committee to consider the constitutionality of SB 945 based on the prohibition in the Maryland constitution against "special laws" (i.e. private acts, for the relief of particular named parties or a law that relates to particular persons or things of a class).

Law school clinics must model the legal profession's ideals of service to unpopular causes and professional independence. Legal clinics at the University of Maryland, Baltimore provide wonderful opportunities for practical training, and reflective learning. With 25 faculty, 250 students, 1000 matters and practice groups in nearly every area, it stands as one of the very best in the country. It remains a critical resource to serving the unmet legal needs of the people of Maryland.

Moreover, UMB provides a range of legal services to people on the Eastern Shore, addressing such areas as tax, mediation, property rights, the courts, community development, emergency planning, workers' rights, and criminal justice. Further, UMB collaborates with rural Maryland in efforts to decrease health disparities, provide access to specialty providers and complex medical care, educate students in rural communities in conjunction with the Area Health Education Centers (AHECs), place students in hundreds of clinical rotations, and solve health care workforce shortages in rural areas.

House Bill 529 Stormwater Fees

USM Position: Monitor

Final Status: In Committee at Sine Die

House Bill 529 would allow state-owned property to be subject to county or municipal stormwater management charges – except for property of the Maryland Department of Transportation, including roads managed by MDOT. Property owned by the USM would be exempt from such charges until October 1, 2014.

USM has serious reservations because the federal law that provided the inspiration for House Bill 529 requires that Congress make available "**...in an amount provided in advance by any appropriations Act to pay or reimburse the fee, charge, or assessment**" of local stormwater management charges. House Bill 529 would likely shift the burden to pay local stormwater charges to those who can afford it the least – the students and families paying tuition, room, and board at USM institutions.

Added to the "numerous uncertainties" that were raised in the fiscal analysis on House Bill 529 is the potential for construction and development delays increases since USM seeks construction permits and building code compliance from the State of Maryland – not local governments. Having to account for disparate local stormwater assessments may stifle efforts

to incorporate cutting-edge stormwater management practices during the planning phase of redevelopment and new construction.

USM urged the committees to understand fully the out-year fiscal impacts of, and the strategy to pay for, local assessments to state agencies for stormwater infrastructure and maintenance.

Senate Bill 843

Fully Online Distance Education

USM Position: Support

Final Status: Passed

Senate Bill 843 modifies provisions regulating fully online distance education programs. The bill requires an institution of postsecondary education that enrolls Maryland students in a fully online distance education program to register with MHEC within 6 months.

An institution required to register with MHEC must be accredited by an accrediting body recognized and approved by U.S. Department of Education and also meet a number of specified financial conditions and business practices, including complying with the student refund policy and procedures established by MHEC. MHEC must make public and post on its website (1) a list of registered institutions of postsecondary education that offer fully online distance education programs in the state; and (2) the names of institutions for which MHEC denied or revoked registration. MHEC may also impose various penalties on institutions that fail to comply with the bill's requirements.

Senate Bill 234

Maryland Health Improvement and Disparities Reduction Act of 2012

USM Position: Support

Final Status: Passed

Senate Bill 234 establishes a process for designation of "Health Enterprise Zones" (HEZs) to target State resources to reduce health disparities, improve health outcomes, and reduce health costs and hospital admissions and readmissions in specific areas of the State. The bill authorizes specified incentives for "Health Enterprise Zone practitioners" who practice in an HEZ, including tax credits against the State income tax. The bill also establishes a Health Enterprise Zone Reserve Fund.

The bill generally takes effect July 1, 2012, but some provisions take effect October 1, 2012 and the HEZ and tax credit provisions of the bill terminate June 30, 2016.

A "Health Enterprise Zone" is a contiguous geographic area that (1) demonstrates measurable and documented health disparities and poor health outcomes; (2) is small enough to allow for the incentives offered under the bill to have a significant impact on improving health outcomes and reducing racial, ethnic, and geographic health disparities; and (3) is designated as an HEZ by MCHRC and the Secretary of Health and Mental Hygiene.

“Health Enterprise Zone practitioner” means a health care practitioner who is licensed or certified under the Health Occupations Article and who provides primary care (including obstetrics, gynecological services, pediatric services, or geriatric services); behavioral health services (including mental health or alcohol and substance abuse services); or dental services.

Senate Bill 967

Establishes the Student Transfer Advisory Committee

USM Position: Support

Final Status: Passed

Senate Bill 967 establishes the Student Transfer Advisory Committee with staff provided by MHEC. By December 1, 2013, and in each odd-numbered year thereafter, the committee must report its findings and recommendations to the Governor and the General Assembly. The bill takes effect July 1, 2012 and terminates June 30, 2022.

The Student Transfer Advisory Committee is charged with reviewing and analyzing (1) articulation and student support services, including admission and advising practices; and (2) any other student transfer-related issues as referred to the committee by MHEC. According to the Code of Maryland Regulations (COMAR), MHEC must establish a permanent Student Transfer Advisory Committee that meets regularly to review transfer issues and recommend policy changes as needed. However, according to MHEC, the committee has been defunct for several years. SB 967 provides funding for a part-time specialist to oversee these activities.

In higher education, Maryland has a history of being a strong transfer and articulation state. USM officials testified that higher education segments in Maryland work in a very collaborative nature on transfer programs between community colleges and our four-year universities.

If as a state we are to reach the goal of having 55% of Maryland’s adult population with a post-secondary degree we must continue to be innovative and meet the higher education needs of our citizens. The re-establishment of the Student Transfer Advisory Committee will help provide the forum and framework to continue and enhance these efforts.

Senate Bill 358/House Bill 576

Public-Private Partnerships

USM Position: Support

Final Status: Passed

Senate Bill 358 (cross filed with House Bill 576) would establish a state policy on the use of public-private partnerships (P3s), and expressly authorize specified state agencies to enter into P3s. The bill establishes a process and associated reporting requirements for state oversight of P3s and institutes a process for both solicited and unsolicited P3 proposals that must be followed before the Board of Public Works may approve a P3 agreement. The bill takes effect July 1, 2012, and applies only to P3s established on or after that date.

Reporting agencies include the Department of General Services (DGS), which oversees building purchases and leases for most of state government, the Maryland Department of Transportation (MDOT) (including the Maryland Transportation Authority (MDTA), and public higher education institutions.

At a hearing in the Senate Budget and Taxation Committee, the American Federation of State, County and Municipal Employees (AFSCME) testified on the bill and requested an amendment to include public higher education institutions in the full bill and remove a current exemption that the USM has for P3 projects that do not involve state funds.

USM supported SB 358 for P3 projects that do involve state funds. The bill as presented to the Senate committee maintained the non-state funds exemption. USM has negotiated nearly \$500 million dollars worth of Public Private Partnerships with the overwhelming majority being utilized for student housing projects that the state does not fund. All of these projects get reported to the Maryland General Assembly and the Board of Public Works. USM has been a model of P3s and felt that removing the exemption would (1) add expense in time and funds, and/or (2) room rates for students would rise.

House Bill 1278

Transportation - Institutions of Higher Education - Bicycle and Pedestrian Access

USM Position: Support with Amendment

Final Status: Passed

House Bill 1278 requires each public institution of higher education to address bicycle and pedestrian transportation circulation: (1) between the institution and adjacent communities; and (2) within the campus. The plan must include any measures the institution proposes to incorporate bikeways and pedestrian facilities and promote biking and walking. Originally, the bill would have required USM institutions to perform this assessment within the next two years. USM requested an amendment that shifted the 2-year requirement to the time at which an institution revises its facility master plan.

The Maryland Department of Transportation published a statewide 20-Year Bicycle-Pedestrian Master Plan in 2002 and the plan must be updated this year. The master plan must:

- Identify short-term and long-range goals that include (1) reasonable cost estimates for achieving the goal; and (2) objective performance criteria against which to measure progress in achieving the goal;
- Comply with applicable federal funding requirements;
- Provide a model to guide political subdivisions of the State in enhancing bicycle and pedestrian access to transportation facilities;
- Propose long-term strategies for improving the State's highways to ensure compliance with safety standards for pedestrians and bicycle riders; and
- Identify bicycle-pedestrian priority areas, in consultation with local governments, to facilitate the targeting of available funds to areas with the most need.

The Governor also appoints a Bicycle and Pedestrian Advisory Committee to provide guidance to State agencies concerning funding of bicycle- and pedestrian-related programs, public education and awareness of bicycle- and pedestrian-related activities and safety, and other issues.

House Bill 679

Cultural Competency and Health Literacy

USM Position: Support

Final Status: Passed

House Bill 679 expands the Cultural Linguistic Health Care Provider Competency Program to encompass all health care professionals, including pharmacists and health educators, and renames the program accordingly. By December 1, 2012, universities, colleges, and higher education programs for specified healthcare professionals must report to specified committees of the General Assembly and the Maryland Office of Minority Health and Health Disparities on the courses that have been developed independently or through collaboration with the office as required under the bill.

The office must work collaboratively with schools of social work, public health, and allied health to develop these courses. The Maryland Pharmacists Association and any other public health entity in the State are encouraged to identify or develop training programs on cultural and linguistic competency. The bill also corrects the name of the Maryland Clinical Social Worker Coalition in current law.