



**February 22, 2013**

**TODAY MARKS THE 45<sup>TH</sup> DAY THAT THE GENERAL ASSEMBLY OF MARYLAND HAS BEEN IN SESSION – HALFWAY POINT TO SINE DIE**

As the General Assembly heads into the long days and late nights associated with legislating, several activities sponsored by the USM community have (or will) take place to gain visibility for the most pressing issues facing the USM. The best advocates of public higher education are those who comprise the heart of the enterprise – students, staff and faculty. Next week will be no exception.

On Thursday, February 28<sup>th</sup>, USM students will hold a rally to publicly thank Gov. O'Malley and Lt. Gov. Brown for their support in proposing critical funding to advance public higher education in Maryland. Gov. O'Malley is expected to join the rally. USM students join in one voice in favor of the budget as proposed by Governor O'Malley to protect the affordability, quality, and accessibility of higher education in Maryland for the people of Maryland.

**WHEN:** 1 p.m. to 1:30 p.m., Thursday, February 28, 2013

**WHERE:** Lawyers Mall, adjacent to Annapolis State House

**WHO:** Students from the University System of Maryland, led by the USM Student Council. Gov. O'Malley expected to join the rally.

## **COUNCIL OF UNIVERSITY SYSTEM STAFF BRINGS THEIR MESSAGE TO ANNAPOLIS**

On Tuesday, more than a dozen individuals representing the **Council of University System Staff (CUSS)** made the rounds with legislators in Annapolis. After being recognized in the Senate and House Chambers by Prince George's County Senator Jim Rosapepe and Delegate Barbara Frush, the group fanned out across the capital complex to share the message of the value of USM staff. The Senator and Delegate greeted CUSS members in each respective chamber with this message:

*“Mr. President/Speaker, I am honored to recognize the University System of Maryland, Council of University System Staff.*

*The Council of University System Staff, or “CUSS” as it is familiarly know, is celebrating its 21st year as a staff advisory council to the Board of Regents and the Chancellor. The Council was created in statute in 1995 and was partnered with the other USM Councils, those being, the Council of University System Presidents, the Council of University System Faculty and the USM Council of Students, all of which are part of the USM shared governance group.*

*CUSS represents more than 9,100 University System of Maryland staff employees not represented by collective bargaining. As an advisory council to the Board of Regents and to the Chancellor, CUSS members are the professional, technically-skilled and managerial group of employees of the USM. The Council represents the majority of staff within the University System.*

*CUSS is committed to representing staff concerns by actively participating on all levels within and beyond the University System of Maryland. The Council has strived to foster respect, communication, and collaboration among staff and other members of the University community. CUSS members work diligently to maintain the integrity of the university infrastructure and play a crucial role to provide a more conducive environment for teaching and learning.*

*Please join me in welcoming to Annapolis the Council of University System Staff.”*

## **MHEC SEEKS TO EXTEND ACADEMIC PROGRAM REVIEW DUE TO STAFF SHORTAGE**

On Tuesday, Joann Boughman, Senior Vice Chancellor for Academic Affairs, testified before the House Appropriations Committee opposing House Bill 553 which would extend the Maryland Higher Education Commission's (MHEC) review period for academic programs from 60 calendar days to 60 business days.

Although MHEC reports that the volume of program approval requests has decreased significantly (45% compared to the same period in 2010), they claim that “educational

delivery models” have caused a significant increase in the volume of proposals received for review, without a requisite increase in the number of staff.

As it stands now, MHEC has 10 days to review proposals to determine if they are “complete” and ready to disseminate for the 30-calendar day objection period that starts the clock on the 60-day decision period. If this legislation were enacted, by changing the clock to business days, the process would (1) be more confusing as to the clock and due dates, and (2) add up to 4 additional weeks to the program review cycle.

While adding a month to the cycle may, on the face of it, seem reasonable, it presents several problems for the USM:

- 1) Because our Board must also make its decisions on programs within 60 days, our institutions currently may only propose new programs five times a year (aligning with Board meetings). The decision deadlines for both MHEC and USM are thus, theoretically, in alignment. The new and differing cycles would cause challenges to the process that seems to have been working well.
- 2) Recruitment, marketing, hiring of faculty, and other start up functions would compress the timing of when our institutions would submit proposals. In other words, the proposals would likely go to MHEC in big clumps in October and December so that the program could be implemented the following fall. This would not help alleviate MHEC's workload. The way it currently flows, our proposals are spread out throughout the regular academic year.
- 3) We clearly understand the challenge MHEC is facing with a staff that remains significantly smaller than a decade ago, and we sincerely appreciate the advances made by MHEC in streamlining the review process on line. However, we remain unconvinced that the proposed legislation would alleviate the problems and burden faced by MHEC, and, in fact might make the process more difficult for both USM and MHEC.

USM is willing to work with MHEC in designing a process that might work better for the higher education community, but House Bill 553 falls short on many accounts.

### **BILL SEEKS TO MANDATE EARLY DEVELOPMENT FINANCIAL AID DISCLOSURE**

House Bill 557 requires, beginning with the 2013-2014 academic year, institutions of higher education that receive funding from the state to post information on the cost of higher education using the Financial Aid Shopping Sheet currently under development by the U.S. Department of Education and voluntarily by colleges and universities nationwide.

The Financial Aid Shopping Sheet is intended to offer students and families an easy-to-read award letter that delivers the bottom line on college costs. The USM agreed to participate voluntarily in this concept for Fall 2013.

While USM and the Department of Education are moving forward on creating and implementing the Shopping Sheet, the community college and independent college sectors have raised serious concerns about the efficacy and utility of mandating a program still in its early stages.

USM will continue to monitor this legislation and respond to questions about the Financial Aid Shopping Sheet when asked.

## **QUASI-ENDOWMENTS AIM TO CREATE NEW VEHICLE FOR INVESTMENT**

On Wednesday in Senate Budget & Taxation Committee, Vice Chancellor Hogan testified in support of Senate Bill 431. The bill authorizes the USM Board of Regents to maintain and manage quasi-endowment funds. The bill takes effect July 1, 2013, and the Board must submit an annual investment performance report on its quasi-endowments by November 1st.

A quasi-endowment is a fund or investment established by the USM Board of Regents with the expectation that the fund be managed to produce spendable income annually that would be used for a specific purpose, such as a program to provide incentive grants to facilitate institutional fundraising or endowment-building. Like other types of endowments, the expectation is that the original invested amount be invested and managed to last in perpetuity, with only the income used annually for the specified purpose.

A quasi-endowment differs from a 'pure' endowment in that there is only governing board intent requiring the continued investment for a quasi-endowment, where generally investment in perpetuity is a legally binding condition of the gift in the case of 'pure' endowments.' The proposed quasi-endowment would be comprised of funds not derived from any state funds and they would be part of the non-state support fund balance of the USM.

Currently, state law requires all state agencies, with few exceptions, to maintain all cash and investments with the State Treasurer, who invests and manages the funds on a statewide basis. Section 12-104(e)(1)(ii) currently allows the System to separately invest gifts, and endowment funds that carry external stipulations. Enabling the establishment of an investment fund with the System's already existing Common Trust Fund at the Board of Regents' direction will enable the System to establish a steady and long-lived resource stream that will support the fund-raising effort without additional burden on state taxpayer dollars.

With approval of the Board of Regents, other similar funds established to support particular important or critical initiatives may be appropriate and the legislative language proposed will give the Board of Regents another mechanism for utilizing System resources to optimize the institutions ability to achieve its objectives and mission.

Enabling the Board of Regents to establish a quasi-endowment in the Common Trust Fund to provide funding and incentive grants for use in the next capital campaign to encourage endowment-building would provide about \$2 million per year in new and additional resources for the fund-raising operation. These funds would be administered under a program to be developed at the direction of the Board of Regents Committee on Advancement.

## **USM SEEKS REPORTING INCLUSION IN CASES OF ABUSE**

On Thursday, Vice Chancellor Hogan testified in the House Judiciary Committee in support of House Bill 428. House Bill 428 would authorize the disclosure of reports or records concerning child abuse or neglect to the president of a public senior higher education institution or the Chancellor of the USM in order to carry out appropriate personnel or administrative actions following a report of child abuse committed: (1) by a current or former employee of the institution; (2) by a contractor, an employee of a contractor, or a volunteer of the institution who has on-campus contact with children; (3) in connection with a program, camp, or other activity sponsored, recognized, or approved by the institution; or (4) on institution property.

In the wake of the Penn State child abuse tragedy and scandal, the USM has re-doubled its efforts to ensure that our institutions are doing everything they can to protect the safety of children on our campuses. 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 further 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.

House Bill 428 is intended to remove a significant existing obstacle to that effective response which arises out of the current statute on the confidentiality of child abuse reports (Human Services Article Section 1-202). The need for strong confidentiality protections for the reporters and victims of abuse as well as those who may be unjustifiably accused is clear. However, records and reports of child abuse and neglect, including the outcome of a Child Protective Services investigation itself, generally cannot be shared with the organization employing or otherwise accountable for the alleged abuser unless the organization has either a court order or a specific statutory exemption from the general confidentiality rule. Most agencies and entities that work with children already have obtained exemptions authorizing them to receive information regarding child abuse investigations and related reports related either to their ability to serve abused children or to take appropriate personnel or other action with respect to an abuser. These include public and private school systems, child care centers, hospitals, treatment programs, and other organizations.

The USM believes that this provision provides us with the necessary information to respond effectively when reports of child abuse are made in connection with programs and personnel for which our institutions are accountable. It aligns public higher education institutions with other entities that have similar information needs and existing exemptions. This provision will strike a careful balance between the equally important goals of protecting the confidentiality of this most sensitive information and allow our institutions to act effectively to protect young people on our campuses.

## **UPCOMING HEARINGS**

### **HB 740; Exemption from Paying Non-Resident Graduate Tuition -**

#### **Servicemembers**

House Appropriations

February 26

1pm

### **HB 833; College Readiness and Completion Act of 2013**

Ways and Means

February 26

1pm

### **HB 1280; State Labor Relations Board & Higher Education Labor Relations Board - Enforcement Authority**

Ways & Means

February 26

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 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

**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

**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

**SB 932**

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

March 20  
1pm

**NEW BILLS**

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

**SB 932**; Deadly Weapons on the Property of an Institution of Higher  
Education

**SB 964**; Maryland College Sports Fan and Athletes Bill of Rights

**Full Operating Budget Schedule**

University of Maryland Eastern Shore, University of Maryland University College  
February 27, 2013  
1:00 p.m.  
House Appropriations

Salisbury University, Towson University, University of Maryland University College  
February 28, 2013  
1:00 p.m.  
Senate Budget and Taxation

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