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**UNIVERSITY SYSTEM OF MARYLAND**  
**Office of Government Relations**  
**2013 End of Session Report**  
**April 9, 2013**

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The Maryland General Assembly completed its work for the 2013 Legislative Session and adjourned Sine Die at midnight. Today marks the end of the third regular session of the 2011-2014 term of the General Assembly of Maryland. More than 2,600 bills were introduced of which nearly 1,100 originated in the Senate and 1,500 originated in the House. In addition, the University System of Maryland (USM) Office of Government Relations, in conjunction with the state legislative officials from each USM institution, tracked actively more than 90 individual bills that would have had varying impacts on the System, its faculty, staff and students.

The major responsibility of the Chancellor's Office is to prepare and advance the annual operating and capital budgets for the 11 universities, one research institution, and two regional higher education centers that comprise the USM. Working closely with the State Relations Council, and often with our colleagues across all sectors of education, USM succeeded in blocking or amending heavily several bills that would have imposed onerous new regulations or financially curtailed USM programs. At the same time, USM supported the Veterans Full Employment Act introduced by Governor O'Malley; worked with foster care advocates to make sure academically-qualified kids in their care had the resources to participate fully in the higher education experience; and amended thoughtfully and skillfully a bill designed to address college readiness.

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 four parts: Background, Operating Budget, Capital Budget, and Bill Watch.

## **BACKGROUND**

The 2013 Legislative Session for Maryland's public universities began amid improved state economic conditions and a series of upgraded employment and fiscal figures. For the first time in six years, Governor O'Malley submitted a budget that required no significant cuts. A combination of rebounding economic activity, bounty from last year's tax increases and greater federal funding flowing to the state under the President's Affordable Care Act narrowed the structural deficit.

Throughout these past months in Annapolis, the Chancellor, the Board of Regents and the system institutions were committed to advancing the priorities affirmed by the Governor's inclusion of Enhancement Funding for the USM in his fiscal year (FY) 2014 budget. If higher education is to fuel the state's economy and workforce, it is undeniable that long-term strategic investments, with appropriate accountability metrics, are necessary to spur the system's ability to fulfill this commitment. The Governor included enhanced funding in vital areas of state and USM needs, including: technology transfer and commercialization; the use of technology in transforming academic instruction; and courses in science, technology, engineering and math (STEM).

As you well know, over the past four years, the USM has implemented system wide spending controls allowing exceptions primarily to accommodate enrollment growth and to sustain critical functions. Over the same period the USM reduced funds for important facility renewal projects, student services, and academic program support. The FY 2014 begins to turn the tide on long-needed investments in programs and personnel.

With the passage of the FY 2014 budget, Governor O'Malley and the General Assembly have reaffirmed their commitment to keep Maryland's public universities affordable, accessible, of the highest quality and accountable. Policymakers in Maryland understand clearly the critical role a homegrown, college-educated workforce plays in not only attracting business and industry, but also creating high-paying jobs. **The operating and capital budgets speak volumes of the Governor and General Assembly's support for public higher education and USM.** The Board of Regents, Chancellor Kirwan, and the institution presidents have cogently and consistently delivered the message about the competitiveness of the USM in attracting the best and the brightest faculty, students, and skilled staff to keep the enterprise afloat.

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"*** was distributed to every member of the General Assembly.

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

One of the brightest moments from the 2013 Legislative Session came on February 28. The USM worked closely at the direction of student leaders to assist in mobilizing grassroots efforts to support funding for public higher education. Students from throughout the USM led an enthusiastic rally in appreciation of Gov. Martin O'Malley's support of public higher education. Zachary Cohen, president of the USM Student Council, Steven Hershkowitz,

student representative on the USM Board of Regents and Samantha Zwerling, Student Government Association President of the University of Maryland, College Park, spearheaded the event. Nearly 200 students packed Lawyer's Mall to hear from Governor O'Malley and Lt. Gov. Anthony Brown, USM Chancellor William "Brit" Kirwan and presidents of USM institutions. After the rally, Gov. O'Malley issued a public statement on his administration's continued commitment to make college affordable.

*"Six years ago, Lt. Governor Brown and I committed to making college more affordable for more of our families. And every year of this Administration, even during the toughest of times while cutting more than any administration in state history, we have invested to make this a reality..."* The statement continued, *"If we want to be leaders in science, leaders in security, and leaders in innovation, it all comes down to how well we educate our future generations. We consider this not only to be something good for our State, but essential for our country."*

## **USM OPERATING BUDGET -- FINAL ACTIONS**

Over the past three months, USM has worked closely with Governor O'Malley and the Legislature to ensure access to exceptional and affordable academic opportunities. Overall, state general fund and Higher Education Investment Fund (HEIF) support for USM is proposed to increase by just over \$80.5 million in FY 2014, to approximately \$1.115 billion – an increase of 7.5% over fiscal year 2013. At the conclusion of the 2013 Legislative Session, when you combine the Governor's fiscal year 2014 proposed budget for USM, plus the supplemental budget, and the General Assembly budget actions, the USM budget was reduced by \$600,000 dollars. This truly demonstrates the phenomenal support and commitment to higher education by, Governor O'Malley, the Maryland General Assembly and the citizens of Maryland.

### **Enhancement Funding**

The budget includes \$22 million in enhancement funds to promote and foster four key priorities of the USM, Governor O'Malley and the General Assembly. The budget language **restricts** \$13 million of the enhancement fund appropriation until USM submits a report detailing how these funds will be used and the metrics to measure the progress. The report needs to be submitted to the respective budget committees by July 1, 2013, or 45 days before the release of the funds. The budget language also expresses that enhancement-funded programs demonstrating progress towards the metrics in fiscal year 2016 will continue to receive funding for an additional 2 years.

### **STEM and Health Targeted Enrollment Initiative**

- Funding to support an additional 740 students in STEM, health, and cyber security programs at nearly all USM institutions. This funding will enable the USM to continue increasing enrollment in these fields and to produce 900 more graduates per year. With the increasing numbers, the USM will be in a position to achieve the strategic plan goal of increasing the number of STEM graduates by 40 percent over the 2010 baseline.

**Research, Entrepreneurship, and Commercialization – additional support for research and technology transfer initiatives at the USM, including the following:**

- Center for Biomedical Informatics and Imaging: Support for research in health-related informatics and bio-imaging, areas critical to the emerging field of personalized medicine. This research will help Maryland and the nation address health disparities, obesity and diabetes, heart disease, and other chronic illnesses.
- Collaborative School of Public Health: Support for the University of Maryland, College Park (UMCP) and University of Maryland, Baltimore (UMB) Collaborative School of Public Health to address the growing demand for public health professionals.
- UMB's Carey School of Law: Funding to expand offerings in law, intellectual property, homeland security, and finance at UMCP and the Universities at Shady Grove.
- UM Ventures: Support for UM Ventures, the new entity that brings the technology transfer and commercialization administrative assets of UMCP and UMB under one roof. This combination of efforts will position Maryland and the region to compete more effectively in the innovation economy.

**Academic Transformation and College Completion**

- Continues efforts to maintain Maryland's leadership in the transformation in teaching and learning in higher education. The USM has already re-engineered some 40 courses across the university system to support higher rates of student success, with more than 12,000 enrollments in these courses this past spring.
- Course Redesign: Support for the expansion of re-engineered courses at Frostburg State University, Towson University, UMBC, and the University of Maryland Eastern Shore.
- Financial Aid: Provides additional need-based student financial aid to help eliminate financial need as a barrier to the earning of a degree.

**Other Budget Actions**

- Transfers \$3 million to the Maryland Higher Education Commission (MHEC) to fund Educational Excellence Awards for need-based student financial aid.
- Provides the College Park Academy Public Charter School \$500,000 in general funds for start-up costs.
- Adopts language stating that \$6.7 million of general fund appropriation for MPowering initiatives may be used only for MPowering initiatives.

- USM's three Historically Black Institutions (**Bowie State University, Coppin State University, and University of Maryland Eastern Shore**) received a combined **\$1.974** million to convert contractual faculty positions to regular faculty positions and to increase institutional need-based financial aid above fiscal year 2013 levels.
- The **University of Maryland Eastern Shore** received \$400,000 to provide additional matching funds for the 1890 Land Grant for research and to support the institution's 1890 Extension Services.
- **Towson University** is granted general funds for the purpose of Title IX compliance. \$300,000 may be transferred to the USM Office to be used only as matching funds for an intercollegiate athletics donation incentive program for institutions competing in NCAA Division I sports to maintain compliance with Title IX. In order to receive the funds, institutions shall provide a matching grant from any source. Unexpended funds shall revert to the General Fund.

### **Operationally Critical Personnel**

The conference report prohibits state employees from receiving merit increases before April 1, 2014, **except** as necessary to retain faculty at the USM, Morgan State University, and St. Mary's College of Maryland. ***USM was able to, once again, have budget language included to provide for retention salary increases for certain faculty and operationally critical personnel, in addition to faculty, in the exception for pay increases for retention purposes in fiscal year 2014.***

### **Recognition of Workforce Efforts**

The fiscal year 2014 budget for the USM includes funds for a 3% cost-of-living adjustment for employees and for the first time since 2009, there is funding for employee merit raises beginning in April 2014.

### **Institutional Aid by Expected Family Contribution Category**

The committees request that data be submitted in an electronic format (excel file) 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 (MHEC) for fiscal 2013. 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 2013. The report is due December 15, 2013.

### **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 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 reported to the MHEC for fiscal 2013. Additionally, data should be provided on Pell Grants including the number and average award size by EFC for fiscal 2013. The report is due December 15, 2013.

### **Faculty Workload Report**

The committees request that the 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 15, 2013.

### **Committee Narrative**

***Social Networking Privacy Policy:*** The committees are aware of privacy issues surrounding students' use of various social networking and media sites, particularly related to institutions in other states requiring students at higher education institutions to share personal user name and password information. Several institutions in other states have employed companies that monitor the social media activity of student-athletes after the National Collegiate Athletic Association (NCAA) accused an institution of not discovering violations because it was not vigilant in monitoring student-athletes' social media activities. Monitoring these activities raises several legal issues and concerns. The committees' request the governing boards of the USM, Morgan State University (MSU), and St. Mary's College of Maryland (SMCM) establish a policy limiting the monitoring of students' social media activities (*Due 9/1/13*). ***See House Bill 1332 and Senate Bill 838 in "Billwatch" section of the 2013 End of Session report.***

***Report on Students Receiving Associates Degree Scholar Award:*** A key component to the USM's ability to meet the state's 55% college completion goal is increasing the number of transfer students. Data shows that students who graduate from community colleges tend to persist at a relatively high rate to graduation at four-year institutions. In order to encourage these students to continue their education, **Frostburg State University (FSU)** launched the Associate Degree Scholars Award in 2011, which makes a four-year degree accessible and affordable by providing those eligible students who graduate from a community college with at least a 3.0 grade point average up to \$2,500 each year to attend FSU. This has resulted in an increased number of transfers to FSU, which should improve its graduation rate. However, the traditional graduation measure does not include transfer students; therefore, the committees request FSU submit a report on the graduation rates of the students who received an award (*Due 12/15/13*)

***Report on Internship Opportunities:*** The committees are interested in increasing internship opportunities for college students at state agencies, particularly in STEM areas, such as computer science. Given the **University of Maryland, Baltimore County's (UMBC)** success

in developing internship experiences for its students with the public and private sectors, UMBC should work with the Department of Information Technology (DoIT) to examine the feasibility of creating a pilot internship program. If proven successful, the program could be expanded to include students from other universities. UMBC should submit a report on the feasibility of creating a pilot internship program and provide a description of the program by December 15, 2013.

***Report on Unmet Need and Student Success at Maryland Public Four-year Institutions:*** As part of the Access and Affordability goal of the 2009 State Plan for Postsecondary Education, the state is to work toward breaking down financial barriers for higher education. To determine the state's progress on this goal, MHEC has begun an analysis of student financial need and financial aid using the Financial Aid Information System data for the fiscal 2011 cohort. The committees request that MHEC enhance this report and analyze progression, retention, and graduation data from public four-year institutions and compare levels of financial need met and the amount of unmet need remaining, both before and after loans are included. The report shall be submitted by August 1, 2013.

## **USM CAPITAL CONSTRUCTION BUDGET**

Each year, the Governor proposes a budget that authorizes the issuance of debt (General Obligation Bonds) for capital projects within USM. Included in the annual authorization are capital projects including construction of new facilities, renovation of existing facilities, improvements to infrastructure, property acquisition, and maintenance and renewal funding for facilities. USM urged full funding of the Governor's fiscal year 2014 budget recommendations for all System institutions, as well as our System-wide Facilities Renewal program. With a commitment of approximately \$226 million dollars in fiscal year 2014 in general obligation and academic revenue bonds, 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. Included in the capital construction budget is \$17 million for 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.

The Governor's FY 2014 capital improvement program includes:

### **UNIVERSITY OF MARYLAND, BALTIMORE**

- Health Sciences Facility III: \$16.570 million for planning and construction

## **UNIVERSITY OF MARYLAND, COLLEGE PARK**

- Physical Science Complex Phase I: \$5.3 million for equipment
- Edward St. John Learning and Teaching Center: \$3.42 million for planning
- Campus-wide Building System and Infrastructure Improvements: \$10 million for construction (\$5 million in general obligation bonds plus \$5 million in academic revenue bonds)
- H.J. Patterson Wing 1: \$878,000 for planning
- Remote Library Storage Facility: \$6.107 million for planning, construction, and equipment
- New Bioengineering Building: \$5 million for planning
- UMCP/JHU High Performance Data Center: \$12 million

## **BOWIE STATE UNIVERSITY**

- New Natural Science Building: \$4.5 million for planning and construction
- Leonidas James Physical Education Complex Renovation: \$1.5 million general obligation bond

## **TOWSON UNIVERSITY**

- Campus-wide Traffic and Circulation: \$7.821 million for construction
- Smith Hall Addition/Renovation: \$3.2 million for planning
- Women's Softball Facility Improvements: \$500,000 general obligation bonds and Pre-Authorization of \$1.5 million in FY 2015.

## **FROSTBURG STATE UNIVERSITY**

- Center for Communication and Information Technology: \$9.843 million for construction and equipment

## **UNIVERSITY OF MARYLAND EASTERN SHORE**

- Aviation Science and Engineering Building: \$22.695 million for planning and construction

## **COPPIN STATE UNIVERSITY**

- New Science and Technology Center: \$54.412 million for construction and equipment (\$44.412 million in general obligation bonds plus \$10 million in academic revenue bonds)
- Pedestrian Bridge ADA Improvements: \$1.786 million for planning, construction and equipment

## **UNIVERSITY OF BALTIMORE**

- Langsdale Library Renovation: \$1.0 million for planning

## **SALISBURY UNIVERSITY**

- New Academic Commons: \$6.572 million for planning and construction
- Delmarva Public Radio: \$900,000 in general obligation bonds

## **UNIVERSITY OF MARYLAND, BALTIMORE COUNTY**

- New Performing Arts and Humanities Building: \$36.106 million for construction and equipment
- Campus Traffic Safety and Circulation Improvements: \$1.962 for planning and construction

## **UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE**

- Environmental Sustainability Research: \$2.35 million for planning and construction

## **UNIVERSITY SYSTEM OF MARYLAND OFFICE**

- Universities at Shady Grove Biomedical Science and Engineering Education Building: \$5.0 million for planning
- Southern Maryland Regional Higher Education Facility: \$1.5 million in general obligation bonds
- Capital Facilities Renewal Program: \$17.0 million for planning, construction and equipment

## **USM BILLWATCH**

### **House Bill 7**

#### **Southern Maryland Higher Education Council - Modification**

USM Position: Support

Final Status: Passed

House Bill 7 adds a member of the public with an extensive knowledge of higher education in Maryland to the Southern Maryland Higher Education Council (SMHEC). MHEC is required to staff the council and the date by which the council must present a final report with a long-term strategy for improving access to higher education in Southern Maryland is extended by one year, to December 1, 2013. Accordingly, the termination date for the council is extended by one year to June 30, 2014.

The Council held its first meeting on February 27, 2012, and met a total of six times during 2012. The council is well underway in completing its task in developing a strategy for improving higher education access for Southern Maryland residents. With the assistance of the USM, the council is undertaking an extensive higher education needs assessment survey of Southern Maryland residents and businesses over the coming months, which will allow it to develop a long-term strategy for improving access to higher education in the region.

In addition to the extension of the termination date, the council requested two additional changes to Chapter 622. First, for an additional member be appointed to the council by the Governor who has extensive knowledge of higher education in Maryland. This change will allow the current acting chair to officially serve as the chair of the council. Second, it requested that MHEC be named as the council's official staffing agency. Up to this point, The Patuxent Partnership (TPP) had been providing unofficial administrative support for council members to receive reimbursement for travel to attend meetings, and the Department of Legislative Services has been providing some staff support.

### **House Bill 428**

#### **Child Abuse and Neglect - Reports and Records - Disclosure to Public Institutions of Higher Education**

USM Position: Support

Final Status: Passed

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 removes 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.

The USM believed that this provision provides 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.

### **House Bill 268**

#### **University of Maryland Center for Environmental Science – Joint Degree Granting Authority**

USM Position: Support

Final Status: Passed

With the passage of House Bill 268 University of Maryland Center for Environmental Science (UMCES), subject to approval by the Board of Regents, MHEC and accreditation, is now able to award joint graduate degrees in marine and environmental sciences with another public higher education institution. In addition, UMCES will be able to award post-baccalaureate certificates in marine and environmental sciences.

For over 35 years UMCES has been extensively engaged in graduate education, including delivering courses to and directing the research and training of masters and doctoral candidates at their facilities. Joint degrees will allow UMCES to: continue to make research excellence the hallmark; build and strengthen ties with partner institutions; assure that students will have exceptional access to facilities, programs and broad faculty expertise; and minimize costs while avoiding duplication.

**House Bill 616**  
**Academic Facilities Bonding Authority**

USM Position: Support  
Final Status: Passed

House Bill 616 authorizes the use of \$32.0 million in academic facilities bonds for the purpose of financing construction, renovation, and renewal projects at USM campuses.

The proposed fiscal 2014 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 UMCP.

**House Bill 935**  
**Public Institutions of Higher Education - In-State Tuition for Military Veterans**

USM Position: Support  
Final Status: Passed

The current law stated an active duty member of the U.S. Armed Forces, their spouse or financially dependent child, is exempt from nonresident tuition charges if the member is stationed, resides, or is otherwise domiciled in Maryland. 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 935 allows all honorably discharged veterans who live in or move to Maryland to receive in-state tuition without meeting a 12-month residency requirement. These individuals will no longer have to prove attendance and graduation from a high school in the state nor would they have to enroll at a public institution of higher education within four years of discharge.

**House Bill 1332**  
**Senate Bill 838**  
**Educational Institutions - Personal Electronic Account - Privacy Protections**

USM Position: Monitor - Concern  
Final Status: Bill failed, budget report language adopted

Two slightly different electronic privacy bills were considered in committee this year. Senate Bill 838 would prohibit an educational institution from requiring, requesting, suggesting, access to a student's personal electronic account as a condition of acceptance or participation in curricular or extracurricular activities. In addition, an educational institution is prohibited from compelling a student to: (1) add anyone including specified individuals to the list of contacts associated with a personal electronic account or (2) change the privacy settings associated with a personal electronic account. The bill also prohibits an educational institution

from disciplining or otherwise penalizing a student or applicant because of their refusal to comply with any of those actions. An educational institution is also prohibited from refusing to admit an applicant as a result of his or her refusal to comply with any of those actions. A violator is guilty of a misdemeanor and on conviction is subject to a fine of up to \$1,000 and, in a civil action, up to \$1,000 in damages plus attorney's fees and court costs.

House Bill 1332 has one key difference with Senate Bill 838: House Bill 1332 contains no civil or criminal penalties.

USM expressed concerns regarding an institution's ability to investigate allegations of student misconduct violating university policies, many of which respond to federal and State laws and regulations applicable to the university. Many of these issues are not within police jurisdiction, but are legitimate academic and regulatory concerns. Policies on sexual harassment and non-criminal sexual assault, academic integrity, use or misuse of university property, bullying, protection of patient and client privacy, protection of rights of human research subjects, use of regulated drugs in research, and plagiarism all fall under that category.

Students also are subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and other privacy regulations because they often work with patients, around medications, and in research labs. Furthermore, as public-private partnerships continue to develop, students will be working more and more with confidential and proprietary information. The "health and safety" exception provided for within the proposed bills may not cover the issues described above.

In addition, the Maryland Independent Colleges and Universities Association (MICUA) shared similar concerns when students voluntarily "friend" a college or university via social networks. As a result, some of the student's information becomes viewable or accessible to the college or university automatically and without any activity or request by the institution. Technically, a social network site is not a "public domain," and thus it is not explicitly exempt by either bill as drafted.

In the end, Committee Narrative was included in the fiscal year 2014 asking the respective governing boards of the senior public institutions of higher education to devise guidelines and policies regarding social networking privacy. *See "Committee Narrative" in the Operating Budget section of this report)*

### **Senate Bill 543/ House Bill 1013**

#### **Foster Care Recipients - Waiver of Tuition and Other Charges**

USM Position: Oppose

Final Status: Died in Committee

Senate Bill 543 would have expanded the tuition waiver for foster care recipients to include other charges estimated by the public institution of higher education for enrollment and attendance including, but not limited to: room and board, books, transportation, healthcare, and other day-to-day living expenses. These expenses are generally covered under Title IV federal financial aid and additional gifts and grants.

USM testified that Senate Bill 543 would have a significant fiscal impact, as the average room and board charges are \$8,890 at USM institutions. The ability to leverage other sources of grant and scholarship to create a balanced financial aid package has been key to the success of the current foster care waiver. Moreover, Senate Bill 543 did not nullify additional grants and scholarships – it simply shifted the full cost of attendance to the institution regardless of the attendee’s access and acceptance of other forms of financial aid.

Current law says that foster care recipients are eligible for tuition and mandatory fee exemptions to attend a public institution of higher education in Maryland if they resided in an out-of-home placement when they graduated from high school or successfully completed a general equivalency development (GED) examination. The USM helped lay the pathway for foster care kids to enter USM institutions by supporting the establishment of the tuition waiver program for children in foster care homes; extending the program to foster care children who were adopted from an out-of-home placement; and, most recently, expanding the eligibility time period so that a foster care recipient can enroll at a USM institution before the age of 25, rather than 21, to receive a waiver.

#### **Senate Bill 414/House Bill 1012**

#### **Higher Education - Tuition Waiver - Foster Care Recipients**

USM Position: Support in lieu of Senate Bill 543/House Bill 1013

Final Status: Passed

As explained above, foster care recipients receive tuition and mandatory fee exemptions to attend a public institution of higher education in Maryland if they resided in an out-of-home placement when they graduated from high school or successfully completed a general equivalency development (GED) examination. If a foster care recipient receives a scholarship or grant, the recipient may not be required to pay the difference between the scholarship or grant and tuition. The exemption continues until five years after initial enrollment as a candidate for an associate’s degree or a bachelor’s degree or until the recipient receives a bachelor’s degree, whichever occurs first.

Senate Bill 414 makes two key changes to the current law. First, it prohibits scholarship gifts or grants received by a foster care recipient from being applied against tuition. Second, the bill expands the tuition waiver to include individuals who are placed into guardianship or who are adopted out of an out-of-home placement by a guardianship family.

USM recognizes that despite the tuition and fee waiver, some former foster care recipients experience a funding gap that may cause a financial hardship. Higher education officials are aware also that scholarship and grant funds (federal, state and private) sometimes come with strings attached with direct instructions from the grantor as to their applicable use. USM is committed to taking these instances on a case-by-case basis to insure compliance with the spirit and the letter of the law.

**Senate Bill 814/House Bill 863**  
**Higher Education Fair Share Act**

USM Position: Monitor

Final Status: Passed

House Bill 863 authorizes an employee organization to collectively bargain with institutions of USM, Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC) regarding the right of the employee organization to collect service fees from nonmembers. If a fee is negotiated and collected, employees of the affected institutions whose religious beliefs preclude them from supporting collective bargaining organizations must make an equivalent payment to a charitable organization and provide written proof of the payment to (1) the president of the institution or the president's designee and (2) the employee's exclusive representative.

Most employees of USM, MSU, SMCM, and BCCC, including senior administrators, faculty members, and student employees, are not subject to collective bargaining and, therefore, are not currently in a bargaining unit. If a service fee were negotiated under, they would not have to pay it. While an exclusive representative bargains for all members of a particular bargaining unit, only a portion of these individuals pays union membership dues to the representing organization. A service fee is paid by an employee to his or her bargaining unit's exclusive representative to offset costs attributable to the collective bargaining process. Generally, this fee is less than the fee charged for union dues.

Current law authorizes the state to collectively bargain with the exclusive representative of a bargaining unit for service fees from state employees who are not members of that exclusive representative. Thus, employees who are in a bargaining unit but are not members of any employee organization must pay the service fee if a fee is successfully negotiated. Likewise, employees who are dues-paying members of an employee organization that is not the exclusive representative must also pay any negotiated service fee.

**Senate Bill 808/House Bill 734**  
**Public Senior Higher Education Institutions - Institution Management - Admissions Requirements**

USM Position: Oppose

Final Status: Unfavorable Report

Senate Bill 808 would require each USM institution to maintain a student body comprised of **no more than** 20% out-of-state undergraduates and 30% out-of-state graduate students. Additionally, out-of-state graduate students in each academic school or discipline could not exceed 30% of the academic school or discipline's total graduate student enrollment.

USM testified that Senate Bill 808, in addition to posing a direct threat to the autonomy of the USM Board of Regents in setting admission policy, would spark a host of unintended consequences that would hamper severely educational affordability and quality. In addition to

enriching the educational experience of Maryland students, non-residents represent a crucial revenue stream for our institutions. The loss of the funding generated by non-resident students would mean a reduction of funds available for support provided to in-state students and increased pressure to raise both in-state and out-of-state tuition.

#### **House Bill 740/Senate Bill 705**

#### **Graduate Level Education - Exemption from Paying Nonresident Tuition - Members of the United States Armed Forces**

USM Position: Oppose

Final Status: Unfavorable Report/Withdrawn

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. USM acknowledged 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 have been 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 would be nearly 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.

## **House Bill 1280**

### **Collective Bargaining - State Labor Relations Board and State Higher Education Labor Relations Board - Enforcement Authority**

USM Position: Oppose

Final Status: Unfavorable Report by Appropriations Withdrawn

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 testified 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 imposed 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.

The bill also authorized a sweeping range of economic remedies, including back pay, "foregone" wages and earnings, interest, and undefined "lost economic benefits. Moreover, it lacked 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 believes employees presently 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.

**House Bill 1213****State Personnel - Program to Improve Employee to Supervisor Ratio and Employee Span of Control Review Board**

USM Position: Oppose

Final Status: Unfavorable Report by Appropriations Withdrawn

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.

Re-organizing the activities of USM faculty and staff around a particular span of control ratio simply would not contribute to efficiencies or other cost savings. System officials 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.

**Senate Bill 704/House Bill 52****Sales and Use Tax - Tax-Free Periods - University and College Textbooks**

USM Position: Support

Final Status: Died in Committee

House Bill 52 would establish two annual 14-day sales tax-free periods – one in August/September and one in January – in which textbooks bought by a full- or part-time student enrolled at a USM institution would be exempt from the sales and use tax. The bill would take effect July 1, 2013. While there is some debate, legislative analysts expected General Fund revenues to decrease by \$6.3 million in FY 2014 based on assumptions related to projected enrollment and a 3% increase in textbook costs.

Delegates showed general concern about the overall expense related to textbooks and textbook pricing. Student leaders testified that truly "every penny counts" and that \$50 in savings is enough to persuade students to purchase from online or out of state vendors.

**Senate Bill 273**  
**Veterans Full Employment Act of 2013**

USM Position: Support

Final Status: Passed

Senate Bill 273, sponsored by Governor O'Malley requires MHEC, in consultation with the public institutions of higher education in the state, to develop and adopt guidelines on awarding academic credit for a student's military training, coursework, and education. The Board of Regents must develop and implement policies in accordance with the guidelines developed by MHEC on or before January 1, 2014.

USM and officials representing University of Maryland University College testified in strong support of Senate Bill 273, and its identical companion, Senate Bill 153 as amended. A current UMUC student and Staff Sargent testified regarding her own experience converting military education to academic credit. Both bills set in motion a collaborative process to develop guidelines and policies to better serve Maryland's servicemembers. A widely recognized bridge between the military world and higher education is Servicemembers Opportunity Colleges (SOC), which is funded by the Department of Defense (DoD) through a contract with the American Association of State Colleges and Universities (AASCU). Consortium members recognize and use American Council on Education's "*Guide to the Evaluation of Educational Experiences in the Armed Services*" in calculating and awarding academic credit for military training and experience.

USM reported to the committee that all of USM's comprehensive undergraduate institutions are members of SOC and recognize ACE-endorsed transcripts as official documentation of military education and accurate records of applicable ACE credit recommendations.

**Senate Bill 329**  
**State Personnel - Hiring Preferences for Graduates of Public Institutions of Higher Education**

USM Position: Monitor

Final Status: Unfavorable Report

Senate Bill 329 would require all appointing authorities in the State Personnel Management System (SPMS) to apply a one-point credit on a selection test for applicants who have successfully completed a degree at an institution of higher education in Maryland. The bill was amended to include independent colleges and universities – not just public universities. Appointing authorities in the Legislative Branch and Judiciary, as well as those with independent personnel management systems in the Executive Branch, would be required to provide an equivalent hiring preference.

The sponsor said that the bill is necessary to retain Maryland graduates who have "shown a commitment" to remain and work in the state. A legislative aide to the sponsor testified that state employers already award points based on various preferences including, but not limited

to, veteran status, state residency, current state employment, and residents of high unemployment counties seeking employment in a correctional facility. All other qualifications being equal, if a college degree is required, then the Maryland degree would be preferred in recruitment, examination and selection for state employment.

### **Senate Bill 341**

#### **Higher Education - Academic Program Action - Repeal of Application Fees and Report**

USM Position: Support

Final Status: Died in Committee

SB 341 would have repealed the authority of MHEC to charge an application fee for the approval of academic programs.

In 2011, the Budget Reconciliation and Financing Act authorized MHEC to collect an application fee from institutions of postsecondary education that are seeking certification to operate in Maryland. The fee is charged for conducting academic program reviews for institutions of postsecondary education (with the exception of reviews of actions relating to regional higher education centers). This includes both out-of-state institutions and new institutions seeking to operate in Maryland. The argument was that MHEC incurred expenses of \$5,000-\$10,000 to process each application from an institution and that the fee would allow the State to recoup its costs and would deter institutions from abusing their right to reapply. At that time, these institutional fees were anticipated to increase general fund revenues by more than \$250,000 per year.

USM asserted that since MHEC approves all applications to offer academic programs statewide, the approval process is a core function that should not be subject to the “fee-for-service” approach. In addition, the latest figures available to USM show that the fee requirement had fallen well below its estimated revenue. Today, MHEC reports that the volume of program approval requests has decreased significantly (45% compared to the same period in 2010) since the fees were implemented on July 1, 2011. In the first seven months of fiscal 2013, MHEC has received \$39,000.

In a May 2011 meeting, MHEC commissioners convened and according to their published minutes they 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 past desire to reconsider the authorization of academic program fees.

## **House Bill 553**

### **Higher Education - Program Proposals - Review and Objections**

USM Position: Oppose

Final Status: Died in Committee

House Bill 553 would extend the 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 four 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) USM understands 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.

**House Bill 557/Senate Bill 607**  
**Institutions of Higher Education - Student Notification - Financial Information**

USM Position: Monitor

Final Status: Unfavorable Report

House Bill 557 would have required, beginning with the 2014-2015 academic year, institutions of higher education 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.

**Senate Bill 431**  
**Higher Education - University System of Maryland - Quasi-Endowments**

USM Position: Support

Final Status: Passed

Senate Bill 431 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 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.

### **House Bill 739**

#### **Public Institutions of Higher Education – Legal Presence and Tuition Rates – Reporting**

USM Position: Oppose

Final Status: Died in Committee

House Bill 739 would require each public institution of higher education in the state to report annually to MHEC on the number of students attending who are legally present or not legally present in the United States, disaggregated by country of origin and whether they are in possession of a green card (permanent resident) or an immigrant visa. "Legally present" is defined as a U.S. citizen, permanent resident, or holder of a visa under federal law.

Although reporting certain university demographic data is mandatory for all institutions that receive federal aid, USM does not collect, compile, or otherwise disseminate information on a student's citizenship status. And since the bill speaks specifically to "legal presence," U.S. Citizenship and Immigration Services (USCIS), the principal arm of the U.S. Department of Homeland Security overseeing lawful immigration, has not signaled any urgency, in public or in the press, to collect such information at the university level.

### **HB 862**

#### **Higher Education – In-State Tuition – Reduction for Educators**

USM Position: Oppose

Final Status: Unfavorable Report

House Bill 862 would have provided a \$1,000 discount on in-state tuition for every certificated teacher, principal, assistant principal, paraprofessional school employee, or an immediate family member of said personnel.

### **HB 1272**

#### **Maryland College Sports Fans and Athletes Bill of Rights**

USM Position: Oppose

Final Status: Unfavorable Report

House Bill 1272 would establish that the final decision regarding a public four-year institution's membership or association with the National Collegiate Athletic Association

(NCAA) or in an athletic conference rests solely with its respective governing board. The bill also establishes the Student Athletes Bill of Rights, which specifies rights for certain student athletes and additional responsibilities for USM institutions.

#### **Senate Bill 714**

##### **Income Tax - Subtraction Modification - Student Loan Debt**

USM Position: Support

Final Status: Died in Committee

The USM wrote a letter to the Senate Budget and Taxation supporting Senate Bill 714. The legislation would create a subtraction modification against the state income tax for people who have had their student loans cancelled or discharged in bankruptcy proceedings. Currently, income resulting from the discharge of student loan debt is taxable at the state and federal level. The subtraction modification may not exceed \$15,000 for a single filer or \$25,000 for a joint filer.

It is extremely difficult to get rid of student loan debt, even through bankruptcy. When a student loan debt becomes so unwieldy, and is discharged in court, the debtor has demonstrated he or she cannot maintain persistently, based on current income and expenses, a “minimal” standard of living if forced to repay student loans and that efforts to re-pay were made in good faith. USM believes student loan debtors who have had their loans successfully discharged have proven an undue hardship – a hardship that is re-visited at tax time.

USM believed that Senate Bill 714 could provide critical relief for student loan debtors allowing them to move on with their lives and re-establish an economic foothold.

#### **House Bill 1412**

##### **Public Senior Higher Education Institutions - Mandatory Fees - Limit on Increases**

USM Position: Oppose

Final Status: Died in Committee

House Bill 1412 would cap the increase in mandatory fees at USM institutions at 3% for resident undergraduate and graduate students. USM testified that a new board policy made the fee-setting process more transparent and accountable at the campus level with greater participation on the part of USM’s primary consumers – students.

In order to fully understand the impact, USM officials explained in detail the funding model for Auxiliary Services in the state of Maryland and at the USM. **The state of Maryland provides no funding for the construction, maintenance, or operations of the following Auxiliary Enterprises: Dormitories, Dining Halls, Parking Garages, and Student Union Centers, Transportation Services etc.** These enterprises all are required to be self-supporting. In other words, the fees associated with room rental, meal plans, parking fees; student activity fees pay for these enterprises.

The proposed legislation would have a significant fiscal impact on the institutions and services provided to the students – \$2 million in revenue for fiscal year 2014 alone.

**Senate Bill 510****Institutions of Higher Education - Fully Online Distance Education Programs - Regulation**

USM Position: Support

Final Status: Passed

Senate Bill 510 alters the type of institution that is required to register with MHEC before enrolling Maryland students in fully online distance education programs.

In 2012, Governor O'Malley signed Chapter 585 (SB 843 – Institutions of Postsecondary Education – Fully Online Distance Education Programs - Registration) into law. The passage of SB 843 and enactment of the accompanying MHEC regulations disqualified the state of Maryland and its qualified institutions from signing the SREB Electronic Campus Regional Reciprocity Agreement (“SECRRA”) and participating in the SREB E-Campus. MHEC registration now requires out-of-state institutions that enroll Maryland students in a fully online distance education program, which were previously covered by the SREB E-Campus compact, to submit information required by MHEC, comply with a specific refund standard, abide by Maryland’s Principles of Good Practice, and possibly submit a surety bond.

The state’s former participation in this regional compact (prior to the opt-in procedure required by SECRRA), granted UMUC some degree of reciprocity by other member states. This reciprocity allowed UMUC to offer online courses and programs to students in SREB member states without applying for state authorization in those states. As a result of Maryland’s exit from the compact, UMUC will now be required to register and comply with those states’ onerous authorization requirements.

Senate Bill 510 provides the remedy to these burdensome requirements. The bill recognizes the SREB E-Campus compact and grants exemptions for qualified institutions located in SREB member states that participate in SREB’s Electronic Campus. The SREB EC provides for a regional “free trade zone” of online courses and programs among accredited, non-profit institutions of higher education (“qualified institutions”) in its 16 member states. Courses and programs offered by a qualified institution through the E-Campus must be approved by the institution’s home state, and each member state must agree to the SREB Principles of Good Practice. An SREB member state must opt in to the SREB Electronic Campus Regional Reciprocity Agreement (“SECRRA”) in order to participate in the E-Campus.

**Senate Bill 740/House Bill 833****College Readiness and Completion Act of 2013**

USM Position: Support with Amendments

Final Status: Passed

This bill establishes a number of requirements aimed at increasing college readiness and completion in the State. Senate Bill 740/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 Joann 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.

### ***High School Curriculum and Graduation Requirements***

The State Board of Education must establish high school curriculum and graduation requirements for all public schools that meet the following requirements:

- Beginning with the 2014-2015 school year, no later than grade 11, all students must be assessed for college readiness using acceptable college placement cut scores.
- Beginning with the 2015-2016 school year, MSDE must, in collaboration with local school systems and public community colleges, develop and implement transition courses or other instructional opportunities to be delivered in grade 12 to students who have not yet achieved college readiness by the end of grade 11.

The implementation of transition courses or other instructional opportunities under the bill must include an assessment or reassessment of the student after completion of the course and may not preclude or replace enrollment in a course otherwise required for graduation from high school.

It is the goal of the state that all students achieve mathematics competency in Algebra II. Beginning with the grade 9 classes of 2014, each student must enroll in a mathematics course in each year of high school that the student attends. A transitional mathematics course or other instructional opportunities required to be delivered to grade 12 students who have not achieved college readiness by the end of grade 11 may only count toward the requirement that each student enroll in a mathematics course in each year of high school if the student has completed all credit-bearing mathematics courses required for graduation (e.g., Algebra, Geometry).

### ***College and Career Counseling Plan***

MSDE must develop a plan, in consultation with institutions of higher education, to improve college and career counseling that is provided to students in middle and high schools. The plan should (1) identify best practices used in the state and nationally and (2) include recommendations for a competitive grant program that would be used to implement these best practices across the state as well as recommendations for implementing the College Readiness Outreach Program.

MSDE must submit the plan by October 1, 2013, to ensure that appropriate funding for the plan may be considered for inclusion in the fiscal 2015 operating budget.

### ***MHEC Coordinating Responsibilities and State Education Goals***

It is the duty of MHEC to coordinate institutions of higher education throughout the state to ensure the state achieves specified educational goals. The bill adds two goals: (1) that at least 55% of Maryland's adults who are age 25 to 64 will hold at least an associate's degree by the year 2025; and (2) that all degree-seeking students enrolled in a public community college earn an associate's degree before leaving the community college or transferring to a public four-year institution of higher education.

### ***Transfer Agreement, Reverse Transfer Agreement, and Associate's Degree Incentives***

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

- A statewide transfer agreement whereby at least 60 credits of general education, elective, and major courses that a student earns at any community college in the state toward an associate's of art or associate's of science 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 at least 30 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.

MHEC and each public institution of higher education must develop and implement incentives for students to obtain an associate's degree before enrolling in a public four-year institution of higher education.

### ***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.

The communication campaign must (1) make use of a variety of marketing media, including billboards, brochures, and electronic resources; (2) provide a centralized contact point for near completers to get information about, and assistance with, re-enrolling; (3) make readily available contact information for each public institution of higher education in the state; and (4) focus on specified near completers. Specifically, the campaign must focus on near completers who earned a minimum grade point average of 2.0 on a scale of 4.0 while in college and earned either at least 45 credit hours at a community college or at least 90 credit hours at a four-year institution of higher education.

MHEC must develop and implement a plan that would provide an incentive to (1) a near completer to re-enroll and earn a degree and (2) a college to identify and graduate near completers. The incentive plan must use all available resources, including institutional funds, private-sector funds, and State funds. MHEC and institutions of higher education may implement other near completer initiatives in addition to the campaign and incentive plan required by the bill.

By December 1, 2013, MHEC must submit a report on the details of the statewide plan, including the expected timeline for implementation. MHEC must also report by December 1, 2013, on obstacles and barriers, if any, toward facilitating the sharing of student information among institutions of higher education in the state in furtherance of the near completers communication campaign established by the bill.

### ***Degree Plan***

A “degree plan” is defined as a statement of the course of study requirements that an undergraduate student enrolled in a public four-year higher education institution must complete to graduate from the institution.

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 30 credit hours of course work.

Each degree-seeking undergraduate student enrolled at a community college must file a degree plan with the institution on entering the institution. 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 or, if an academic advisor is not available in the student’s degree program, any academic advisor at the institution. The degree plan must also follow a pathway to a degree as described below.

### ***Pathways to a Degree***

Each public institution of higher education in the state must:

- Develop a pathway system whereby a degree-seeking student is automatically enrolled in courses for the first year of enrollment or is enrolled in courses concurrently with the filing of a degree plan, whichever is later;
- Require the pathway for each degree-seeking student to include credit-bearing mathematics and English courses in the first 24 credit hours; and
- Require the pathway 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 students that transfer with an associate's degree from a community college in the state.

### ***Standard Number of Credit Hours***

Except as discussed below, the standard number of credits required for a baccalaureate degree from a public four-year higher education institution are 120 credit hours; beginning with fall 2015, the standard number of credits for an associate's degree from a public community college is 60 credit hours.

The standard number of credits required for a baccalaureate degree (i.e., 120) does not apply if (1) the degree program is defined as a five-year baccalaureate degree program; (2) professional accreditation requires a higher number of credit hours or requires course work that cannot be completed in 120 credit hours; or (3) certification requirements result in a need for credit hours in excess of 120.

The standard number of credits required for an associate's degree (i.e., 60) does not apply if (1) the degree program is defined as more than a two-year associate's degree; (2) professional accreditation requires a higher number of credit hours or requires course work that cannot be completed in 60 credits; or (3) certification requirements result in a need for credit hours in excess of 60. MHEC may approve additional exceptions to the credit hour requirements.

### ***Dual Enrollment***

The requirement that a recipient of an Early College Access Grant be a resident of the state is repealed. Beginning on January 1, 2014, 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 for each course in which the student is enrolled:

For a public four-year institution of higher education, 75% of the cost of tuition; and for a community college, the lesser of 5% of the target per pupil foundation amount or 75% of the cost of tuition.

A local board of education may charge a dually enrolled student a student activities fee of up to 50% of the amount paid by the local school system to the higher education institution for the course. A local board of education must consider the financial ability of students when setting fees and waive the fee for students who demonstrate financial need.

Each local board of education must offer all high school students who meet mutually agreed-on enrollment requirements the opportunity to dually enroll. By December 15 of each year, the Maryland Longitudinal Data Center must report to the Governor and the General Assembly, disaggregated by local school system, on (1) the number of students who are dually enrolled

and (2) the number and course name of the courses in which these students enroll at the high school and at the public institution of higher education.

By December 31, 2017, MHEC, in collaboration with the State Board of Education, the USM, Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and the Maryland Association of Community Colleges, must report on the academic, enrollment, and financial impacts of being a dually enrolled student. The report must include information disaggregated by local school system and by public institution of higher education and the identification of obstacles to expanded participation in dual enrollment.

### ***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 established in the bill.

### **MHEC Data**

By December 1 of each year, MHEC must submit to the Department of Legislative Services de-identified data in compliance with the federal Family Educational Rights and Privacy Act that is collected from institutions of higher education and submitted to Complete College America (CCA).

### ***Academic Course Articulation Data System and Academic Course Transferability Study***

By December 31, 2013, MHEC's Segmental Advisory Council must submit a report on Maryland's academic course articulation data system and academic course transferability between institutions of higher education in the State. The report must include:

- A review of the online articulation data system currently in use, known as the Articulation System of Maryland Colleges and Universities (ARTSYS), and whether improvements to the transparency and user-friendly functionality of ARTSYS can be accomplished in a timely manner;
- A review of whether there is an alternative articulation data system available and, if so, the cost and schedule of implementation of the alternative system;
- An analysis of any gaps and deficiencies in the articulation of academic course equivalencies amongst segments of higher education;
- Recommendations to establish a course articulation system that is transparent and user-friendly for students and administrators at institutions of higher education; and
- Recommendations on how to maximize degree credit transferability in a cost- and time-efficient manner.

# NOTES