

# **Commission to Develop the Maryland Model for Funding Higher Education**

## **Decision Document**

**November 12, 2008**



# Commission to Develop the Maryland Model for Funding Higher Education

## 2008 Membership Roster

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# **Commission to Develop the Maryland Model for Funding Higher Education**

## **Workgroup Membership Roster**

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### **Capital Investment – Larry Letow, Chair**

Dan Mote  
Clay Whitlow  
William Brody (designee: Tom Lewis)  
Edward Kasemeyer  
Donald Munson  
John Erickson  
Joseph Bartlett



## Priority Workgroup Recommendations

### **Institutional Funding**

		Fiscal Impact?	Bill Needed?
1.	The Higher Education Investment Fund (HEIF) should be reauthorized. The fund is currently authorized for fiscal 2008 and 2009 only. Legislation is required to reauthorize the fund for fiscal 2010 and beyond. HEIF could be used for special projects or initiatives (see recommendation 4), a Tuition Stabilization Program (see recommendation 11), and to continue to fund capital projects and BRAC workforce needs. (C, AFS, and EC)	Yes	Yes
2.	Set as a ten-year higher education funding plan, the sum of state general funds (per FTE) plus tuition, at the 75 <sup>th</sup> percentile of a comparator group of institutions (e.g., “flagship” vs. “flagship”) residing in states with which Maryland principally competes for employers (PA, VA, NC, NJ, MA, OH, MN, NY, WA and CA). It would cost about \$597 million to achieve the new “comparator peers” guidelines in fiscal 2010 if the entire investment were to be made at one time (compared to the fiscal 2009 State appropriation), an increase of \$144 million compared to the funding guidelines previously embraced. A secondary metric, below which Maryland’s position would be considered to be deteriorating, would be the 50 <sup>th</sup> percentile of the comparator group. This in effect provides a “lower-limit” as the State moves towards what is deemed the necessary level of investment and educational quality/accessibility. (AFS)	Yes	
3.	Recognizing the considerable remediation effort and continuing support (i.e., tutoring, mentoring, advising...) demanded of the Historically Black Institutions at the undergraduate level, a supplement should be provided over and above the figure determined from the Higher Education Funding Model for Maryland. Preliminary estimates from several HBIs suggest that \$3 million to \$4 million in total funding (each) is needed for these services, a supplement of \$1,400 per undergraduate FTE. The supplemental funding should be spent only for this purpose and only for strategies and initiatives that have proven to be best practices in improving graduation rates. It is assumed that the specific programmatic and funding needs for each HBI would be developed based on a process	Yes	

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	similar to that proposed by the HBI Study Panel. The institutions receiving such supplemental funding should provide measurable goals (e.g., graduation rate) and report results against those goals yearly. The need to continue or revise such funding should be addressed periodically, considering possibly diminished need for such augmentation, the extent of program success, and other factors. (AFS)		
4.	Allocate funds to community colleges using the current formulas, which are set to increase through fiscal 2013, based on State appropriations per FTE to a specified set of four-year public institutions in the State. That is, State appropriations per FTE for the prior fiscal year at the degree-granting public four-year institutions except UMB, UMUC, and UB is multiplied by a factor already codified in State law. For fiscal 2010 the factor is 27 percent, increasing to 30 percent in fiscal 2013. For Baltimore City Community College, the factor is 68 percent in fiscal 2010, increasing to 71 percent in fiscal 2013. (AFS)		
5.	Allocate funds to eligible private colleges and universities in the State using the current formula based on state appropriations per FTE to a specified set of four-year public institutions in the State. That is, State appropriations per FTE for the prior fiscal year at all degree-granting public four-year institutions except UMB, UMUC, and UB is multiplied by 16 percent, the factor already codified in State law. (AFS)		
6.	Create a specific State allocation to provide financial resources for special projects that meet important State or institutional goals. This incentive funding should be a special allocation from the State (perhaps through HEIF) each year equal to approximately one percent of the State funds for higher education (about \$15 million in FY 2009). Projects should be proposed by the Maryland Higher Education Commission or individual institutions and selection from among those projects be made by an independent group of qualified individuals. One factor in the selection process should be a previously demonstrated capacity to excel in improving or sustaining high academic performance. (AFS)	Yes	Yes (if use HEIF)
7.	To provide for a more equitable and consistent funding stream, the funding strategy for the six non-USM centers should be implemented and funded. (EC)	Yes	

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8.	Provide enhancement funds on a line-item basis to help mitigate costs associated with high-cost programs in critical needs areas. Portions of these funds should be provided to all existing programs and an additional allocation should be provided for enhancements on a competitiveness basis to programs that show promise for significant expansion and productivity. Provide enhancement funds for professional development for faculty who teach critical needs areas in order to create more highly qualified faculty in STEM areas. Allocate funding to colleges that have programs that offer academic and career training to middle and high school students, especially in preparation for careers in State identified critical shortage areas. Special consideration should be given to those districts in the State that have disproportionately high numbers of underprepared youth. (EC)	Yes	
9.	Strongly encourage all institutions to adopt a policy to budget and spend 2 percent of the replacement value of capital assets at the institutions on facility renewal projects. Currently, USM is requiring its institutions to incrementally reach the 2 percent operating spending target and to use these funds to maintain its facilities. Additionally, all public institutions should annually report the progress toward reaching this goal. If a private institution requests State funding for a project that is primarily facility renewal related, the private institution must report its facility renewal budget practices and policy. (C)	Yes	

## Student Funding

		Fiscal Impact?	Bill Needed?
10.	Set (gross) in-state tuition and fees at the 50 <sup>th</sup> percentile of the above comparator states...in order to provide an appropriate level of funds for education without unduly creating “sticker shock” and thereby discouraging students of moderate/modest means from applying. Community colleges should also aim, collectively, for the 50 <sup>th</sup> percentile of community college tuition in Maryland’s comparator states, recognizing that exceptions will occur because the community colleges must balance both State and local government support in setting in-county tuition rates. (AFS)	Yes	

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11.	<p>Establish a Tuition Stabilization Program having the following elements:</p> <ul style="list-style-type: none"> <li>• Set as a goal to limit increases in tuition and fees in any given year to a percent not exceed the increase in the three-year rolling average of the State’s median family income—a policy that would link tuition increases to a measure of affordability for families. Each institution should report on progress towards this goal each year, in the context of the State’s revenues and higher education contribution.</li> <li>• Continue the Higher Education Investment Fund, which provides dedicated revenues for higher education, and create within it a “Tuition Stabilization Account” whereby in years of increasing corporate tax revenues, funds equal to one percent of tuition revenues each year (approximately a \$15 million contribution in FY 2009) and building to a maximum balance equivalent to 5 percent of tuition revenues, are maintained in the account. In years of decreasing revenues, apply appropriate portions of the fund to stabilize tuition. Institutions also should be encouraged to save a portion of tuition revenues in their fund balance during “favorable” economic times to be applied in the inevitable periods of hardship.</li> <li>• Authorize one or two institutions, at their discretion and risk, to develop a pilot “true” tuition guarantee program that provides even greater predictability in tuition. The proposed pilot program(s) should be reviewed and approved by the institution’s governing board and the Maryland Higher Education Commission before being implemented. (AFS)</li> </ul>	Yes	Yes
12.	Set need-based financial aid per FTE at the 75 <sup>th</sup> percentile of the above comparator group of states—necessitating a significant increase in need-based financial aid. (AFS)	Yes	
13.	At a minimum, increase need-based aid each year to keep pace with tuition increases. Student awards can be expected to increase annually to avoid losing ground in either the number of awards made or the percent of college costs that are covered. Maximum award amounts should also be increased to recognize higher tuition and greater unmet need since the State’s need-based programs were established in the early 1990s. Below are recommendations specifically for the Educational Excellence Award Program. Other	Yes	Yes (mandate)

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	<p>need-based aid programs, including part-time grants and graduate and professional scholarships, should consider corresponding increases in State need-based aid.</p> <ul style="list-style-type: none"> <li>• The maximum award for the Educational Assistance grant should be increased to \$5,000, and a graduated scale for awards based on Expected Family Contribution should be developed and implemented.</li> <li>• Eligibility for the Guaranteed Access grant, which covers 100 percent of need up to \$14,300 for students with family income of 130% of the federal poverty limit (currently \$27,560 for a family of four), should be increased to 150% of the federal poverty level (approximately \$31,800 for a family of four), with smaller grants available to students with family income between 150% and 200% of the federal poverty limit. It is estimated that increasing the family income limit to 150% would cost approximately \$6 million. Adopting a threshold of 175% or 200% of the federal poverty limit would require an additional \$3.5 million or \$6.9 million. (AFS)</li> </ul>		
14.	<p>Establish a “Maryland Covenant” that promises to cover 100 percent of need for low-income students (initially those students receiving Guaranteed Access grants) who satisfactorily complete a college preparatory curriculum and agree to complete a baccalaureate program in four years. The program would be a voluntary partnership between the State and higher education institutions that agree to participate, with the State maximizing eligibility for existing federal and State aid and the institutions “filling the gap” with institutional aid. The University of Maryland, College Park recently created a similar program, as has North Carolina, which has provided an opportunity, and an incentive, to prepare for college and graduate in four years to students who may not have otherwise been able to afford to attend college. Based on College Park’s experience and the cost of current Guaranteed Access grants, the funding gap that institutions would need to fill under the program, if they choose to participate, would be \$1 to \$1.5 million for USM institutions and \$800,00 to \$900,000 for all community colleges, in total. (AFS)</p>	Yes	
15.	<p>Expand merit-based scholarships to \$6,000 and double the number of such scholarships currently granted (to 700 awards). Require that recipients maintain a grade-point average at or above a 3.3. (AFS)</p>	Yes	Yes (mandate)

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16.	Develop and fund broadly available loan forgiveness programs for students pursuing programs in critical need fields. Maryland students who attend out-of-state institutions and out-of-state students who attend Maryland institutions should be eligible for loan forgiveness as long as the students commit to perform a service obligation to work in Maryland. (EC)	Yes	Yes
17.	The goals of Maryland's new policy for dual enrollment should be furthered by encouraging participation of high school students in addition to providing scholarship funds through the Early College Access Grant and other institutional programs to ensure success is afforded to all who qualify and are interested despite their economic standing. Legislation should be introduced to continue the dual enrollment program that is set to expire in June 2009. (EC)	Yes	Yes

### Alternative Funding

		Fiscal Impact?	Bill Needed?
18.	The feasibility of and the mechanism for creating a separate funding category in the <i>Capital Improvement Program</i> for research space should be examined. This examination should include whether State funding can be augmented with other sources to enhance the State's capacity to fund projects that provide academic research space. While there are some alternative sources that may be tapped to help fund academic research, it is critical to the economic vitality of the State that it also continue to directly support these research activities by building the required space. Any funding mechanism for research space should be aligned with current efforts that support an increase in State capital investments. (C and EC)	Yes	
19.	The State should consider providing a specified percentage of project costs if the remaining can be raised through private donations. Development offices at the institutions can use this specified split funding as a target for raising the private funds. A potential mechanism for achieving this is to have two separate funding allocations. One as incentive funding and the other would be the current method of funding projects. (C)	Yes	Yes

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20.	All segments of higher education should explore other alternative funding sources and the State is encouraged to provide incentives in order to maximize the potential for building capital projects. (C)		
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## Accountability

		Fiscal Impact?	Bill Needed?
21.	<p>Annually assess progress in meeting specified Higher Education Funding Model for Maryland funding goals by displaying the “shortfall,” in percent (positive or negative) of the three parameters shown below relative to the actual funding. This assessment should be conducted on an institution-by-institution basis, as well as in the aggregate; i.e., statewide. Time histories of this measure should also be maintained and displayed. The parameters are:</p> <ul style="list-style-type: none"> <li>• Total Investment in Quality (General Fund plus Tuition)</li> <li>• Affordability (Net Tuition)</li> <li>• State Investment (General Fund plus State Financial Aid) (AFS)</li> </ul>		
22.	<p>Develop statewide higher education accountability measures and benchmarks tied to the Maryland State Plan for Postsecondary Education. Create a coordinating group to oversee the development and periodic review of the plan. The overarching goal of the group should be to ensure that Maryland has a statewide accountability process that is coherent, matches the state’s goals for its higher education institutions and system, and satisfies the data needs of the state and its citizens, while at the same time not overburdening institutions with redundant or unnecessary requirements. The group would be charged with meeting periodically to review and assess the state’s higher education accountability processes; including reviewing and approving any needed modifications to the existing processes.</p> <p>As a first phase, the oversight/coordinating group would seek to carry out the following:</p> <ul style="list-style-type: none"> <li>• Identify and eliminate overlap and redundancy. The group should conduct a review of current accountability reports with the goal of determining both whether overlap and redundancy</li> </ul>		

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	<p>exists and whether those issues could be eliminated without harming the amount and quality of information coming to the state. This might include eliminating accountability reports that are redundant or no longer used (i.e., “orphan” reports).</p> <ul style="list-style-type: none"> <li>• Standardize indicators and definitions. The group should also review issues associated with standardizing commonly used indicators and their definitions across existing reports and make recommendations as appropriate.</li> <li>• Resolve calendaring issues. The group should review issues associated with the reporting calendar with the goal of streamlining work processes and due dates so that they do not unreasonably add to institutional and agency workloads.</li> </ul> <p>Once the oversight/coordinating group has completed the reviews cited above, it also should be charged with the responsibility for the following:</p> <ul style="list-style-type: none"> <li>• Reporting. Report to the governor, President of the Senate, Speaker of the House, chairs of the appropriate education and budget committees, and secretaries of the major oversight agencies on the findings from those reviews, including specific recommendations for follow up actions and a timeline for implementing those actions.</li> <li>• Continued monitoring. Carry out subsequent reviews of the accountability process, including any newly required reports and data submissions, at the half way point of each state higher education plan cycle (this would allow time for recommendations from the review to be considered in the state planning process).</li> <li>• Development of recommendations. Develop recommendations to the Governor and General Assembly related to accountability reporting requirements in the interim between accountability reviews, particularly in the event agencies fail to agree upon or, in a timely fashion, follow up on prior recommended actions.</li> </ul> <p>(AC)</p>		
23.	<p>Report annually on progress toward State Plan goals using the agreed upon measures. MHEC should report annually through the <i>Return on Investment</i> on the progress made on meeting the goals for higher education. This progress report should use a succinct format that is</p>		

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	<p>easily understood by lay audiences, build on current reporting systems in order to minimize additional reporting burdens to the institutions, and align with emerging state and national accountability reporting trends (such as the IPEDS, Voluntary System of Accountability, National Association of System Heads, and the University and College Accountability Network, initiatives. Use an online format (as suggested in the prototype—<i>Maryland Higher Education Return on Investment</i>) to report progress toward State Plan Goals on an appropriate website. The report should also be available in paper copy but emphasis is placed on a user friendly online reporting format to improve access to and transparency of performance. The report should include indicator(s) with established benchmarks based on aggregated data at the state level (data may be disaggregated and reported by segment where needed or appropriate), commentary on overall progress toward the State Plan Goals, and links that provide contextual information for each measure/goal, detailed data definitions and the formula for computing each measure. (AC)</p>		
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### College Readiness

		Fiscal Impact?	Bill Needed?
24.	<p>MSDE, Maryland higher education institutions, MHEC, Maryland Association of Community Colleges, Maryland Independent College and University Association and other parties as deemed appropriate should work in partnership over the next 12 months to develop a plan for linking and/or integrating public postsecondary institutional data with PreK-12 data at the student level. The participation of independent PreK-12 and higher education institutions should be considered. The additional participation of private career and technical institutions may also be considered depending upon further study by that segment in conjunction with MSDE and MHEC. The plan should include:</p> <ul style="list-style-type: none"> <li>• Identifying the necessary elements for the establishment of a successful partnership between the PreK-12 and higher education segments for data sharing and management and how that arrangement will be overseen.</li> <li>• Identifying the most effective approach to use for integrating</li> </ul>		

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	<p>and/or linking student identification between PreK-12 and higher education. Given the extensive research on the topic already done by the Accountability Work Group, particular focus should be given to the utility of the SASID as the preferred mechanism for linking the systems.</p> <ul style="list-style-type: none"> <li>• Developing a proposed implementation plan that includes a prioritized schedule of activities relating to building the linkage and developing useful analyses from the data that could be shared in the first five years of implementation, a timetable, and a schedule of anticipated costs for implementation and annual operations.</li> <li>• Identifying likely sources of funding of such a plan, including, to the degree possible, consideration of any likely savings that could result against the State’s current expenditures, such as remedial education expenditures.</li> <li>• Importantly, the plan should explore and highlight ways Maryland’s agencies and institutions can make maximum use of the linked and/or integrated data system to address critical statewide educational accountability needs. This should include proposals for additional linkages or combined assessment and reporting systems in the future as the benefits of a longitudinal data system and its effectiveness becomes more established.</li> <li>• Finally, in addressing these issues, the planning group should take into consideration lessons learned from other states that are effectively creating successful State Educational Longitudinal Data Systems. It should also consider the continuity that exists within Maryland’s current data systems and ensure that data integrity and continuity is preserved.</li> </ul> <p>(AC)</p>		
25.	<p>Encourage the efforts of the P-20 Leadership Council and the STEM task force for Maryland to remain competitive in the global economy. Through the work of the council and the task force, a statewide primary and secondary curriculum should be established that is aligned with global workforce and academic standards. The curriculum should have a strong emphasis on STEM; should provide a seamless transfer into postsecondary education; and should include a definition of standards for reading, writing, mathematics, and science. (EC)</p>		

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## Important Policy

### Capital Planning

		Fiscal Impact?	Bill Needed?
26.	Current and projected space deficiencies should have equal prioritization weight. Include an analysis of academic space needs at each public four-year institution and community college in all stages of the capital budget deliberation process beginning with the institution's capital request. There is significant data to inform this analysis, though the ultimate decision regarding project selection is, in many cases, up to a governing board. The institutions and the State should consider giving priority to projects that target the identified areas of significant academic space deficits at each campus. The institutions and the State should also consider giving priority to projects that address the programmatic quality and building system quality of existing space. (C)		
27.	Capital planners should consider how to increase the flexibility of space for use by multiple programs or courses to increase the usefulness of the space. Planners should also consider how to increase the flexibility of space to accommodate changing needs and technology for the specific programs and disciplines for which the building is designed. (C)		
28.	Require the community colleges and public four-year institutions to maintain a 10-year capital plan as is the current practice of USM. This would improve the predictability of the process and indicate the priority of the projects over the long-term. (C)		

### Workforce Development

		Fiscal Impact?	Bill Needed?
29.	Continue to monitor the need and supply for trained individuals in areas identified as having the greatest need through the work of the Department of Business and Economic Development; the Governor's		

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	Workforce Investment Board; the Department of Labor, Licensing, and Regulation; the Maryland State Department of Education; and the Advisory Council on Workforce Shortage. If a need is identified, include an analysis on whether the need is short- or long-term and why the need should be considered in the capital planning process for the State. If a long-term need is identified, encourage institutions to place priority on capital projects that will meet the demands of those areas. (C and first sentence EC also)		
30.	Continue to prioritize investments in programs, like those at several community colleges and at some public and independent four-year institutions, that train the technicians needed to support the new economy. (EC)		
31.	The role of RHECs is not clearly defined or articulated so each RHECs has evolved into very different entities. Before more RHECs are approved to operate in the State, an analysis should be performed to determine the educational needs of the surrounding area, what role RHEC will play in meeting these needs, if some or all of the needs are being met through existing means, and if some or all of the needs are not being met through existing means, whether a RHEC is the best way to meet them. (EC)		
32.	Incentive Grants should be made available to RHECs to assist with program development, offset costs of a new program, and to promote the articulation of programs between the two and four-year institutions represented at the center. (EC)	Yes	

## Research and Development

		Fiscal Impact?	Bill Needed?
33.	Expand existing programs in Maryland and emulate programs used in other states that foster innovation and technology development to help bring university research and development to the marketplace. Increase State financial support for the technology transfer activities of Maryland's public and independent universities and provide funding for intellectual property clinic services and venture startup resources across the State technology transfer offices. (EC)	Yes	

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34.	Provide additional State support for public and independent university based startups, including programs such as “entrepreneur in residence” to provide resources to increase creation of Maryland startup companies based on university research. Use tax incentives and other mechanisms to foster public-private partnerships in support of innovation and entrepreneurship. (EC)	Yes	
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## Monitoring, Further Study, and Reporting Requirements

### Capital Space Needs

		Fiscal Impact?	Bill Needed?
35.	Monitor the progress of Towson University’s Trimester Pilot Program. Towson has created a trimester program to increase the utilization rate of class lab space, which is typically a more expensive type of space to construct and a type of space that is in great demand. The trimester program began in summer 2008 and annual reports on the program will need to be submitted by Towson University to the University System of Maryland Board of Regents. (C)		
36.	Monitor the impact on space deficits resulting from the increase in the Community College Capital Grant Program. For the fiscal 2009 capital program, the State has provided the community colleges with \$81 million for capital projects, roughly a 30 percent increase over the prior year. The State intends to continue this higher level of funding for at least the next five years. Also, the increase in State funding leads to an increase in the local contribution for capital projects. When including the local funding, the fiscal 2009 budget is close to \$150 million, roughly a 45 percent increase over the prior year. In light of this significant increase in support for community college capital projects, it would be prudent to monitor the impact of this spending on academic space needs. (C)		
37.	Institutions are encouraged to use the Facility Condition Index as an additional analytical tool for the capital budget process. This should be used in addition to the dollar amount of facility renewal backlog that has accrued. Combined, these two analytical tools would assist in measuring and understanding the facility renewal problem at institutions of higher education. (C)		

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## Workforce Development

		Fiscal Impact?	Bill Needed?
38.	The six non-USM RHECs have different governance structures ranging from independent boards, community college advisory boards, and intersegmental governance. Since affiliated entities are not governed by the same body, like the USM centers, participation in the centers is sometimes difficult. A workgroup should be established to examine and recommend one standard governance structure for each center to adopt that provides some level ownership for all partners and an incentive to offer programs at the centers. (EC)		
39.	Surveys of alumni one year after graduation continue to be conducted every three years to assess graduate preparedness for employment and continuing education; institutions achieving response rates below 25 percent to their survey shall conduct further analysis to test for representativeness of survey findings. (AC)		
40.	The Maryland Higher Education Commission issue a request for proposals for annual, statewide studies of employer perceptions and recommendations regarding the preparation of graduates for employment; these studies will include in-depth interviews conducted by focus groups. One industry cluster will be selected for study per year for the first two years. After completion of these two studies, the process will be evaluated to see if two clusters should be surveyed per year. All industry sectors identified by the Governor's Workforce Investment Board will be assessed. Reports of study findings shall be posted to the Maryland Return on Investment in Higher Education accountability website. (AC)		
41.	The P-20 Council and the Life Sciences Advisory Board should develop and support consistent recommendations on the role of universities in innovation. (EC)		
42.	The Commission to Develop the Maryland Model for Funding Higher Education should endorse the recommendations in the <i>State of Maryland BRAC Action Plan Report</i> on education, infrastructure, transportation, and business needs and support actions to implement these recommendations. (EC)		

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## Encourage Current Initiatives

		Fiscal Impact?	Bill Needed?
43.	Encourage all institutions to optimize the use of existing space. This can be achieved by incorporating night and weekend class schedules as well as using online class platforms whenever practicable. (C)		
44.	Encourage all institutions to decrease time-to-degree (increasing the graduation rate). This will decrease the need for space. Recent institutional efforts to increase the graduation rates have proven successful at most institutions. Institutions should maintain these efforts and strive for further improvements. (C)		
45.	State funding for capital projects at the private colleges should continue to be used for buildings that support the State's needs. (C)		
46.	The State should maintain the increased funding in the community college capital grant. (C)		
47.	Support the use of the Education Trust Fund to fund capital projects for higher education. (C)		
48.	Support current initiatives to develop more statewide articulation programs like the Associate of Arts in Teaching and encourage more multi-institution articulation agreements, with the intent to make the movement of students through and between higher education institutions (2+2+2) more seamless and less expensive. (EC)		
49.	Initiate a concerted and coordinated State effort to publicize and advocate for the role of university research and development in innovation and economic development thereby fostering the political will needed for substantive change. (EC)		
50.	RHECs should be encouraged to be entrepreneurial to raise revenue through businesses and other functions to supplement operations of the center. This will allow the centers to offer more services and programs to area businesses and the community. (EC)		

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51.	All RHECs should proactively reach out to the local community colleges within their jurisdictions or region for the development of articulation and to get students to transfer to their campuses. (EC)		
52.	All effective actions taken so far to facilitate student transfer should be expanded and continued. (EC)		
53.	Communication with the military installations and postsecondary education institutions should be expanded and continued to ensure educational needs of installations are identified and Maryland has resources to meet those needs. (EC)		

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## **HBI Study Panel Recommendations**

### **Comparability and Competitiveness in Undergraduate Education**

1. The capacity of HBIs in undergraduate education should provide the opportunity to raise graduation rates to levels approaching those of TWIs. Graduation rates should be the primary criterion determining competitiveness in HBI outcome or results. The graduation rate benchmark for Coppin State University may need to recognize its low beginning baseline.
2. The HBIs as a group, coordinated by the Maryland Higher Education Commission and assisted by national experts, should outline in detail those programs and services needed to ensure that lower-income, lesser-prepared students eventually graduate. These programs and services may extend from pre-admission work with feeder high schools to summer bridge programs to first-year freshman programs and through graduation.

The primary focus of these services should be on academic achievement. The programs should address specifically the improvement of learning skills, especially reading, writing and mathematics.

These services also should provide for the continuous advising and monitoring of student progress and appropriate intervention. These services should employ the latest effective technology that maximizes the connection of students with needed advising, counseling and individualized learning and learning tutorials.

The faculty and staff resources needed to implement these services and programs should be identified and the cost estimated. The nature of the professional resources required should be carefully evaluated according to student need. It is most likely that many of these student needs are best met not necessarily through tenure-track faculty but through full-time academic professionals with specialized preparation in learning skills development and subject-based learning.

These programs should be comprehensive and be planned using criteria shared by all HBIs (and certain TWIs if relevant). The Panel notes that Towson University has planned a comprehensive and impressive student assistance program. However, HBIs and TWIs in Maryland currently have student bodies with significantly different academic needs and characteristics and the best practices at each may not automatically translate into best practices at another.

Each of the HBIs offers a range of the contemplated services and programs in some form. The Panel recognizes the state-supported “Access and Success” grant program aimed at improving student achievement and graduation. We find an absence of suitably-specific and common criteria that shape these programs. This

program also lacks the nature and level of goals and accountability that we have in mind.

3. The dominant focus on learning skills in these programs is reinforced by the knowledge that such skills (reading, writing and math) are the most important predictor of eventual graduation. The Panel estimates, and research data confirm, that at least 80 percent of HBI students need further preparation to succeed in college if reasonable readiness standards are applied. For HBIs to become competitive with TWIs in graduation outcomes, HBI capacity must be able to address the needs of the great majority of their entering students.
4. These programs should be based on a common, statewide definition of college readiness in the form of specific statewide standards in reading, writing and mathematics. These standards should be established statewide and applied through common placement/readiness tests taken by all admitted students. These standards should specifically focus on the developmental programs and be used as the criteria for determining when students have achieved a level of college readiness. Meeting these standards coupled with successful course completion and eventual college graduation should provide the measure of these programs' effectiveness.
5. These student academic assistance programs should be available to any university that enrolls a significant proportion of low-income, under prepared undergraduate students.
6. The Panel believes strongly that increasing the capacity of HBIs in undergraduate education in the above ways to be the first priority for additional state support.
7. The Panel also notes that HBIs serve students who disproportionately have greater unmet financial needs. Compared to students in the TWIs, students attending HBIs find a college education much more difficult to afford. While these more needy students qualify for need-based federal and state aid, it is highly likely that a large number of these students have unmet financial need along with unseen greater financial burdens and responsibilities.

In furtherance of its recommendations, the Panel makes the following observations:

- That affordability is a critical factor in students staying in college and eventually graduating.
- That many students at the HBIs (and in the TWIs to a lesser extent proportionately) have unmet financial need that affects their successful attendance.
- That the HBIs, to a greater extent than TWIs, must constrain tuition and fee charges in recognition of the income status of their students.

- That HBIs, to a greater extent than TWIs, need to redirect portions of their tuition and fee revenue to support lower income students.

Accordingly, the Panel further recommends that Maryland consider augmenting its need-based student assistance programs so that affordability is increased for lower income students at all public universities. This, of course, will affect HBI students, and HBIs, disproportionately.

## **Comparability and Competitiveness at the Doctoral Level**

### **Morgan State University**

**The Panel recommends the following three-pronged approach for providing Morgan as a doctoral institution with the required campus-wide infrastructure (institutional platform) needed to become a competitive doctoral level university.**

8. Based on and guided by the Panel's description of what is expected of a quality doctoral university, Morgan State University should provide the Maryland Higher Education Commission (MHEC) and the Secretary of Higher Education with a detailed strategic plan designed to improve its institutional platform to make it comparable to that of a quality doctoral institution. Specifically the plan addressing the institutional platform requirements should include an updated facilities plan complete with time tables for the construction of the new and renovated facilities consistent with the university-wide indicators identified by the Panel. In addition, the plan should include a proposal to address those administrative and operational and facilities elements and other resources identified above by the Panel as necessary for the support of specific doctoral programs.
9. Guided by Morgan State University's strategic plan and the Panel's recommended strategy, MHEC and the Secretary of Higher Education should provide the Governor and Legislature with recommendations to improve the institutional platform of Morgan and make it comparable to that expected of a quality doctoral university, as described by the Panel above.
10. Guided by these recommendations of MHEC and the Secretary of Higher Education and in consultation with them, the Governor and Legislature should establish a comprehensive program and provide the resources designed to make Morgan a quality doctoral research institution.

### **Recommendations for the Development of Capacity and Comparability Within Specific Doctoral Programs**

The Panel recommends the following steps to guide MSU's development at the doctoral program level:

11. As an initial step, the state and MSU should identify a few of its existing doctoral programs for the initial priority and targeted development effort.
12. The MHEC and the Secretary for Higher Education should appoint a small panel of experts for each selected program to determine the threshold support and capacity needed for each of these priority targeted programs. On the basis of their knowledge of quality doctoral programs at a range of research universities (including UMBC if relevant), the panel will be asked to specify the capacity needed to enable competitive results in each of the doctoral programs. This panel should consider the following kinds of capacity and outcome indicators in their specifications (in addition to others that they may identify).

### **Capacity Indicators**

#### Faculty

Instructional Course Load (Non-Thesis, Non-Dissertation) per Year per Doctoral Faculty Member  
 Released Time for Dissertation/Thesis/Scholarship/Research per Faculty Member  
 New faculty start-up funding/support  
 Special faculty appointments per Doctoral Program  
     (Endowed Chairs, Fellows, Professorships, Special Chairs)  
 Faculty salary by rank per Doctoral Program  
 Doctoral Students per FTE Doctoral Faculty  
 Faculty Awards per Faculty  
     Grants/Contracts funding per Faculty  
     Publications per Faculty  
     Citations per Faculty  
     Number of non-faculty research staff (including post-Docs)

#### Students

Student Assistantships (teaching/research) per Doctoral Program  
 Graduate enrollment per Doctoral Program

### **Outcomes/Results Indicators**

Degrees Awarded per Doctoral Program  
 Federal R & D Expenditure/FTE Faculty per Doctoral Program  
 Placement of Graduates in Academic or Research Positions

13. This panel should also identify other elements of needed baseline capacity including office, laboratory and equipment; library and other information resources.
14. This panel should establish outcomes goals for degree production and R&D funding, if appropriate, by field.

15. The state funding (and dedicated institutional funding from other sources) should be earmarked to the specific programs.
16. The state should expect specific accountability for the funding and expected results.
17. Any new funding for doctoral-level programs at MSU and, preferably for other public universities as well, should be targeted and monitored and the university held accountable for expenditures and specific anticipated outcomes.

## **University of Maryland Eastern Shore**

### **Recommended Strategy: Development of a Comparable Institutional Platform and Comparable Capacity Within Specific Doctoral Programs at UMES**

18. The Panel recommends that the state undertake steps similar to those recommended to guide MSU's development in the previous section of this report with respect to the research doctoral programs offered at UMES taking into account UMES' status as a land-grant university.
19. These steps include providing MHEC and the Secretary of Higher Education with a detailed strategic plan designed to improve its institutional platform and the specific doctoral programs it offers to make them comparable with those of similarly situated quality institutions. As in the case of MSU, MHEC and the Secretary would provide the Governor and Legislature with their recommendations.
20. Guided by these recommendations, the Governor and Legislature should establish a comprehensive program and provide resources to make UMES comparable and competitive within its institutional category.
21. The Panel further recommends that the state use the same process recommended for MSU of appointing a small panel of experts to determine the threshold support and capacity needed for each of the priority targeted programs identified by UMES for development. The appointed panel of experts should identify and consider the capacity and outcome indicators required to establish baseline capacity, outcome goals for degree production and R&D funding if appropriate for the fields and programs targeted at UMES.
22. While recognizing the differences in the tri-fold land grant mission of UMES, the HBI Panel believes that the recommended strategies and process outlined for

MSU can be utilized effectively for moving UMES into comparability and competitiveness in its institutional category.

## **General Institutional Facilities and Operations**

23. Using the strategy recommended above in the undergraduate and doctoral program sections and in the context of the strategic planning process, each HBI should review its capital priorities through FY2013 and beyond based on the physical capacity that will be needed to become comparable and competitive both in undergraduate graduation rates and in graduate and doctoral program results expected of quality doctoral programs (as identified above).

If warranted, priorities should be reordered to align with these goals of comparability and competitiveness and to maximize the synergy that exists or could exist between and among graduate programs.

The panel of experts appointed to identify the elements and resources that a specific doctoral program requires should also factor into this strategic planning process their conclusions about the capital needs they believe are required to achieve an improved and expanded institutional platform. The conclusions about the resources needed to support a quality institutional platform arrived at through the strategic planning process, as well as the conclusions reached about specific doctoral programs, should together form the basis for achieving the capacity the HBIs require to become both comparable and competitive.

24. As indicated previously, the HBIs have already identified some facilities that are needed on their campuses to improve their capacity to become comparable and competitive. The state has acknowledged and approved a number of these requests. This panel recommends that the HBIs be given the flexibility to revise their capital needs request in light of the strategic planning in which they will engage pursuant to the recommendations in this report. The state should expedite its review of any revisions and accelerate the funding for the resulting capital improvement priorities of the HBIs to close as quickly as possible the gaps that exist between the comparability and competitiveness of the state's public HBIs with the state's public TWIs.

## **Timeframes and On-Going Monitoring of Progress and Quality**

25. The Panel suggests that the state develop timeframes that are realistic but also recognize the urgency of completing the tasks ahead in a timely fashion.
26. The state should consider appointing a monitoring committee that will regularly report to MHEC and the Secretary of Higher Education. This committee should

assess progress towards meeting the plan goals and provide for continuous follow-up beyond the completion of the plan to ensure all public institutions of higher education in the state are appropriately progressing within the state's established framework to ensure quality institutional development.

### **State Program Approval and Improvement, Funding and Accountability**

27. Going forward, at the very least, the state should begin to build strong links among the mission-designation, program-approval and funding phases involved in coordinating public higher education.
28. Practically, this would mean that missions are made clearer and more explicit and programs are approved only if an assured, clear funding stream can be identified, whether it is from the state or institutional sources.
29. The Panel further suggests that when the state is asked to approve a new program, its approval should be contingent on the availability of state funding, that the state should earmark an allocation specifically for that program and that the institution should be expected to budget and spend that funding only on that program.