

**Department of Legislative Services**

Maryland General Assembly

2002 Session

**FISCAL NOTE**

**Revised**

Senate Bill 85 (Chairman, Education, Health, and Environmental Affairs Committee)  
(Departmental – University System of Maryland)

Education, Health, and Environmental Affairs

Appropriations

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**Higher Education - University System of Maryland - Approval of New Programs  
- Sunset Extension**

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This departmental bill extends from June 30, 2002 to June 30, 2004 the sunset on the procedures regulating the establishment and elimination of academic programs at constituent institutions of the University System of Maryland (USM).

The bill is effective July 1, 2002.

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**Fiscal Summary**

**State Effect:** USM and the Maryland Higher Education Commission (MHEC) could continue to oversee and evaluate the program approval process with existing resources.

**Local Effect:** None.

**Small Business Effect:** USM has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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**Analysis**

**Bill Summary:** The bill also makes modifications to the procedures regulating academic programs. First, the bill requires USM governing boards and the USM Board of Regents to ensure that proposed new programs meet criteria for quality developed in consultation with MHEC. Second, the ability of institutions to implement new programs with existing

resources must be verified by a process established in consultation with MHEC. Third, the bill requires presidents of USM institutions to respond in writing within 60 days if they are notified by MHEC that programs at their institutions are inconsistent with the State Plan for Higher Education or are low productivity programs. Presidents' responses must include either: (1) an action plan for abolishing or modifying the program; or (2) a justification for the continuation of the program. MHEC must submit a report on the procedures for establishing or abolishing programs by January 1, 2004.

**Current Law:** Institutions of higher education within USM that are proposing to establish new academic programs or eliminate existing academic programs must allow MHEC and other institutions of higher education in Maryland to review the proposal. The governing board of a USM institution submitting a proposal for a new program and the USM Board of Regents must ensure that the new program would be consistent with the institution's mission and could be implemented with existing resources. If the proposal submitted by an institution is inconsistent with the institution's mission, creates unreasonable program duplication, or violates the State's equal educational opportunity obligations under State and federal law, MHEC must negotiate with the institution to modify the proposal. MHEC must monitor the program review process and report annually on the extent of program duplication in the State. These procedures and requirements are due to terminate on June 30, 2002.

If these procedures for the establishment, review, and elimination of academic programs terminate, the procedures that were in place prior to 1999 would become law. Under that process, MHEC was the final authority in granting or denying approval for new programs in public institutions of higher education. In addition, the USM Board of Regents was responsible for reviewing and approving new programs proposed by USM institutions. Both MHEC and the USM Board of Regents also reviewed existing academic programs to determine if any were unreasonably duplicative, unproductive, or inconsistent with an institution's adopted mission.

**Background:** In response to the work of the Task Force to Study the Governance, Coordination, and Funding of the University System of Maryland, the General Assembly passed legislation in 1999 (Chapter 515) that required additional higher education funding and defined more clearly the roles and responsibilities of MHEC, the USM Board of Regents, and USM member institutions. With respect to program approval and elimination, the task force found that "the duplication of new program review is unnecessary, overly bureaucratic, and inhibits institutions from responding to the needs of citizens." The task force legislation, therefore, included new procedures that USM institutions were to follow in establishing new programs and abolishing existing programs. According to USM, the three-year implementation period has not allowed for sufficient evaluation of the new procedures.

MHEC submitted a report on the accelerated program approval process in January 2002. MHEC noted in the report that there is no mechanism for MHEC or the State to receive assurance that the programs approved under the accelerated process are being implemented within existing resources or that the programs are of a certain quality. In addition, since Chapter 515 of 1999 was enacted, MHEC has identified 168 low-productivity programs for closer review. Of these programs, 31 were recommended for discontinuance, 108 for exemption, and 29 for further study. However, USM governing boards have not reported the current status of the programs to MHEC.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 731 (Delegates Kopp and Rawlings) - Appropriations.

**Information Source(s):** University System of Maryland, Maryland Higher Education Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - January 22, 2002  
ncs/jr Revised - Enrolled Bill - April 24, 2002

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