

# HOUSE BILL 1228

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By: **Delegate Bohanan**

Introduced and read first time: February 10, 2012

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Regional Higher Education Centers – Funding Formula**

3 FOR the purpose of requiring operating funds for regional higher education centers,  
4 including regional higher education centers administered by the University  
5 System of Maryland, to be calculated and allocated using a certain funding  
6 formula by a certain fiscal year; requiring the Maryland Higher Education  
7 Commission to certify to the Governor the amount of funding due to each  
8 regional higher education center under the funding formula and requiring the  
9 Governor to include that amount in the annual budget submission by a certain  
10 fiscal year; clarifying that certain operating funds for certain regional higher  
11 education centers that are included in the University System of Maryland Office  
12 as a separate line item may not exceed the amount of funding calculated using a  
13 certain funding formula; clarifying that a regional higher education center must  
14 obtain certain approval before the center can operate in the State; requiring the  
15 Commission to adopt certain regulations to implement a certain funding  
16 formula; requiring the Commission to study and make recommendations  
17 regarding the inclusion of outcome or performance measures in a certain  
18 funding formula and requiring the Commission to report its findings and  
19 recommendations to the Governor and the General Assembly on or before a  
20 certain date; defining certain terms; and generally relating to a funding formula  
21 for regional higher education centers.

22 BY repealing and reenacting, with amendments,  
23 Article – Education  
24 Section 10–203(d) and 11–105(d)  
25 Annotated Code of Maryland  
26 (2008 Replacement Volume and 2011 Supplement)

27 BY repealing and reenacting, without amendments,  
28 Article – Education  
29 Section 11–105(b)(7) and (8)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2008 Replacement Volume and 2011 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
4 MARYLAND, That the Laws of Maryland read as follows:

5 **Article – Education**

6 10–203.

7 (d) (1) Funding proposals for regional higher education centers may  
8 include:

9 (i) Ongoing operating support to provide access to affordable  
10 postsecondary education in unserved and underserved areas of the State;

11 (ii) Incentive funding to promote collaboration among the  
12 institutions of higher education and regional higher education centers; and

13 (iii) Capital funding to support construction, operation, and  
14 maintenance of a physical plant consistent with the approved mission statement of the  
15 center.

16 (2) **(I) Operating funds for each regional higher education center,  
17 INCLUDING A CENTER THAT IS ADMINISTERED BY THE UNIVERSITY SYSTEM OF  
18 MARYLAND, SHALL BE CALCULATED AND ALLOCATED USING THE FUNDING  
19 FORMULA IN § 11–105 OF THIS ARTICLE.**

20 **(II) OPERATING FUNDS FOR EACH REGIONAL HIGHER  
21 EDUCATION CENTER** that is administered by the University System of Maryland:

22 **1. [shall] SHALL** be included in the appropriation of the  
23 system office as a separate line item in the Governor’s operating budget; **BUT**

24 **2. MAY NOT EXCEED THE AMOUNT OF FUNDING  
25 CALCULATED USING THE FUNDING FORMULA IN § 11–105 OF THIS ARTICLE.**

26 11–105.

27 (b) (7) The Commission has authority to approve regional higher  
28 education centers to operate in the State and has statewide coordinating responsibility  
29 for regional higher education centers.

30 (8) The Commission may distribute strategic incentive funds to an  
31 institution of higher education or a regional higher education center to encourage  
32 attainment of the goals and priorities set forth in the State Plan for Higher Education.

1 (d) (1) [(i) The] **A REGIONAL HIGHER EDUCATION CENTER MUST**  
 2 **BE APPROVED BY THE** Commission [may approve regional higher education centers]  
 3 **BEFORE THE CENTER IS AUTHORIZED** to operate in the State[; and].

4 [(ii)] **(2)** With respect to the regional higher education centers,  
 5 the Commission:

6 [1.] **(I)** May require submission of strategic plans in  
 7 accordance with guidelines adopted by the Commission;

8 [2.] **(II)** [May] **SHALL** provide grants to regional higher  
 9 education centers for ongoing operating expenses and lease payments [if consistent  
 10 with the State Plan for Higher Education and the approved mission statements of the  
 11 regional higher education centers] **IN ACCORDANCE WITH THE FUNDING FORMULA**  
 12 **IN PARAGRAPH (4) OF THIS SUBSECTION;**

13 [3.] **(III)** Shall administer programs of State support and  
 14 financial assistance for the regional higher education centers;

15 [4.] **(IV)** Shall assure that courses and programs offered  
 16 are within the scope of the approved missions of the regional higher education centers  
 17 and specifically satisfy the criteria set forth in § 10–212(b) of this article; and

18 [5.] **(V)** Except as provided in paragraph [(2)] **(3)** of  
 19 this subsection, shall assure that State funds for the regional higher education centers  
 20 are [spent]:

21 1. **SPENT** prudently and in accordance with State  
 22 guidelines; **AND**

23 2. **CONSISTENT WITH THE STATE PLAN FOR HIGHER**  
 24 **EDUCATION AND THE APPROVED MISSION STATEMENTS OF THE REGIONAL**  
 25 **HIGHER EDUCATION CENTERS.**

26 [(2)] **(3)** With respect to the regional higher education centers  
 27 administered by the University System of Maryland, the University System of  
 28 Maryland shall assure that State funds for the regional higher education centers are  
 29 spent prudently and in accordance with State guidelines.

30 **(4) (I) 1. IN THIS PARAGRAPH THE FOLLOWING WORDS**  
 31 **HAVE THE MEANINGS INDICATED.**

1                   2.    “DEGREE-SEEKING STUDENT” MEANS A STUDENT  
2 ENROLLED IN A 2+2, BACCALAUREATE, MASTER’S, OR DOCTORAL DEGREE  
3 PROGRAM AT A REGIONAL HIGHER EDUCATION CENTER.

4                   3.    “2+2 PROGRAM” MEANS A COLLABORATIVE  
5 PROGRAM BETWEEN A COMMUNITY COLLEGE AND A 4-YEAR UNIVERSITY THAT  
6 LEADS TO A BACHELOR’S DEGREE.

7                   (II)   BEGINNING IN FISCAL YEAR 2014 AND IN EACH FISCAL  
8 YEAR THEREAFTER, THE COMMISSION SHALL CALCULATE THE AMOUNT OF THE  
9 ANNUAL APPORTIONMENT FOR EACH REGIONAL HIGHER EDUCATION CENTER  
10 USING THE FOLLOWING FUNDING FORMULA:

11                   1.    A BASE ALLOCATION FOR EACH CENTER OF  
12 \$200,000;

13                   2.    INCENTIVE FUNDING FOR DEGREE-SEEKING,  
14 FULL-TIME EQUIVALENT STUDENTS THAT IS TIED TO THE  
15 INFLATION-ADJUSTED FISCAL YEAR 2005 GENERAL FUND APPROPRIATIONS  
16 PER FULL-TIME EQUIVALENT STUDENT AT THE UNIVERSITIES AT SHADY  
17 GROVE;

18                   3.    LEASE FUNDING FOR CENTERS WITH LEASED  
19 SPACE THAT HAVE NOT RECEIVED STATE CAPITAL FUNDING SUPPORT; AND

20                   4.    SPECIAL FUNDING FOR ONE-TIME PROJECTS OR  
21 START-UP COSTS.

22                   (III) THE COMMISSION SHALL CERTIFY THE AMOUNT OF  
23 FUNDING DUE TO EACH REGIONAL HIGHER EDUCATION CENTER UNDER THIS  
24 PARAGRAPH TO THE GOVERNOR, WHO SHALL INCLUDE THE TOTAL AMOUNT IN  
25 THE ANNUAL BUDGET SUBMISSION FOR FISCAL YEAR 2014 AND FOR EACH  
26 FISCAL YEAR THEREAFTER.

27                   (IV) THE COMMISSION SHALL ADOPT REGULATIONS TO  
28 IMPLEMENT THE FUNDING FORMULA IN THIS PARAGRAPH.

29                   SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Higher  
30 Education Commission shall:

31                   (a)   Review options and make recommendations regarding the inclusion of  
32 outcome and performance measures in the funding formula for regional higher  
33 education centers in § 11-105 of the Education Article; and

1           (b)    On or before October 1, 2013, report its findings and recommendations to  
2 the Governor and, in accordance with § 2-1246 of the State Government Article, the  
3 General Assembly.

4           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 July 1, 2012.