

Chapter 710

(House Bill 1228)

AN ACT concerning

Regional Higher Education Centers – Funding Formula

FOR the purpose of ~~requiring~~ authorizing operating funds for regional higher education centers, administered by the Maryland Higher Education Commission including regional higher education centers administered by the University System of Maryland, to be ~~calculated and allocated~~ distributed using a certain funding formula, as provided in the State budget; ~~by a certain fiscal year; requiring the Maryland Higher Education Commission to certify to the Governor the amount of funding due to each regional higher education center under the funding formula and requiring the Governor to include that amount in the annual budget submission by a certain fiscal year; clarifying that certain operating funds for certain regional higher education centers that are included in the University System of Maryland Office as a separate line item may not exceed the amount of funding calculated using a certain funding formula;~~ clarifying that a regional higher education center must obtain certain approval before the center can operate in the State; requiring the Commission to adopt certain regulations to implement a certain funding formula; requiring the Commission to study and make recommendations regarding the inclusion of outcome or performance measures in a certain funding formula and requiring the Commission to report its findings and recommendations to the Governor and the General Assembly on or before a certain date; defining certain terms; and generally relating to a funding formula for regional higher education centers.

BY repealing and reenacting, with amendments,
 Article – Education
 Section ~~10-203(d)~~ and 11-105(d)
 Annotated Code of Maryland
 (2008 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, without amendments,
 Article – Education
 Section 11-105(b)(7) and (8)
 Annotated Code of Maryland
 (2008 Replacement Volume and 2011 Supplement)

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

Article – Education

~~10-203.~~

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

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

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

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

~~(2) (H) Operating funds for each regional higher education center, INCLUDING A CENTER THAT IS ADMINISTERED BY THE UNIVERSITY SYSTEM OF MARYLAND, SHALL BE CALCULATED AND ALLOCATED USING THE FUNDING FORMULA IN § 11-105 OF THIS ARTICLE.~~

~~(H) OPERATING FUNDS FOR EACH REGIONAL HIGHER EDUCATION CENTER that is administered by the University System of Maryland:~~

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

~~2. MAY NOT EXCEED THE AMOUNT OF FUNDING CALCULATED USING THE FUNDING FORMULA IN § 11-105 OF THIS ARTICLE.~~

11-105.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(II) ~~BEGINNING IN FISCAL YEAR 2014 AND IN EACH FISCAL YEAR THEREAFTER,~~ AS FUNDING IS PROVIDED IN THE ANNUAL STATE BUDGET, THE COMMISSION SHALL CALCULATE THE AMOUNT OF THE ANNUAL APPORTIONMENT FOR EACH REGIONAL HIGHER EDUCATION CENTER ADMINISTERED BY THE COMMISSION USING THE FOLLOWING FUNDING FORMULA:

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

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

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

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

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

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

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

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

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

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

Approved by the Governor, May 22, 2012.