

Department of Legislative Services
Maryland General Assembly
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FISCAL AND POLICY NOTE
Revised

House Bill 362
Appropriations

(Delegates Rudolph and James)

Education, Health, and Environmental Affairs

Northeast Maryland Higher Education Advisory Board

This bill establishes the Northeast Maryland Higher Education Advisory Board (NMHEAB) and specifies board membership and duties.

The bill also expresses the intent of the General Assembly that the Higher Education and Conference Center at HEAT located in Aberdeen, Maryland change its name to the Northeast Maryland Higher Education Center.

Fiscal Summary

State Effect: Higher education expenditures may increase minimally to reimburse NMHEAB members for expenses and to change the name of the existing HEAT Center. To the extent that this bill facilitates expansion of the existing regional higher education center (RHEC), general fund and higher education expenditures and tuition revenues increase in the out-years.

Local Effect: Local government officials appointed to NMHEAB can participate without affecting local budgets. To the extent that this bill facilitates expansion of the existing RHEC, then Cecil and Harford counties expenditures may increase significantly. Any expenditures may be partially offset by increased State aid from the John A. Cade community college funding formula and increased tuition revenue from each additional full-time equivalent student (FTES) at Cecil Community College or Harford Community College (HCC).

Small Business Effect: Minimal.

Analysis

Bill Summary: The Advisory Board to the Higher Education and Conference Center at the Higher Education and Applied Technology Center (HEAT Center) must appoint the initial members of NMHEAB established by the bill by November 1, 2012.

Each member serves for a term of three years and until a successor is appointed and qualifies. A member may not serve more than two full consecutive terms. A member appointed to fill a vacancy in an unexpired term serves only for the remainder of that term and until a successor is appointed and qualifies. The chair of the board must be elected by the board from among its members; however, a representative of an out-of-state institution may not serve as chair.

NMHEAB members may not receive compensation, but they are entitled to reimbursement for expenses under the standard State travel regulations.

The advisory board must:

- assist and support the development of higher education in Cecil and Harford counties;
- assist in setting the missions of and accomplishing the goals and objectives of the four-year institutions of higher education that offer Maryland Higher Education Commission (MHEC) approved undergraduate and graduate programs in Cecil and Harford counties (sites);
- advise the HEAT Center, site coordinators, and the supervisory staff to whom the coordinators report on programs offered and facility utilization;
- provide guidance and support in identifying institutions and programs to serve higher education and workforce needs in Cecil and Harford counties;
- assist with the marketing and promotion of programs offered at the HEAT Center and sites; and
- facilitate interactions among the business, nonprofit, education, and military communities.

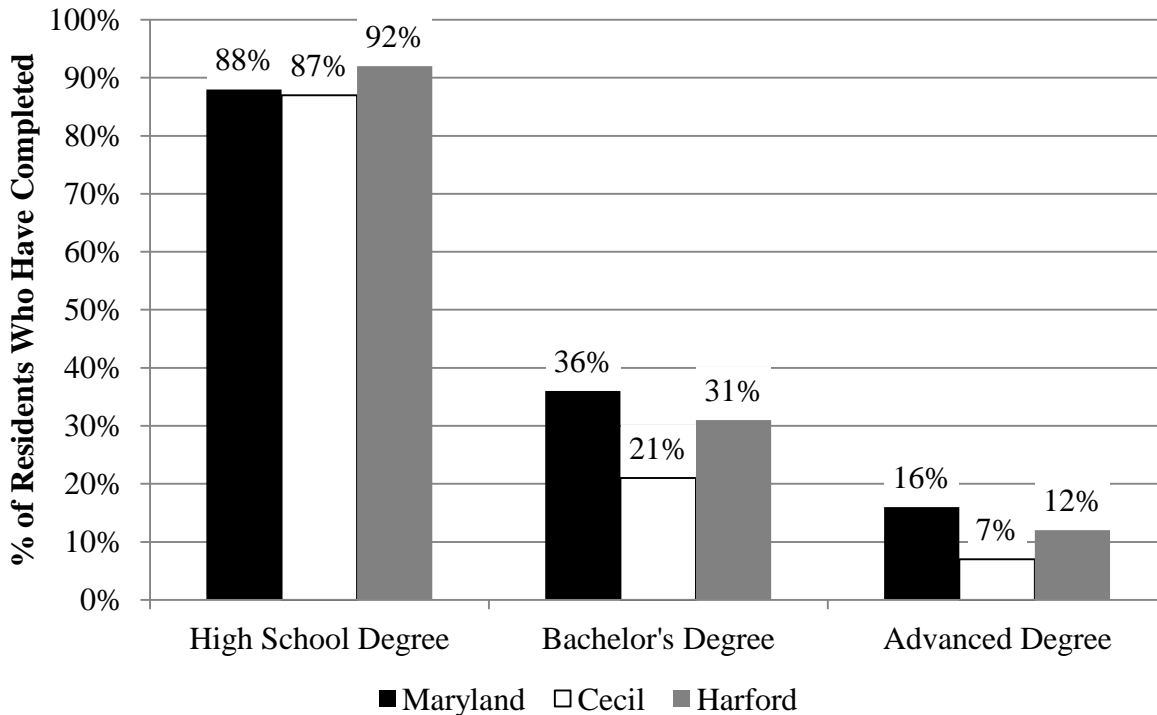
NMHEAB is also required to keep separate records and minutes and to adopt reasonable rules, regulations, or bylaws to carry out the provisions of the bill. In addition, the advisory board must ensure that all academic programs and policies of the HEAT Center and sites are in compliance with the policies of and approved by MHEC.

Current Law/Background: In Cecil and Harford counties, there are two community colleges (one in each county) and an RHEC, the Higher Education and Conference Center at HEAT.

- ***Cecil Community College:*** Founded in 1968, Cecil Community College enrolled more than 2,000 FTES in 2009. As 1 of the State's 15 locally operated community colleges, the college receives funding from Cecil County and the State in addition to the tuition revenues that students pay.
- ***Harford Community College:*** Founded in 1957, HCC is another locally operated community college. MHEC reports that it enrolled more than 5,400 FTES in fiscal 2010.
- ***Higher Education and Conference Center at HEAT:*** The RHEC was formed in 1995 by HCC, Harford County, and the Maryland Transportation Authority, which owns the land on which the facility is located. HCC manages operations, and the center has partnered with several four-year institutions, including the University of Maryland, College Park; Johns Hopkins University; Towson University (TU); and the College of Notre Dame of Maryland. Partnering institutions set tuition levels and requirements for enrollment in their programs, provide faculty, and confer degrees.

The educational attainment of residents of Cecil and Harford counties is compared with the educational attainment of all Maryland residents in **Exhibit 1**. The exhibit shows that, relative to the statewide figures, similar percentages of county residents have completed high school but lower percentages hold college degrees, particularly in Cecil County.

Exhibit 1
Educational Attainment of Residents Age 25 and Older
2008-2010



Source: 2008-2010 American Community Survey 3-year Estimates; U.S. Census Bureau

Task Force to Study Creation of a Regional Higher Education Center in Northeastern Maryland

Chapter 614 of 2011 established a Task Force to Study the Creation of a Regional Higher Education Center in Northeastern Maryland. The task force was required to examine the need for higher education in Northeastern Maryland and the role of various segments of higher education in meeting the needs of the region and report findings and recommendations by December 1, 2011.

The task force found that there is a need for expanded bachelor, master, and doctoral programs in the Northeastern Maryland region. It concluded that existing Maryland higher education institutions, both public and private, already have programs available to meet the needs of the region; however, expanded facilities distributed throughout the region would be required to support upper-division bachelor degree programs as well as master and doctoral programs.

The task force recommended that a coordinating body known as NMHEAB be established in statute to bring together a comprehensive and disciplined understanding of higher education demands of the region. The task force further recommended that a Northeastern Maryland Regional Higher Education Center be formally established in statute to operate under the auspices of NMHEAB. The task force envisioned that such a center would initially be administratively attached to the HEAT Center for support, with initial funding from the State of \$100,000 in fiscal 2013 and \$250,000 in fiscal 2014.

The task force also recommended that the HEAT Center be renovated and expanded so that additional courses could be offered at the facility. The renovations and expansion would cost \$16 million in fiscal 2013 and \$9 million in fiscal 2014, according to the task force. Under the task force's plan, HCC and Cecil Community College are also slated for expansion and additional facilities. The plan calls for all segments of higher education to offer the last two years of baccalaureate degree coursework at the new facilities at the two community colleges. Other program and facility requirements for the Northeastern region would be determined annually by NMHEAB. Finally, the task force envisions that NMHEAB will support the initial formation of a doctoral and post-doctoral research facility located in the Northeastern region of Maryland.

Regional Higher Education Centers

An RHEC is a facility that has the participation of two or more institutions of higher education, consists of a variety of program offerings, and offers multiple degree levels. RHECs are designed to ensure access to higher education in underserved areas of the State. The centers provide baccalaureate and graduate programs in places where students do not have access due to geographical distance, commute time, or the limited capacity of local four-year institutions. The centers offer the State an opportunity to address workforce needs in high-demand areas, particularly for nontraditional students, and to support State, regional, and local economic development goals. The HEAT Center is one of eight RHECs located throughout Maryland.

Since 2000, MHEC has been responsible for the coordination of the eight RHECs. The University System of Maryland (USM) operates two of the centers, and the other six are independent centers that exist in areas not served by comprehensive four-year institutions. MHEC is responsible for approving the mission statements of all eight of the centers, ensuring that the programs and courses offered are within the scope of the approved mission statements, and making recommendations for State funding for the centers to the Governor and the General Assembly. For the six centers independent of USM, the commission is also responsible for administering operating funding to the centers. USM administers operating funding for the Shady Grove and Hagerstown centers.

The two USM centers are funded as line items in the USM System Office operating budget. The other six centers are funded by grants through the MHEC operating budget. State capital funding for the USM centers is a part of USM's capital process. The other six centers' capital requests are handled on a case-by-case basis. In 2005, the General Assembly charged MHEC with developing an equitable, consistent, and ongoing funding strategy for the non-USM RHECs. The resulting strategy contains the following components:

- base allocation for each center (\$200,000);
- incentive funding for FTES (2+2 lower division, upper division, and graduate) tied to the inflation-adjusted fiscal 2005 general fund appropriation per FTES at the Universities at Shady Grove;
- lease funding for centers that lease space; and
- special funding for one-time projects or start-up costs.

Non-USM RHECs first received State operating funding in fiscal 2006, although as the only center established by State law, the Southern Maryland Center has generally received annual State operating support since fiscal 1995. The funding strategy was first partially funded in fiscal 2009. **Exhibit 2** shows the State appropriation for each center in fiscal 2010 through 2012, and the Governor's proposed funding for fiscal 2013. In fiscal 2010, the non-USM RHECs were appropriated \$1.75 million, and intent language was added by the General Assembly to the budget bill that \$1.75 million be the base funding for RHECs in future years. The fiscal 2010 appropriation was distributed using the funding strategy, including the full \$200,000 base funding appropriation. The remaining \$550,000 was allocated on a per-student basis. In fiscal 2012, \$1.5 million was appropriated, and again the full base appropriation was distributed, though less per-student funding was available. The fiscal 2013 budget follows the same model as fiscal 2012.

Exhibit 2
Regional Higher Education Centers State Funding
Fiscal 2010-2013

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Proposed FY 2013</u>
AACC RHEC at Arundel Mills	\$234,477	\$225,424	\$228,826	\$220,938
Eastern Shore Higher Ed Center	220,877	215,396	214,896	225,267
HEAT Center	327,844	271,758	278,738	270,865
Laurel College Center	219,517	211,024	216,436	213,723
Southern Maryland Higher Ed. Ctr.	449,363	326,221	320,798	321,558
Waldorf Center for Higher Ed.	297,923	250,176	240,306	247,650
Total All Non-USM RHECs*	\$1,750,000	\$1,500,000	1,500,000	\$1,500,000
Universities at Shady Grove	\$11,622,000	\$11,678,000	7,260,990	7,260,990
Hagerstown Center	1,884,905	1,891,653	1,891,592	1,891,592
Total USM RHECs	\$13,506,905	\$13,569,653	\$13,569,653	\$13,569,653
Total All RHECs	\$15,256,905	\$15,069,653	\$15,069,653	\$15,069,653

AACC: Anne Arundel Community College
HEAT: Higher Education and Applied Technology
RHEC: Regional Higher Education Center
USM: University System of Maryland

Source: Maryland Higher Education Commission

Towson University Off-campus Site at Harford Community College

The concept of a TU off-campus site located on HCC west campus took shape in 2004 when the two presidents initiated discussions on ways to meet the demands for higher education in Harford and Cecil counties. In October 2006, TU signed 20 2+2 articulation agreements with HCC, taking advantage of its proximity to HCC, its range of undergraduate programs, and that HCC is the second largest feeder school for new transfer students – accounting for 10% of transfers in fall 2009. These agreements allow for a seamless transition from HCC to TU.

However, according to MHEC’s capital project academic analysis, the HEAT Center is operating at full capacity during evening hours Monday through Thursday and is at 60% capacity on Saturdays. Therefore, TU proposed building a 55,123 gross-square-feet/34,014 net-assignable-square-feet facility to house TU’s undergraduate programs. The presidents of TU and Morgan State University (MSU) have entered into discussions regarding the potential involvement of MSU. In a letter dated March 30, 2012, MHEC approved the proposed TU building at HCC, subject to specified conditions. The conditions include the possibility that MSU may participate in the project through financing or long-term lease agreement.

Additional Information

Prior Introductions: None.

Cross File: SB 261 (Senator Glassman, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Harford County, Maryland Higher Education Commission, U.S. Census, Department of Legislative Services

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