

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 218 (Senator Conway, *et al.*)

Education, Health, and Environmental Affairs

Appropriations

Higher Education - University System of Maryland and Morgan State University
- Prohibition Against Inclusion

This bill prohibits the inclusion of Morgan State University (MSU) within the University System of Maryland (USM), and likewise prohibits USM from including MSU.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None. The bill does not alter the current governance structure of higher education.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background:

University of Maryland

USM encompasses 12 degree-granting institutions including the University of Maryland Center for Environmental Science, which is, at the time of publication, a candidate for accreditation. The Board of Regents is the governing body of USM and consists of 17 members, including a full-time student and the State Secretary of Agriculture (*ex officio*). Except for the Secretary of Agriculture, each member is appointed by the

Governor with the advice and consent of the Senate. Fifteen of the board members serve five-year terms, and the student member is appointed for a one-year term.

The board is responsible for overseeing the operations of the university system, setting tuition and fees, and appointing the Chancellor, who serves as the chief executive officer of the system and the chief of staff to the board. The Chancellor heads the University System of Maryland Office (USMO), which provides leadership, planning, and resource management for USM. The Chancellor also assists the board in selecting the president of each institution. USM has greater autonomy than other State agencies in areas such as management of capital projects, creation of debt, development of a personnel system, and procurement, as provided in 1999 legislation (Chapter 515) based on recommendations of the Task Force to Study the Governance, Coordination, and Funding of USM. USM presidents have the authority to create new academic programs on their campuses (with approval of the board and the Maryland Higher Education Commission (MHEC)) and develop and implement policies promoting the mission of their respective institutions.

The board, in consultation with the presidents and the Chancellor, establishes standards for funding institutions based on differences in the size and mission of each institution. The budget process starts with the Department of Budget and Management (DBM) developing preliminary budget targets for the State agencies based on projected State revenues. Once USM receives its preliminary budget target, the board, working with USMO, determines the allocation of State funds among USM institutions. The institutions work with USMO to develop their budget requests, which are submitted to MHEC and DBM for approval. USM negotiates its budget with the Governor, who makes the final decision on the budget that is submitted to the General Assembly.

Morgan State University

MSU is independent from USM. It is a historically black college and university and one of the State's public research institutions. Additionally, MSU is designated as Maryland's public urban university and, as such, gives priority to addressing the needs of the population of urban areas in general, and of Baltimore City in particular, through its academic, research, and service programs. MSU offers a comprehensive range of undergraduate and a selected set of graduate programs to a broad cross section of students, encouraging research and service directed toward the needs of underserved communities.

MSU is governed by its own board of regents, which consists of 15 members including a full-time student. Each member is appointed by the Governor with the advice and consent of the Senate. Fourteen of the board members serve six-year terms, and the student member is appointed for a one-year term. The board is responsible for appointing a president, setting admission standards and tuition and fees, approving university policies and the budget, and providing general operational oversight. General operational oversight

functions include the establishment of a personnel and procurement system, preparation of the budget, and, through legislation enacted in 2006, management of all capital projects.

The budget development and submission process for MSU is similar to that of USM. Once DBM establishes MSU's preliminary budget target, the president develops and the board approves the budget, including the request for State support. MSU negotiates its budget with the Governor, who makes the final decision on the budget that is submitted to the General Assembly.

Other Public Institutions of Higher Education in the State

St. Mary's College of Maryland is the other public four-year institution that is independent of USM. It is a co-educational, liberal arts honors college offering an array of baccalaureate degrees in the arts and sciences.

Maryland also has 16 community colleges: 15 are locally controlled and 1, Baltimore City Community College, is State-operated with minimal local support. All are subject to oversight by MHEC.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): University System of Maryland, Department of Legislative Services

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min/rhh

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