

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 864

(Senator King, *et al.*)

Education, Energy, and the Environment

Appropriations

Universities at Shady Grove Regional Higher Education Center – Designation as
Community of Innovation

This bill establishes the Universities at Shady Grove (USG) Regional Higher Education Center (RHEC) as the State’s Regional Higher Education Community of Innovation. The bill also expands the designated purpose of USG to include serving a diverse citizenry in an innovative and collaborative manner to meet the educational needs of the region and certain elements related to being a community of innovation, as specified. Funding remains as provided in the State budget, but the bill specifies that funding must provide a level of operating funding and facilities necessary to advance and sustain the purposes of USG as specified in the newly designated purpose. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: Altering the designated purpose of USG has no direct effect on general fund expenditures, higher education revenues, or higher education expenditures. However, to the extent additional funding is allocated for USG due to the bill, general fund and corresponding higher education revenues and expenditures increase.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: As a community of innovation, the University System of Maryland’s (USM) purpose includes (1) being a place where students, educators, and business leaders work collaboratively to ensure that an individual’s academic success leads directly to

career success, resulting in a cumulative impact that positively transforms the economy of the country, region, and State; (2) offering classes and programs that are linked directly to meaningful job opportunities for students; (3) providing students with the support needed to simultaneously balance personal and family responsibilities while completing their academic goals; (4) directly connecting students with local and regional employers to ensure the students move seamlessly from the classroom to their careers; and (5) having faculty that are nationally and internationally recognized for excellence in collaboration and advancement of knowledge and career pathways.

Current Law: USG RHEC issued its 10-year vision USG 2.0 strategic [plan](#) in February 2022. The USG mission statement says it is a place of innovation – to plan, build, measure, assess, and strengthen student-centered pathways for affordable and competitive education, career readiness, and student success.

An RHEC is a facility at which at least two institutions of higher education offer classes, consisting of a variety of program offerings and multiple degree levels. RHECs are designed to ensure access to higher education in underserved areas of the State. They provide baccalaureate and graduate programs in places where students do not have access to higher education due to geographical distance, commute time, or the limited capacity of local four-year institutions. There are seven RHECs operating throughout Maryland. USM operates three RHECs (Shady Grove, Hagerstown, and Southern Maryland). The other four independent regional centers are coordinated by the Maryland Higher Education Commission (MHEC), specifically, Arundel Mills, Eastern Shore, Laurel, and La Plata.

Generally, MHEC has the authority to approve RHECs to operate in the State and has statewide coordinating responsibility for RHECs. Funding for USG is as provided in the State budget. With respect to RHECs administered by USM, USM must assure that State funds for them are spent prudently and in accordance with State guidelines.

The fiscal 2025 budget as introduced includes \$25.7 million in funding for USG, which is a 14.7% decrease from the fiscal 2024 working appropriation after accounting for the proposed deficiency appropriation. The fiscal 2025 allowance does not provide for any new regular positions. However, USM institutions have personnel autonomy and may create or eliminate positions during the fiscal year. In fiscal 2024 year- to-date, USG added five State-supported positions, one of which was a contractual full-time equivalent that was converted to a regular position.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1020 (Delegate Wolek, *et al.*) - Appropriations.

Information Source(s): Maryland Higher Education Commission; University System of Maryland; Department of Budget and Management; Department of Legislative Services

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