

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 9

(Chair, Education, Energy, and the Environment
Committee)

Education, Energy, and the Environment

Appropriations

**Maryland Higher Education Commission - Academic Program Approval -
Revisions**

This emergency bill requires private nonprofit institutions of higher education to submit semi-annual letters of intent to the Maryland Higher Education Commission (MHEC), identifying new graduate-level programs they plan to propose within the next six months to two years, aligning with the process required of public four-year institutions. The bill also repeals provisions granting five specified institutions of higher education exclusive authority to propose “emerging workforce need programs” for 90 days, thereby putting all institutions on the same footing. Further, the bill clarifies that letters of intent are intended for collaboration and feedback rather than conferring any right of first refusal. It also repeals the requirement for MHEC to circulate these letters. Instead, MHEC must review them and identify proposed programs that are similar to others; MHEC may notify the affected institutions to encourage coordination. Finally, the bill clarifies the requirements for updates to the State Plan for Higher Education.

Fiscal Summary

State Effect: MHEC can accept additional letters of intent, review them, and make any changes to the State Plan update process using existing resources. Higher education revenues and expenditures for public four-year institutions of higher education are not likely materially impacted by repealing the 90-day period for exclusive authority to propose specified programs as those provisions in current law have not yet been implemented.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: Specifically, the requirements related to letters of intent may not be construed to give an institution the right of first refusal for any program included in a letter of intent submitted to MHEC under the bill.

After review of the letters of intent submitted by each institution, MHEC must determine whether an intended program is similar to an existing program or another intended program included in another institution's letter of intent. If MHEC determines that an intended program is similar to another program, MHEC *may* notify the affected institutions of its determination, provide feedback, and encourage discussion and collaboration between the institutions.

The bill repeals the requirement for the update to the State Plan due January 1, 2025, to include emerging workforce needs and any specific academic programs institutions could develop to fulfill or support identified needs. The bill also repeals the requirement that MHEC submit the update to the Legislative Policy Committee for review and comment before adoption.

Current Law: Chapter 963 of 2024 established a new process for academic program approval and institutional mission statements based on identifying State and regional workforce needs.

Letter of Intent for Graduate Level Program Approval

Beginning January 1, 2025, MHEC must require each *public* senior institution to submit a letter of intent to MHEC that identifies each new graduate level program that an institution intends to propose for approval; a letter of intent must be submitted every six months with all new graduate programs the institution intends to propose within the upcoming six-month to two-year time period. MHEC must use this letter to (1) facilitate collaboration between institutions and (2) provide feedback to an institution prior to submission of the new program for approval, as specified. MHEC must circulate each letter of intent among institutions but may not post an institution's letter of intent publicly. MHEC may not use a letter to establish any preference or priority for approval of a program proposal. MHEC must establish requirements for submitting a letter. Except under specified conditions, MHEC may approve a program proposal only if the institution has included the program in a letter of intent.

Graduate Level Emerging Workforce Need Programs

An “emerging workforce need program” means a graduate level program identified by MHEC (in the State Plan for Higher Education or each annual update to the workforce

needs as an appendix to the plan) that (1) no institution of higher education in the State offers; (2) addresses a job or industry need that is innovative, unique, and rare; and (3) could leverage federal, State, or private resources on a long-term basis with immediate development by an institution of higher education. “Emerging workforce need program” does not mean a specific academic program identified by MHEC to fulfill or support an identified current State and regional workforce need.

There are requirements for the approval of an emerging workforce need program, which apply after adoption to the updated State Plan for Higher Education (which was due January 1, 2025).

Generally, MHEC may approve a program proposal (as it relates to a new program, a substantial modification to an existing program, or an online program) for an academic program for an emerging workforce need program for five public institutions: Bowie State University (BSU); Coppin State University (CSU); Morgan State University (MSU); the University of Maryland, College Park Campus (UMCP); and the University of Maryland Eastern Shore (UMES). Further, within 90 days after the quadrennial review of the State plan and each annual update to it, each of those institutions must submit a notice of intent to submit a proposal in the upcoming year for an emerging workforce need program. MHEC must share the notice of intent with all segments of higher education, facilitate collaboration between institutions, provide feedback to the institution before it submits the new program for approval, and identify State resources to assist the institution in developing the program.

However, another institution may have a proposal approved under two specified circumstances. First, if none of the five specified institutions submits a notice of intent as required within the 90-day period, any institution of higher education in the State may immediately submit a proposal for an academic program for approval by MHEC. Second, if one of the five specified institutions chooses to collaborate with any other institution of higher education in the State to implement an emerging workforce need program within the one-year period after its identification in the quadrennial State plan or an annual update to it, MHEC may approve a proposal for an academic program for the collaborating institution.

State Fiscal Effect: Repealing the requirement that BSU, CSU, MSU, UMCP, and UMES have exclusive authority for 90 days to submit a proposal for an academic program for an emerging workforce need program at the graduate level may affect institutional revenues and expenditures. Any such impact on the specified institutions as well as other institutions cannot be reliably estimated. As discussed below, this section of law has not yet been implemented. Nevertheless, such an advantage could have ultimately increased revenues and enrollment for the selected institutions.

Clarifying that letters of intent do not grant institutions a right of first refusal has no material fiscal impact on institutions.

As MHEC already reviews program proposals for duplication, repealing the requirement to distribute all letters of intent to each institution – and instead allowing MHEC to share them only with institutions that have similar existing or proposed programs – is not expected to have a material fiscal impact. As under current law, planning and coordination among institutions is still anticipated to occur.

Additional Comments: The co-chairs of the Program Approval Process Workgroup introduced House Bill 1244 and Senate Bill 1022 in the 2024 session to implement the workgroup's recommendations. However, the enrolled version of House Bill 1244 deviated from the recommendations (whereas Senate Bill 1022 did not pass). Specifically, House Bill 1244 included a new section, § 11-206.5 of the Education Article, which grants exclusive authority to the State's four historically Black colleges and universities and UMCP to propose and implement a new emerging workforce need program for 90 days. Additionally, the enrolled bill applied the new letter of intent process only to public institutions of higher education.

After the adoption of the conference committee report by both chambers, a discrepancy was discovered regarding the version of amendments that each chamber believed it had agreed upon. To resolve this situation, the chairs of the conference committee agreed to a new amendment that removed § 11-206.5 of the Education Article and required nonpublic institutions of higher education to participate in the letter of intent process. Each member of the conference committee signed the revised report, reflecting the legislature's intent to adopt this updated version of House Bill 1244 on *Sine Die*.

The chairs of the conference committee also wrote a letter to the Secretary of Higher Education clarifying the legislature's intent and requesting that MHEC implement House Bill 1244 (later enacted as Chapter 963) in accordance with the revised conference committee report. They also outlined plans to pass emergency legislation in the next session to align the law with this understanding. This bill conforms statute accordingly and makes related process clarifications.

Additional Information

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

Designated Cross File: HB 479 (Delegate Barnes) - Appropriations.

Information Source(s): Maryland Higher Education Commission; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Maryland Independent College and University Association; Department of Legislative Services

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