

## **Commission to Develop the Maryland Model for Funding Higher Education**

### **Minutes**

**June 10, 2008**

The Commission to Develop the Maryland Model for Funding Higher Education held its first meeting of the 2008 interim on Tuesday, June 10, 2008 at 2:00 p.m. in the Appropriations Committee Hearing Room, House Office Building, Annapolis, Maryland.

The following members were present:

Delegate John L. Bohanan, Jr., Chairman  
Mr. Norman R. Augstine, Vice Chairman  
Ms. Tina M. Bjarekull  
Lt. Governor Anthony G. Brown  
President Robert L. Caret  
Delegate Norman H. Conway  
Mr. John Paul Davey  
Senator Roy P. Dyson  
Mr. John C. Erickson  
Mr. P.J. Hogan (for Chancellor William E. Kirwan)  
President Murray K. "Ray" Hoy  
Dr. Kristina Johnson (for President William R. Brody)  
Senator Edward J. Kasemeyer  
Mr. Larry Letow  
Dr. Mona Levine (for President C. Dan Mote, Jr.)  
Secretary James E. Lyons, Sr.  
Senator Donald F. Munson  
Delegate John A. Olszewski, Jr.  
President David J. Ramsay  
President Earl S. Richardson  
Mr. Lawrence A. Shulman  
Mr. George Shoenberger (for President Susan C. Aldridge)  
Mr. H. Clay Whitlow  
Mr. Garland O. Williamson

### **Chairman's Opening Remarks**

Delegate Bohanan welcomed everyone to the meeting and thanked the workgroups that had been meeting during the 2008 legislative session. Delegate Bohanan asked the designees to introduce themselves.

### **Update from HBI Study Panel**

Delegate Bohanan said he was very excited that the HBI Study Panel had been formed and he thanked Secretary Lyons for speaking to Dave Spence on behalf of the

Commission and for encouraging Mr. Spence to head the panel. Delegate Bohanan asked Secretary Lyons to say a few words. Secretary Lyons said that the panel has made the State of Maryland and our needs and concerns their top priority.

Delegate Bohanan introduced Dave Spence. Mr. Spence said he had known for a while who he wanted to fill the panel but their schedules were not free until now so they had just begun the site visits to the HBIs. Four of the seven panel members were able to attend the meeting and Mr. Spence introduced them. Judith Winston is a lawyer and an educator who is the principal of her own consulting firm. She served as General Counsel at the U.S. Department of Education for eight years and served as Special Assistant to the Director of the Office for Civil Rights for two years. James Rosser is the president of California State University, Los Angeles and has been the president for 29 years. Mr. Spence said that Dr. Rosser is a strong advocate for equal opportunity in education and he is also a scientist. Franklyn Jenifer retired after serving 11 years as the president of the University of Texas at Dallas. Prior to that Dr. Jenifer was the president of Howard University and is a scientist also. Mr. Spence said that Dennis Jones was unable to attend the meeting but he will be doing the data analysis for the panel. Mr. Jones is the president of the National Center for Higher Education Management Systems. Patrick Callan also could not attend. Mr. Callan is the president of the National Center for Public Policy and Higher Education and he previously served as the vice president of the Education Commission of the States. The final panel member who also could not attend the meeting is William DeLauder. Dr DeLauder retired in 2003 after serving as the president of Delaware State University for 16 years.

Mr. Spence said that “very few states have gotten this right.” He said that the panel has looked at other states because it is part of the charge but he does not think it will be very helpful. Mr. Spence publicly thanked the panel members for being great to work with and for investing a significant amount of time to this effort.

Delegate Bohanan joked that “the other part of the charge will be to get it right.” Delegate Bohanan thanked the panel and acknowledged that the small stipend will not truly compensate the panel members for their time and he thanked the members for doing this as a public service. Delegate Bohanan said the panel began the site visits yesterday at Morgan State University and will be visiting Bowie State University today.

Dr. Kristina Johnson asked if the panel would be assessing the infrastructure at the campuses such as the quality of the labs, team based design, research, etc. Dr. Jenifer said that the panel is looking at labs but does not intend to micromanage the institutions.

Delegate Bohanan said the panel had decided to start with site visits because several Commission members thought it was important to do the site visits first.

Mr. Garland Williamson asked if the panel knew of any states where HBCUs were anywhere near being compatible with traditionally white institutions. Dr. Jenifer said that no state has effectively accomplished that. There is a perceived inadequacy between HBIs and TWIs and he believes some HBIs have gone beyond repair. He believes Maryland is at a point where strong leadership can really make a difference and be a model for other states.

Ms. Winston said that she hopes their efforts will provide recommendations. This is a highly complex issue for higher education and combined with the unique history of the HBIs the complications become even more profound. She said it will be challenging but with the panel's expertise they will come up with recommendations. Ms. Winston said to the Commission "your leadership will be what makes a difference."

Mr. Williamson asked if there was any one factor that has caused states to fail miserably. Dr. Jenifer said there are two problems: 1) academics make decisions and 2) this is a political process. The problem is that the two have to work together. Many states make the right education decisions but the wrong political decisions and vice versa.

Dr. Johnson asked the panel if they had visited North Carolina A&T because they are an HBI and are doing great things. Dr. Johnson said that science and technology is so important because China leapfrogged the telecommunications industry and went right to cellular instead of land lines. Is there a way to help the HBIs become a leader in a specific area?

Dr. Rosser said that the panel is looking to develop something that is sustainable and also progressive, which is consistent with what Dr. Johnson was saying. Dr. Jenifer said the panel must be careful, almost vigilant, to stay within the charge. He said there is great leadership in Maryland to resolve some of the other issues.

Secretary Lyons said that the previous dean at North Carolina A&T will be joining the panel this evening and possibly the panel can discuss Dr. Johnson's concern at that time.

Delegate Bohanan again thanked the panel and then said he wanted to thank Dr. Wayne Hockmeyer who had served as the Commission's vice chair but had resigned due to other commitments. Delegate Bohanan had hoped for an opportunity to thank Dr. Hockmeyer publicly but Dr. Hockmeyer was unable to attend the meeting.

Delegate Bohanan then introduced the new vice chair, Mr. Norman Augustine. Mr. Augustine is the retired CEO of Lockheed Martin and was chair of the Rising Above the Gathering Storm Committee. Delegate Bohanan thanked Mr. Augustine for agreeing to serve as vice chair and also as chair of the Appropriate Funding Shares Workgroup.

## **2008 Legislative Session Review**

Ms. Keshia Cheeks, Ms. Sara Baker, and Mr. Richard Harris, policy analysts with the Department of Legislative Services, gave a presentation on the higher education funding that was approved during the 2008 session. Total education funding was 47% of the fiscal 2009 general fund budget. Higher education, specifically, was 11% or \$1.6 billion. Of that \$1.6 billion, public four-year universities received the largest share which was \$1.2 billion. Financial aid increased 5.1% from fiscal 2008 to fiscal 2009. The Higher Education Investment Fund (HEIF) was dedicated mostly to mandatory costs (\$30.7 million) and the tuition freeze (\$16.3 million). The budget actions of the legislature allowed general funds and HEIF revenues to grow 4% per full-time equivalent student over fiscal 2008. The funding guidelines were at 83% attainment, compared to

81% in fiscal 2008. Higher education received \$297 million or 20% of the fiscal 2009 capital budget. Four year institutions received 70% of that amount, community colleges received 27%, and independent institutions received 3%. In fiscal 2009, 13.7% of general fund revenues were allocated to higher education, which is short of the 15.5% statutory goal. For more information, please see the presentation entitled “Review of Higher Education Funding Approved in 2008.”

### **Briefing on the Regional Higher Education Centers**

Ms. Andrea Mansfield and Mr. Geoffrey Newman with the Maryland Higher Education Commission (MHEC) gave a presentation on Maryland’s regional higher education centers (RHECs). The RHECs serve underserved areas of the State. Two of the RHECs are governed by the University System of Maryland (USM) and six of the RHECs operate under different governance and organizational structures. The two USM centers are funded as two line items in the USM Office operating budget. The six non USM centers are funded by a grant through the MHEC operating budget. MHEC manages the budget process for the six centers. MHEC implemented a funding strategy for the non USM centers in fiscal 2008 but the strategy has not yet been fully funded. In fiscal 2008 the USM centers received an average of \$4,993 per bachelor and graduate degree seeking full-time equivalent student compared to \$778 at the non USM centers. For more information, please see the presentation entitled “Overview of Maryland’s Regional Higher Education Centers.”

Delegate Bohanan said that the Economic Competitiveness/Workforce Workgroup will examine the RHECs as part of the workgroup charges. Mr. Williamson asked why the RHECs were created and what problem are they trying to solve. Delegate Bohanan said that the Southern Maryland Higher Education Center was created because there were no options for master’s degrees in his area because the University of Maryland, College Park is 1 hour and 45 minutes away. He said that BRAC in the early 1990’s caused a need for the higher education center. He also said that the RHECs in other regions of the State help busy individuals obtain college degrees.

Mr. Williamson said that he assumes there had to be legislation to enact all of the centers. Delegate Bohanan said that only the Southern Maryland center was created by statute. Ms. Rachel Hise said that in 2000 the legislature passed legislation on the approval process and the structures for the RHECs.

Mr. Williamson said he was curious about how effective the RHECs are and again said he is not sure what problem the State is solving with the RHECs. Delegate Bohanan said the main question is what is the proper amount of State support for the RHECs.

Mr. Patrick Hogan said that the Universities at Shady Grove were created because Montgomery County had a huge population growth but had no four-year higher education facilities. He said if you go to a graduation you will know that the RHECs are working because you will see older students, working students and others who really want to get their degree. He said we can argue about the amount of funding per full time equivalent student or we can look at it another way – what would it cost to put a four year institution in the areas where RHECs are?

Mr. Williamson said he believes that the RHECs are underfunded. Delegate Bohanan said he agreed and said that the RHECs received an additional \$800,000 for fiscal 2009.

Secretary Lyons said his alumni at Bowie State University were angry when the Universities at Shady Grove were created because they felt that Bowie was close enough to serve the students in Montgomery County.

Senator Donald Munson said that without the University of Maryland Hagerstown that community would not have access to a four year degree.

### **Update from Workgroups**

Delegate Bohanan reviewed the additional charges that have been added to the workgroups and then each workgroup chair presented a very brief summary of the activities of the workgroups since last fall.

Delegate Bohanan thanked all of the workgroup chairs and the workgroups for their efforts and he pointed out that new members have been added to each of the workgroups.

### **Discussion of Interim Schedule**

Delegate Bohanan went over the Commission's schedule and said there would likely be five or six more meetings. He asked the Commission members to let him know if they have conflicts with the dates of scheduled meetings.

### **Closing Remarks and Adjournment**

Delegate Bohanan adjourned the meeting at approximately 3:55 p.m.

Prepared by: Dana Tagalicod