The Commission to Develop the Maryland Model for Funding Higher Education held its sixth meeting of the 2007 interim on Monday, August 27, 2007 at 10:00 a.m. in the Appropriations Committee Hearing Room, House Office Building, Annapolis, Maryland.

The following members were present:

Delegate John L. Bohanan, Jr., Chairman  
Dr. Wayne T. Hockmeyer, Vice Chairman  
Dr. Clara Adams (for President Earl S. Richardson)  
President Susan C. Aldridge  
Lt. Governor Anthony G. Brown  
President Robert L. Caret  
Delegate Norman H. Conway  
Senator Ulysses Currie  
Mr. John Paul Davey  
Senator Roy P. Dyson  
Dr. Adam Falk (for President William R. Brody)  
Secretary T. Eloise Foster  
President Murray K. “Ray” Hoy  
Delegate Nancy J. King  
Chancellor William E. Kirwan  
Secretary James E. Lyons, Sr.  
Delegate Robert A. McKee  
President C. Dan Mote, Jr.  
Senator Donald F. Munson  
President David J. Ramsay  
Mr. Bret Schreiber (for Ms. Tina M. Bjarekull)  
Mr. Lawrence A. Shulman  
Mr. H. Clay Whitlow  
Mr. Garland O. Williamson

Chairman’s Opening Remarks

Delegate Bohanan welcomed everyone to the meeting and acknowledged the previous Chairman, Senator Hogan, who was attending the meeting in his new position. Delegate Bohanan also acknowledged Delegate Nancy King who has been appointed to the Senate seat vacated by Senator Hogan. Delegate Bohanan asked the designees to introduce themselves.
Status of Request for Proposals (RFP) for Consultant

Delegate Bohanan explained that the RFP will be issued on August 30. The reason for the delay was that the RFP was extremely complicated and he asked Secretary Foster if she would like to comment. Secretary Foster confirmed that putting the RFP together had been a long and complicated process.

Delegate Bohanan asked Ms. Rachel Hise with the Department of Legislative Services to review the two potential schedules for the RFP. Ms. Hise explained that she had meet with the Department of Budget and Management (DBM) Procurement Office to work out the schedule details. Under Schedule 1, the consultant’s report would be due to the Commission by 12/1/07, which would technically meet the Commission’s 12/31/07 final report deadline; however, the schedule is extremely tight and could result in fewer or no offerors, significantly higher prices, and lower quality work.

Ms. Hise was asked if any vendors were consulted to see if the timeline was practical but Ms. Hise explained that vendors were not consulted because that would be a confidentiality violation.

A Commission member asked if the schedule could be adjusted to shorten the time frames for the proposals and the final report date. Ms. Hise explained that the current time frame between proposals and evaluations was only three weeks, which will be very rushed because the normal time frame is six weeks.

Another Commission member spoke up and said that the discussion about extending the timeline of the Commission cannot be avoided. This Commission member believes that the Commission’s deadline should be extended to 12/31/08.

A Commission member stated that even if there is an extension, the Commission should still come up with recommendations about the “total pie” that higher education should receive. He said that what happens with the consultant regarding funding for the Historically Black Institutions (HBI) should not affect the total pie.

Delegate Bohanan acknowledged that if the Commission deadline is extended, the higher education community fears it might be left out of revenue enhancement discussions during the 2008 legislative session. He said he had met with a Commission member that morning and discussed the idea of doing an interim report. The Commission member suggested that instead of doing an interim report, there should be a Phase I report done in 12/07 and a Phase II report done after the HBI consultant reports to the Commission.

A Commission member expressed his concerns that the HBIs will be an afterthought if the Phase I/Phase II approach is taken. He said he is not sure if the higher education “pie” will get bigger but even if it does not, there needs to be a redistribution of the higher education budget. He said that the Commission must be very clear and specific about HBIs and not allow them to be an afterthought. A Commission member
responded that very strong language could be included in a Phase I report stating that the Commission’s work is not done.

A Commission member responded that the Commission will not be ready to put forth recommendations by the end of the year and when it does put together a recommendation, it should be a full recommendation and that is not possible without looking at HBIs at the same time.

Delegate Bohanan said he has asked staff to provide a future briefing on the fiscal impact of the current statutory funding formulas and goals. He indicated that statutorily 15.5% of general fund revenues should be allocated for higher education but currently only 13.2% is allocated. He mentioned that this type of information could be included in the interim report to make everyone aware of the current funding commitment to higher education.

A discussion followed where several Commission members talked about the need for an interim report or Phase I/Phase II report because Schedule 1 for the consultant is not realistic. One Commission member said that there are some key questions that could be answered in the report such as what costs should be paid by students, how big should the pie be, and should there be a “Thornton” for higher education? A Commission member agreed that there needs to be more conversation and discussion about the important questions that the Commission must answer. Another Commission member stated that in addition to the HBI consultant findings, capital funding and the need for better communication between higher education and workforce development could be included in the Phase II report.

Delegate Bohanan said that he could hear consensus evolving to use Schedule 2 for the RFP and that the Commission deadline would have to be extended. He also said he heard consensus for an interim report or Phase I/Phase II report and the Commission will begin to work on what will go into the report.

**Revised Meeting Schedule**

Delegate Bohanan led a discussion about a proposed fall schedule for the Commission. He asked everyone to review the schedule and make comments about the dates and times proposed. He mentioned that with the consent of the Presiding Officers, the Commission could have workgroups meet during session.

This generated a discussion about whether a monthly meeting schedule was sufficient for the Commission to get its work completed. Delegate Bohanan said he had heard from several members that meeting every two weeks was difficult.

A Commission member said he thought that the segments of higher education were going to have an opportunity to present concrete proposals to the Commission and he asked if that was still going to happen. Delegate Bohanan said he was not aware of that but he said he would talk to staff to find out what had been discussed.
There was a discussion about workgroups and when they would meet. The idea of meeting during the fall was suggested instead of waiting until session.

One Commission member said he believes that the Commission should be ready to put something on the table if there is a special session. Another Commission member responded that there seemed to be a lot of fear that higher education would miss an opportunity if the Commission did not act this year but she does not think that will be the case. She said that one option was to look at fully funding the guidelines, which would cost an additional $280 million.

There was more discussion about the workgroups and whether the schedule was still too light even with the workgroups. One Commission member said it depended on how much the full Commission was willing to endorse the work of the workgroups. A Commission member said that the workgroups should really get to work in September and another Commission member said the Commission should be finished its work by Thanksgiving.

Delegate Bohanan said he would get together with President Ramsay and Mr. Williamson and possibly some other Commission members to decide how to proceed with the workgroups.

A Commission member commented that Maryland is shipping out its best students because they are going out of state for higher education. He said that Maryland is third in the nation for exporting students. He was very concerned about this and said that this issue must be part of the model.

Another Commission member said that the segment presentations would be very helpful because everyone says they need more money but they need to explain why more money is needed. He said that each segment could be allocated 20 to 30 minutes each during one of the meetings.

Delegate Bohanan thanked everyone for their input and asked Commission members to contact him or staff if they had additional thoughts about the schedule or the workgroups. He promised to send out a revised schedule soon.

Discussion

Delegate Bohanan directed the Commission members to look at the Symposium Key Issues document that they had received. He stated that staff had presented it during the last meeting but there was not time for discussion at that time so he encouraged discussion during the current meeting.

A Commission member said he remembered the symposium panelist from Connecticut talking about the CT 10 year 1.2 billion higher education capital plan that was accomplished during difficult financial times. He stated that this should be a key
issue. Another Commission member said that North Carolina did a 10 billion capital program and they have 14 HBIs.

A Commission member said that a key issue should be what are our State goals? Delegate Bohanan responded that Maryland does have State goals that were presented by MHEC; however, should those goals be revised or endorsed by the Commission? Another Commission member responded that the State goals are the goals at this point. MHEC will be updating the State Plan for Higher Education in the future.

A Commission member said that we need to normalize the data that is presented (such as by dollars per graduate, dollars per FTE) so that higher education can do comparisons within its segments and within its peers.

Delegate Bohanan encouraged more discussion but no other discussion was generated. Delegate Bohanan encouraged Commission members to share their thoughts with him at any time.

Closing Remarks and Adjournment

Delegate Bohanan adjourned the meeting at approximately 11:20 a.m.

Prepared by: Dana Tagalicod