

Commission to Develop the Maryland Model for Funding Higher Education

Minutes

May 21, 2007

The Commission to Develop the Maryland Model for Funding Higher Education held its first meeting of the 2007 interim on Monday, May 21, 2007 at 10:00 a.m. in the Appropriations Committee Hearing Room, House Office Building, Annapolis, Maryland.

The following members were present:

Senator Patrick J. Hogan, Chairman
Mr. Earl Adams (for Lt. Governor Anthony G. Brown)
Ms. Tina M. Bjarekull
Delegate John L. Bohanan, Jr.
Dr. James Clements (for 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
Dr. Wayne T. Hockmeyer
President Murray K. "Ray" Hoy
Delegate Nancy J. King
Chancellor William E. Kirwan
Dr. Mary Leach (for President David J. Ramsay)
Mr. Larry Letow
Secretary James E. Lyons, Sr.
Delegate Robert A. McKee
President C. Dan Mote, Jr.
Senator Donald F. Munson
President Earl S. Richardson
Mr. George Shoenberger (for President Susan C. Aldridge)
Mr. Lawrence A. Shulman
Mr. H. Clay Whitlow

Chairman's Opening Remarks

Senator Hogan began the meeting by welcoming the Commission members and asking the members and staff to introduce themselves. Senator Hogan thanked all of the members for their participation and acknowledged that the Commission's schedule is very aggressive since it will meet approximately every other week during the summer and fall.

Review of Higher Education Funding Approved in the 2007 Session

Ms. Rachel Hise, Ms. Keshia Cheeks, and Ms. Erika Schissler, policy analysts with the Department of Legislative Services, gave a presentation on higher education funding that was approved during the 2007 legislative session. The presentation discussed the general funds in the fiscal 2008 budget for higher education and explained what the general funds included. The presentation also included relevant budget related actions of the legislature and an explanation of the tuition freeze legislation passed for the second consecutive year. The presentation also addressed total unrestricted funds for four-year public institutions, and addressed community college funding, state financial aid appropriations, and capital funding. For further information, please see the presentation entitled “Review of Higher Education Funding Approved in the 2007 Session.”

Mr. Shulman asked for fiscal 2007 capital figures to compare them with the fiscal 2008 capital figures that were presented. Ms. Schissler indicated that the information can be provided but it might not be helpful because capital figures are project specific.

Discussion on the Commission on the Future of Higher Education (Spellings Commission)

Senator Hogan invited Dr. Charlene Nunley, Spellings Commission Member and former President of Montgomery College, to comment on her work on the Spellings Commission. Dr. Nunley explained that the Spelling Commission Chairman, Charles Miller, had accountability as his number one priority for higher education because he believed it was not accountable enough to the public. However, Dr. Nunley strongly felt that universal access should be the priority. Ultimately, access became the number one priority of the Spellings Commission. Dr. Nunley gave statistics regarding the access issue, such as 22% of college qualified low income students do not attend college compared to 4% of college qualified high income students who do not attend college. Dr. Nunley outlined several of the Spellings Commission’s recommendations such as: access recommendations, need-based financial aid, simplified federal financial aid system, consistency between higher education entrance requirements and high school graduation requirements, transfer of credits between two-year and four-year colleges, and the creation of a student unit record data system. Dr. Nunley stressed that sustained public investment in higher education is imperative. She also mentioned the “Thornton effect” where students are “all dressed up and have no where to go.” For further information, please see the presentation entitled “A Report of the Commission Appointed by Secretary of Education Margaret Spellings” and “Summary – The Value of Higher Education.”

President Mote asked if there was any real disconnect in the Spellings Report? Dr. Nunley answered that she wished the need for sustained public investment had been pushed more strongly. She also mentioned that it is very important to coordinate financial aid investment at the federal level.

Next, Senator Hogan invited Dr. William E. Kirwan, Chancellor of the University System of Maryland (USM), to respond to the Spellings Commission. Chancellor Kirwan discussed USM's alignment with the Spellings Commission in the areas of access and success, affordability, accountability, continuous improvement, life long learning, and competitiveness. He discussed several challenges facing USM such as demographics, enrollment demand, workforce preparation for the new economy, facilities, research capacity, and affordability. Chancellor Kirwan stated that the capital situation at USM is becoming a critical need and that it severely affects the access issue. Chancellor Kirwan pointed out that research at USM tripled in 10 years because of the new facilities that were built during that time. Chancellor Kirwan concluded his presentation with suggested outcomes for the Commission: operating budget funding model appropriate to educational and economic development mission (enrollment funding and quality), new capital budget funding strategies, robust donor incentive program and other alternative sources of revenue, and academic transformation – changing the higher education cost model. For further information, please see the presentation entitled “USM’s Commentary on the Spellings Report.”

Someone (?) asked how much money would be needed to close the gap between enrollment potential and USM capacity. Chancellor Kirwan said he would provide those figures.

Senator Dyson asked what other states are doing regarding capital funding for higher education. Chancellor Kirwan said that in North Carolina the private sector put forth a huge bond issue, Connecticut also did a new bond issue, and California has always funded enrollment growth.

Next, Senator Hogan invited Ms. Tina Bjarekull, President of the Maryland Independent College and University Association (MICUA), to respond to the Spellings Commission. Ms. Bjarekull stated that MICUA applauds the Spellings Commission for a number of things such as recognizing the importance of postsecondary education, not only to the individual but to our nation’s future competitiveness and emphasizing increased access for underserved students and underserved geographic regions. Ms. Bjarekull also mentioned several areas where the Spellings Commission criticizes the higher education system such as inadequate student learning, limited accountability, and student financial aid programs at the state, federal, and institutional levels that are confusing, complex, inefficient, and duplicative. Ms. Bjarekull then mentioned a series of recommendations of the Spellings Commission and gave examples of how MICUA is assisting in making those recommendations a reality. Some examples are: MICUA is helping to expand access by increasing full time undergraduate enrollment by 42% over 10 years and by increasing African-American student enrollment by 90% over the same 10 year period; and MICUA is helping to improve success because its member institutions have the highest graduation rates in the state and half of the MICUA institutions have eliminated the achievement gap between African-American students and the general population. Ms. Bjarekull concluded her presentation by addressing the concerns MICUA has with some of the Spellings Commission’s recommendations such as security concerns related to the creation of a student unit record data system and

recommendations that erode institutional autonomy and expand federal authority over the institutions. Ms. Bjarekull stated that many of the Spellings Commission's recommendations reflect a substantial change in federal policy and MICUA believes that many of the issues should be publicly addressed by Congress in the Reauthorization of the Higher Education Act. Ms. Bjarekull also talked briefly about Wicksell University, a fictitious university MICUA created to showcase MICUA statistics. For further information, please see the presentation entitled "A Test of Leadership – Presentation by the Maryland Independent College and University Association" and "Wicksell University."

Finally, Senator Hogan invited Mr. H. Clay Whitlow, the Executive Director of the Maryland Association of Community Colleges, to respond to the Spellings Commission. Mr. Whitlow said that Maryland is a state of contradictions because it is a very wealthy state but its graduation rates are middle of the road. He also talked about a newsletter written by Tom Mortensen where state effort in relation to state wealth was evaluated and Maryland ranks 41st in that category. Mr. Whitlow said that several states, including Virginia, Massachusetts, Florida, and Delaware, have looked at financial incentives for students to begin their higher education at community colleges because it is cheaper for the students and the state. Mr. Whitlow also suggested that higher education needs to do more with dual enrollment and secondary education must do more to increase the number of students who graduate prepared for college.

Senator Dyson expressed his concerns about the large numbers of students who need remediation and Chancellor Kirwan addressed his concerns by stating that there is a task force to look at better alignment between high school graduation requirements and college expectations.

Delegate Conway stated that one way to address capital issues would be to move to year round college classes or schedule classes for every day of the week. Chancellor Kirwan stated that Towson University is thinking about moving to a trimester system where students would be enrolled throughout the calendar year.

Delegate Conway stated that he liked the Wicksell University handout that MICUA provided and asked if USM had the same data available. Chancellor Kirwan responded that the data was provided during the budget hearings but it was not as easily readable as the Wicksell University format.

Mr. Shulman stated that Maryland is one of two states that provide contract education at community colleges and he is interested in knowing how community colleges have taken advantage of this benefit. It was suggested that the Maryland Association of Community Colleges could report on this at a future meeting.

Senator Dyson asked if this Commission will be holding public meetings. The discussion indicated that it was a possibility, maybe during the focused briefings in the fall.

Organizational Matters

Senator Hogan asked for the draft Commission schedule to be distributed to the members. The topics planned to be covered were briefly discussed. He also mentioned that some meetings may be held at various higher education institutions but that the majority of the meetings will be held in the Appropriations Committee hearing room. Senator Hogan asked that all Commission members review their contact information and make sure it is accurate. He explained that email addresses will be very helpful especially if upcoming presentors are able to distribute their presentations the Friday prior to a Monday meeting so that members can review the materials over the weekend. Senator Hogan also asked that Commission members RSVP before meetings and let staff know whether a designee will attend a meeting on behalf of a member. Senator Hogan asked Commission members to leave their binders for staff to collect following meetings. He directed members to the General Assembly's website where they can access all of the documents that are in the members' binders.

The meeting adjourned at approximately 12:50 p.m.