

MARYLAND HIGHER EDUCATION COMMISSION

MEETING BOOKLET

Time: 1:00 PM
October 26, 2016

Place: Maryland Higher Education Commission
7th Floor Board Room
6 N. Liberty Street
Baltimore, MD 21201

Maryland Higher Education Commission

Anwer Hasan, Chairman

Sandra L. Jimenez, Vice-Chair

Vivian S. Boyd

Joseph DeMattos, Jr.

John Holaday

Russell V. Kelley

Peri J. Kelsey, Student Commissioner

Ian MacFarlane

Donna M. Mitchell

Joel Packer

Rizwan A. Siddiqi

John W. Yaeger

James D. Fielder, Jr., Ph.D.
Secretary

Lawrence J. Hogan, Jr.
Governor

Boyd K. Rutherford
Lt. Governor



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 Governor

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 Lt. Governor

Anwer Hasan
 Chairperson

James D. Fielder, Jr., Ph. D.
 Secretary

Maryland Higher Education Commission Meeting Agenda

TIME: 1:00 p.m.-4:00 p.m.
 Wednesday
 October 26, 2016

PLACE: Maryland Higher Education Commission
 6 N. Liberty Street, 7th FL BR
 Baltimore, MD 21201

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Call to Order		
Commission Minutes Approval		
• September 22, 2016.....	1	*
Chairman’s and Secretary’s Remarks		
Faculty Advisory Council		
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Student Advisory Council		
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• FY 2018 Operating Budget Recommendations.....	13	*
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• Final Adoption on Regulations		
○ Amendments to Community Colleges under COMAR 13B.07.04 and COMAR 13B.07.05.....	63	*
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• Proposed Adoption on Regulations		
○ Advertising under COMAR 13B.01.01.03.....	69	*
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Adjournment		

Maryland Higher Education Commission

Regular Session
Meeting Minutes

September 22, 2016

9:30 a.m.

The Maryland Higher Education Commission (MHEC) met on Thursday, September 22, 2016 at 6 N. Liberty Street, 7th Floor Board Room, Baltimore, MD 21201.

Commission members present:

Anwer Hasan, Chairman	Joseph DeMattos, Jr.
John W. Yaeger, Ed.D	Russell V. Kelley, Ph.D
Ian D. MacFarlane	Vivian S. Boyd, Ph.D
Joel C. Packer	Rizwan A. Siddiqi
Donna M. Mitchell	Peri Kelsey

Commission members not present:

Sandra L. Jimenez, Vice Chairperson	
John W. Holaday, Ph.D	

Staff members present:

James D. Fielder, Jr. Ph.D	Dr. Emily Dow
Geoff Newman	Dr. Maria Tores
Jesse Kane	Mark Blom
Claudine Sexton	John Hain
Anthony Reiner	Trish Gordon-McCown
David Beard	Dr. Michael Kiphart
Monica Wheatley	Lee Towers
Alan Gallegos	Dr. Jon Enriquez
Dr. Barbara Schmertz	Christine Wellons
Alexia Van Orden	

Call to Order

The meeting was called to order by **Chairman Hasan** at approximately 9:38 am. A meeting quorum was established with ten out of twelve members present.

Approval of Minutes – Action Item

There was a motion by **Commissioner MacFarlane** and a second by **Commissioner Siddiqi** for approval of the June 16, 2016 meeting minutes. The motion was approved unanimously.

Chairman’s Remarks

Chairman Hasan welcomed and introduced two new commissioners - Dr. Russell Kelley and Peri Kelsey. Dr. Kelley and Ms. Kelsey provided the commission brief introductions.

Chairman Hasan announced **Commissioner Demattos** was named one of Maryland's 2016 Most Admired CEO's by *The Daily Record*. He recognized **Commissioner Demattos** for his contribution to the community and the state of Maryland.

Secretary's Remarks

Secretary Fielder welcomed and introduced several new staff members: Dr. Emily Dow, Assistant Secretary for Academic Affairs, Dr. Michael Kiphart, Director of Academic Affairs, and Ms. Priscilla Moore, Special Assistant to the Secretary.

Secretary Fielder updated the commission on ITT. **Secretary Fielder** reported ITT has announced closure. ITT filed for voluntary foreclosure last week. He reported MHEC is working to obtain student records. Student records have been secured from one location and staff are actively working with corporate counselors to obtain the rest.

Office of the Secretary – Commission Committee Updates –Information Item

Chairman Hasan requested brief updates from the commission committees. **Commissioner Demattos**, Chairperson of the Program Review Committee, provided a brief update to the commission. **Commissioner MacFarlane**, Chairperson of the Finance and Operations Committee, provided a brief update to the commission. **Commissioner Packer**, Chairperson of the Outreach, Grants, and Financial Assistance Committee, provided an update to the commission. **Chairman Hasan** thanked committee members for their participation in these committees.

Faculty Advisory Council – Information Item

Dr. Nayna Philipsen, Chair, reported the council met for the first time this academic year on Tuesday. She reported the council has developed four goals/workgroups: credit for prior learning, adjunct faculty, online learning vs face-to-face learning, and dual enrollment and articulation. Dr. Philipsen reported the council is looking forward working with Dr. Emily Dow and anticipates a productive year.

Student Advisory Council- Information Item

Mr. Jesse Kane reported the Student Advisory Council met on Saturday, September 17th for the first time this academic year. He reported leadership was elected with Mr. Brandon Carroll an Engineering Major at the University of Maryland has been named the Student Advisory Council Chair. Mr. Kane advised a schedule of future meetings will be provided to the commission.

Finance Policy and Operations Report

St. Mary's College of Maryland

Chip Jackson provided an overview of the institutions and programs. The presentation is available for review.

University System of Maryland

Joseph Vivona provided an overview of the institutions and programs. The presentation is available for review.

Morgan State University

Dr. David Wilson provided an overview of the institutions and programs. The presentation is available for review.

Maryland Independent College and University Association

Tina Bjarekull provided an overview of the institutions and programs. The presentation is available for review.

Maryland Association of Community Colleges

Brad Phillips provided an overview of the institutions and programs. The presentation is available for review.

Baltimore City Community College

Calvin Harris, Jr. provided an overview of the institutions and programs. The presentation is available for review.

Regional Higher Education Centers

Geoff Newman provided an overview of the institutions and programs. The presentation is available for review.

Department of Finance and Administration - Proposed Adoption on Regulations - Fee Waivers for Victims of Human Trafficking under COMAR 13B.07.02.07- Action Item

Chairman Hasan recognized Geoffrey Newman. Mr. Newman reported that the proposed regulations would allow a community college to adopt a written policy that would exempt certain human trafficking victims from paying normally applicable out-of-county fees.

Commissioner MacFarlane motioned that the Commission approves for publication the attached regulations regarding fee waivers for victims of human trafficking, and authorizes MHEC's attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents. **Commissioner Packer** seconded the motion. The motion was approved unanimously.

Department of Academic Affairs (PRC) Report - Academic Program Actions Quarterly Report (April 1st to June 30th)

Chairman Hasan recognized Monica Wheatley. Ms. Wheatley provided an overview of the Secretary's 2nd quarter actions concerning degree programs, certificate programs, area

of concentration, out-of-state institutions, proposals withdrawn, programs denied, proposals discontinued/suspended, and partnerships.

Department of Academic Affairs (PRC) Report - Private Career School Actions Quarterly Report (April 1st to June 30th)

Chairman Hasan recognized Alan Gallegos . Mr. Gallegos provided an overview of the Secretary's 2nd quarter actions concerning approval of new schools, new programs reviewed and approved, approval of changes of location, approval of name change, approval of change of ownership, approval of separate classrooms, other business, certificate renewals, other approvals, cease and desist orders, notices of deficiencies, program approval withdrawn, and school approval withdrawn.

Department of Academic Affairs – Final Adoption on Regulations – Fully Online Programs under COMAR 13B.05.01.11 – Action Item

Chairman Hasan recognized Christine M. H. Wellons. Ms. Wellons reported that the Commission already approved the publication of the proposed regulations. Ms. Wellons further reported there were no public comments were received. The amendment would alter the threshold at which an online institution registered with the Commission (as distinct from an institutuion “operating in Maryland” that must receive a Certificate of Approval from the Commission) is required to report to the Commission regarding the number of its student field placements within the State.

Commissioner Siddiqi motioned that the Commission approves for final adoption and publication in the Maryland Register the attached regulations regarding fully online programs, and authorizes MHEC's attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of the Division of State Documents. **Commissioner Boyd** seconded the motion. The motion was approved unanimously.

Department of Research and Policy Analysis – Proposed Adoption on Regulations – Modification of Fully Online Institutions Registration Procedure under COMAR 13B.05.01.06 – Action Item

This item was deferred for action to the October 26, 2016 Commission meeting.

Department of Research and Policy Analysis – Retention and Graduation Rates at Maryland Four-Year Institutions– Information Item

Chairman Hasan recognized Dr. Jon Enriquez. Dr. Enriquez provided and overview on the retention and graduation rates of first-time, full-time undergraduate students who initially enroll at public four-year colleges and universities in the state of Maryland.

Department of Research and Policy Analysis – Retention, Graduation, and Transfer Rates at Maryland Community Colleges – Information Item

Chairman Hasan recognized Alexia Van Orden. Ms. Van Orden retention, graduation, and transfer rates of first-time, full-time students entering Maryland community colleges between 1993 to 2013.

Department of Research and Policy Analysis – Report on Unmet Need and Student Success at Maryland Public Four-Year Institutions

Chairman Hasan recognized Dr. Barbara Schmertz. Dr. Schmertz provided an overview on unmet need and student success at Maryland Public Four-Year institutions by providing data on six-year graduation rates for students in the original 2008 entering cohort.

Adjournment

The meeting adjourned at approximately 2:33 p.m.



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph.D.
Secretary

MEMORANDUM

DATE: October 27, 2016

TO: Maryland Higher Education Commission

FROM: Dr. Naya Philipsen, Chair, Faculty Advisory Council
Dr. Emily Dow, Assistant Secretary & MHEC Faculty Advisory Council liaison

SUBJECT: Proposed Approval of Amendments to By-Laws

This memorandum requests approval to two amendments to the Faculty Advisory Council By-Laws. The amendments were discussed and approved in September 2013 by the Faculty Advisory Council, but never went before the Commission.

The first amendment changes the composition of the council from 22 members to 21 full-time faculty members by removing University of Maryland Biotechnology Institute from University System of Maryland representation.

The second amendment clarifies the attendance and participation expectations for members of the Faculty Advisory Council. If a member is absent from three consecutive meetings, the member will be contacted and, if appropriate, a new appointment will be considered.

RECOMMENDATION: It is recommended that the Commission approve the attached Faculty Advisory Council by-law changes regarding Council membership.

Faculty Advisory Council

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BY-LAWS

ARTICLE I – NAME

The name of this Council is the **Faculty Advisory Council to the Maryland Higher Education Commission**. The Council is established in accordance with Section 11-106 of the Annotated Code of Maryland.

ARTICLE II – Functions of the FACULTY ADVISORY COUNCIL

The Council Shall:

- A. Advise the Commission and the Secretary of Higher Education in the development and implementation of policies affecting higher education in Maryland;
- B. Advise the Commission and the Secretary of Higher Education on matters of concern to faculty in Maryland

The Commission shall provide in a timely manner the information and materials necessary for the Council to carry out its advisory function

ARTICLE III – OFFICERS

Officers of the Council shall be the Chair, Vice Chair, and Recording Secretary. Officers shall be elected annually in May. The term of office is one year. Their duties shall be as follows:

- A. The Chair:
 1. To convene Council meetings,
 2. To conduct all meetings of the Council,
 3. To work closely with the office of the Secretary of Higher Education to facilitate a meaningful advisement role for the Council,
 4. To represent the opinions of the Council to the Commission and the Secretary of Higher Education,
 5. To designate Council representatives to attend meetings of Commission committees or task forces.
 6. To designate a Webmaster who shall maintain the official FAC website, linked to the official MHEC site, and containing, at a minimum, the following:
 - a. Current membership list and contact information
 - b. Approved minutes of all meetings
 - c. Meeting agendas
 - d. Materials relevant to current Council activity

B. The Vice Chair:

1. To assume the duties of the Chair in his or her absence
2. To assist the Chair in the fulfillment of his or her duties

C. The Recording Secretary:

1. Maintain attendance records
2. Record, and distribute minutes of each meeting
3. Provide revised electronic copies to the Webmaster for posting on the FAC website

ARTICLE IV -- OTHER COMMITTEES

The Council may establish any other committees or task forces that are necessary to carry out Council responsibilities. Each committee shall be chaired by a Council member. Faculty not on the Council may serve as member of such committees or task forces.

ARTICLE V -- MEMBERSHIP

Members shall serve terms of three (3) years provided employment is maintained. New members shall take office in June of each year. Terms shall be staggered so that each year the Council will have a turn-over of approximately one-third. The official list of active members shall be maintained by the Maryland Higher Education Commission.

A. The Council shall be composed of **twenty-two (22)*** full-time faculty members who shall be appointed by the commission in accord with the following system: [*\[see Amendment 1: Article V: Membership\]](#)

1. The University System of Maryland
 - a. There shall be nine (9) members representing the University System of Maryland
 - b. When a vacancy occurs for the University System of Maryland, the Secretary of Higher Education shall request the Chancellor of the System to submit a nominee selected by the appropriate faculty group as indicated below. The Chair of the Council of University System Faculty (CUSF) for the University System of Maryland and other current members of this Council who represent the University System of Maryland shall encourage faculty bodies on the affected campuses to select nominees in a timely manner.
 - c. The remainder of an unfulfilled term shall be completed by a representative of the campus or organization of the last incumbent and shall be selected by the faculty senate or equivalent body of that campus or organization
 - d. Membership shall be comprised of one (1) representative from each of the following units:
 - i. University of Maryland, College Park (UMCP)
 - ii. University of Maryland, Baltimore (UMB)
 - iii. University of Maryland Baltimore County (UMBC)
 - iv. Bowie State University (BSU) and the University of Maryland, Eastern Shore (UMES)
 - v. Frostburg State University (FSU) and Salisbury University (SU)
 - vi. Towson University (TU)
 - vii. Coppin State University (CSU) and the University of Baltimore (UB)

viii. University of Maryland University College (UMUC) and the University of Maryland Center for Environmental Studies (UMCES)

ix. A representative of the Council of University System Faculty (CUSF)

2. Community Colleges

- a. There shall be six (6) members representing the community colleges.
- b. When a vacancy occurs for the community colleges, the Secretary shall request the Executive Director of the Maryland Association of Community Colleges (MACC) to submit a nominee elected by the members of the community college faculties whom the incumbent represented
 - i. If only one name is submitted from the community colleges in one of the groups shown below, that individual shall be the group's nominee
 - ii. If more than one name is submitted from the community colleges in one of the groups shown below, one or two members of the Executive Committee whose terms are not affected by the current election will be appointed to assist the MACC staff in distributing election information and ballots to the affected campuses and tallying the results.
- c. The remainder of an unfulfilled term shall be completed by a representative of the campus of the last incumbent and shall be selected by the faculty senate or equivalent body of that campus
- d. Membership shall be comprised of two (2) representatives each of the following three groups of community colleges. No two members shall be from the same institution.
 - i. The Baltimore metropolitan area, comprising Baltimore City Community College, The Community College of Baltimore County, and Anne Arundel Community College.
 - ii. The Washington, D.C. metropolitan area, comprising Montgomery College, Prince George's Community College, and Howard Community College.
 - iii. The non-metropolitan area community colleges, comprising Allegany, Carroll, Cecil, Charles (College of Southern Maryland), Chesapeake, Frederick, Garrett, Hagerstown, Harford, and Wor-Wic community colleges.

3. Independent Colleges and Universities

- a. There shall be four (4) members representing the Independent Colleges and Universities. No two members shall be from the same institution.
- b. When a vacancy occurs, the Secretary shall request the president of the Maryland Independent Colleges and Universities Association to submit a nominee selected by the faculty of one of the Association's member institutions.
- c. Membership shall rotate among the independent colleges and universities in a manner established by the Association
- d. The remainder of an unfulfilled term shall be completed by a representative selected by the faculty of one of the Association's member institutions and nominated by the president of the Maryland Independent Colleges and Universities Association.

4. Morgan State University

- a. There shall be one (1) member representing Morgan State University
- b. When a vacancy occurs, the Secretary shall request the president of Morgan State University to submit a nominee selected by the Morgan State University Council

- c. The remainder of an unfulfilled term shall be completed by a representative selected by the Morgan State University Council
 - 5. St. Mary's College of Maryland
 - a. There shall be one (1) member representing St. Mary's College of Maryland
 - b. When a vacancy occurs, the Secretary shall request the president of St. Mary's College to submit a nominee selected by the St. Mary's College Faculty Senate
 - c. The remainder of an unfulfilled term shall be completed by a representative selected by the St. Mary's College Faculty Senate
- B. Part-time and full-time temporary
- 1. There shall be four (4) members representing part-time faculty members. One faculty member shall be employed by the University System of Maryland, one employed by an institution that is a member of the Maryland Independent Colleges and Universities Association, and two employed by Maryland Community Colleges
 - 2. When a vacancy exists the Secretary shall request nominations from the Chancellor of the University System of Maryland, the Executive Director of the Maryland Independent Colleges and Universities Association, and the Executive Director of the Maryland Association of Community Colleges. If one or more segments are unable to fill a vacancy that position may be filled by one of the remaining segments.
- C. For-profit Colleges and Universities and Private Career Schools
- 1. For-profit colleges and universities:
 - a. There shall be one (1) member representing the for-profit colleges and universities
 - b. When a vacancy occurs, the Secretary of Higher Education shall request the CEOs of the State's For-profit colleges and universities to submit nominees. In the event that there are multiple nominations the Secretary of Higher Education will select the representative.
 - c. The remainder of an unfulfilled term shall be completed by a representative selected in accordance with procedures established above.
 - 2. Private career schools:
 - a. There shall be one (1) member representing the private career schools
 - b. When a vacancy occurs, the Secretary of Higher Education shall request the president of the Maryland Association of Private Career Schools to submit a nominee in accordance with procedures established by the Association.
 - c. The remainder of an unfulfilled term shall be completed by a representative selected in accordance with procedures established by the Association

ARTICLE VI -- MEETINGS

Regularly scheduled monthly meetings shall be held. The quorum for a meeting shall consist of eleven (11) members. Any action of a majority of a quorum shall be an act of the Council. However, in absence of a quorum, those present may take action on provisional basis, which measures may be raised for consideration by any member at the next meeting of the Council.

[\[See Amendment 2: Attendance\]](#)

Only members present shall be permitted to vote. There will be no provision for absentee or proxy voting.

The agenda shall be determined by the Chair and shall be distributed to members one week prior to the date of the meeting.

Minutes shall be kept of all Council meetings. Once approved, minutes will be posted on the Council website.

ARTICLE VII -- AMENDMENTS

The by-laws may be amended by a majority of the membership. Any proposed amendment to the by-laws must be voted on for adoption at a regular meeting subsequent to the one where it was introduced. The by-laws will be automatically amended to reflect changes in institutional names.

Amendment 1: Article V: Membership (approved 17 September 2013, effective this date):

- A. *The Council shall be composed of **twenty-one (21)** full-time faculty members who shall be appointed by the Commission in accord with the following system...*

*The "system" referred to shall remain as written in the current by-laws, with one exception: the University of Maryland Biotechnology Institute – UMBI—will be deleted from Article V, part A, paragraph 1 (University System of Maryland), section *d.viii*.

Amendment 2: Article VI: Meetings -- Attendance (approved 17 September 2013, effective this date):

Attendance at all meetings is expected. Upon the absence of an FAC representative at three consecutive regular meetings of the Faculty Advisory Council, the FAC Recording Secretary shall notify the FAC representative for an explanation and to determine if the Representative in question should be replaced on the Council for the remainder of his/her term. Subsequently, the MHEC Liaison to the -FAC will be notified and, if appropriate, a replacement shall be selected according to the appointment process currently in place for each higher education segment outlined in the **FAC-MHEC By-Laws**: "Article V- Membership. The Replacement Representative shall serve the remainder of the three-year term as specified therein.

Approved September 17, 2013

Comments or questions?

Contact Richard J. Siciliano, Webmaster to the Faculty Advisory Council and Professor of English, College of Southern Maryland: richs@csmd.edu

<http://www.fac-mhec.csmd.edu>

updated: Oct. 15, 2013 (Institutional name change: Sept. 16, 2013)



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr. Ph.D.
Secretary

MEMORANDUM

DATE: October 26, 2016
TO: Maryland Higher Education Commission
FROM: Geoffrey Newman, Assistant Secretary for Finance and Administration
SUBJECT: FY 2018 Higher Education State Operating Budget Recommendations

The Maryland Higher Education Commission is charged with submitting to the Governor and the General Assembly a consolidated operating budget for higher education. The consolidated budget is to include a recommendation regarding the appropriate level of funding for higher education in order to achieve the goals established in the *2013 - 2017 Maryland State Plan for Postsecondary Education ~ Maryland Ready*. According to Section 11-105(i) of the Annotated Code, the Commission may comment only on the funding priority of an institution as a whole and may not recommend against a budget item approved by the University System of Maryland Board of Regents and the Morgan State University Board of Regents unless the item is clearly inconsistent with the *Maryland Ready*.

For the fiscal 2018 budget, Commission staff requested that the segments of higher education consider how their fiscal 2017 operating budgets will help address the following goals identified in the *Maryland Ready*:

- **Goal 1 *Quality and Effectiveness*:** Maryland will enhance the quality of its postsecondary education institutions and programs, which are recognized nationally and internationally for academic excellence, and increase its effectiveness in fulfilling the evolving educational needs of its students and the state;
- **Goal 2 *Access, Affordability, and Completion*:** Maryland will achieve a system of postsecondary education that advances the educational goals of all by promoting and supporting access, affordability, and completion;
- **Goal 3 *Diversity*:** Maryland will ensure equitable opportunity for academic success and cultural competency for Maryland's population;
- **Goal 4 *Innovation*:** Maryland will seek to be a national leader in the exploration, development and implementation of creative and diverse education and training opportunities that will align with State goals, increase student engagement and improve learning outcomes and completion rates;

- **Goal 5 Economic Growth and Vitality:** Maryland will stimulate economic growth, innovation, and vitality by supporting a knowledge-based economy, especially through increasing education and training and promoting the advancement and commercialization of research; and
- **Goal 6 Data Use and Distribution:** Maryland will create and support an open and collaborative environment of quality data use and distribution that promotes constructive communication, effective policy analysis, informed decision-making, and achievement of State goals.

In addition, the Commission requested that the segments provide information on how their fiscal 2018 budget requests would help progress the State toward the Maryland Completion Goal that, by 2025, at least 55 percent of the State’s residents aged 25-64 will hold at least an associate’s degree.

Higher Education Funding

State funding for higher education in fiscal 2017 continued the policy of providing funds to higher education to help Maryland make progress in several areas consistent with State goals for postsecondary education. This was accomplished despite the State’s continued economic challenges from the prior six fiscal years. The Governor and General Assembly continued the policy of placing a priority on education through continued State support of higher education.

This memorandum has been provided to provide perspective to the funding in fiscal 2016 and to help set the priorities for funding in fiscal 2018 within the framework of the priorities mentioned above.

State Higher Education Funding for Fiscal 2017

The State provided over \$1.99 billion in State funds to higher education in fiscal 2017. These funds were appropriated among the three major segments of postsecondary education, i.e. public four-year colleges and universities, community colleges and private four-year colleges and universities. Funding was also provided to the Maryland Higher Education Commission (MHEC) for its role in coordinating and overseeing higher education on behalf of the State and for the administration of State student financial assistance programs, funding to community colleges and the independent private four-year institutions and special grants.

Table 1 provides the level of State funding to each segment as well as a chart showing the allocation of State funds appropriated to each segment. Funding to the public four-year institutions represents almost 74 percent of the funds provided to higher education. Funding to community colleges is approximately 18 percent, while funding to nonprofit independent higher education institutions in the Sellinger program represents 2.6 percent.

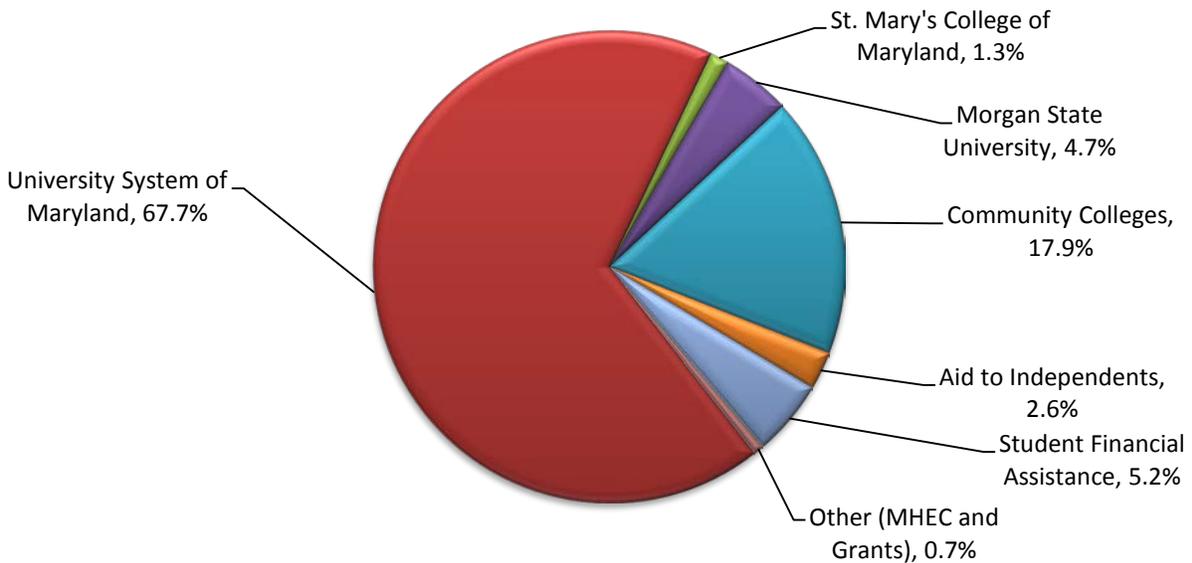
State funding for programs of student financial assistance administered by the Office of Student Financial Assistance at MHEC is 5.2 percent of total funding for higher education, while funding for State grants and pass-thru funding (0.44%) and the administration of the Higher Education Commission (0.27%) is the remaining 0.7 percent of the total.

Table 1:

**Maryland Higher Education State Funds
FY 2017**

Segment	State Funds	Percent of Total
University System of Maryland	\$ 1,344,106,984	67.7%
St. Mary's College of Maryland	25,159,549	1.3%
Morgan State University	92,551,602	4.7%
Community Colleges	355,149,458	17.9%
Aid to Independents	50,812,437	2.6%
Student Financial Assistance	103,143,000	5.2%
Other (MHEC and Grants)	14,129,791	0.7%
Higher Education Total	\$ 1,985,052,821	100.0%

Allocation of State Funds: FY 2017



Goals Supported by State Funds

Maryland Ready Goal 1: Quality and Effectiveness: Maryland will enhance the quality of its postsecondary education institutions and programs, which are recognized nationally and internationally for academic excellence, and increase its effectiveness in fulfilling the evolving educational needs of its students and the state.

In fiscal 2017, Maryland is able to continue to provide quality higher education at all levels and in all sectors of higher education. The State has supported and maintained a balance among 13 public four-year colleges and universities, 16 public community colleges, 13 private nonprofit four-year colleges and universities and 8 regional higher education centers to which the State provides funds. In addition, the State has 22 private colleges and universities and 176 private career schools that do not receive direct State funding.

These institutions have a wide array of missions, including specialty institutions in health sciences; very large research institutions; to two-year institutions awarding associate's degrees, certificates and the opportunity for students to transfer on to four-year institution to complete their baccalaureate degrees. In addition, the regional higher education centers provide opportunities to receive undergraduate or graduate degrees within proximity to students' residences or workplaces. The following table provides the name and Carnegie Classification for each institution receiving State funds.

State Funded Maryland Institutions of Higher Education

Institution	Carnegie Classification
Public Four-year Institutions	
Bowie State University	Master's Colleges & Universities: Larger Programs
Coppin State University	Master's Colleges and Universities: Small Programs
Frostburg State University	Master's Colleges and Universities: Larger Programs
Morgan State University	Doctoral Universities: Moderate Research Activity
Saint Mary's College of Maryland	Baccalaureate Colleges: Arts & Sciences Focus
Salisbury University	Master's Colleges & Universities: Larger Programs
Towson University	Master's Colleges & Universities: Larger Programs
University of Baltimore	Master's Colleges & Universities: Larger Programs
University of Maryland Baltimore	Special Focus Four-Year: Medical Schools & Centers
University of Maryland Baltimore County	Doctoral Universities: Higher Research Activity
University of Maryland Center for Environmental Science	Not Applicable - Research Institute
University of Maryland College Park	Doctoral Universities: Highest Research Activity
University of Maryland Eastern Shore	Doctoral Universities: Moderate Research Activity
University of Maryland University College	Master's Colleges & Universities: Larger Programs
Community Colleges	
Allegheny College	Associate's Colleges: Mixed Transfer/Vocational & Technical-High
Anne Arundel Community College	Associate's Colleges: High Transfer-Mixed Traditional/Nontradition
Baltimore City Community College	Associate's Colleges: High Transfer-Mixed Traditional/Nontradition
Community College of Baltimore County	Associate's Colleges: High Transfer-High Traditional
Carroll Community College	Associate's Colleges: High Transfer-High Traditional
Cecil College	Associate's Colleges: High Transfer-High Traditional
Chesapeake College	Associate's Colleges: High Transfer-High Traditional
College of Southern Maryland	Associate's Colleges: High Transfer-High Traditional
Frederick Community College	Associate's Colleges: High Transfer-High Traditional
Garrett College	Associate's Colleges: High Transfer-High Traditional
Hagerstown Community College	Associate's Colleges: Mixed Transfer/Vocational & Technical-Mixed
Harford Community College	Associate's Colleges: High Transfer-High Traditional
Howard Community College	Associate's Colleges: High Transfer-High Traditional
Montgomery College	Associate's Colleges: High Transfer-Mixed Traditional/Nontradition
Prince George's Community College	Associate's Colleges: High Transfer-High Traditional
Wor-Wic Community College	Associate's Colleges: High Transfer-High Traditional
Sellinger Eligible Independent Institutions	
Capitol Technology University (formerly Capitol College)	Special Focus Four-Year: Engineering Schools
Goucher College	Baccalaureate Colleges: Arts & Sciences Focus
Hood College	Master's Colleges & Universities: Larger Programs
Johns Hopkins University	Doctoral Universities: Highest Research Activity
Loyola University Maryland	Master's Colleges & Universities: Larger Programs
Maryland Institute College of Art	Special Focus Four-Year: Arts, Music & Design Schools
McDaniel College	Baccalaureate Colleges: Arts & Sciences Focus
Mount St. Mary's University	Master's Colleges & Universities: Medium Programs
Notre Dame of Maryland University	Master's Colleges & Universities: Larger Programs
St. John's College	Baccalaureate Colleges: Arts & Sciences Focus
Stevenson University	Master's Colleges & Universities: Medium Programs
Washington Adventist University	Master's Colleges & Universities: Medium Programs
Washington College	Baccalaureate Colleges: Arts & Sciences Focus

MARYLAND HIGHER EDUCATION COMMISSION

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State Fund Allocations

The University System of Maryland's and Morgan State University's operating budget requests are compared in relation to the operating funding guidelines. Funding and performance of each Maryland institution is compared to a set of peer institutions from Competitor States (CA, MA, MN, NC, NJ, NY, OH, PA, VA, & WA) that have similar profiles as the Maryland institutions according to the Carnegie Classification system. The guidelines are used to inform the budget process with respect to funding levels and allocations and do not represent a request for an appropriation.

As shown below, budget decisions for fiscal 2017 resulted in overall funding guideline attainment of 74.0 percent. The attainment levels run from a low of 26 percent at the University of Maryland University College to a high of 137 percent for Coppin State University.

Maryland Higher Education Commission FY 2017 Funding Guidelines

Institution	FY 2017 Funding Guideline	FY 2017 State Funds Allowance	Estimated Attainment
Bowie State University	\$ 51,438,062	\$ 43,931,255	85%
Coppin State University	34,089,297	46,672,062	137%
Frostburg State University	49,624,805	41,497,121	84%
Salisbury University	70,309,875	51,857,269	74%
Towson University	174,149,404	118,599,060	68%
University of Baltimore	59,759,058	37,517,677	63%
UM, Baltimore	321,677,932	227,354,952	71%
UM Baltimore County	195,174,642	118,852,967	61%
UM Center for Env. Science	29,690,005	23,114,037	78%
UM, College Park	638,771,488	521,030,633	82%
UM Eastern Shore	52,444,056	40,636,604	77%
UM University College ¹	161,417,572	41,913,868	26%
USM Office		31,129,479	
USM Total	1,838,546,196	1,344,106,984	73%
Morgan State University	96,794,123	92,551,602	96%
Total	\$ 1,935,340,319	\$ 1,436,658,586	74%

State funding to St. Mary's College, community colleges and independent institutions is provided in formulas designated for each segment. Over the past several years, constraints caused by reduced revenue and the structural deficit in the State budget had resulted in the passage of annual Budget Reconciliation and Financing (BRFA) legislation in order to override funding mandates. In fiscal 2017, the Governor and General Assembly did not introduce and pass a BRFA to make adjustments to the State budget. As a result, the higher education formula-funded segments were funded as mandated by the law passed in fiscal 2016.

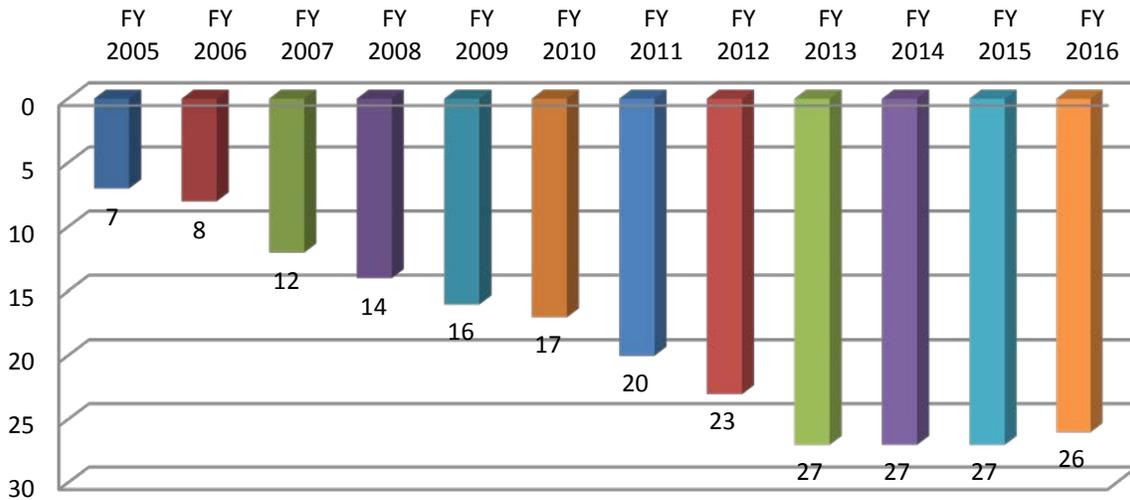
In fiscal 2017, St. Mary's College of Maryland received an appropriation of \$24.0 million. Not only did the college receive its formula increase, but, in addition, the college received \$1.13 million in State funds to allow the college to upgrade their information technology infrastructure. As a result, the college received almost \$25.2 million in State funds for fiscal 2017.

The local community colleges received \$314.3 million through Cade Aid, additional grants and retirement funding, an increase of \$18.2 million over the funding for fiscal 2016. The independent institutions received \$50.8 million through the Sellinger program, an increase of almost \$8 million funding for fiscal 2016.

Maryland Ready Goal 2: Access, Affordability, and Completion: Maryland will achieve a system of postsecondary education that advances the educational goals of all by promoting and supporting access, affordability, and completion.

Over the past five years, Maryland has provided State fund support to public four-year institutions to control the increase in resident undergraduate tuition and make college more affordable for Maryland citizens. According to the annual report, *Trends in College Pricing*, from the College Board, since fiscal 2005, Maryland has moved from being the 7th most expensive state for resident undergraduate students, at \$6,770, to the 27th most expensive state, at \$8,682, in fiscal 2015. In fiscal 2016, the policy of "buying down" tuition levels was stopped, and tuition levels were allowed to increase at a rate greater than those that had been allowed in the prior eight years. As a result, Maryland's rank for the 2016 fiscal year is now 26th nationally. Governor Hogan provided funds again in fiscal 2017 to limit resident tuition increases to 2 percent, and we will be able to see what level Maryland ranks when the 2016 Trends in College Pricing Report is released in November.

Resident Undergraduate Tuition and Fees at Public Four-year Colleges and Universities Maryland National Ranking



Prior to fiscal 2012, community colleges did not receive funding to control tuition. Between fiscal 2006 and 2011, average tuition and fees for county residents at Maryland community colleges rose by an average annual rate of 3.0 percent, but the increase from fiscal 2010 to 2011 was 5.1 percent. In fiscal 2012, \$5 million in restricted funding was appropriated for community colleges for the specific purpose of limiting increases in in-county tuition. In fiscal 2013, the \$5 million was appropriated into the base State funding to the colleges. In fiscal 2014 and 2015, the colleges were funded according to the BRFA-revised Cade formula. As a result, between fiscal 2005 and 2015, Maryland community colleges moved from being the 8th most expensive colleges to 20th in fiscal 2015 and to 19th in fiscal 2016 nationally.

Independent higher education institutions did not receive funding to control tuition. The independent institutions receive \$41.4 million through the Sellinger program in fiscal 2015. Funding for the independent institutions reached a high of \$56 million in fiscal 2008. During the past few years, the institutions have raised tuition to offset the effects of lower State funding and endowment investment returns. As a result, between 2005 and 2015, Maryland independent institutions have remained some of the highest priced in the country, ranking being the 6th and 5th most expensive, respectively. Data was not available to provide the level for fiscal 2016.

Financial Aid

The Commission received \$104.6 million in general fund and special fund support for student financial assistance in fiscal 2017. This was an increase of \$1.7 million, or 1.6 percent, from fiscal 2016.

While funding of State financial aid programs has reached an overall level of \$103 million over the past five years, the State need-based financial aid has not been able to keep up with the increasing demand for financial assistance.

Educational Excellence Award Program	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	2011-2017 % Change
EEA Appropriations	75,933,546	75,124,624	82,896,170	90,963,593	80,008,868	80,009,603	81,117,525	6.8%
(Original) EEA Appropriation	75,121,000	75,125,000	72,335,000	80,963,593	79,832,243	78,345,525	80,011,525	6.5%
GA - Total Recipients	1,282	1,463	1,316	1,408	1,492	1,477	1,500	17.0%
GA - Total Award Amounts	12,626,990	15,225,450	14,936,100	16,324,978	18,157,050	19,226,750	19,800,000	56.8%
GA - Average Award Amount	9,849	10,407	11,350	11,594	12,216	13,017	13,200	34.0%
Campus-Based EAG Award Amounts	2,000,000	2,000,000	2,000,000	2,000,000	1,870,850	1,975,250	2,000,000	0.0%
Remaining Funds for EA	60,494,010	57,899,550	55,398,900	62,638,615	59,596,525	58,509,603	59,317,525	-1.9%
EA - Total Applicants (On-time FAFSAs)	117,447	134,305	139,983	134,669	131,696	131,232	121,168	3.2%
EA - Total Recipients	25,581	25,420	25,697	33,860	28,526	24,377	26,500	3.6%
EA - Total Award Amounts	54,977,449	52,408,175	54,203,850	72,351,900	61,096,800	53,952,240	59,317,525	7.9%
EA - Average Award Amount	2,149	2,062	2,109	2,137	2,142	2,213	2,238	4.2%
Initial EFC Awarded (EA Only)	2,500	1,125	1,000	2,164	800	-	2,000	-20.0%
Final EFC Awarded (EA Only)**	5,516	1,500	3,750	10,709	2,610	2,000	2,000	-63.7%
Waitlist as of May 1 (EA Only)	18,504	31,000	35,795	26,718	27,595	21,440	22,149	19.7%
Waitlist as of End of Year (EA Only)	14,103	28,928	16,397	10,180	22,072	19,064	22,149	57.1%
Amount to Fund Initial Waitlist (EA Only)	\$ 39,767,903	\$ 63,912,409	\$ 75,504,020	\$ 57,090,906	\$ 59,102,790	\$ 46,627,450	\$ 54,820,850	

* Fiscal 2017 figures are as of October 7, 2016

FAFSA: Free Application for Federal Student Aid
 GA: Guaranteed Access Grant
 EA: Educational Assistance Grant

Source: Maryland Higher Education Commission, Office of Student Financial Assistance

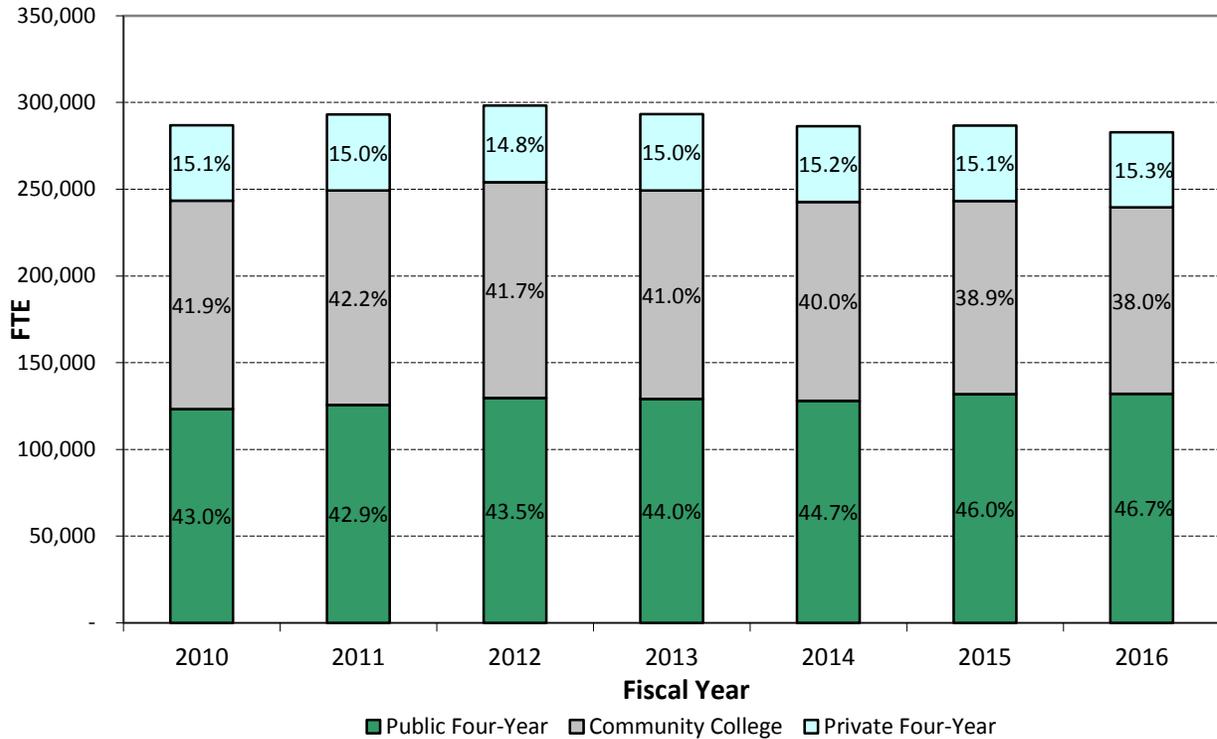
As has been discussed each year, while appropriations for State financial assistance programs have remained steady, demand for assistance has not. Financial aid applications for Maryland students increased from 103,765 in fiscal 2010 to a peak of almost 140,000 in fiscal 2013. Applications have adjusted downward gradually to a level of 121,168 for fiscal 2017. A comparable increase also occurred in the number of needy students having to be placed on the waitlist. Because of the increase in applications of needy students, the number eligible students being placed on the waitlist as of May 1 jumped from 11,333 in fiscal 2010 to almost 36,000 in fiscal 2013, with 22,149 on the waitlist for fiscal 2017. In addition, the average award to those students receiving aid from the program had dropped from \$2,149 in fiscal 2011, but has risen each year to \$2,238 for fiscal 2017.

At the same time, awards of assistance have been limited to students with lower Expected Family Contributions (EFC) each year, moving from \$5,000 in fiscal 2010 to only \$800 in fiscal 2015. The level is \$2,000 for fiscal 2017.

Enrollment

Total student enrollment peaked at 298,820 FTES in 2012, since then demographic changes and an improving economy have meant that over the past five years, enrollment at Maryland colleges and universities has actually decreased from 290,165 in fiscal 2011 to 281,617 in fiscal 2015, a decrease of 2.9%.

**Enrollment by Segment of Higher Education
2010-2016**

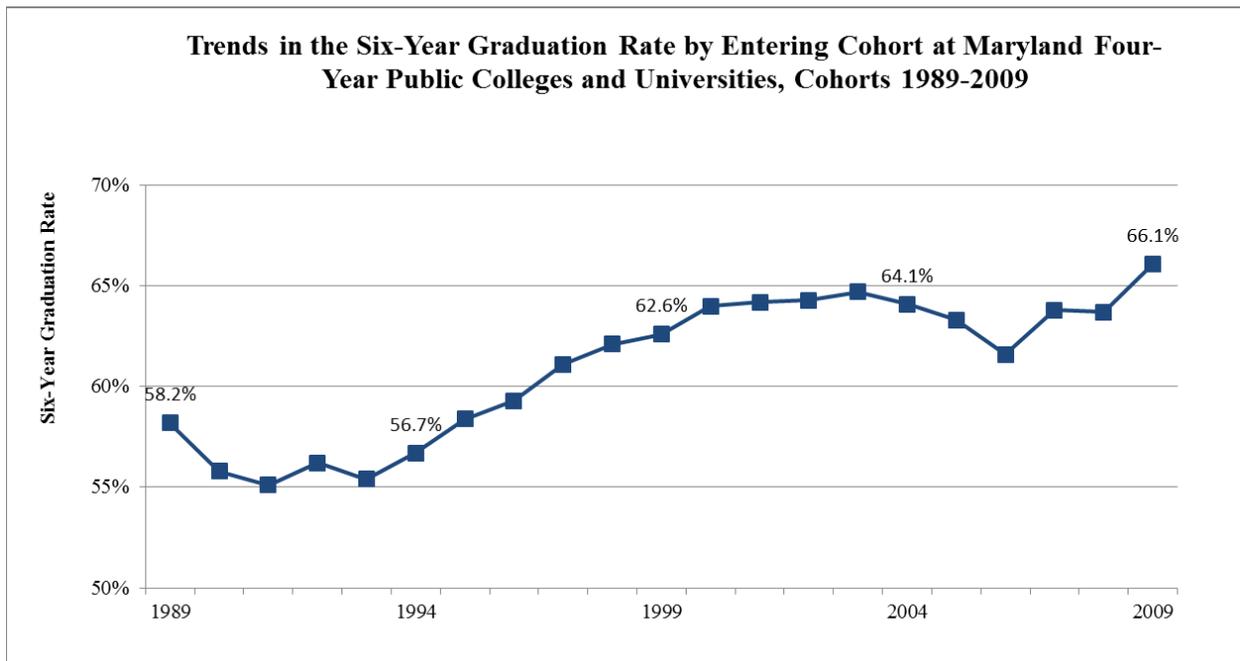


Total FTE student enrollment among the segments grew from 282,927 FTES in 2009 to 282,822 FTES in 2016. Enrollment at the community colleges has moved from 120,118 in 2010 to 107,411 following the burst of enrollment in the colleges following the 2008 recession. Public four-year institutional enrollment has moved from 123,324 in 2010 to 132,054 in 2016 as we’ve seen high school enrollment and graduation levels begin to increase again following the drop off after the “Baby-Boom Echo.” Enrollment at private four-year institutions has remained remarkably steady, from 43,457 in 2010 to 43,357 in 2016.

Completion

Maryland Ready states that access and affordability alone are insufficient to ensure that Marylanders fully enjoy the benefits of postsecondary education; academic success leading to credential completion is a necessary component to ensure that the State postsecondary system is meeting *Maryland Ready* and Completion goals.

In the most recent reports on retention and graduation at Maryland four-year institutions and community colleges, the six year graduation rate for all students at the public four-year institutions was 66.1 percent for the 2009 Cohort. This is the highest 6-year graduation level recorded for Maryland public four-year institutions. The four year transfer rate for all students at community colleges was 24.9 percent for the 2011 cohort, and the graduation rate was 9.0 percent. These rates have fluctuated from those levels to a high of 27.1 and 9.4 percent for the 2007 cohort, but have shown an upward trajectory since the 2009 cohort. Those numbers are again approaching the combined graduation and transfer rate of the 2000 cohort of 34.0 percent, with both the 2010 and 2011 cohorts recording 33.9 percent levels. Over the past 10 years enormous success has been made at 2nd year retention, which has improved from a low of 78.5 percent for the 2007 cohort to a high of 85.1 percent for the 2013 cohort and 83.8 percent for the 2014 cohort. This success in 2nd year retention is likely to help fuel increases in graduation and transfer rates for currently enrolled cohorts.



Second-Year Retention Rates by Entering Cohort at Maryland Four-Year Public Colleges and Universities, Cohorts 1994-2014

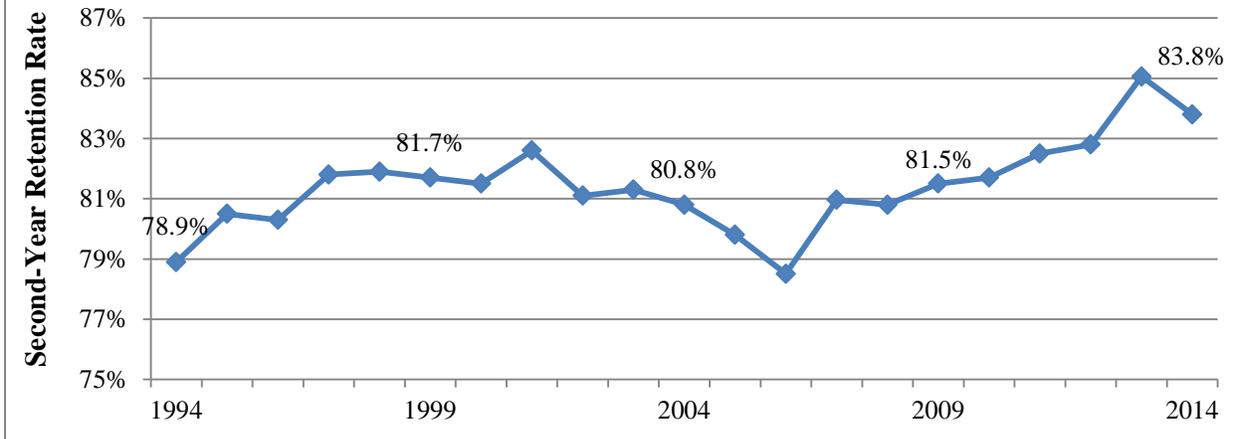
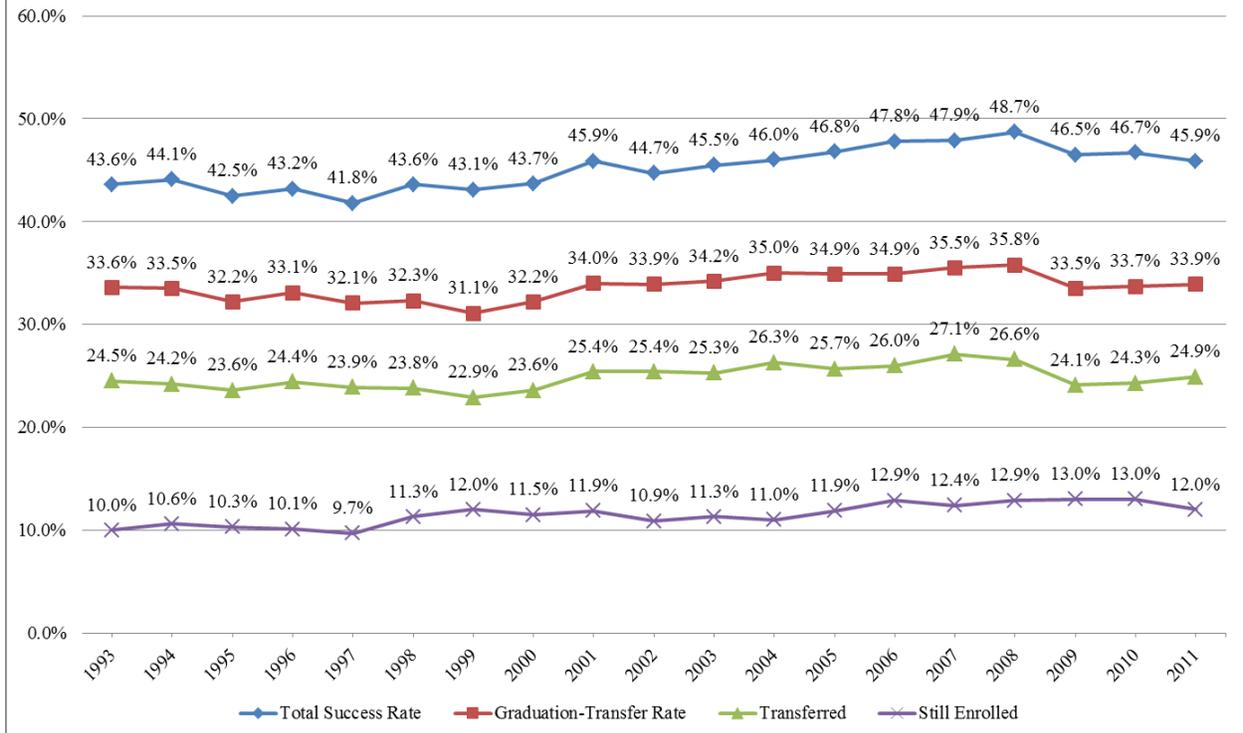


Figure 1.
Four-Year Success Rate and Graduation-Transfer Rate, with Component Rates, Cohorts Entering 1993-2011



There is a difference between degree completion and degree attainment as set out in the State’s 55 percent degree attainment goal. Recently, MHEC has examined the components of the State’s trajectory towards meeting the attainment goal of 55 percent by 2025. Data provided in the report on “Best Practices and Annual Progress Toward the 55% Completion Goal,” including

increases in the number of degrees awarded at the Maryland independent and public colleges and universities as well as migration of persons with degrees into Maryland indicate that at this time, Maryland is on target to reach that goal.

Postsecondary Education Initiatives to Increase Completion

The State continues to develop new policies, programs, and initiatives that support postsecondary degree completion. The College and Career Readiness and College Completion Act (CCRCCA) of 2013 established a number of key requirements aimed at increasing college readiness and completion in Maryland. Transition courses, which help qualifying 12th-graders prepare for college coursework, are in the first year of implementation. Maryland Community Colleges are working with local education agencies to promote and improve dual enrollment for high school students. The Commission is also updating transfer and reverse-transfer regulations to maximize college completion for both Associate and Bachelor degree. Last, the Commission will host the biennial Completion Forum, where stakeholders in all segments of education share best practices on college completion. The Commission will present recent and successful initiatives within the State aimed to meet the 55 percent completion goal by 2025.

Maryland has recently completed a Statewide Transfer and Reverse Transfer Credit agreement that will assist in moving transfer and graduation rates upwards. The regulations to support these agreements are being finalized in October and November 2016 and will become effective within the next three months.

Maryland Ready Goal 3: Diversity: Maryland will ensure equitable opportunity for academic success and cultural competency for Maryland's population.

MHEC is currently working on innovative initiatives to increase the diversity of students and faculty at Maryland colleges and universities. One effort that is underway is approaching the delivery of programs in a collaborative partnership among public and private institutions as well as Traditionally White and Historically Black Colleges and Universities. We will provide more specific information on these initiatives very soon once the details of the collaboration have been formally agreed upon by the participating institutions.

Enhancement of the State's Historically Black Institutions

Maryland's Historically Black Institutions (HBIs) have been receiving Access and Success funds to improve their retention and graduation rates for the past 14 years and have been required to report on the use and effectiveness of the funds annually. In fiscal 2007, each HBI had \$1.5 million in Access and Success funds appropriated directly to its operating budget. That funding has continued annually to fund initiatives in this program. The institutions are also required to report on how these funds are being used to support programs designed to improve retention and graduation rates of their students.

In addition, Maryland continues to provide the HBIs with additional enhancement funds for the purpose of enhancing the academic, support and physical environments of their institutions for students. These include improvements to operations in the areas of student support services,

financial aid, institutional advancement, information technology and to pay for debt service on facilities financed through the issuance of academic revenue debt. The institutions receive a total of \$4.9 million annually.

Maryland Ready Goal 4: Innovation: Maryland will seek to be a national leader in the exploration, development, and implementation of creative and diverse education and training opportunities that will align with State goals, increase student engagement and improve learning outcomes and completion rates.

State Authorization and Reciprocity Agreement

On November 2, 2015, the Southern Regional Education Board (SREB) approved the State of Maryland's membership in the State Authorization and Reciprocity Agreement (SARA). SARA establishes a state-level reciprocity process that supports the nation in its efforts to increase the educational attainment of its people by making state authorization for distance education more efficient, effective, and uniform in regard to necessary and reasonable standards of practice that could span states. SARA membership is voluntary for states and institutions, and membership is open to degree-granting postsecondary institutions from all sectors (two-year and four-year, public and independent, non-profit and for-profit) that are accredited by an agency recognized by the U.S. Department of Education.

Since last year, 8 more states have joined SARA, making the current total 42 states. Maryland's membership required both statutory and regulatory changes, which were accomplished through the *Maryland College Export Act of 2015* (signed into law by Maryland Governor Larry Hogan) and through COMAR changes that were voted on by the Commission in August 2015, published in the Maryland Register, and will return to the Commission for final adoption in November 2015. Maryland's membership will officially be activated on January 1, 2016. After that time, out-of-state colleges and universities that offer online programs to Maryland residents and that participate in SARA will be exempted from Maryland's statutory requirement that out-of-state institutions offering online programs in Maryland register with MHEC. Maryland's in-state institutions that are interested in participating in SARA will apply to MHEC as the state's portal agency, and once approved, will be able to offer distance education programs to students residing in SARA member states without the need for state-by-state authorization.

Maryland Ready Goal 5: Economic Growth and Vitality: Maryland will stimulate economic growth, innovation, and vitality by supporting a knowledge-based economy, especially through increasing education and training and promoting the advancement and commercialization of research.

Workforce Needs

The development of a highly trained and skilled workforce is essential to a competitive State economy. Several fields have been identified as particularly important to economic development, including the Science, Technology, Engineering, and Mathematics (STEM) disciplines. Over the past few years, there has been substantial growth in the production of STEM undergraduate and graduate degrees by Maryland colleges and universities, from 9,500

STEM degrees in 2006-2007 to over 13,000 STEM degrees in 2012-2013. At the same time, however, Maryland continues to face workforce shortages in fields such as nursing and secondary teaching.

Maryland colleges and universities are aggressively developing and delivering programs in cybersecurity to train citizens to meet the rapidly and burgeoning need for qualified workers to stem the increasing number of security breaches each year.

Most recently, administered State funds to the Frederick Center for Research and Education in Science and Technology (CREST), which came about as a result of the efforts of local Frederick and State government officials and the Frederick Higher Education Center Advisory Board. While the center received \$244,013 in State funds in fiscal 2017, it has yet to record any enrollments in courses or programs.

Maryland Ready Goal 6: Data Use and Distribution: Maryland will create and support an open and collaborative environment of quality data use and distribution that promotes constructive communication, effective policy analysis, informed decision-making, and achievement of State goals.

As mentioned in the Goal 4 discussion, the Commission continues to convert from its legacy COBALT based data systems to a new SQL based data environment through MAC2. Through this continuing conversion, MHEC is providing the State with considerably more data, including course level and student credit data, allowing MHEC the capacity to conduct more extensive policy analysis with greater pinpoint accuracy and respond more effectively on specific issues. Additionally, the Commission, alongside the Segments of Higher Education, has established a Data Advisory Council to support the work of this State Goal.

MHEC provides ongoing information and support for the Maryland Longitudinal Data System (MLDS). Through MAC2, MHEC will be able to provide postsecondary data to connect the State's pre-K, elementary, secondary, postsecondary, and workforce information for the purpose of better understanding the impact of the educational experience on student outcomes.

Maryland Higher Education Commission

MHEC has actively examined its operations and organizational structure during the past two years with the goal of increasing efficiencies and optimizing performance within the current limited staffing levels.

MHEC is currently aggressively recruiting for all of its vacancies so that all of them are filled this year. As of this report, MHEC has eight vacancies, or 15 percent of the total 53 regular positions. Of those 8 vacancies, 4 are under active recruitment, 2 are being reclassified, and the final 2 are in the early stages of preparation for recruitment.

In the past year, MHEC has filled executive management level vacancies of the Assistant Secretary of Academic Affairs and Director of Academic Affairs.

In addition, we are reviewing our statutory functions of the agency to “systemize” all of the important functions performed by MHEC. With consideration to the fiscal challenges faced by the current administration, MHEC is committed to maximizing agency productivity within current personnel constraints. The Academic Affairs Office is currently redesigning the process whereby academic programs and institutional applications are reviewed and approved. Under the new Assistant Secretary and Director of Academic Affairs, the Office has begun reconciling all outside program applications and is in the process of eliminating duplicative or redundant steps in the review cycle..

MHEC’s Outreach and Grants Management Office in partnership with MSDE on the federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) gained two additional staff positions. GEAR UP funds the position of the GEAR UP/College Preparation Intervention Program (CPIP) Coordinator and a GEAR UP admin specialist. The GEAR UP Specialist position was filled in October 2016.

MHEC’s Office of Student Financial Assistance (OSFA) continues to convert financial aid guidelines into formal State regulations, creating a more transparent and accountable governance system for the more than \$100 million MHEC distributes annually in State student financial assistance.

MHEC has continued collecting bond repayments recording \$1.4 million in collections for a second straight year in fiscal 2016.

The Commission received State General funds of \$5.4 million for agency operations in fiscal 2017. In addition, MHEC has \$939,637 in Special Funds in the Administration budget. These funds are composed of Academic Program, Institutional Approval, and Online Certification fees, as well as the Guaranteed Student Tuition Fund. In addition, the agency has 58.6 regular budgeted State positions and 9 contractual positions.

Academic Program Review and Online Registration Fees

This was the fifth year that MHEC has collected academic program review fees and the third year for online registration fees. Under this system, in-state and out-of-state institutions must pay a fee when applying to operate in the State or provide a new academic program or make a change to an existing academic program.

MHEC collected \$383,175 in program and institutional review fees in fiscal 2016. This is a reduction of \$574,712 from the fees collected in fiscal 2015 and is a result of Maryland’s participation in SARA. The agency’s fiscal 2017 budget projects expending \$616,000, but collecting only \$405,000 in revenues. In FY 2013, law was enacted requiring out-of-state institutions that provide fully online programs in Maryland to register with MHEC at a cost of \$1,000 per institution. MHEC collected \$123,000, and expended \$50,600 in fiscal 2016. The fiscal 2017 budget for online registrations fees projects \$126,800 in revenue, but \$165,000 in expenditures. The following table shows fee collection activity for the past six years and projections for fiscal 2018

Online Certification and Program Review Fees

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY2017 Budget	FY 2017 Actual	EST FY 2018
Program Review Fees (01423)								
Revenue In-state(6657)	83,450.00	114,400.00	159,400.00	271,936.97	183,325.00	200,000.00	45,400.00	210,000.00
Revenue Out-of-state(6963)	310,451.00	374,701.30	549,700.00	685,950.00	199,850.00	205,000.00	24,200.00	215,000.00
Revenue Total	393,901.00	489,101.30	709,100.00	957,886.97	383,175.00	405,000.00	69,600.00	425,000.00
Revenue Reversion(6963)	40,644.00	230,485.80	443,840.89	345,454.41	0.00			0.00
Net Revenue	434,545.00	719,587.10	1,152,940.89	1,303,341.38	383,175.00	405,000.00	69,600.00	425,000.00
Expenditures	253,208.00	258,664.50	265,259.11	612,432.56	455,577.52	616,845.00	111,272.12	625,000.00
Cash Balance (carry forward)	100,049.00	100,000.00	100,000.00	100,000.00	27,597.48	(184,247.52)	(14,074.64)	(172,402.52)
On-line Certification Fees (01433)								
Revenue (6963)	0.00	249,000.00	216,000.00	232,850.00	123,000.00	126,845.00	9,500.00	129,000.00
Revenue Reversions(6963)	0.00	168,507.35	107,594.11	161,488.27	0.00			0.00
Expenditures	0.00	80,492.65	108,405.89	71,361.73	50,597.48	165,000.00	18,302.07	165,000.00
Cash Balance (carry forward)	0.00	0.00	0.00	0.00	72,402.52	34,247.52	63,600.45	36,402.52
Combined Programs								
Total Revenue	393,901.00	738,101.30	925,100.00	1,190,736.97	506,175.00		79,100.00	554,000.00
Revenue Reversions	40,644.00	398,993.15	551,435.00	506,942.68	0.00		0.00	0.00
Total Expenditures	253,208.00	339,157.15	373,665.00	683,794.29	506,175.00		129,574.19	790,000.00
Total Cash Balance (carry forward)	100,049.00	100,000.00	100,000.00	100,000.00	100,000.00	(150,000.00)	49,525.81	(136,000.00)

RECOMMENDATION: It is recommended that the Maryland Higher Education Commission adopt that the following funding priorities be used in targeting funding for higher education for Fiscal Year 2017:

- **Funding to support the continued recruitment and hiring of staff to fill remaining vacancies in the agency to strengthen the Maryland Higher Education Commission as the State coordinating agency responsible for postsecondary education under the Acting Secretary’s restructuring efforts.**
- **Funding to continue efforts to make higher education more affordable by providing an appropriate balance across the following to ensure the needs of all students are met.**
 - **Increased focus and analysis on funding to support programs of student financial assistance for students with need, particularly to the Howard P. Rawlings Program of Education Excellence.**
 - **If possible, continued funding to support moderate increases in resident undergraduate tuition rates at public colleges and universities.**

- **Funding to assist higher education institutions implement programs and policies to support increased student success in attaining a postsecondary education credential.**
 - **Funding to help Historically Black Colleges and Universities implement and modify proven programs to improve undergraduate retention and graduation.**
 - **Funding to support grant programs and initiatives at MHEC to assist colleges and universities implement best practices to increase the attainment rate for all students, particularly for students with academic preparedness needs.**

- **Continued support to formula-funded institutions and segments in accordance with the calculation methodology provided in statute.**

**Table 1. Maryland Higher Education
State Funds: FY 2015 - 2017**

Program	FY 2015	FY 2016	FY 2017	FY 2015 - 2016
	Actual	Appropriation	Appropriation	% Change
Bowie State University	\$ 40,572,859	\$ 41,525,890	\$ 43,931,255	5.8%
Coppin State University	42,320,352	44,755,130	46,672,062	4.3%
Frostburg State University	37,380,657	38,470,741	41,497,121	7.9%
Salisbury University	44,896,987	47,533,057	51,857,269	9.1%
Towson University	102,987,452	107,050,342	118,599,060	10.8%
University of Baltimore	33,433,968	34,639,444	37,517,677	8.3%
UM, Baltimore	208,458,686	215,405,339	227,354,952	5.5%
UM Baltimore County	108,123,070	111,151,119	118,852,967	6.9%
UM Center for Environmental Science	21,563,636	22,353,347	23,114,037	3.4%
UM, College Park	466,337,576	480,925,509	521,030,633	8.3%
UM Eastern Shore	36,606,039	38,083,911	40,636,604	6.7%
UM University College	38,693,543	38,596,667	41,913,868	8.6%
USM Office	22,058,816	23,567,555	31,129,479	32.1%
USM Total	\$ 1,203,433,641	\$ 1,244,058,051	\$ 1,344,106,984	8.0%
St. Mary's College of Maryland	\$ 20,721,538	\$ 23,504,174	\$ 25,159,549	7.0%
Morgan State University	84,197,526	86,134,601	92,551,602	7.4%
Baltimore City Community College	40,136,643	40,775,643	40,814,442	0.1%
Public Total	\$ 1,348,489,348	\$ 1,394,472,469	\$ 1,502,632,577	7.8%
Maryland Higher Education Commission				
Administration	\$ 4,982,567	\$ 5,218,737	\$ 5,375,779	3.0%
Grants	8,368,394	8,510,250	8,754,012	2.9%
Student Financial Assistance	98,408,365	101,089,172	103,143,000	2.0%
Aid to Community Colleges	290,525,892	296,129,133	314,335,016	6.1%
Aid to Independents	41,422,240	42,822,240	50,812,437	18.7%
MHEC Total	\$ 443,707,458	\$ 453,769,532	\$ 482,420,244	6.3%
Higher Education Total	\$ 1,792,196,806	\$ 1,848,242,001	\$ 1,985,052,821	7.4%

Notes:

Appropriations to Public Four-year Institutions include Higher Education Investment Funds

Sources: Maryland State Operating Budget Books; Fiscal 2016 Budget Bill; Department of Budget and Management;

Maryland Higher Education Commission; University System of Maryland; Morgan State University; St. Mary's College of Maryland.

**Table 2. Joseph A. Sellinger Program of State Aid to Non-Public Institutions
FY 2015 - 2017**

Eligible Institutions	FY 2015 Actual		FY 2016 Appropriation		FY 2017 Appropriation	
	Fall 2013 FTEs	Appropriation	Fall 2014 FTEs	Appropriation	Fall 2015 FTEs	Allowance
Capitol Technology University	524.13	\$ 497,379	489.40	\$ 486,875	492.13	\$ 579,056
Goucher College	1,727.07	1,638,923	1,741.33	1,732,344	1,741.73	2,049,372
Hood College	1,625.90	1,542,917	1,635.17	1,626,732	1,552.67	1,826,918
Johns Hopkins University	19,082.53	18,108,588	19,411.93	19,311,755	20,184.13	23,749,253
Loyola University Maryland	5,050.33	4,792,569	5,130.47	5,103,994	5,104.60	6,006,225
Maryland Institute College of Art	2,149.77	2,040,049	2,227.07	2,215,577	2,154.33	2,534,849
McDaniel College	2,301.80	2,184,320	2,318.00	2,306,038	2,211.90	2,602,588
Mount St. Mary's University	1,849.00	1,754,630	1,918.50	1,908,600	1,916.97	2,255,564
Notre Dame of Maryland University	1,538.53	1,460,006	1,496.73	1,489,006	1,411.63	1,660,966
St. John's College	577.93	548,433	562.40	559,498	533.80	628,085
Sojourner-Douglass College	901.93	855,897	3,782.50	3,762,980	3,691.83	4,343,918
Stevenson University	3,850.35	3,653,834	758.60	754,685	762.00	896,592
Washington Adventist University	879.53	834,640	1,572.27	1,564,156	1,427.00	1,679,051
Washington College	1,591.27	1,510,054				
TOTAL	43,650.07	\$ 41,422,240	43,044.37	\$ 42,822,240	43,184.72	\$ 50,812,437
GRANT PER FTE		\$ 948.96		\$ 994.84		\$ 1,176.63

Notes:

- 1) Baltimore Hebrew University became the Baltimore Hebrew Institute of Towson University in 2009 and is no longer eligible for Sellinger funds.
- 2) Sojourner-Douglass ceased operations in fiscal 2016.

**Table 3. Maryland Higher Education Commission
Aid to Community Colleges: FY 2015 - 2017**

	FY 2015 Actual	FY 2016 Appropriation	FY 2017 Appropriation
Formula Aid:			
Allegheny College	4,850,443	\$ 4,850,443	\$ 4,850,658
Anne Arundel Community College	28,715,483	28,715,483	28,800,003
Community College of Baltimore County	38,418,817	38,637,669	40,413,996
Carroll Community College	7,345,652	7,345,653	7,612,538
Cecil Community College	5,108,063	5,108,064	5,244,580
College of Southern Maryland	12,676,778	13,017,885	13,805,709
Chesapeake College	6,140,798	6,142,473	6,142,473
Fredrick Community College	8,975,284	8,975,284	9,643,621
Garrett College	2,561,002	2,561,002	2,734,062
Hagerstown Community College	7,620,411	7,620,412	8,128,628
Harford Community College	10,690,697	10,865,634	11,475,320
Howard Community College	14,772,181	15,723,055	17,411,556
Montgomery College	39,344,241	40,000,786	42,264,375
Prince George's Community College	25,210,654	26,072,537	28,500,296
Wor-Wic Community College	7,108,241	7,108,241	7,347,375
Total Cade Funding Formula Aid	\$ 219,538,745	\$ 222,744,620	\$ 234,375,190
Grants:			
Small Community College/Appalachian Grants	\$ 4,197,898	\$ 4,599,774	\$ 4,678,377
Statewide and Health Manpower	6,000,000	6,000,000	6,000,000
Garrett/WVa Reciprocity Grant	59,995	66,540	56,945
ESOL Grants	5,516,743	5,624,762	5,523,778
Somerset Grant	618,835	355,157	369,053
Keeping Maryland Community Colleges Affordable	-	-	-
Total Grants	\$ 16,393,471	\$ 16,646,233	\$ 16,628,153
Subtotal Cade and Grants	\$ 235,932,216	\$ 239,390,853	\$ 251,003,343
Fringe Benefits:			
Optional Retirement	14,297,308	14,730,000	16,873,000
Teachers Retirement	40,296,368	42,008,280	46,458,673
Total Fringe Benefits	\$ 54,593,676	\$ 56,738,280	\$ 63,331,673
Total State Aid	\$ 290,525,892	\$ 296,129,133	\$ 314,335,016

Notes: Excludes Baltimore City Community College.

Sources: Maryland State Operating Budget Books; Fiscal 2012 Budget Bill; Maryland Higher Education Commission; Department of Budget and Management.

Table 4. Maryland Higher Education Commission
Educational Grants - All Funds: FY 2015 - 2017

Program	Program Description	FY 2015 Actual	FY 2016 Appropriation	FY 2017 Appropriation
10007	<i>Educational Grants</i>			
	Complete College Maryland	248,444	\$ 250,000	\$ 250,000
	Complete College America Grant	-	-	-
	Credit When It's Due	133,005	-	-
	Improving Teacher Quality	882,192	1,000,000	975,000
	Henry C. Welcome Grants	-	-	-
	Diversity Grants	-	-	-
	HBCU Enhancement Fund	4,900,000	4,900,000	4,900,000
	Doctoral Scholars Program	-	-	-
	Washington Center for Internships & Academic Seminars	175,000	175,000	175,000
	Interstate Educational Compacts in Optometry	-	-	-
	Regional Higher Education Centers	1,950,000	2,150,000	2,150,000
	UMBI, Maryland - Israel Partnership	-	-	-
	Higher Education Heritage Action Committee (HMPART)	-	-	-
	UMB - Wellmobile	285,250	285,250	285,000
	Aging Studies at UMBC	-	-	-
	Academy of Leadership	-	-	-
	Maryland <i>Go for It!</i> Outreach	-	-	-
	First-Year Experience Program	-	-	-
	Community College Learning Disabilities Initiative	-	-	-
	Maryland Industrial Partnerships	-	-	-
	Professional Development Schools	-	-	-
	Harry Hughes Center for Agro-Ecology	-	-	-
	Higher Education Investment Fund Workforce Initiatives	-	-	-
	College Access Challenge Grant Program	772,661	1,200,000	1,000,000
	John R. Justice Grant	59,700	30,000	25,000
	Miscellaneous Adjustment	-	-	-
	St. Mary's College of Maryland Grant	1,500,000	-	1,133,000
	Frederick CREST Center	-	-	244,012
	Program 7 Total	\$ 10,906,252	\$ 9,990,250	\$ 11,137,012
10007	General Funds	-	-	-
10007	Special Funds	7,618,394	7,760,250	9,137,012
10007	Federal Funds	133,005	-	-
10007	Reimbursable Funds	1,654,853	2,230,000	2,000,000
	Program 7 Total	\$ 9,406,252	\$ 9,990,250	\$ 11,137,012
	<i>Other</i>			
10002	Early Intervention/College Preparation Grants	750,000	750,000	750,000
10038	Nurse Support Program II	15,486,921	6,521,590	18,741,171
10039	Health Personnel Shortage Incentive Grant Program	351,000	750,000	750,000
	Programs 2, 30, 38 and 39 Total	\$ 16,587,921	\$ 8,021,590	\$ 20,241,171
All	General Funds	8,368,394	8,510,250	9,887,012
All	Special Funds	15,970,926	7,271,590	19,491,171
All	Federal Funds	1,654,853	2,230,000	2,000,000
All	Reimbursable Funds	-	-	-
	All Total	\$ 25,994,173	\$ 18,011,840	\$ 31,378,183

Sources: SB 150



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph. D.
Secretary

MEMORANDUM

DATE: October 26, 2016
TO: Maryland Higher Education Commission
FROM: Geoffrey F. Newman **STAFF:** David S. Beard
SUBJECT: FY 2018 Consolidated Capital Budget Recommendations

Budget Overview

Annually, the colleges and universities submit their capital budget requests to the Maryland Higher Education Commission (MHEC) and the Department of Budget and Management (DBM). The Commission has statutory responsibility for presenting a consolidated higher education capital budget request and recommendation to the Governor and the General Assembly.

State capital projects are funded through five sources: general obligation bonds; academic revenue bonds; general funds (PAYGO); non-budgeted funds (NBF); and recycled funds. Public colleges and universities are able to fund other campus projects through their own bonding authority through academic and auxiliary revenue bonds. These bonds are supported through tuition and fees, room and board, parking fees, and bookstore operations.

Decisions on capital budget requests, including to recommend deferments, reductions or advancements of project funding requests, are based on a number of considerations which include current and projected enrollment in academic programs; consistency with space guidelines; and the adequacy of current and proposed facilities to accommodate the academic, research and support requirements of the institutions. In addition, staff reviews these requests in accordance with the capital budget priority list established annually by the Commission and for their consistency with the State Plan for Postsecondary Education. The fiscal 2018 Capital Budget Priorities are provided in Table 1.

The consideration of high performance and green building technologies and environmental sustainability are other important factors within the recommendations for funding capital project requests. Maryland requires State buildings over 7,500 square feet to meet or exceed LEED Silver certification. Institutions have made a commitment to pursue LEED certification for current and future campus construction projects, consistent with State policy.

The consolidated capital budget request for higher education totals \$447.8 million. A brief description of each project and staff recommendations are presented in the following tables:

Table 2 provides a summary of the higher education requests and staff recommendations by segment. Detailed capital project requests and recommendations for the University System of Maryland, Morgan State University, St. Mary's College of Maryland, the Independent Institutions and Baltimore City Community College can be found in Tables 3 through 8. Table 9 details the capital project request and recommendation for the Community College Construction Grant, which provides the State portion of funds for capital projects at locally-controlled community colleges. Table 10 reflects the current status of the FY 2018 capital budget request for the Southern Maryland Higher Education Center's Classroom-Laboratory Building project, which has expanded in scope to include additional research and incubator space to support programs under an agreement with the University System of Maryland, SMHEC and the Navy Alliance. Table 11 provides statistical information related to the FY 2018 capital budget request with a comparison copy of the FY 2017 capital budget request of last year.

University System of Maryland

Through the five-year capital improvement program (CIP), the State provides funds to Maryland's public four-year colleges and universities. The University System of Maryland (USM) funding requests were approved by the Board of Regents and were presented to the Governor and Department of Budget and Management under the Chancellor's signature on June 30, 2016. USM is requesting \$321.8 million in General Obligation Bond funds (G.O.) to fund 16 projects, details of which are presented in Table 3.

Highlights of this year's funding request include Coppin State University's request of \$1.3 million in design funds for renovation and reconfiguration of the Julian Arts and Sciences Building, which will house the School of Management and Economics. Space in this building was vacated by the Departments of Natural Sciences, Mathematics and Computer Science as they move into the New Science and Technology Center, a 74,185 NASF/134,882 GSF academic building designed to support these science-related disciplines.

Frostburg State University is requesting \$3.4 million in design funds for the new Education Professions and Health Sciences Center, a 57,010 NASF/100,000 GSF facility which will provide modern classrooms, laboratories, offices and support space to accommodate the College of Education, the Exercise and Sports Science Program and the Nursing Program.

Towson University is requesting \$36 million in design and construction funds for the 184,730 NASF/316,000 GSF new Science Facility, which will house the College of Science and Mathematics. This project replaces a previous proposal to renovate and expand Smith Hall, as a detailed analysis of the Smith Hall Complex revealed significant deficiencies in the building envelope as well as the inability of the structural system to support the weight of additional mechanical equipment. The New Science Facility will result in the integration of teaching and research space, adding over 136,000 NASF in classroom, laboratory and research space.

The University of Baltimore is requesting \$3.8 million in construction and equipment funds to renovate the Langsdale Library and reconfigure interior space, upgrade the mechanical, fire suppression and electrical systems and to comply with ADA standards. The project will allow the building to meet current library standards and will provide modern office and library space to support staff and library functions.

The University of Maryland, Baltimore is requesting \$3.6 million in remaining construction and partial equipment funds for the 224,986 NASF/429,970 GSF Health Sciences Research Facility III. This new facility will provide research space for the Schools of Medicine, Pharmacy, and Dentistry, with approximately one-third of the total space used as surge space for functions currently in the Medical School Teaching Facility, which is scheduled for a phased renovation. The facility will provide over 16,000 NASF in animal facility space and more than 175,000 NASF in research laboratory space to help address the University's extreme need for additional research space to support growth in federal and private sponsored research. In addition, UMB is requesting \$2.9 million in planning funds to complete design of a Central Electric Substation and Redundancy Facility. The project will be phased over nine years and will include construction of a new electrical substation, upgrading the UMB central electrical infrastructure, replacement of all underground duct bank and cables, as well as renovation of the existing substation and new switchgear.

The University of Maryland, Baltimore County is requesting \$60 million in construction and equipment funds to complete the 71,940 NASF/133,735 GSF Interdisciplinary Life Sciences Building, a new facility which will include over 52,000 NASF in active learning classrooms, multi-disciplinary teaching labs and flexible research labs, as well as 6,000 NASF in animal facilities space. The integration of interdisciplinary life science research and STEM instruction will enhance undergraduate education and help the University compete for extramural research funding.

The University of Maryland Center for Environmental Science is requesting \$1 million to begin design of the new, 8,720 NASF/13,750 GSF Chesapeake Analytics Collaboration Building (CACB) located at the Chesapeake Biological Laboratory (CBL) in Solomons, Maryland. This facility will include research collaboration space, study and stack space, and information technology space to support interdisciplinary research by the research faculty, scientists and students. The building will house and integrate into one building the Chesapeake Archives library and information technologies needed to support the research and instructional programs of the campus. Space will be dedicated to information retrieval services, a supporting computer center and an Interactive Video Conference Center.

The University of Maryland, College Park (UMCP) is requesting funds for five projects:

1. New James Clark Bioengineering Building: \$25.5 million in construction and equipment funds to bring to completion the new 101,300 NASF/184,200 GSF facility. The building will house the Fischell Department of Bioengineering, Fischell Institute for Biomedical Devices and a central animal care facility for research animals, providing the bioengineering program with state-of-the art research space and equipment. The facility program includes over 60,000 NASF in classroom, laboratory and research space, as well

as 16,500 NASF in animal care space. This request is supplemented with an Academic Revenue Bond (ARB) request of \$5 million.

2. New Brendan Iribe Center for Computer Science and Innovation: \$67.5 million in construction and equipment funds to complete the 115,620 NASF/210,730 GSF facility, which will accommodate the Department of Computer Science and the University of Maryland Institute for Advanced Computer Studies (UMIACS). The building will include 38,000 NASF in classroom, open laboratory and research laboratory space and over 70,000 NASF in offices, conference rooms, study space and a multi-purpose community room. Designed with flexible spaces to maximize space use efficiency, the building will easily adapt to changing future needs. This building is needed to support the growth of the University's computer science teaching and research programs, facilitate the integration of modern teaching and research activities into these programs, improve the ability of students and faculty to collaborate, and promote collaboration with industrial and community partners. It will support Maryland's and USM's STEM initiatives and will be leveraged by private gifts of at least \$35M. This request is supplemented with an Academic Revenue Bond (ARB) request of \$10 million.
3. New Cole Field House: \$12.2 million to continue design, construction and begin equipping this 212,500 NASF/288,000 GSF facility. The project will enable the University to grow its clinical and research programs in sports medicine and occupational health by creating the new Center for Sports Medicine, Health and Human Performance in partnership with the University of Maryland, Baltimore School of Medicine. Campus-wide academic space deficits will be reduced with the expansion of the Academy for Innovation and Entrepreneurship, adding more than 66,000 NASF in classroom, laboratory, research, office and study space. Construction of the Terrapin Performance Center will accommodate a full-size football field and new training facilities that are comparable to other programs in the Big Ten Athletic Conference. State-funded space will focus only on academic-related space. The preliminary funding plan for this project anticipates an 80% contribution from institutional funds, private gifts and clinical revenues, with a 20% contribution from State funds.
4. New School of Public Policy: \$3 million to design and start construction of the 38,355 NASF/69,700 GSF office-classroom building. This project will provide space required for the School to achieve its Strategic Plan goals and to provide an opportunity to vacate Van Munching Hall and two other campus buildings to consolidate operations into a single location. The building will enhance the ability of the School to become a top-ten program, achieving its unique mission to infuse a culture of philanthropy.

5. Campuswide Building System and Infrastructure Improvements: \$10 million to continue construction for upgrading campus fire protection systems and failing infrastructure to address critical needs arising from a \$907 million deferred maintenance backlog.

The University of Maryland Eastern Shore (UMES) is requesting \$3.6 million in design funds to construct a 65,000 NASF/120,000 GSF New School of Pharmacy and Health Professions Building – Phase I. This building will centralize operations currently conducted in six, separate buildings and will house the School of Pharmacy’s Doctor of Pharmacy and Doctor of Pharmaceutical Sciences programs. Other proposed occupants include the Graduate Physician Assistants program and the Exercise Science Program (Kinesiology). Academic space will include over 40,000 NASF in classroom, laboratory, research, office and study space.

The University System of Maryland Office (USMO) is requesting \$88 million in design-construction and equipment funds to continue constructing and equipping a 136,200 NASF/228,805 GSF New Biomedical Sciences and Engineering Education (BSEE) Facility at the Universities at Shady Grove. The New BSEE facility will provide specialized laboratory space to support new academic programs, such as engineering and dentistry, and will also provide additional space for growth in STEM-related programs including the nursing and pharmacy programs

Also included in the USMO request is a \$17 million fund to assist in costs for System-wide Capital Facilities Renewal Projects. This request, not a project in the general obligation bond request, is for auxiliary revenue bonds (ARB’s) to address improvements to infrastructure as well as building exterior and interior systems.

The Commission staff recommends approval of the University System of Maryland’s fiscal 2018 capital budget request of \$321.8 million.

Morgan State University

Morgan State University’s fiscal 2018 capital budget request totals \$18.7 million in support of four projects:

1. New Behavioral and Social Sciences Building, West Campus: \$2.8 million in construction and equipment funds to complete the 74,462 NASF/148,229 GSF facility. The building will replace the existing Jenkins Behavioral and Social Sciences Building, which is scheduled for demolition. Existing instructional spaces are functionally inadequate and building systems failing. The new building will provide contemporary and functional classroom, laboratory and research space needed to support programs.
2. New Student Services Support Building: \$15 million in design and construction funds for the first phase of construction, comprising 75,945 NASF/138,220 GSF and located on the site of the former Soper Library. This facility will replace the aging Montebello Complex facility originally designed as a hospital. The project has been revised to include the

Office of Information Technology as well as a break room in addition to the office space, training rooms, meeting rooms, central facilities and lounge space.

3. New Health and Human Services Center – Phase I Motor Pool Surge Space: \$379,000 to demolish the Turner Armory and Vehicle Maintenance Facility and provide surge space, including office, locker, storage and vehicle repair, for the motor pool. The current location at Hillen Road and Argonne Avenue, is the site for the new Health and Human Services Center.
4. West Campus Site Improvements: \$479,000 to design the removal of remaining south/east walls, correcting storm water issues, adding lights in parking lot, creating a street from the parking area to Argonne Drive, re-configuring existing parking and road, and creating limited access from Hillen Road.

The Commission staff recommends approval of Morgan State University’s FY 2018 capital budget request of \$18.7 million.

St. Mary’s College of Maryland

St. Mary’s College of Maryland (SMCM) is requesting \$13.0 million for two projects in the fiscal 2018 capital budget request:

1. New Academic Building and Auditorium (ABA): \$10.6 million for design, construction and equipment funds to construct a 30,856 NASF/52,289,000 GSF New Academic Building and Auditorium (ABA). The ABA will provide much-needed, contemporary space for the College’s Music Department and Educational Studies Department, as well as learning commons study space and a 700-seat auditorium.
2. Campus Infrastructure Improvements: \$2.4 million in design and construction funds to continue a three-phase, \$18.4 million Campus Infrastructure Project including a wide range of renewal projects throughout the campus, such as construction of a pedestrian/bicycle pathway and bridge; replacement of HVAC components in the Library and Montgomery Hall; providing new windows and HVAC upgrades in Calvert Hall; and a variety of site improvements. These projects are listed in Table 5.

The Commission staff recommends approval of St. Mary’s fiscal 2018 capital budget request of \$13.0 million.

Capital Budget Priorities

The Capital budget requests for fiscal 2018 are categorized into the MHEC Capital Budget priorities that were adopted by the Commission in spring, 2016, and listed in Table 1. Projects

are categorized by the type of project, under seven categories. Within these categories, projects are then categorized by the type of space the facility represents, i.e. academic, research, support, higher education center, continuing education and by the funding phase of the project. The priority listing of capital projects for the public four-year institutions is provided in Table 6.

Maryland Independent College and University Association (MICUA)

The State provides grants to assist Maryland's independent colleges and universities with the costs of constructing and renovating academic facilities and infrastructure. These grants leverage private donations and help the institutions maintain their educational excellence. Unlike the Community College Construction Grant Program, funding through the MICUA grant is not administered by MHEC, but is provided to each institution directly with oversight by MICUA and its Board of Trustees. The Board has endorsed three capital budget requests totaling \$9.9 million for fiscal year 2018. The projects are consistent with the State goals for higher education and meet all the eligibility requirements set forth by the Department of Budget and Management. These projects are directly related to the academic missions of the individual institutions and reflect MHEC's goals of STEM-related program enhancements, workforce development and green initiatives.

Goucher College requests \$4 million to help design and construct a 59,000 square foot science building addition to create modern laboratory spaces and interactive learning facilities for undergraduate and graduate teaching and research in the sciences. The addition, adjacent to the 64 year-old Hoffberger Science Building, will include a cell and genetics lab; an anatomy lab; an environmental and biology lab; and labs for introductory biology, molecular biology and organismal labs. Total project cost is \$27.4 million.

McDaniel College requests \$3 million to assist in renovating and constructing classroom and laboratory spaces in the Gill Physical Education Learning Center to accommodate enrollment expansion in the Exercise Sciences and Physical Education program. Courses in this program require lab work and it is essential that classrooms and laboratories are in close proximity. Renovations will include the Old Gill and Main Gill Gymnasium buildings, yielding an additional 10,000 square feet of dedicated, functional academic program space. Total project cost is \$6.6 million.

St. John's College requests \$2.9 million to assist in renovating McDowell Hall, the historic central academic building, which was originally built in 1744 as the provisional Governor's mansion. Last renovated in 1989, the building houses 14 classrooms, the Great Hall and student mailboxes. The project scope includes improvements to classroom spaces and replacement of infrastructure including electrical and technology systems, heating and cooling systems, restrooms, plumbing, elevator and floor systems. Total project cost is \$5.9 million.

The Commission staff recommends approval of MICUA's fiscal 2018 capital budget request of \$9.9 million. These projects are shown in Table 7.

Baltimore City Community College

As a State public two-year college, Baltimore City Community College (BCCC) receives State funding for capital projects directly. The College is not submitting a fiscal 2018 funding request, but anticipates submitting a fiscal 2019 funding request for design of the Loop Road, Inner Loop and Entrance Improvement Project.

Community College Construction Grant Program

Through the Community College Construction Grant Program, the State provides assistance for the construction and improvements of facilities at community colleges. State funds for all projects funded through this program are administered by MHEC. This grant funds construction of major new facilities, renovation of existing facilities, and improvements to campus infrastructure.

The level of State participation in capital projects is determined by two criteria: the portion of the project that meets the space eligibility requirements for State support; and the State cost-sharing formula prescribed in statute. The cost-sharing formula is based on the current expense formula used by the Maryland State Department of Education with a floor of 50 percent. As a result, the State contributes between 50 percent and 70 percent of the eligible costs of a project for community colleges serving a single county and 75 percent of the eligible costs of a project for regional community colleges serving multiple counties.

The Governor's five-year capital improvement program includes funds to address campus space deficiencies created by a projected 30 percent increase in full-time equivalent enrollment at Maryland's community colleges over the next 10 years. The Governor's estimated community college capital improvement program (CIP) level for fiscal 2018 is \$60 million.

The fiscal 2018 CIP request, submitted by the Maryland Association of Community Colleges (MACC), is a prioritized list of eligible project requests totaling \$86.4 million. The total request from MACC would fund 17 eligible community college projects at 11 community colleges, providing assistance to construct 5 new academic structures, renovate and/or expand 8 buildings and upgrade infrastructure at 4 campuses.

In developing the fiscal 2018 Community College Construction Grant request, MACC and the community college presidents included four project requests totaling \$41.8 million that were preauthorized by the General Assembly for fiscal 2018. The remaining thirteen project requests were submitted for priority consideration using the Capital Project Prioritization Model.

Table 9a lists the 19 eligible funding requests for 17 projects in priority order. At the top of the list are four project requests that were preauthorized for the fiscal 2018 Grant program. As pre-authorized projects, the four project requests were exempt from the fiscal 2018 prioritization formula. The fifteen remaining project requests are ranked in descending order according to MACC's Capital Project Prioritization Model.

Upon completion, these projects will increase classroom and laboratory space by 278,000 NASF, yielding 33 additional classrooms and 208 additional laboratories. Three projects improve and increase classroom and laboratory space related to workforce needs in the allied health sciences, two projects improve and increase classroom and laboratory space related to science, technology, engineering and math disciplines (STEM), two projects improve classroom and laboratory space related to workforce needs in technology and skills training for trades, and six projects improve general classroom and laboratory space, study space and administrative space. Four projects improve campus infrastructure at four campuses.

These projects are aligned with State initiatives in STEM-related programs, workforce development and building sustainability. Design and construction for all of these projects incorporates energy-saving, environmental protection and building sustainability practices, including certification levels of Silver or higher achieved through the Green Building Council's Leadership in Energy and Environmental Design (LEED) program. New buildings, as well as renovated facilities, offer opportunities for sustainability, energy conservation and protecting the environment.

Implemented by MHEC into the fiscal 2018 higher education capital planning process is the Governor's initiative to address and achieve the State's Smart Growth goals, coordinated by the Maryland Department of Planning (MDP) and the Maryland Department of Budget and Management (DBM). This initiative is designed to improve coordination between State agencies and local governments on Smart Growth strategies, such as improving existing and planned communities without sacrificing agricultural and natural resources, and serves as a management and planning tool to improve the efficient use of State resources and better coordinate those resources with local government resources and decision-making.

To align programs with the workforce needs of the community and the State, the New Health Sciences and Biology Building (Anne Arundel), Health Careers and Technology Building Renovation/Addition (CCBC), and New Health Sciences Center (CSM-Hughesville) will provide training in nursing and other allied health fields. The New Math and Science Center (Montgomery-Takoma Park) and the Science and Applied Studies Building Renovation/Addition (Montgomery-Germantown) will provide new and updated classrooms and laboratories to improve training in STEM programs. The Monroe Center Renovation (Frederick) and the New Smart House/Energy Efficiency Building (Hagerstown) will provide high-demand, specialized workforce development programs in energy conservation, environmental protection, and electrical, plumbing, mechanical and building systems.

The list of seventeen, eligible community college project funding requests, including the Program Balance/Surplus of \$2 million, totals \$84.5 million. When matched by local funds, in accordance with Section 11-105(j) of the Education Article, Annotated Code of Maryland, the State share of funding these projects will leverage an additional \$75.7 million in local funding for a total project cost of \$162.2 million for community college capital improvements. This funding represents an overall State participation level of 53.2% for FY 2018 projects.

While the FY 2018 Community College Construction Grant request exceeds the Governor's FY 2018 CIP by \$24.5 million, Commission staff recognizes the worthiness of each project included

in the request and recommends funding \$84.5 million for all eligible projects in the request. Should the additional funds of \$24.5 million not be available, and to meet the Governor's FY 2018 CIP of \$60 million, Commission staff recommends that funding be provided to all pre-authorized projects for FY 2018 and projects with aggregated weight 1 through 5 on the MACC Prioritization List in Table 9.

Further analysis of project schedules and critical funding needs will be performed by the Department of Budget and Management, Office of Capital Budgeting and by the Department of Legislative Services, Office of Policy Analysis, to ascertain potential cost savings.

Regional Higher Education Centers

The Southern Maryland Higher Education Center (SMHEC) first introduced the New Classroom/Laboratory Research Building III project in its fiscal 2009 capital budget request. The project was initially designed to address space deficiencies due to increased enrollment and the expansion of programs offered at the Center. Subsequent studies and research regarding the workforce needs in the region have modified the scope of this project to address not only the needs for additional classroom and laboratory space, but also to address the research and development needs of the nearby Patuxent River Naval Base complex by adding research and possible incubator space to this new building.

Given this changing perspective on the needs of the Southern Maryland region, the Legislature set up a council charged with evaluating the academic needs of the region and issuing a report by December, 2013. In November, 2013, the Southern Maryland Higher Education Center (SMHEC), the Southern Maryland Navy Alliance (SMNA) and the University System of Maryland (USM) signed a Memorandum of Understanding (MOU) with respect to the role each party will play in the design, construction and maintenance of the New Classroom/Laboratory Research Building III. Funds for this project are expected to be provided through the USM Office in compliance with the agreement.

The fiscal 2018 higher education capital budget submission does not include a funding request for the Classroom/Laboratory Research Building III. With project completion planned for August, 2020, design of this project is underway and additional construction funding is not scheduled in this fiscal year.

Relationship of Recommended Capital Projects to the goals of *Maryland Ready* – The 2013 Maryland State Plan for Postsecondary Education

Exhibit 1 provides a listing of the six goals of *Maryland Ready* – The 2013 Maryland State Plan for Postsecondary Education. Exhibits 1-A and 1-B list the fiscal 2018 four-year and community college project requests, respectively, and indicate where each project aligns with the goals of *Maryland Ready*.

Paramount in the Governor's higher education initiatives is the goal for Maryland to achieve a 55% college completion rate. Projects proposed in the fiscal 2018 budget request will increase

capacities for STEM-related programs, research facilities and workforce development programs. Capacity increases conducive to state-of-the-art learning methods will provide opportunity and support for increased enrollment and increased graduation rates.

RECOMMENDATION: It is recommended that the Maryland Higher Education Commission approve the fiscal 2018 consolidated capital budget recommendation of \$447,842,000 for higher education.

It is further recommended that, should cost estimates for projects within this year's capital budget requests be revised to provide cost savings for these projects, funding be reduced or additional projects be funded.

**Table 1. Maryland Higher Education Commission
Capital Budget Priorities for Public Four-Year Colleges and Universities¹
FY 2018**

Each year the Maryland Higher Education Commission approves a set of priorities to guide in the evaluation of capital budget requests.

All capital projects are placed into one of the priority categories. The Capital Budget Priority Categories provide the basic framework for evaluating and recommending projects. Under the priorities, projects are ranked first by the priority category and further by types of facilities.

Project Priority Categories	Types of Facilities				
	Academic Facilities	Research Facilities	Support Facilities ²	Regional Higher Education Centers	Continuing Education Facilities
I. Life Safety, Health & Regulatory Concerns II. Project Completion & Equipment A. Renovations B. New C. Infrastructure III. Renovation/Renewal of Existing Projects IV. Improvements to Utility & Basic Support Systems V. New Construction VI. Site Improvements VII. Land Acquisition for Campus Expansion	Facilities that support the instructional programs essential to the approved role and mission of the institution.	Research facilities consistent with the approved role and mission of the institution.	Administration, physical plant space, and other support services.	Facilities that include participation by more than one institution and offer an array of programs at multiple degree levels.	Facilities that address workforce training needs or offer programs that lead to certification in a workforce skill.

Note(s):

¹ Maryland's colleges and universities are also required to provide information on the impact of a proposed project on institutional capacity.

² To the extent possible, institutions are encouraged to seek non-public financing for revenue-generating facilities such as student housing, parking, bookstores, athletic facilities, and dining services.

Table 2. Summary of the FY 2018 Higher Education Capital Budget Request

Institution	Request	MHEC Recommendation		Governor January 2017		State GO Funds	
Bowie State University	\$ -	\$ -	\$ -	-	\$ -	-	-
Coppin State University	1,300,000	1,300,000	-	-	\$ -	-	-
Frostburg State University	3,400,000	3,400,000	-	-	\$ -	-	-
Salisbury University	-	-	-	-	\$ -	-	-
Towson University	36,000,000	36,000,000	-	-	\$ -	-	-
University of Baltimore	3,750,000	3,750,000	-	-	\$ -	-	-
University of Maryland, Baltimore	6,490,000	6,490,000	-	-	\$ -	-	-
University of Maryland, Baltimore County	60,000,000	60,000,000	-	-	\$ -	-	-
University of Maryland Center for Environmental Science	1,071,000	1,071,000	-	-	\$ -	-	-
University of Maryland, College Park	118,187,000	118,187,000	-	-	\$ -	-	-
University of Maryland Eastern Shore	3,600,000	3,600,000	-	-	\$ -	-	-
University System of Maryland Office & USG	88,000,000	88,000,000	-	-	\$ -	-	-
	USM Subtotal \$ 321,798,000	\$ 321,798,000	\$ -	-	\$ -	-	-
Morgan State University	18,658,000	18,658,000	-	-	\$ -	-	-
St. Mary's College of Maryland	13,000,000	13,000,000	-	-	\$ -	-	-
Independent Institutions (MICUA)	9,900,000	9,900,000	-	-	\$ -	-	-
	4-Year Subtotal \$ 363,356,000	\$ 363,356,000	\$ -	-	\$ -	-	-
Baltimore City Community College	-	-	-	-	\$ -	-	-
Community Colleges	84,486,000	84,486,000	-	-	\$ -	-	-
	2-Year Subtotal \$ 84,486,000	\$ 84,486,000	\$ -	-	\$ -	-	-
Southern Maryland Higher Education Center (See USMO Bldg III)	-	-	-	-	\$ -	-	-
Regional Higher Ed Center Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Higher Education Total GO Bond Request	\$ 447,842,000	\$ 447,842,000	\$ -	-	\$ -	-	-

Table 3. University System of Maryland - Capital Budget Request: FY 2018

Institution	Project	Phase	USM Project	June 30, 2016 Request	MHEC Recommendation	Governor January 2017	Total Estimated Cost	CBIS
Bowie State University								
	Renovate Julian Science, Schl of Mgmt Sci & Econ	P	1	1,300,000	1,300,000	-	41,381,000	-
	Coppin Total			1,300,000	1,300,000	-	41,381,000	
Frostburg State University	Education Professions & Hlth Sciences Cr	P	1	3,400,000	3,400,000	-	85,795,000	-
	Frostburg State Total			3,400,000	3,400,000	-	85,795,000	
Salisbury University								
	Salisbury Total							
Towson University	New Science Facility	PC	1	36,000,000	36,000,000	-	183,819,000	-
	Towson Total			36,000,000	36,000,000	-	183,819,000	
University of Baltimore	Renovate Langsdale Library	CE	1	3,750,000	3,750,000	-	23,825,000	-
	UB Total			3,750,000	3,750,000	-	23,825,000	
University of Maryland, Baltimore	New Health Sciences Research Facility III	CE	1	3,600,000	3,600,000	-	305,392,000	-
	Central Electric Substation and Redundancy	P	1	2,890,000	2,890,000	-	79,412,000	-
	UMB Total			6,490,000	6,490,000	-	384,804,000	
University of Maryland, Baltimore County	New Interdisciplinary Life Sciences Building	CE	1	60,000,000	60,000,000	-	125,688,000	-
	UMBC Total			60,000,000	60,000,000	-	125,688,000	
University of Maryland Center for Environmental Science	Chesapeake Analytics Collaborative Building	P	1	1,071,000	1,071,000	-	15,075,000	-
	UMCES Total			1,071,000	1,071,000	-	15,075,000	
University of Maryland, College Park	New Brendan Iribe Cr for Comp, Science & Innovation	CE	1	67,550,000	67,550,000	-	142,550,000	-
	New School of Public Policy	PC	1	3,000,000	3,000,000	-	45,000,000	-
	New/Ren Human Perf & Academic Research Facility	PCE	1	12,185,000	12,185,000	-	155,000,000	-
	New James Clark Bioengineering Bldg	CE	1	25,452,000	25,452,000	-	168,475,000	-
	Campuswide Bldg System & Infra. Improvements	C	1	10,000,000	10,000,000	-	135,000,000	-
	UMCP Total			118,187,000	118,187,000	-	646,025,000	
University of Maryland Eastern Shore	New School of Pharmacy & Health Professions	P	1	3,600,000	3,600,000	-	85,500,000	-
	UMES Total			3,600,000	3,600,000	-	85,500,000	
University System of Maryland Office	Capital Facilities Renewal Program	C	1	88,000,000	88,000,000	-	122,672,000	-
	USG - New Biomedical Sciences Education Facility	PCE	1	88,000,000	88,000,000	-	163,648,000	-
	Southern Maryland RHEC, New Academic Building III							
	USMO Total			88,000,000	88,000,000	-	286,320,000	
Total USM Request - GO Bonds			16	\$ 321,798,000	\$ 321,798,000	\$ -	\$ 1,878,232,000	

**Table 4. Morgan State University
Capital Project Request: FY 2018**

Project	Phase	Request	MHEC Recommendation	Governor January 2017		Total Estimated Cost
New Behavioral & Social Sciences Ctr (P)	CE	2,800,000	2,800,000			79,400,000
New Student Services Support Building	PC	15,000,000	15,000,000	-	-	81,000,000
New Hlth & Human Svcs Bldg: Demo: Turner Armory Phase I Des.	P	379,000	379,000	-	-	4,400,000
West Campus Site Improvements	P	479,000	479,000			4,600,000
Total		\$ 18,658,000	\$ 18,658,000	-	\$ -	169,400,000

**Table 5. St. Mary's College of Maryland
Capital Project Request: FY 2018**

Project	Phase	Request	MHEC Recommendation	Governor	Total Estimated Cost
				January 2017	
New Academic Building & Auditorium	PCE	\$ 10,600,000	10,600,000		75,700,000
Campus Infrastructure Improvements - Phase I	PC	\$ 2,400,000	2,400,000		15,400,000
Total		\$ 13,000,000	\$ 13,000,000	-	\$ 91,100,000

**Table 6. Maryland Higher Education Commission
FY 2017 Capital Budget Priorities: Public Four-Year Institutions**

Priority	Institution	Project	Phase	Request	Recommendation
Category I - Life Safety, Health and Regulatory Concerns					
		No Projects		Sub-total \$ -	-
Category II - Project Completion and Equipment					
1	Morgan State University (Completion 05/2017)	New Behavioral & Social Sciences Building	CE	2,800,000	2,800,000
2	University of Maryland, College Park (Completion 06/2017)	New James Clark Bioengineering Building	CE	25,452,000	25,452,000
3	University of Baltimore (Completion: 09/2017)	Renovate Langsdale Library	CE	3,750,000	3,750,000
4	University of Maryland, Baltimore (Completion 09/2017)	New Health Sciences Research Laboratory III	CE	3,600,000	3,600,000
			Sub-total \$	35,602,000	35,602,000
Category III - Renovation or Renewal of Existing Projects					
5	University System of Maryland Office	Capital Facilities Renewal Program (\$17M ARB Only)	PCE	-	-
6	Coppin State University (Completion 02/2021)	Renovate Julian Science, Schl of Mgmt Sci & Econ	P	1,300,000	1,300,000
			Sub-total \$	1,300,000	1,300,000
Category IV - Improvements to Utility and Basic Support Systems/services					
7	University of Maryland, College Park	Campuswide Bldg Systems & Infracs. Improvements	C	10,000,000	10,000,000
8	University of Maryland, Baltimore (Completion 01/2026)	Central Electric Substation and Redundancy	P	2,890,000	2,890,000
			Sub-total \$	12,890,000	12,890,000
Category V - New Construction					
9	University of Maryland, College Park (Completion 06/2018)	Brandan Tribe Center for Computer Science & Innovation	CE	67,550,000	67,550,000
10	University of Maryland, College Park (Completion 12/2018)	New Human Performance & Academic Research Facility	CE	12,185,000	12,185,000
11	USM Office - Universities at Shady Grove (Completion 10/2018)	New Biomedical Sciences & Engineering Facility	PCE	88,000,000	88,000,000
12	University of Maryland, Baltimore County (Completion 04/2019)	New Interdisciplinary Life Sciences Building	CE	60,000,000	60,000,000
13	University of Maryland, College Park (Completion 12/2019)	New School of Public Policy	PC	3,000,000	3,000,000
14	Morgan State University (Completion 04/2020)	New Student Services Support Building	PC	15,000,000	15,000,000
15	Towson University (Completion 05/2020)	New Science Facility	PC	36,000,000	36,000,000
16	Morgan State University Completion Phase I (Completion 05/2019)	New Health and Human Services Building/Demo Armory	P	379,000	379,000
17	Frostburg State University (Completion 10/2020)	Education Professions & Health Sciences Center	P	3,400,000	3,400,000
18	UM Center for Environmental Science (Completion 09/2020)	Chesapeake Analytics Collaborative Building	P	1,071,000	1,071,000
19	University of Maryland, Eastern Shore (Completion 04/2021)	New School of Pharmacy and Health Professions	P	3,600,000	3,600,000
20	St. Mary's College of Maryland (Completion 07/2022)	New Academic Building and Auditorium	PCE	10,600,000	10,600,000
			Sub-total \$	300,785,000	300,785,000
Category VI - Site Improvements					
21	Morgan State University (Completion 03/2020)	West Campus Site Improvements	P	479,000	479,000
22	St. Mary's College of Maryland (Completion 09/2021)	Campus Infrastructure Improvements - Phase I B	PC	2,400,000	2,400,000
			Sub-total \$	2,879,000	2,879,000
			Sub-total \$	-	-
			Total \$	353,456,000	353,456,000
Category VII - Land Acquisition					

**Table 7. Independent Colleges and Universities
Capital Project Request: FY 2018**

Institution/Project	Project Detail	Total Estimated Cost	Requested Funding	MHEC Recommendation	Governor January 2017	State Request As A Percent of Total Cost
Goucher College	Science Building Addition	\$ 27,400,000	\$ 4,000,000	4,000,000		15%
McDaniel College	Gill Physical Education Learning Center Renovations	6,600,000	3,000,000	3,000,000		45%
St. John's College	McDowell Hall Renovation	\$ 5,900,000	\$ 2,900,000	2,900,000		49%
Total		\$ 39,900,000	\$ 9,900,000	\$ 9,900,000	\$ -	25%

Source: Maryland Independent College and University Association, FY 2018 Capital Budget Request

**Table 8. Baltimore City Community College
Capital Project Request: FY 2018**

Institution	Project	Phase	Request	Governor January 2017	Total Estimated Cost
Baltimore City Community College	No Funding Request in FY 2018	\$	-	-	-
Total		\$	-	\$	-

**Table 9a. Community College Capital Grant Program
 Maryland Association of Community Colleges: Project Funding Prioritization
 Capital Budget Request for FY 2018**

Aggregate Weight	Community College	Project Name	Project Phase	Project Cost	Running Total
Preauthorized Split Funded					
	Community College of Baltimore County	Essex Health Careers & Technology Bldg	Renovation	\$ 5,000,000	\$ 5,000,000
	Frederick Community College	Morroe Center Renovation	Renovation	681,000	5,681,000
	Montgomery College	Rockville Student Services Center	Construction	18,856,000	24,537,000
	Prince George's Community College	Queen Anne Fine Arts Renovation	Renovation	17,288,000	41,825,000
1	Prince George's Community College	Queen Anne Fine Arts Renovation	Completion	\$ 4,026,000	\$ 45,851,000
2	Allegheny College	Technologies Bldg - Project 1: Infrastructure	Design+	2,572,000	48,423,000
3	Howard Community College	Renovations to N and ST Buildings	Construction	10,592,000	59,015,000
4	Hagerstown Community College	Smart House/Energy Efficiency	Design+	1,087,818	60,102,818
5	Frederick Community College	Monroe Center Renovation	Construction	1,106,300	61,209,118
6	Anne Arundel Community College	Health Sciences and Biology Building	Design	6,520,000	67,729,118
7	Chesapeake College	TPAC Chiller and Roof Replacement	Construction	645,672	68,374,790
8	Montgomery College	Takoma Park/Silver Spring Math and Science Center	Design	5,138,000	73,512,790
9	Community College of Baltimore County	Wellness and Athletics Center	Design+	3,126,000	76,638,790
10	College of Southern Maryland	Health Sciences Center	Design	1,584,074	78,222,864
11	Montgomery College	Germantown Science and Applied Studies Building	Completion	2,456,000	80,678,864
12	Harford Community College	Fallston Hall Renovation	Design	308,880	80,987,744
13	Hagerstown Community College	Student Center Parking Lot	Design+	447,528	81,435,272
14	Community College of Baltimore County	Multi-Building Roof Replacement	Design+	350,000	81,785,272
15	Prince George's Community College	Marlboro Hall Renovation and Addition	Design	4,785,000	86,570,272
Total FY 2018 Request (New Projects)					
				\$ 44,745,272	\$ 44,745,272
Total FY 2018 Request (Rounded)					
				\$ 86,486,000	\$ 86,570,272
CCCG Program Balance					
				\$ (2,000,000)	
Final FY 2018 Request (Rounded)					
				\$ 84,486,000	

*Note: Baltimore City Community College is a State agency and does not receive funding through the Community College Capital Grant Program
 Prioritization approved by the Maryland Council of Community College Presidents on August 2, 2016*

**Table 9b. Community College Capital Grant Program
Capital Project Funding Request of FY 2018: Alphabetical by College**

FY 2018 Higher Education Capital Budget - Community Colleges							
Institution	Project	No.	Phase	N-R-Inf	STEM	Request	
						8/15/2016	
Allegheny	Technology Building Renovation - Project 1	443	PC	Infra		\$ 2,487,000	
Anne Arundel	New Health Sciences & Biology Building	New	P	New	Y	\$ 6,520,000	
CCBC-Catonsville	Multi-Building Roof Replacement	New	PC	Infra		\$ 350,000	
CCBC-Essex	Wellness & Athletics Renovation/Addition	New	PCE	Ren		\$ 3,126,000	
CCBC-Essex	N (HTEC) Building Renovation/Addition	438	C	Ren/Add	Y	\$ 5,000,000	
Chesapeake	TPAC Chiller & Roof Replacement	New	PCE	Infra		\$ 646,000	
CSM - Hughesville	New Health Sciences Center	New	P	New	Y	\$ 1,584,000	
Frederick	Monroe Center Renovation	448	PC	Ren		\$ 1,787,000	
Hagerstown	Student Center Parking Lot	New	PC	Infra		\$ 448,000	
Hagerstown	Smart House/Energy Efficiency Building	New	PCE	New		\$ 1,088,000	
Harford	Fallston Hall Renovation	New	P	Ren		\$ 309,000	
Howard	Renovations to N & ST Buildings	441	C	Ren		\$ 10,592,000	
Montgomery-Rockville	New Student Services Center	429	C	New		\$ 18,856,000	
Montgomery-SSTP	New Math & Science Center	New	P	New	Y	\$ 5,138,000	
Montgomery - Germantown	Science & Applied Studies Building Ren/Add	430	E	Ren		\$ 2,456,000	
Prince George's	Queen Anne Academic Center Renovation/Addition	437	CE	Ren		\$ 21,314,000	
Prince George's	Marlboro Hall Renovation/Addition	New	P	Ren		\$ 4,785,000	
Program Balance	17 Projects/11 Colleges/14 Campuses (10 New Projs.)				5	\$ 86,486,000	
						(\$ 2,000,000)	
Total Grant Program						\$ 84,486,000	
Baltimore City						\$ -	
Total Community Colleges						\$ 84,486,000	

**Table 10. Southern Maryland Higher Education Center
Capital Project Request: FY 2018**

Project	Phase	Request	MHEC Recommendation	Total Estimated Cost
New Research Building III - No Funding Request in FY 2018*				
Total		\$ -	\$ -	\$ -

*The University System of Maryland Office (USMO) is designated the State funding coordinator for this project.

**Table 11. Higher Education Capital Budget Statistics
FY 2018 Recommendation vs. FY 2017 Recommendation**

FY 2018

Segment	FY 2018 Higher Education Capital Budget - Recommendation											
	Request		Institutions				Projects				STEM Projects	
	FY18	% of Budget	Total Institutions	% of Institutions	Total Projects	New	Ren	Infra	% of Projects	No. STEM	% of STEM	
USM	\$ 321.8	71.8%	10	41.7%	16	10	3	3	38.1%	11	57.9%	
MORGAN	\$ 18.7	4.2%	1	4.2%	4	3	1	1	9.5%	2	10.5%	
ST MARY'S	\$ 13.0	2.9%	1	4.2%	2	1	0	1	4.8%	0	0.0%	
MICUA	\$ 9.9	2.2%		0.0%	3	1	2	0	7.1%	1	5.3%	
HIGHER EDUC CENTERS	\$ -	0.0%		0.0%	0	0	0	0	0.0%	0	0.0%	
BCCC	\$ -	0.0%		0.0%	0	0	0	0	0.0%	0	0.0%	
CC GRANT PROGRAM*	\$ 84.5	18.9%	12	50.0%	17	6	7	4	40.5%	5	26.3%	
Total GO	\$ 447.9	100.0%	24	100.0%	42	21	12	9	100.0%	19	100.0%	
Total ARB	\$ 32.0					50.0%	28.6%	21.4%		45%		

* Includes \$2M Program Balance

FY 2017

Segment	FY 2017 Higher Education Capital Budget - Recommendation											
	Governor's Recommendation		Institutions				Projects				STEM Projects	
	FY17 Budget	% of Budget	Total Institutions	% of Institutions	Total Projects	New	Ren	Infra	% of Projects	No. STEM	% of STEM	
USM	\$ 338.0	65.0%	11	39.3%	19	12	3	4	38.0%	12	54.5%	
MORGAN	\$ 45.6	8.8%	1	3.6%	5	1	2	2	10.0%	1	4.5%	
ST MARY'S	\$ 2.7	0.5%	1	3.6%	3	1	0	2	6.0%	0	0.0%	
MICUA	\$ 10.0	1.9%	3	10.7%	3	2	1	0	6.0%	3	13.6%	
HIGHER EDUC CENTERS*	\$ -	0.0%	0	0.0%	0	0	0	0	0.0%	0	0.0%	
BCCC	\$ -	0.0%		0.0%	0	0	0	0	0.0%	0	0.0%	
CC GRANT PROGRAM	\$ 124.1	23.8%	12	42.9%	20	4	13	3	40.0%	6	27.3%	
Total GO	\$ 520.4	100.0%	28	100.0%	50	20	19	11	100.0%	22	100.0%	
Total ARB	\$ 22.0					40.0%	38.0%	22.0%		44%		

* New Class/Lab Research Building #3 included in USM



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph. D.
Secretary

Exhibit 1. Goals of *Maryland Ready* - 2013 Maryland State Plan for Postsecondary Education

Goal 1: *Maryland will enhance the quality of its postsecondary institutions and programs, which are recognized nationally and internationally for academic excellence, and increase its effectiveness in fulfilling the evolving educational needs of its students and the state.*

Goal 2: *Maryland will achieve a system of postsecondary education that advances the educational goals of all by promoting and supporting access, affordability and completion.*

Goal 3: *Maryland will ensure equitable opportunity for academic success and cultural competence for Maryland's population.*

Goal 4: *Maryland will seek to be a national leader in the exploration, development and implementation of creative and diverse education and training opportunities that will align with State goals, increase student engagement and improve learning outcomes and completion rates.*

Goal 5: *Maryland will stimulate economic growth, innovation, and vitality by supporting a knowledge-based economy, especially through increasing education and training and promoting the advancement and commercialization of research.*

Goal 6: *Maryland will create and support an open and collaborative environment of quality data use and distribution that promotes constructive communication, effective policy analysis, informed decision-making, and achievement of State goals.*

Exhibit 1 - A
Four-Year Institutions Meeting Maryland Ready - 2013 State Plan Goals

Four - Year Institutions		Maryland Ready - 2013 State Plan Goals					
Institution	Project Name	1	2	3	4	5	6
Coppin State University	Renovate Julian Science, Schl of Mgmt Sci & Econ	*	*	*	*	*	*
Frostburg State University	New Education Professions and Health Sciences Center	*	*	*	*	*	*
Towson University	New Science Facility	*	*	*	*	*	*
University of Baltimore	Renovate Langsdale Library	*	*	*	*	*	*
UM Baltimore	New Health Sciences Facility III	*	*	*	*	*	*
	Central Electric Substation and Redundancy	*					
UM Baltimore County	New Interdisciplinary Life Sciences Building	*	*	*	*	*	*
UM Center for Environmental Science	New Chesapeake Analytics Collaborative Building	*	*	*	*	*	*
UM College Park	New School of Public Policy	*	*	*	*	*	*
	New Clark Bioengineering Building	*	*	*	*	*	*
	New Brendan Iribe Ctr. For Computer Science & Innovation	*	*	*	*	*	*
	New Sports Performance/Acad. Research Bldg.-Cole FH	*	*	*	*	*	*
	Campuswide Bldg System & Infrastructure Improvements	*					
UM Eastern Shore	New School of Pharmacy and Health Professions	*	*	*	*	*	*
University System Office	Capital Facilities Renewal Program	*					
	USG - New Biomedical Sciences Education Facility	*	*	*	*	*	*
Morgan State University	New Behavioral & Social Sciences Center	*	*	*	*	*	*
	New Student Services Support Building	*	*	*	*	*	*
	New Health & Human Services Facility: Demo Turner/Storage	*	*	*	*	*	*
	West Campus Site Improvements	*					
St. Mary's College of Maryland	New Academic Building and Auditorium	*	*	*	*	*	*
	Campus Infrastructure Improvements - 3 Phases	*					
Goucher College	Science Building Addition	*	*	*	*	*	*
McDaniel College	Gill Physical Education Learning Center Renovation	*	*	*	*	*	*
St. John's College	McDowell Hall Renovation	*	*	*	*	*	*

Exhibit 1 - B
Community Colleges Meeting Maryland Ready - 2013 State Plan Goals

Community Colleges		Maryland Ready - 2013 State Plan Goals					
Institution	Project Name	1	2	3	4	5	6
Allegany	Technologies Building: Lobby Renovation/Alteration	*					
CCBC-Catonsville	Wellness and Athletics Center Renovation	*	*	*	*	*	*
CCBC-Catonsville	Multi-Building Roof Replacement	*					
CCBC-Essex	Health Careers & Technology Bldg. (HTEC) Ren./Add.	*	*	*	*	*	*
Chesapeake	TPAC Chiller & Roof Replacement	*					
College of Southern Maryland	New Health Sciences Center	*	*	*	*	*	*
Frederick	Monroe Center Renovation	*	*	*	*	*	*
Hagerstown	New Smart House/Energy Efficiency Center	*	*	*	*	*	*
Hagerstown	Student Center Parking Lot	*					
Harford	Fallston Hall Renovation	*	*	*	*	*	*
Howard	Renovations to Nursing & ST Buildings	*	*	*	*	*	*
Montgomery - Germantown	New Rockville Student Service Center	*	*	*	*	*	*
Montgomery - Rockville	Science and Applied Studies Building Renovation/Addition	*	*	*	*	*	*
Montgomery - Takoma Park/Silver Spring	New Math and Science Center	*	*	*	*	*	*
Prince George's	Queen Anne Academic Center Renovation/Addition	*	*	*	*	*	*
Prince George's	Marlboro Hall Renovation	*	*	*	*	*	*



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph. D.
Secretary

MEMORANDUM

DATE: October 26, 2016

TO: Maryland Higher Education Commission

FROM: Geoffrey Newman

STAFF: David Beard
Mark Blom

SUBJECT: Final Adoption on Proposed Amendments to COMAR

On June 16, 2016, the Maryland Higher Education Commission adopted proposed amendments to the following COMAR regulations:

- 13B.07.04 Construction Procedures (Community College Construction)
- 13B.07.05 Space Allocation Guidelines (Community College Construction)

The proposed amendments (attached) align community college construction procedures and space guidelines with current practices and were published for public comment in the September 2, 2016 Maryland Register. No comments were received within the required 30-day time period for publication, which ended on October 2, 2016. No changes to the proposed recommendations are being recommended by staff.

Therefore, the proposed amendments are ready for final approval by the Commission. Once approved, they will be effective ten days after notice is published in the Maryland Register.

RECOMMENDATION: It is recommended that the Maryland Higher Education Commission adopt the proposed amendments to the regulations governing Community College Construction Procedures and Space Allocation Guidelines.

Title 13B

MARYLAND HIGHER EDUCATION COMMISSION

SUBTITLE 07 COMMUNITY COLLEGES

Chapter 04 Construction Procedures

.01 College Facilities.

A. A college shall:

(1) (text unchanged)

(2) In submitting a proposal for a project for which the college is not eligible or does not seek State participation, indicate:

(a) Why additional space beyond current guidelines is necessary, if applicable[.]; and

(b) How the space will be used[.]; and

[(c) The estimated life cycle impact of the proposed facility on the operating costs of the college;]

(3) (text unchanged)

B.—D. (text unchanged)

.02 Facilities Master Plan (Includes Baltimore City Community College).

A. Each college shall develop and submit by February 1 of each year a facilities master plan or [addendum] *an update to the current facilities master plan* which supports the college's role and mission. The plan shall cover a period of not less than 10 years. Colleges should consider developing 20-year land use plans.

B. A college should regularly review the college's facilities master plan. The plan shall be updated every [5] 10 years or whenever major changes occur in the role and mission statements or in other plan components which have significant facilities implications.

C. The facilities master plan shall include:

(1)—(3) (text unchanged)

(4) Specific plans to meet identified needs, including:

(a)—(e) (text unchanged)

(f) *Bike path plan*;

(g) *Sustainability*;

[(f)] (h) Utilities extensions and improvements;

[(g)] (i) Long-range telecommunications plan needs which address the future requirements of the college for voice, data, video, and radio;

[(h)] (j) New construction;

[(i)] (k) A site development plan; and

[(j)] (l) An approach for updating the plan;

(5) [Details of plans for all projects in the plan prepared under PlanMaryland Goals and Objectives and Guidelines for Capital Budgeting] *Provisions indicating that the Maryland Department of Planning Growth and Conservation map was considered*; and

(6) (text unchanged)

D. (text unchanged)

E. Assessment and Analysis of Existing Land and Facilities and Planning Assumptions.

(1) (text unchanged)

(2) All proposals for new campuses, new site development, and new facilities projects shall [conform to PlanMaryland Goals and Objectives and Guidelines for Capital Budgeting] *consider the Maryland Department of Planning Growth and Conservation map*.

(3) (text unchanged)

F. Review Process for Facilities Master Plans.

(1) A board of trustees approved new or updated facilities master plan shall be submitted concurrently to the Commission, the Department of Budget and Management, the Department of General Services, and the Maryland [Office] *Department of Planning*.

(2) The Commission shall review the plan with specific attention to:

(a) [Conformity with Plan Maryland Goals and Objectives and Guidelines for Capital Budgeting] *Consideration of the Maryland Department of Planning Growth and Conservation map*;

(b)—(e) (text unchanged)

(f) Library construction with regard to:

(i) (text unchanged)

(ii) *Library commons*;

[(ii)] (iii) *Library automation*; and

- [iii)] (iv) New forms of book storage such as compact shelving;
- (g)—(h) (text unchanged)
- (3) (text unchanged)
- (4) The Department of General Services and the Maryland [Office] *Department* of Planning shall concurrently submit questions and concerns to the Commission and the Department of Budget and Management. The Commission shall forward its questions and concerns to the Department of Budget and Management to facilitate a consolidated response to the college from the Commission and the Department of Budget and Management. The college shall provide a response addressing the questions and concerns and may choose to modify its plan as a result of the issues raised. If appropriate, a meeting including the review agencies and the college may be held to assure a coordinated approach to completing the review process.
- (5) (text unchanged)

.03 Five-Year Capital Improvements Program/Annual Capital Budget Request Submission.

- A.—B. (text unchanged)
- C. Projects identified in the program shall be consistent with [PlanMaryland Goals and Objectives and Guidelines for Capital Budgeting and] the approved facilities master plan *and should consider the Maryland Department of Planning Growth and Conservation map*. The program shall be updated annually to reflect actual capital appropriations and any changes affecting project priorities within the program, as well as to add an additional year.
- D. (text unchanged)
- E. (text unchanged)
- F. Review Process for Five-year Capital Improvements Program.
 - (1) A facility program statement is required for each project to be [included in the 5-year capital improvements program] *considered for funding in the capital budget*. The program statement consists of Part I/project justification and Part II/technical specifications. [A] *The college shall submit [a] the Part II/project justification by May 1 of the year in which the project is to be included in the 5-year capital improvement program for the first time. The Part I/project justification shall be submitted to the Commission] and Part II to the Commission, the Department of Budget and Management, the Department of General Services, and the Department of Planning no later than May 1 of the year that the college is requesting funding.*
 - (2) The Commission review of the Part I/project justification shall focus on:
 - (a)—(b) (text unchanged)
 - (c) [Conformity with PlanMaryland Goals and Objectives and Guidelines for Capital Budgeting] *Consideration of the Maryland Department of Planning Growth and Conservation map; and*
 - (d) (text unchanged)
 - (3) The Part II/technical specifications shall be submitted by May 1 of the year in which the design funds are requested. The Part II/technical specifications review shall be conducted by the Department of Budget and Management, the Department of General Services, and the Maryland [Office] *Department* of Planning.
 - (4)—(5) (text unchanged)

.04 Site Selection.

- A. The general location for each proposed college or addition to a college shall be selected by the board of trustees for the college concerned, and submitted for the approval of the Commission and the Board of Public Works through the Department of General Services, which shall seek comments and recommendations from the Maryland [Office] *Department* of Planning.
- B. (text unchanged)
- C. Specific Site Selection Procedure.
 - (1) The board of trustees of the college shall study the available sites and have prepared a report that ranks the available sites in order of preference. Technical data, including proximity within [PlanMaryland] *Maryland Department of Planning Growth and Conservation* planning areas and a site check list, shall support this ranking.
 - (2)—(4) (text unchanged)
 - (5) Material supporting the selection of the specific site in §C(4) of this regulation, including an analysis of alternative sites which were considered, shall be submitted to the Secretary. The Secretary shall submit these documents to the Department of General Services and the Maryland [Office] *Department* of Planning for their confidential review and findings.
 - (6)—(7) (text unchanged)
 - (8) The Secretary shall notify the college of the responses of the Department of General Services and the Maryland [Office] *Department* of Planning.
 - (9)—(12) (text unchanged)

Chapter 05 Space Allocation Guidelines

.01 General Principles.

- A.—E. (text unchanged)

F. On-campus daytime weekly student contact hours (WSCH) shall be used to compute classroom and laboratory space needs. The WSCH shall be certified by the Secretary of Higher Education. [Except for remedial or other prerequisite courses, noncredit contact hours are not included in computing space, and only "on campus" hours shall be included.]

G. Eligible noncredit contact hours may be included in computing space, and only on-campus hours shall be included. When reporting eligible non-credit contact hours, MHEC Form CC-S6 shall be used.

[G.] H. Enrollment projections to be used by a college in applying these regulations should be consistent with the approved role and mission statement for that college. The enrollment projection should be that which is contained in the facilities master plan most recently endorsed by the Commission.

[H.] I. Office space is based on the count of full-time equivalent faculty, full-time administrators, full-time librarians, full-time staff, and student officers as certified to by the Secretary.

[I.] J. The space inventory to be used by a college in applying these regulations to determine eligibility for State funding is the total amount of on-campus space minus space contained in temporary structures. Temporary structures are those with an anticipated useful life of less than 15 years or those that were not intended to occupy space on campus for more than 15 years from original construction.

[J.] K. The space inventory is recorded in terms of net assignable square feet (NASF). The space allowances computed under these guidelines are also recorded as NASF.

.02 Capital Guidelines.

Space allocation guidelines for college campuses are as follows:

Room Use Category		Space Factor by Size of FTDE		
HEGIS Code	Space	Base	3000 & Under	3001 & Up
100	Classroom Facilities	WSCH1	1.50	1.11
110	Classroom			
200	Laboratory Facilities	WSCH2	7.00	5.83
210	Class Laboratory			
220	Open Laboratory	FTDE	4.20	4.20
300	Office	FTEF3	166.00	166.00
		FT Staff		
		Student Offices ⁴		
320	Testing & Tutoring Centers	FTDE5	Core of 1,500 NASF and 0.5 NASF/FTDE in excess of 1,500 FTDE.	
400	Library			
410	Study/Seating	FTDE	6.25	6.25
420	Stack	BVE6	.10-	.10+
400— 455	Processing	Percent of 420 with minimum of 1,200 NASF ⁷	.40	.40
500	Special Use			
520	Physical Education— Pool, Gym, and Fitness/Wellness Center	FTDE8	Core of 28,000 NASF (consisting of 14,000 for a gym, 8,000 for a pool, and 6,000 for a fitness center) and 10 NASF/FTDE in excess of 1,500 FTDE and 6,000 NASF of service space (consisting of 3,500 for lockers and 2,500 for storage).	
530	Audiovisual, Radio, TV	FTDE	Core of 1,600 NASF and 0.8 NASF/FTDE in excess of 1,500 FTDE up to 3,000 FTDE and 2 NASF/FTDE in excess of 3,000 FTDE.	
580	Greenhouse	Campus	Core of 1,000 NASF	
600	General Use			
610	Assembly	FTDE	Core of 12,000 NASF and 2 NASF/FTDE in excess of 1,500 FTDE.	
620	Exhibition	FTDE	Core of 1,500 NASF and 0.5 NASF/FTDE in excess of 1,500 FTDE.	

630	Food Facilities	PHC9	10.2	8.4
650	Lounge Facilities	PHC10	3.0	3.0
660	Merchandising	FTDE	Core of 1,600 NASF and 0.5 NASF/FTDE in excess of 1,500 FTDE.	
680	Meeting Space	FTDE	Core of 6,000 NASF	Core of 8,000 NASF
700	Support			
710	Data Processing, Telecomm	FTDE11	Core of 2,500 NASF for the first 4,000 FTDE and 0.75 NASF/FTDE beyond 4,000 FTDE.	
720— 745	Shops, Storage, Vehicle Storage, and Repair	Total Campus Allowance minus this category ¹²	0.04	0.04
750	Central Service	FTDE	Core of 4,000 NASF for the first 4,000 FTDE and 1 NASF/FTDE beyond 4,000 FTDE.	
760	Hazardous Materials	Total Storage	2% of existing inventory in Room Use Categories 720—745.	
800	Health Care	FTDE	Core of 500 NASF and 0.2 NASF/FTDE in excess of 1,500 FTDE.	

¹WSCH-Lecture. Weekly student contact hours for on-campus day students in credit courses and eligible noncredit courses where instruction is lecture.

²WSHC-Lab. Weekly student contact hours for on-campus day students in credit courses and eligible noncredit courses where instruction is lab.

³FTEF—Full-time equivalent faculty, including librarians, plus 25% of all part-time faculty.

⁴1,120 square feet maximum for student offices.

⁵FTDE—Full-time day equivalent is total credit hours taught on campus between 8 a.m. and 5 p.m. divided by 15 credit hours.

⁶BVE—Bound volume equivalent which is 20,000 BVE for the first 1,000 FTE and 1,000 BVE for every 100 FTE above 1,000.

⁷A minimum allowance is needed for cataloging, binding, and maintenance regardless of collection size.

⁸Minimum size of gym is 14,000 NASF for activity space, 8,000 NASF for pool, 6,000 NASF for fitness space, 3,500 NASF for lockers, and 2,500 NASF for storage.

⁹PHC—Planning headcount is 50% of FTDE for on-campus credit and eligible noncredit courses plus FTEF and FT Staff and includes space for seating, preparation, and storage.

¹⁰Allowance includes quiet, study, and building lounges.

¹¹FTDE for on-campus credit courses and eligible noncredit courses.

¹²Allowance related to required service space on campus total square footage.

¹³Computed need in any larger institutional size category may not be less than the maximum amount for any smaller institutional size category.



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph.D.
Secretary

MEMORANDUM

DATE: October 26, 2016

TO: Maryland Higher Education Commissioners

FROM: Michael J. Kiphart, Director, Academic Affairs
Alan Gallegos, Associate Director, Career & Workforce Education

SUBJECT: Proposed Publication in the Maryland Register of Regulations Regarding Advertising by Certain Non-MHEC-Approved Organizations

The purpose of this memorandum is to request your approval to publish for public comment in the Maryland Register the attached proposed amendments to the Code of Maryland Regulations (COMAR). These amendments would clarify that certain entities – other than private career schools or institutions of higher education – generally may not advertise themselves as “school[s], conservator[ies], academ[ies], or institute[s].” The amendments will help assure that non-MHEC-approved entities do not engage in advertising that that misleads the public or inaccurately connotes licensure by MHEC.

Existing regulations already restrict the ability of non-approved entities to use the terms “school, conservatory, academy, or institute” without the Secretary’s approval. However, the proposed amendments would set forth explicit parameters by which the Secretary may grant permission to an unapproved entity to use those terms.

In particular, the Secretarial permission to use one of the terms would be based on whether the entity: (1) fits an enumerated exemption from regulation as a private career school; (2) agrees to include a prominent disclaimer in its materials that it is not licensed by MHEC; and (3) provides training that leads to gainful employment in a recognized occupation (such that its advertising itself as a school, conservatory, academy, or institute is not misleading). The amendments thus would minimize misleading advertising and also increase transparency for affected entities; those entities would know the standards by which the Secretary makes determinations. In addition, the amendments also would assist MHEC with consistent and effective enforcement of the advertising restrictions.

RECOMMENDATION: It is recommended that the Commission approves for publication the attached regulations regarding advertising, and authorizes MHEC’s attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents.

Proposed Amendments to Code of Maryland Regulations (COMAR)

Re: Advertising

October 26, 2016

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13B.01.01.03

.03 Scope, Applicability, and Exemption.

A. These regulations apply to all private career schools that require a certificate of approval to commence or continue to operate, do business, or function in the State.

B. These regulations, *except where explicitly stated otherwise*, do not apply to:

(1) A program delivered entirely by distance education to a single individual at a Maryland location by a person, firm, corporation, or other organization that operates all aspects of the business outside of Maryland, including but not limited to, the origination, transmission, and administration of the distance education program from outside of Maryland;

[Remainder of the text of Regulation .03 unchanged]

13B.01.01.15

.15 Catalog and Official Advertising.

[Text of A. through H. unchanged]

I. Advertising Restriction Applicable to All Organizations.

(1) General Prohibition. An organization, *other than those listed in subsection (2) of this section*, may not be known or advertised as a school, conservatory, academy, or institute except with the approval of the Secretary *pursuant to subsection (3) of this section*. [A] *Neither a school, nor any organization other than an institution of higher education*, may [not] be known or advertised as a university or college. This does not affect organizations operating in this State as schools, universities, colleges, conservatories, academies, or institutes before June 1, 1947.

(2) Scope. This section does not apply to:

(a) An entity that holds a certificate of approval from the Commission; or

(b) An entity that is subject to licensure as an educational or training provider by another agency of the State of Maryland or of the federal government.

(3) Secretarial Approval for a Non-Private Career School to Advertise as a School.

(a) The Secretary may grant permission to an organization, upon written application of that organization in a form prescribed by the Secretary, to be known or advertised as a school, conservatory, academy, or institute if, in the Secretary's determination:

(i) The organization qualifies for an exemption under Regulation 13B.01.01.03C;

(ii) The organization provides a prominent disclaimer in all of its advertising and enrollment materials that the organization is not licensed by the Maryland Higher Education Commission; and

Proposed Amendments to Code of Maryland Regulations (COMAR)

Re: Advertising

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(iii) The organization furnishes or offers to furnish programs, whether or not requiring a payment of tuition or a fee, for the purpose of training, retraining, or upgrading individuals for gainful employment as skilled or semiskilled workers or technicians in recognized occupations or in new and emerging occupations.

(b) The Secretary's denial of permission under paragraph (a) is final.

[Text of J. through N. unchanged]



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Secretary

MEMORANDUM

DATE: October 26, 2016

TO: Maryland Higher Education Commissioners

FROM: Emily A. A. Dow, Assistant Secretary for Academic Affairs
Michael J. Kiphart, Director, Academic Affairs

SUBJECT: Proposed Publication in the Maryland Register of Regulations Regarding the Accreditation of Institutions

The purpose of this memorandum is to request your approval to publish for public comment in the Maryland Register the attached proposed amendments to the Code of Maryland Regulations (COMAR). These amendments clarify and establish a process for institutions that lose accreditation due to the accrediting agency's recognition being terminated by the United States Department of Education. The amendments will help assure that institutions have a process for potentially continued approval while seeking new accreditation from a recognized accrediting agency.

In particular, an institution that loses its accreditation will also have its authority to operate in Maryland terminated on the effective date of the USDOE termination of recognition of the accrediting agency. Institutions must notify the Commission in writing within 7 calendar days of the accrediting agency's loss of recognition. Institutions with no accreditation due to the termination of recognition of their accrediting agency may appeal to the Secretary of higher education who may grant the institution a temporary approval to operate and impose terms and conditions as the Secretary deems appropriate. Institutions granted temporary approval to operate in Maryland must comply with all stipulations or the Secretary shall withdraw the institution's authority to operate in Maryland. The provisions of the changes apply to a decision by the USDOE, effective on or after July 1, 2016, to withdraw an accrediting agency's recognition. Finally, the proposed regulations provide the same processes for fully online programs required to register with the Commission who may lose their accreditation due to a USDOE termination of recognition of the institution's accrediting agency.

RECOMMENDATION: It is recommended that the Commission approves for publication the attached regulations regarding accreditation, and authorizes MHEC's attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents.

Proposed Amendments to Code of Maryland Regulations (COMAR)

Re: Accreditation

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13B.02.02.08L

L. Accreditation.

(1) Within 4 years of an in-State institution receiving approval to operate within the State, the institution shall apply for accreditation with an organization recognized as an accrediting agency by the U.S. Department of Education to grant institutional accreditation

(2) Within 8 years of an institution granting baccalaureate or higher degrees or within 6 years of an associate degree-granting institution receiving approval to operate within the State, the institution shall become accredited by an organization recognized as an accrediting agency by the U.S. Department of Education to grant institutional accreditation.

(3) Non-accredited in-State institutions approved by the State prior to January 1, 2007, shall apply by December 31, 2012, for accreditation by an organization recognized as an accrediting agency by the U. S. Department of Education to grant institutional accreditation, and shall become accredited by December 31, 2015.

(4) Except as provided in §L(5) of this regulation, the Secretary shall withdraw an institution's authority to operate in Maryland if the institution fails to become accredited by an organization recognized as an accrediting agency by the U. S. Department of Education to grant institutional accreditation within the time periods required by §L(1), (2), and (3) of this regulation

(5) The Secretary may extend for a specified period the time required for an institution to obtain accreditation by an organization recognized as an accrediting agency by the USDOE to grant institutional accreditation.

(6) If an institution's accreditation is terminated, the institution's authority to operate in Maryland shall cease effective the date that accreditation is terminated, unless the institution continues to be accredited by an organization recognized as an accrediting agency by the U.S. Department of Education to grant institutional accreditation.

M. Effect of the removal of recognition of an accrediting agency by the U.S. Department of Education (USDOE).

(1) If an institution ceases to be accredited by an organization recognized as an accrediting agency by the USDOE because the USDOE terminates its recognition of the accrediting agency, the institution shall inform the Commission of its accreditation status in writing within 7 calendar days of the accrediting agency's loss of recognition.

Proposed Amendments to Code of Maryland Regulations (COMAR)

Re: Accreditation

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(2) Except as provided in paragraph (3) of this section, if an institution ceases to be accredited by an organization recognized as an accrediting agency by the USDOE because the USDOE terminates its recognition of the accrediting agency, the institution's authority to operate in Maryland shall cease effective the date that the USDOE terminates its recognition of the accrediting agency, unless the institution continues to be accredited by an organization recognized as an accrediting agency by the USDOE to grant institutional accreditation.

(3) If an institution ceases to be accredited by an organization recognized as an accrediting agency by the USDOE because the USDOE terminates its recognition of the accrediting agency, and the institution is not accredited by another organization recognized as an accrediting agency by the USDOE to grant institutional accreditation, the Secretary may grant the institution a temporary approval to operate, and impose terms and conditions as the Secretary deems appropriate, provided that:

(a) Within 60 days of the accreditation agency's loss of recognition, the institution shall apply for accreditation from an organization recognized as an accrediting agency by the USDOE, and shall inform the Commission of the new accrediting agency and the institution's application status; and

(b) Within 4 years of the accreditation agency's loss of recognition, the institution shall become accredited by an organization recognized as an accrediting agency by the USDOE to grant institutional accreditation;

(4) Withdrawal of Approval.

(a) Except as provided in subparagraph (b) of this paragraph, the Secretary shall withdraw an institution's authority to operate in Maryland if the institution fails to meet the time periods required by paragraph (3) of this section.

(b) The Secretary may, upon conditions that the Secretary deems appropriate, extend for a specified period the time requirements under paragraph (3) of this section.

(5) The provisions of this section apply to a decision by the USDOE, effective on or after July 1, 2016, to withdraw an accrediting agency's recognition.

13B.05.01.05

A. Accreditation Requirement

1. An institution required to register under this chapter that is not accredited by an accrediting body recognized and approved by the U.S. Department of Education may not receive a registration from the Commission.

Proposed Amendments to Code of Maryland Regulations (COMAR)

Re: Accreditation

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2. If an institution's accreditation is terminated, the institution's registration in Maryland shall cease effective the date that accreditation is terminated, unless the institution continues to be accredited by an organization recognized as an accrediting agency by the U.S. Department of Education to grant institutional accreditation.

B. Effect of the removal of recognition of an accrediting agency by the U.S. Department of Education (USDOE).

(1) If an institution ceases to be accredited by an organization recognized as an accrediting agency by the USDOE because the USDOE terminates its recognition of the accrediting agency, the institution shall inform the Commission of its accreditation status in writing within 7 calendar days of the accrediting agency's loss of recognition.

(2) Except as provided in paragraph (3) of this section, if an institution ceases to be accredited by an organization recognized as an accrediting agency by the USDOE because the USDOE terminates its recognition of the accrediting agency, the institution's registration in Maryland shall cease effective the date that the USDOE terminates its recognition of the accrediting agency, unless the institution continues to be accredited by an organization recognized as an accrediting agency by the USDOE to grant institutional accreditation.

(3) If an institution ceases to be accredited by an organization recognized as an accrediting agency by the USDOE because the USDOE terminates its recognition of the accrediting agency, and the institution is not accredited by another organization recognized as an accrediting agency by the USDOE to grant institutional accreditation, the Secretary may grant the institution a temporary registration to operate, and impose terms and conditions as the Secretary deems appropriate, provided that:

(a) Within 60 days of the accreditation agency's loss of recognition, the institution shall apply for accreditation from an organization recognized as an accrediting agency by the USDOE, and shall inform the Commission of the new accrediting agency and the institution's application status; and

(b) Within 4 years of the accreditation agency's loss of recognition, the institution shall become accredited by an organization recognized as an accrediting agency by the USDOE to grant institutional accreditation;

(4) Withdrawal of Approval.

(a) Except as provided in subparagraph (b) of this paragraph, the Secretary shall withdraw an institution's registration in Maryland if the institution fails to meet the time periods required by paragraph (3) of this section.

Proposed Amendments to Code of Maryland Regulations (COMAR)

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(b) The Secretary may, upon conditions that the Secretary deems appropriate, extend for a specified period the time requirements under paragraph (3) of this section.

(5) The provisions of this section apply to a decision by the USDOE, effective on or after July 1, 2016, to withdraw an accrediting agency's recognition.



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James D. Fielder, Jr., Ph.D.
Secretary

MEMORANDUM

DATE: October 27, 2016

TO: Maryland Higher Education Commission

FROM: Emily A.A. Dow, Ph.D.
Jon Enriquez, Ph.D.

SUBJECT: Proposed Approval of Regulations Regarding Registered Online Institutions

This memorandum requests approval to publish for public comment a proposed amendment (copy attached) to Regulation 13B.05.01.06 of the Code of Maryland Regulations, which governs the operations of online institutions registered with the Commission.

The amendment would eliminate the requirement that institutions enrolling Maryland residents online provide annual data on enrollments to the Commission for analytical purposes, including transmission to the Maryland Longitudinal Data System Center. This change is recommended because the Commission and the Maryland Longitudinal Data System Center currently do not report on this data. Additionally, the data collected does not represent all students enrolled in online programming; it represents enrollment for online programs that are registered with the Commission, but it does not represent enrollments at SARA institutions, which are reported centrally through NC-SARA.

If the Commission approves the proposed regulations for publication, the regulations will be reviewed by the Administrative, Executive, and Legislative Review (AELR) Committee. The regulations then will be published in the Maryland Register for a 30-day comment period, and will return to the Commission for final adoption.

RECOMMENDATION: It is recommended that the Commission approves for publication the attached regulations regarding the reporting requirements of online institutions, and authorizes MHEC's attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents.

MARYLAND HIGHER EDUCATION COMMISSION

SUBTITLE 05 FULLY ONLINE PROGRAMS

Chapter 01 Registration

Authority: Education Article, §§11-105(u) and 11-202.2 Annotated Code of Maryland

.06 Registration Procedure.

A. An institution seeking registration with the Commission as required in Regulation .04 of this chapter shall submit to the Commission:

- (1) An application for registration in the form required by the Secretary;
- (2) An application fee in the amount of:
 - (a) For an institution having an enrollment of no more than 20 Maryland students, \$500; and
 - (b) For an institution having an enrollment of more than 20 Maryland students, \$1,000;
- (3) Information on the ownership of the institution;
- (4) A list of all online programs that will be offered to Maryland students, including program tuition and fee costs for those programs;
- (5) Documentation that the institution is:
 - (a) Accredited by and in good standing with an accrediting body recognized and approved by the U.S. Department of Education;
 - (b) In good business standing in the state in which the central administration of the institution is incorporated;
 - (c) If the state in which the central administration of the institution is located has a state authority, in good academic standing with that state authority;
 - (d) In compliance with the principles of good practice for distance education established by the Commission in COMAR 13B.02.03; and
 - (e) In compliance with the refund policies in Regulation .10 of this chapter;
- (6) Documentation that the institution has a process for the filing and resolution of complaints by Maryland students, including informing students that the institution is subject to investigation of complaints by the Office of the Attorney General or the Commission;
- (7) An affidavit from the President or Chief Executive Officer of the institution affirming that:
 - (a) The institution has not filed for bankruptcy protection under Title 11 of the U.S. Code during its existence; and
 - (b) The President or Chief Executive Officer will:

(i) Abide by the requirements of Education Article, §11-202.2, Annotated Code of Maryland, and this chapter; and

(ii) Notify the Commission in reference to the matters set forth in Regulation .11 of this chapter; and

(8) If the institution is or will be enrolling Maryland students before registration is issued, within 30 days of submitting the complete application, a financial guarantee as provided in Regulation .07 of this chapter.

B. In addition to the requirements of §A of this regulation, an institution shall submit a copy of the institution's most recent financial statement reviewed by an independent accountant retained by the institution with its first application for registration and with subsequent applications for registration every 2 years.

[C. Following the first registration, with each subsequent application for registration, an institution shall submit all data reports on Maryland students required by the Maryland Longitudinal Data System in the form required by the Commission.]

[D]C. An application is complete as of the day on which an institution submits all documentation required in §A(1)—(7) of this regulation for the registration process as determined by the Secretary.

[E]D. If the Secretary finds that the institution is in compliance with the applicable requirements of Education Article, Title 11, Annotated Code of Maryland, and this chapter, the Secretary shall issue registration to the institution.

[F]E. Secretary's Denial of Registration.

(1) If the Secretary is not satisfied that an institution is in compliance with applicable requirements of Education Article, Title 11, Annotated Code of Maryland, and this chapter, the Secretary shall issue a notice of deficiencies and preliminarily deny registration to the institution.

(2) Within 20 days of receipt of a notice of deficiencies, the institution denied registration may request a hearing before the Commission.

(3) If the institution does not file a timely request for a hearing on the notice of deficiencies, the Secretary's decision becomes final.

[G]F. Secretary's Failure to Issue or Deny Registration.

(1) If the Secretary fails to issue a registration or a written notice of deficiencies within 6 months of the completed application, the institution may request a hearing before the Commission to determine whether the registration should be issued.

(2) The request shall be made within 20 days of the expiration of the 6-month period.

[H]G. Hearing by Commission.

(1) The Commission may refer a request for hearing under §F or G of this regulation to the Office of Administrative Hearings.

(2) A hearing before the Commission shall be held within 60 days after receipt of the request for hearing.

(3) The hearing before the Commission shall be conducted in accordance with the Administrative Procedure Act, State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland, and COMAR 13B.04.01.

(4) Within 30 days of the hearing, the Commission shall render a decision.

(5) The Commission may take the following action:

(a) Issue registration;

(b) Deny registration; or

(c) Remand the case to the Secretary for further action as directed by the Commission.

[I]H. Judicial Review.

(1) An institution that is denied registration by the Commission after a hearing under §H of this regulation has the right to judicial review provided by State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland.

(2) The decision of the Commission is presumed correct and the institution has the burden of proving otherwise.

(3) The Commission shall be a party to the proceeding.



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph.D.
Secretary

Maryland Higher Education Commission 2016 Meeting Dates

The Maryland Higher Education Commission (MHEC) is Maryland’s higher education coordinating board responsible for the management of statewide financial aid programs and the establishment of statewide policies for public and private colleges and career schools to support students’ postsecondary pursuits.

Meeting Dates and Locations

January 27, 2016	June 16, 2016 11:00 a.m. *Please note date and time change*
February 24, 2016 10:00 a.m., AACC “Please note time and location change”	September 22, 2016 9:30am to 3:30pm
March 23, 2016 Towson University “Please note location change”	October 26, 2016
April 27, 2016	November 16, 2016 *Please note date change*
May 19, 2016 *Please note date change*	December 14, 2016 *Please note date change*

All Commission Meetings will be held on the 4th Wednesday of Each Month from 1:00pm to 4:00pm at the Maryland Higher Education Commission in the 7th Floor Board Room located at 6 N. Liberty Street, Baltimore, MD 21201 unless otherwise noted.

Dates and Times Subject to Change

<http://www.mhec.state.md.us/higherEd/about/Meetings/mtgsched.asp>