March 25, 2011

THE STAGE IS NEARLY SET FOR HOUSE-SENATE USM BUDGET NEGOTIATIONS

Yesterday, the Subcommittee on Education, Business & Administration reported to the full Senate Budget & Taxation Committee to present a series of amendments in furtherance of the fiscal year 2012 budget. As subcommittee chair, Senator Richard S. Madaleno, Jr., reported several items of major importance to the public university community. With the budget bill passed out of committee and awaiting consideration by the full Senate next week, House and Senate members will convene to reconcile the differences between their respective amendments in the budget bills and Budget Reconciliation and Financing Act.

The budget actions are not final. The items represented below are subject to modification or elimination.

Compiled by Associate Vice Chancellor for Government Relations P.J. Hogan is a side-by-side comparison of House and Senate budget decisions. The longer narrative, as it appears in the budget decision documents, is also attached. As House and Senate conferees begin to organize, USM and campus officials will continue to work diligently and attend to any issues that may arise in the conference committee deliberations.

Here are selected highlights appearing as a budget amendment or committee narrative:

- The Senate budget committee decreased University System of Maryland Office by $2 million instead of a House-proposed cut of $8.1 million.
The Senate **adopted** an amendment designating faculty and “*operationally critical staff***” as those eligible for merit increases for purposes of retention. The House adopted language from House Bill 72, the Budget Reconciliation and Financing Act (BRFA), which only designates faculty. The Senate language also call for a full reporting of all staff duly designated “in accordance with policies adopted by the governing boards of those institutions.”

Both the House and the Senate adopted language regarding the establishment of a Voluntary Separation Program. The House version would permanently abolish any PINS lost as a result of voluntary separation, revert the funds budgeted for the position to the general fund, and require USM to report certain information. The Senate calls for the report only without a permanent abolishment of the PIN or funds reversion.

The Committee **concurred** with the House on a request that USM continue to provide annual **faculty workload** reports for tenured and tenure-track faculty. The report is due December 1, 2011. Separately, the committees have requested that USM submit a report on all categories of **institutional aid**, including need-based, merit, mission, and athletic scholarship. As a part of the report on institutional aid, lawmakers have asked that data on tuition remission be submitted as a separate category. The report is to be submitted to the Maryland Higher Education Commission on or before January 6, 2012. The committees also requested that data be submitted for each USM institution on the number of **institutional aid awards by expected family contribution (EFC)** category and by institutional aid category, such as grants, scholarships, athletics, and tuition remission for each fiscal year from 2007 to 2011. Report due November 15, 2011.

The committees **concurred** that USM should provide detailed budgets for the **Universities at Shady Grove (USG) and the University System of Maryland at Hagerstown (USMH)** as part of the Governor’s annual budget submission. This should include a budget summary detailing current unrestricted revenues and restricted revenues by source, number of authorized and contractual positions, and expenditures by program area and sub-object. Additionally, USM has been asked to provide full-time equivalent student enrollment at USG and USMH by institution. The report will be due with the fiscal 2013 request and allowance.

The Senate adopted budget amendment language directing the USM Board of Regents to explore a **merger between the University of Maryland, College Park and the University of Maryland, Baltimore**. The language states that the Regents shall: “…study any issues raised by a merger of the two institutions and develop a plan to merge UMCP and UMB.”
The Senate also adopted several amendments calling for MHEC, MACC and/or USM to collaborate on several reports in areas including:

- **Report on the Methods to Determine Predicted Performance of the Public Four-year Institutions (MHEC)**
- **Helping Adults with Accumulated Credits Return to College to Complete Degree (MHEC)**
- **Report on Improving Developmental Education Data (MHEC)**
- **Report on Outcomes of Students Participating in Access and Success Programs by Cohort (MHEC)**
- **Collaboration on College Readiness (MACC)**
- **Incentives for Completing an Associate’s degree Prior to Transfer (MACC)**
- **Task Force to Study Higher Education in Baltimore City (MHEC)**

**PROPOSED UTILITY AND STORMWATER MANAGEMENT CHANGES RECEIVE “UNFAVORABLE” REPORTS**

Two bills that would have had significant impact on USM institutions failed to get out of committee this week.

Senate Bill 552 would have removed the exemption that has allowed state agencies and the University System to avoid payment locally assessed storm water management fees or charges. Although the impact to USM campuses varies from locality to locality, and because some institutions may have existing integrated storm water plans with their local water authorities, USM was concerned the flat out repeal of the exemption may go too far. USM worked with campuses to express these concerns to the committee.

A related bill, Senate Bill 622, would have required gas and electric companies to maintain utility consumption records for nonresidential retail gas and electric customers and require that state buildings be benchmarked each year. Since most USM campus buildings are not directly connected to the local electric system, the electric utility would not have the data to provide concerning many USM buildings. As written, the bill would have required USM to produce energy data for every building over 10,000 sq. ft. likely representing an additional cost for personnel and additional energy metering for some buildings.
UPCOMING POLICY AND BUDGET HEARINGS

SB 695; Regulation of For-Profit Institutions
House Appropriations
3/29 @ 2pm

HB 748; Academic Facilities Bonding Authority
Senate Budget & Taxation
3/29 @ 1pm

Capital Budget Hearings Schedule (may be subject to change)

Tuesday, March 29
House Capital Budget Subcommittee
Room 120, HOB - 3:00 pm

  • Capital Decisions

Wednesday, March 30
House Appropriations - Full Committee
Room 120, HOB - 1:00 pm

  • Capital Report to Full Committee

Monday, April 4
Senate Capital Budget Subcommittee
3 West, Miller - 1:00 pm

  • Capital Decisions
Tuesday, April 5
Senate Budget & Taxation Committee
3 West, Miller - 1:00 pm

- Capital to Full Committee