



**UNIVERSITY SYSTEM OF MARYLAND**  
**Office of Government Relations**  
**2017 End of Session Report**  
**April 10, 2017**

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The Maryland General Assembly completed its work for the 2017 Legislative Session and adjourned Sine Die at midnight. Today marks the end of the 2017 Maryland General Assembly session. 2,879 bills were introduced this session – 1,200 originated in the Senate and 1,661 originated in the House including 18 joint resolutions between both chambers.

The University System of Maryland (USM) Office of Government Relations, in conjunction with the state government relations representatives from each USM institution, tracked, offered testimony or sought amendments on more than 75 individual bills that would have had varying impacts on the System, the faculty, staff and students. One of the main responsibilities of the Chancellor’s Office is to prepare and advance the annual operating and capital budgets for the 11 universities, one research institution, and two regional higher education centers that comprise the USM. Working closely with the USM State Relations Council, and often with our colleagues across all sectors of education. The USM supported the efforts of the executive and legislative branches to focus on the state’s economic development structure and incentive programs to strengthen collaborations on technology transfer and commercialization; joined efforts to make college more affordable by keeping the tuition increase at a modest 2%; and to amend bills ranging from opioid awareness for students to the creation of a quasi-endowment. At the same time the USM succeeded in resisting several bills that would have imposed onerous new regulations or financially curtailed USM programs.

These efforts do not happen in a silo. The USM Office of Government Relations, State Relations Council, Council of University System Staff (CUSS), Council of University System Faculty (CUSF), and the USM Student Council collaborated closely this year to share information and updates. For the second straight year, all the USM councils and the USM Foundation participated in a joint advocacy day in Annapolis. Early in the legislative session, the USM Communications Council helped develop the message and major themes used throughout the presentations and publications. The “2017 USM Quick Points of Excellence” was distributed to members of the General Assembly.

It's also important to acknowledge and thank the dedicated professional staff of the Department of Legislative Services (DLS). These individuals provide critical analysis of the performance and function of the USM and often help translate the legislative intentions and objectives of those elected leaders to whom they report.

The End-of-Session report is a snapshot of the major issues the USM faced during the Session and their final resolution.

## **BACKGROUND**

Maryland's economy continues to show signs of growth. In December, a report from the Maryland Board of Revenue Estimates stated: *"...the big picture economic outlook remains generally unchanged from September 2016. Our expectation is for improving employment and wages as economic growth continues, but at a rate lower than in previous periods of economic expansion. While this is both a national and State issue, Maryland's performance is disproportionately impacted by both continuing federal budget sequestration and federal policy uncertainty.*

*Employment growth is anticipated to increase from 1.5% in 2015 to 1.6% in 2016. Through October, the reported 2016 year-over-year growth rate from the Bureau of Labor Statistics is 1.8%. There is preliminary census-type data from the Department of Labor Licensing and Regulation that suggests the federal data, which is based on a survey, is slightly optimistic. Employment growth in 2017 is expected to slow as a result of the economy reaching full employment."*

Due to a shortfall of revenue the state continued to face a multi-year budget deficit including a gap of \$377 million in fiscal year 2018.

## **FISCAL YEAR 2018 OPERATING BUDGET**

The Governor proposed and the General Assembly approved state support for the USM totaling \$1.35 billion, coming from the General Fund and the Higher Education Investment Fund. This is an increase of \$30.6 million - or approximately 2.3 percent - over the FY 2017 budget revised for the mid-year budget reduction.

There are three components to the \$30.6 million increase in state funds: 1) funding for tuition relief which will enable the USM to hold the increase for in-state, undergraduate students to a modest 2 percent; 2) support to implement SB 1052, the University of Maryland Strategic Partnership Act; and 3) funding for operating expenses for new building openings.

As a part of the budget process, the Department of Legislative Services (DLS) recommended a \$16.6 million cut to the USM's operating budget, an \$8.7 million reduction for deficiencies in the Higher Education Investment Fund (HEIF). The legislature rejected those recommendations.

Chancellor Caret, the Board of Regents and USM presidents made compelling arguments to maintain the Governor's allocation for mandatory costs. The USM's mandatory costs will increase by about \$88 million in the coming fiscal year, which is driven by facilities operation, renovation and debt service costs. The budget committees adopted language to transfer money from Baltimore City Community College to the Universities at Shady Grove (\$450,000) and USM Hagerstown (\$150,000). This action must be approved by the Governor to be formally adopted.

The USM opposed, and the legislature rejected, language in the Budget Reconciliation and Financing Act (BRFA) that would have eliminated \$4 million of funding for improved funding guideline attainment at USM institutions. The budget committees adopted language withholding \$100,000 from the University of Maryland, Eastern Shore until a report is produced that shows actual fiscal year 2017 program revenues and expenses as compared to fiscal year 2018.

This year, the General Assembly did not cut operating funds from the USM base budget, but instead approved a \$30 million fund balance transfer as the state continues to address its structural deficit.

## **COMMITTEE NARRATIVE**

*At times, the budget committees wish to express legislative intent or request the University System to perform certain studies or report on particular issues during the interim. This is usually written as "committee narrative" in the chairmen's report of the budget committees' action. Committee narrative does not have the effect of law nor does it require agreement to the language on the part of the entire House and Senate. However, both budget committees must agree on the wording. USM and the affected institutions will respond to committee narrative on the following issues (note: original language from the committee narrative is used in this section):*

### ***Fund Balance Workgroup***

The budget committees are concerned about the University System of Maryland's (USM) growing fund balance and the pressure on institutions to transfer funds to the fund balance. The committees are also concerned about the lack of transparency regarding the uses of and transfer to the fund balance made by institutions during the fiscal year. Between fiscal 2011 and 2016, transfers to the fund balance consistently exceeded the allowance, ranging from \$0.3 million in fiscal 2014 to \$61.9 million in fiscal 2012. This resulted in the fund balance growing 34.2%, or \$254.1 million, to \$997.1 million by fiscal 2016 and it is projected to increase to \$1.1 billion by fiscal 2018. While USM needs a fund balance not only to maintain its credit rating but to help fund various capital projects at institutions that otherwise may not have funding to proceed, there needs to be a better understanding on the function of the fund balance and other resources used by the credit rating agencies when evaluating USM's rating, such as plant funds and endowments. To that end, the budget committees shall convene a workgroup to examine

various aspects of the fund balance and resources that credit rating agencies take into account when evaluating USM's rating.

The workgroup will:

- review policies and procedures regarding the transfer to and use of the fund balance and plant funds;
- identify the role of the Board of Regents in approving the fund balance and plant fund activity and in setting the appropriate fund balance level;
- determine the oversight role of the State;
- identify the role of an institution's president in determining transfers to the fund balance and access to funds;
- identify and evaluate, by institution, transactional level data for each transfer and use of funds transferred from and to the fund balance and plant fund in fiscal 2016 and 2017 and planned activity in fiscal 2018 with transfers for related purposes under \$100,000 being reported as one transaction;
- review the process and procedures for internal or intra-institutional loans;
- identify and evaluate by institution current internal or intra-institutional loans including purpose, loan amount, and repayment schedule;
- examine the use of the fund balance or alternative methods to match private endowment contributions for institutional facilities;
- identify past trends in uses of and transfers to the fund balance by institution; and
- identify the balance between fiscal discipline and the use of available revenues to support institutional priorities.

The workgroup will recommend changes to policies and procedures, including legislation that may be needed to implement any recommendations. The workgroup will be comprised of two members from the Senate Budget and Taxation Committee and two members from the House Appropriations Committee; a member of the Board of Regents; the Chancellor; a USM president; the Secretary, or designee, of the Department of Budget and Management; and State Treasurer, or designee.

A report and recommendations should be submitted by December 1, 2017.

Author: Fund balance workgroup

### ***Report on State Financial Aid Application Deadline***

The Maryland Higher Education Commission (MHEC) currently requires students to submit a Free Application for Federal Student Aid (FAFSA) by March 1 of each year to be considered for a State need-based financial aid award. The budget committees are concerned that some students with high financial need are excluded from consideration of State need-based financial aid awards because they may not make a decision to enroll in higher education until after March 1. MHEC should study the impact of extending the FAFSA deadline and report on the financial need of students who file FAFSAs near the deadline and beyond the deadline and also analyze the effect any deadline change would have on the student waitlist for State need-based financial aid awards. MHEC should consider deadlines used in other states for similar need-based financial aid programs.

Author: MHEC

Due Date: December 1, 2017

### ***Revised Report on Student Success at Historically Black Colleges and Universities***

The Maryland Higher Education Commission (MHEC) has reported that it is interested in revising the annual Access and Success funding report that reviews cohort outcomes at historically black colleges and universities (HBCU). The budget committees concur and also request that MHEC include in its new report how the annual Office for Civil Rights HBCU Enhancement Funding is used to improve student success. The report should discuss changes in the methodology for evaluating the use of funds and how the HBCUs are progressing in improving student outcomes. MHEC should explore ways to make the new annual report more useful to HBCUs and other organizations and institutions in the P-20 continuum.

Author: MHEC

Due Date: December 1, 2017

### ***Report on Revised Comparable Funding Peers***

Funding guidelines are used to assess how Maryland's institutions are funded relative to comparable "peer" institutions in Maryland competitor states. Comparable institutions as outlined in the Commission to Develop the Maryland Model for Funding Higher Education report defines peers as those institutions of similar academic scope, comparable size, similar student profile, and the same Carnegie classification. However, in the most recent update of peer institutions, peers were selected based only on their Carnegie classification resulting in five University System of Maryland (USM) institutions having the same peer institutions. As a result, the funding guidelines do not allow for an accurate comparison of how Maryland funds its institutions compared to those in competitor states. Therefore, the committees request that the Maryland Higher Education Commission (MHEC), in consultation with USM, Morgan State University, the Department of Legislative Services, and the Department of Budget and Management, revise the funding peer institutions for each public four-year institution to include only

those institutions in competitor states with comparable attributes to the “home” Maryland institution.

Peers for the University of Maryland, College Park and the University of Maryland, Baltimore should be those institutions comparable to the University of Maryland campuses.

Author: MHEC

Due Date: September 15, 2017

### ***Instructional Faculty Workload Report***

The committees request that the University System of Maryland (USM), Morgan State University (MSU), and St. Mary's College of Maryland (SMCM) continue to provide annual instructional workload reports for tenured and tenure-track faculty. By focusing on these faculty, the committees gain a sense of the teaching activities for the regular core faculty. However, there are other types of instructional faculty at institutions such as full- and part-time nontenured/nontenure-track faculty including adjunct faculty, instructors, and lecturers. Focusing on only tenured/tenure-track faculty provides an incomplete picture of how students are taught. Therefore, the report should also include the instructional workload when all types of faculty are considered. Additional information may be included at the institution's discretion. Furthermore, the USM report should include the percent of faculty meeting or exceeding teaching standards for tenured and tenure-track faculty for the University of Maryland, Baltimore.

The report on instructional faculty workload is due December 15, 2017

Authors: USM, MSU, SMCM

### ***Report on Best Practices and Annual Progress toward the 55% Completion Goal***

The committees understand that in order to meet the State's goal to have at least 55% of Maryland's residents age 25 to 64 holding at least one degree credential by 2025, accurate and timely information on degree progression and best practices are needed to ensure that the State is on track to meet the goal. The committees request that the Maryland Higher Education Commission (MHEC) annually collect and analyze student- and transcript-level data on progression, graduation, and other relevant metrics from each public institution of higher education, including community colleges and regional higher education centers. MHEC should submit a report by December 15 each year that analyzes the data and shows each institution's progress toward the State and institutional goals in 2025. The report should also include a summary of best practices and findings on the effectiveness of institutions' programs, as well as any concerns regarding lack of progress or best practices that are not being implemented by institutions. In addition, the committees request that MHEC, in collaboration with the Governor's Prekindergarten-20 Council, convene a biennial Summit on Completion that provides a forum for representatives of all segments of education (including K-12), economic and workforce

development, and other stakeholders to share best practices on college completion that are underway in Maryland and hear from experts on best practices in other states that may be replicated in Maryland. A summary of the summit should be included in the annual report on best practices and progress toward the 55% goal.

The report on best practices and progress toward the 55% completion goal is due December 15, 2017.

Author: MHEC

## **FY 2018 CAPITAL CONSTRUCTION PROJECTS**

### **UNIVERSITY SYSTEM OF MARYLAND**

#### ***SYSTEM-WIDE FACILITIES RENEWAL (STATEWIDE) - \$17 million***

Reducing the backlog of deferred maintenance is a high priority for USM institutions and these funds are a critical piece of an overall approach the USM Board of Regents are taking to address the problem of deferred maintenance. The Board's program encourages increases in operating expenditure for facilities renewal toward an annual spending target equal to 2 percent of the replacement value of campus facilities, as well as a high proportion of renovation and replacement projects in the capital improvement program.

#### ***BIOMEDICAL SCIENCES & ENGINEERING EDUCATION FACILITY (BSE - SHADY GROVE) – \$88.6 million***

The University System of Maryland and the Universities at Shady Grove (USG) will construct an instructional facility, located in Montgomery County along the I-270 corridor, programmed to support the needs of the region's projected workforce, especially in science, technology, engineering, mathematics and medical sciences (STEMM). With the addition of the BSE, USG will be able to provide state-of-the-art laboratories, active learning classrooms, clinical training facilities, academic offices, and an expanded level of student services necessary for program and enrollment growth in these fields.

Design for the BSE facility has been completed and GMP packages have been bid. Construction began June 2016. The BSE equipment list has been approved by DBM. The two associated projects needed for the BSE, both funded by Montgomery County, are completed; i.e., the relocated campus and the Shady Grove garage.

### **UNIVERSITY OF MARYLAND, BALTIMORE**

#### ***HEALTH SCIENCES III - \$3.6 million***

The FY 2018 request is for \$3.6 million in General Obligation (GO) Bonds to complete construction and equip Health Sciences Facility III (HSF III), a 429,000 GSF research

building. This is the last year for requesting funding. Recruitment of well-funded research scientists to occupy the 10-story HSF III is underway. The School of Medicine has already recruited eight research faculty who will bring with them more than \$23.6 million in NIH funding. An additional 20 teams of scientists will be recruited to UMB over the next two years and occupy the remainder of HSF III's finished floors. This means that the building can immediately begin to fulfill its purpose of advancing scientific discovery and adding to the state's economy.

***CENTRAL ELECTRIC SUBSTATION AND ELECTRICAL INFRASTRUCTURE UPGRADES - \$2.89 million***

The FY 2018 request is for \$2.89 million in GO Bonds for the remainder of planning funds to design the UMB Central Electric Substation and Electrical Infrastructure Upgrades project. The total project cost is \$78.951 million, with future requests extending over another seven years. The need to upgrade the electrical infrastructure serving the UMB campus and to provide redundancy to ensure continuity of service was identified several years ago. A strategy for replacing the existing substation was developed, but there was no way to provide redundancy to the campus until late 2011, when BGE upgraded its substation to the north of the campus. UMB was then able to define a comprehensive electrical infrastructure capital project that would result in reliable and redundant service well into the future.

**UNIVERSITY OF MARYLAND, COLLEGE PARK**

***JAMES CLARK HALL - \$30.4 million***

Clark Hall will focus on the booming fields of bioengineering and biomedical device development, areas of critical importance to the state's economy. Research and innovations in lifesaving areas are already underway in the A. James Clark School of Engineering. Examples include biodegradable heart valves made from 3-D printers, surgical robots that can remove tough-to-reach brain tumors, and drug delivery systems that can prevent recurrence of malaria. This kind of research and innovation is expected to dramatically expand with the construction of this building.

Clark Hall will house labs, classrooms, meeting and maker spaces that will bring together students, faculty, medical practitioners, entrepreneurs and regulators to design and build the next generation of healthcare technologies, then deliver them to the marketplace.

It will unite the many disciplines on campus involved in human health innovation, including biology, information technology and electrical and mechanical engineering. The building is also expected to facilitate increased opportunities for partnerships with federal agencies such as the Food and Drug Administration, and with the University of Maryland School of Medicine.

**Private Philanthropy:** This building is made possible through gifts from two of Maryland's most prominent benefactors. Engineer and construction executive A. James Clark has given \$15 million towards the construction. His previous support includes a \$15 million gift in 1994 to the engineering school that bears his name and \$30 million in 2003 for undergraduate scholarships. Bioengineering pioneer Robert E. Fischell has committed \$6 million, \$5 million for the construction and \$1 million for program support. Both the Fischell Department of Bioengineering and the Fischell Institute for Biomedical Devices, launched in 2005 by a \$31 million gift from Fischell and his three sons, will move into Clark Hall.

### ***BRENDAN IRIBE CENTER FOR COMPUTER SCIENCE - \$73.6 million***

The Brendan Iribe Center will keep UMD at the forefront of technology and innovation. It will provide a badly needed space for the highly-ranked [Department of Computer Science](#) and University of Maryland Institute for Advanced Computer Studies (UMIACS) to teach, create, learn, and research. It will also allow us to host activities, programs, and workshops for the broader community.

STEM fields are relying more heavily on big data analysis and computer science expertise. Fields such as cybersecurity and bioinformatics need highly educated computer science talent more than ever before. The National Capital Region, including Maryland, has become a hub for technology companies with a growing need for employees. Undergraduate computer science majors have more than doubled in the past five years to over 2,500, and more than 200 students are pursuing a graduate degree in computer science. This project will bring our students, faculty and staff together in a world-class computer science facility and greatly improve our ability to help meet the increasing demand for a well-trained workforce in computer science and expand Maryland's economic development infrastructure.

The Brendan Iribe Center will be located at the front gate of the university, highlighting Maryland's commitment to technology and education. This building will improve UMD's national profile and presence, mold future innovators and entrepreneurs, and spark economic vitality in Maryland and beyond.

**Private Philanthropy:** Brendan Iribe pledged a lead gift of \$31 million, \$30 million for the building and \$1million for the academic programs, which is the largest single gift for a building in the history of UMD. Since then, about \$6 million in additional gifts for the building have been secured bringing the fundraising total to nearly \$37 million.

### ***NEW COLE FIELD HOUSE RENOVATION - \$8.7 million***

This project will convert and expand Cole Field House to create a hub for innovation and a unique national model for integrating research, academics and athletics. The building will house a new Center for Sports Medicine, Health and Human Performance, a new venue for the Academy for Innovation and Entrepreneurship (AIE) and a Terrapin Performance Center which will include a full-size indoor football field and new training

facilities. The New Cole Field House will be a signature project for the entire institution where students from across campus will have opportunities to take new courses, explore their boldest ideas and create new companies.

**Private Philanthropy:** This will be funded from \$25 million of State funds, \$25 million of Big Ten revenues, and \$90 million from private gifts. Under Armour founder and CEO Kevin Plank helped launch the project with a \$25 million gift.

### ***SCHOOL OF PUBLIC POLICY BUILDING - \$3 million***

This project is for the construction of an office/classroom building which will provide the space required for the School of Public Policy to meet its Strategic Plan goals for growth as well as provide the opportunity for the School to vacate Van Munching Hall and two other campus buildings and consolidate its operations into a single location.

The Strategic Plan for the School is to significantly increase the size of the faculty and student body, create a new undergraduate major, increase overall research and outreach activities, and substantially increase endowments. As existing space is at maximum utilization, this building is needed to achieve these Strategic Plan goals.

**Private Philanthropy:** The University has a donor who will provide a \$10 million gift for the building as well as a significant endowment that will support the School's plans for growth. This building and endowment will enhance the ability of the School to become one of the top-ten public policy programs in the nation.

## **TOWSON UNIVERSITY**

### ***NEW SCIENCE FACILITY - \$26 million***

### ***IMPROVEMENTS TO TWO PRACTICE FIELDS - \$300,000***

The Capital Budget for FY18 includes \$26 million in funding for construction costs to commence construction of the new Science Building. The total project cost is estimated at \$183 million. The building is scheduled to be completed in the fall of 2020 and will accommodate 10,000 STEM students studying science and mathematics. In addition, \$300,000 in funding for enhancements and improvements to the women's sports practice fields was appropriated. The initial funding will provide planning and design for turf fields for women's field hockey, soccer and lacrosse.

## **UNIVERSITY OF MARYLAND, EASTERN SHORE**

### ***SCHOOL OF PHARMACY & HEALTH PROFESSIONS - \$3 million***

\$3.048 million for design and a total authorization of \$86.2 million for total project funding for the School of Pharmacy and Health Professions Building (Phase 1).

## **FROSTBURG STATE UNIVERSITY**

### ***EDUCATION PROFESSIONS & HEALTH SCIENCES CENTER - \$1 million***

Supports the continued planning of a new Education and Health Sciences Center. The new facility, coupled with the University Health Center and Student Wellness Center, will enhance student learning and life at Frostburg by:

- Providing state-of-the-art, technologically based classrooms and learning environments for nurses, health professionals, teacher educators, and the growing fields of exercise and sports science and athletic training;
- Continuing Frostburg's commitment to serve the state and the region by providing opportunities for advanced education in health care;
- Building on Frostburg's commitment to turning out highly qualified and sought-after teachers in the local, state and national education market;
- Establishing a first-class student wellness center; and
- Providing a new and modern health facility to meet the needs of the University's student population.

## **COPPIN STATE UNIVERSITY**

### ***THE PERCY JULIAN SCIENCE RENOVATION FOR THE COLLEGE OF BUSINESS - \$1.3 million***

Coppin State University is now moving into the phase of renovating existing facilities on campus. The Percy Julian Science Building was originally designed as a science building with lab space, built-in lab tables and benches. It is the university's intention to repurpose the Percy Julian Building with a focus on housing the newly accredited College of Business. Additionally, the Percy Julian Building will serve as an economic development hub for West Baltimore. In 2014, Coppin State University requested \$3.4 million for planning funds for the renovation of the Percy Julian Building. This request was deferred by the General Assembly. In 2015, the Senate added language pre-authorizing \$1.2 million partial planning funds for FY2016 and the House concurred. However, the Governor's CIP for planned funds deferred the funds until FY2017, resulting in a third deferral of this project. In FY2017, the project was placed in the Governor's supplemental budget but was again deferred to FY2018. Ongoing deferrals of this renovation project significantly threaten the viability of the business program and its potential for growth. Accordingly, it is critical that this project move forward as previously approved by the USM Board of Regents and pre-authorized by the General Assembly in 2014. We are requesting that the previously allocated \$1.3 million be designated this year in FY2018. Furthermore, we are requesting that the construction

funding scheduled for 2020-21 remain intact for disbursement at that time. This funding is critical to complete the renovation of Percy Julian Building.

The renovation of the Percy Julian Building is an imperative because it will support and enhance the quality of academic programs for students, faculty and staff. Additionally, it will provide the university with a modern functional facility that will position the university to better execute the mandates of its mission, including the economic development of West Baltimore.”

## **UNIVERSITY OF BALTIMORE**

### ***RENOVATION OF THE LANGSDALE LIBRARY - \$3.75 million***

The FY 2018 capital budget provides construction funds to complete the renovation of the University’s 50-year-old library. The FY 2018 funds of \$3.75 million are the last installment of state funding for this project, totaling \$17.5 million in state planning, construction and equipment funds for the renovation of the old library building. This funding will allow the University to provide a transformed, state-of-the-art library to its students and the midtown Baltimore community. The renovated facility supports student convenience and the evolution of learning while adding to the vibrant resurgence of midtown Baltimore.

## **UNIVERSITY OF MARYLAND, BALTIMORE COUNTY**

### ***New Interdisciplinary Life Sciences Building - \$40 million***

UMBC’s FY 2018 budget request of \$60 million provides for continued construction and equipment outfitting of our Interdisciplinary Life Sciences Building. With a final allocation of \$48 million in FY 2019 funding, the new building will be completed in time for the Fall 2019 semester. The new Interdisciplinary Life Sciences Building will seamlessly connect teaching and research activities to enhance and further stimulate collaborative approaches to advancing the State’s biotechnology industry and increasing the number of STEM graduates. Approximately eight new active learning classrooms, four seminar rooms, four multi-disciplinary teaching labs, a good manufacturing practice facility, and collaborative project team rooms will support an additional 1,800 FTE STEM students. Flexible and adaptable research labs and core facilities will provide opportunities for as many as 45 principal investigators and their graduate assistants and undergraduate students opportunities to engage in interdisciplinary research focused on advancing the State’s biotechnology industry.

# FINAL STATUS OF LEGISLATION

## ACADEMIC & STUDENT AFFAIRS

### **House Bill 509**

**(Crossfiled with Senate Bill 429)**

#### **Student Loan Notification Letter**

USM Position: Support with Amendment

Final Status: Passed

House Bill 509 requires institutions of higher education that receive state funds to provide annual specific information to students regarding their education loans. The System recognizes that having the best available information is a valuable tool in making financial decisions related to the pursuit of a college degree or certificate. Financial aid officers across the state are well-aware of this fact and work with students to understand the impacts of borrowing money for school.

However, as written, the legislation would have had a significant fiscal and operational impact on financial aid offices by requiring the development of a new detailed disclosure for each student loan borrower related to the amount of loans they have taken out, the total payoff, monthly repayment amounts and percentage of the borrowing limit the student has reached. Data collection and implementation also set high hurdles in contemplating the impact.

The USM supported amendments to clarify the information provided to students and adjust the timing of notification to make the bill more manageable for financial aid administrators.

### **House Bill 694**

**(Crossfiled with Senate Bill 543)**

#### **Criminal History in the Admissions Process**

USM Position: Oppose

Final Status: Passed

House Bill 694 prohibits an institution of higher education from inquiring into or considering information about the criminal history of an individual during the admissions process. The legislation is rooted in the notion that applicants with criminal histories are not receiving fair consideration in the admissions process at publicly-supported colleges.

Amendments were added to limit the bill's application. The bill as passed only applies to undergraduate admissions and allows universities who use a third-party admissions application to continue to ask questions about the criminal history of the applicant. A written process must be developed for instances when admission or residency is denied or limited because of the criminal history of the applicant.

**Senate Bill 1165**  
**(Crossfiled with House Bill 680)**  
**Student Workforce and Data Linkage**

USM Position: Support

Final Status: Passed

Senate Bill 1165 would increase the length of time during which student data and workforce data used by the Maryland Longitudinal Data System (MLDS) may be linked from 5 years from the date of latest attendance to 20 years. The USM urged a favorable report in testimony provided to the House Ways and Means Committee last week.

The USM is committed to the development of the state of Maryland's capabilities to improve education and workforce development at all levels, and supports the Maryland Longitudinal Data System Center (MLDSC) as a critical part of those capabilities. As one of the original partners in the development of the MLDSC, the USM has long been concerned about the short timeframe governing the MLDSC's use of workforce data. This has limited the Center's ability to analyze the relative effectiveness of different educational choices by students and the impact of different programs of education on ultimate success in Marylander's careers. It represents one of the final barriers to realizing the MLDSC's full potential as a tool for policy and program development. This bill, which extends the length of time that educational and workforce records can be connected, will greatly enhance the effectiveness of the MLDSC in this area.

Under current law the MLDSC may only link workforce data to educational information for 5 years after the last attendance in a Maryland educational program. This was originally established to balance limits on the tracking of Maryland students with the need to use workforce outcomes to speak to the effectiveness of educational programs. However, in practice, it effectively made the latter goal nearly impossible.

**House Bill 1142**  
**Disciplinary Proceedings – Students and Student Organizations**

USM Position: Oppose

Final Status: In Committee Upon Adjournment

House Bill 1142 would require campuses to permit an attorney or non-attorney advocate to actively represent a student or student organization at a disciplinary hearing.

University System of Maryland (USM) and campus policies and procedures permit a student or student organization to have an attorney or non-attorney advocate present at proceedings. However, it does not permit that person to advocate orally during the proceedings. House Bill 1142 would make each disciplinary hearing into a legal/trial platform, with full attorney representation for opening and closing statements, and examination and cross-examination during the proceedings.

Creation of this platform would have a serious and chilling effect on several aspects of the student judicial and disciplinary process. First, witnesses would be much more hesitant to step forward, as many would not choose to be present in a courtroom

atmosphere. We believe that many students would also choose not to participate as members of a Judicial Board, and, in fact, possibly reduce the reporting of adverse events. Most importantly, the judicial and conduct proceedings are part of the educational process as they currently operate. A legal/trial platform would run counter to the very purpose of an institutional mission.

Permitting (or requiring a campus to permit) a party to have legal representation would often create an unequal situation, as some respondents (or complainants) could afford legal representation, while many cannot. The “other” party would be put at a great disadvantage if one side of the issue could readily afford representation while the other could not.

Making the judicial and conduct process into an attorney-driven process would mean that every campus would need to revamp their Office of Student Conduct, staffing with lawyers who could manage the legalistic approach from the complainant and/or respondent. Hiring staff with those necessary credentials would be a real challenge for many campuses.

### **House Bill 715**

#### **Teacher Preparation Programs – Accreditation and Approval**

USM Position: Support

Final Status: Passed

House Bill 715 authorizes the Maryland State Department of Education (MSDE) to approve the offering of teacher preparation programs by institutions of higher education (IHEs).

The USM has 10 institutions with teacher education programs that are all nationally accredited and approved by the Maryland State Department of Education. The current national accrediting agency, the Council for the Accreditation of Educator Preparation (CAEP) is no longer recognized by the U.S. Department of Education. Thus, the USM supports strongly the revised language of House Bill 715, establishing a collaborative standard-setting process for Maryland’s teacher preparation programs. The bill would allow MSDE and the Maryland Higher Education Commission (MHEC) to define collaboratively standards for program approval that ensure that all Maryland teacher preparation programs are held to appropriately high standards.

This legislation presents a significant improvement over prior regulation for the following reasons:

- It will streamline the accreditation/approval process by establishing a single set of standards and reporting requirements, so that IHEs will not have to meet different sets of standards for national and state approval;
- ensure that requirements for national accreditation are aligned with requirements for state approval;

- provide flexibility to choose whether to take programs through a national accreditation process that has been aligned with the state approval; or a Department and Commission state approval process, increasing both effectiveness and efficiency of the regulatory process for approval of teacher preparation programs; and
- supports institutions that choose to submit programs to a national accreditation process with technical assistance and financial support, ensuring that Maryland institutions will have the resources to have their programs nationally recognized, if they so choose.

By establishing that an external, national accrediting agency must be recognized by the MSDE and MHEC to be certified, the bill has the potential to influence national standards, as well. If the national professional standards are comparable to the standards that are used by MSDE when approving teacher preparation programs, the legislation would increase the leverage that Maryland has in helping to shape national teacher education standards.

### **Senate Bill 327**

**(Crossfiled with House Bill 266)**

#### **Financial Aid Reduction Restrictions**

USM Position: Support with Amendments

Final Status: Passed

Senate Bill 327 as introduced prohibited USM institutions from reducing a student's institutional-based financial aid award if (1) the student has unmet financial aid at the time the institution sends its financial aid award notice to the student; (2) the student receives additional financial aid intended to fill all or a portion of the unmet financial need; and (3) the total amount of financial aid awarded is less than or equal to a student's demonstrated financial need.

The USM shared its concerns that the bill, as introduced, limited the flexibility of our financial aid offices to administer institutional aid in a way that helps the most number of students who have financial need.

USM offered amendments to clarify that Institutional Gift Aid will only be reduced in response to private scholarships in specific situations, in instances where total gift aid exceeds financial need or if the organization providing the late private award authorizes a reduction.

With these amendments, financial aid offices will still have some flexibility with institutional aid awarding allowing institutions to stretch institutional aid awards further and to provide aid to more students.

### **Senate Bill 1173**

#### **Higher Education Degree and Job Certification Without Debt Act**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

Senate Bill 1173 establishes a number of initiatives intended to reduce the costs of attending a public institution of higher education in the State, including the following: (1) the Maryland Community College Promise Program, which phases in a grant to provide income-eligible students 100 percent of tuition at community colleges for an associate's degree or a certificate program, beginning in fiscal year 2019; (2) programs for students nearing the completion of a degree; (3) specified tuition caps for public four-year institutions and community colleges; and (4) increases in State funding for need-based scholarships and maximum grant amounts.

### **House Bill 224**

#### **In-State Tuition for AmeriCorps Participants**

USM Position: Monitor

Final Status: Passed

House Bill 224 waives the residency requirement for in-state tuition purposes at USM institutions for an individual who has completed an AmeriCorps Program. The bill also establishes conditions for the continued payment of in-state tuition.

For background, AmeriCorps is a network of local, state, and national service programs that connects Americans each year in intensive service to meet community needs in education, the environment, public safety, health, and homeland security. Members serve in full or part-time positions over a 10 to 12-month period. Upon completion of their service, members receive a Segal AmeriCorps Education Award of up to \$4,725 to pay for college, graduate school, or to pay back qualified student loans.

### **House Bill 83**

#### **Income Tax – Discharge Student Loan Debt**

USM Position: Monitor

Final Status: Passed

House Bill 83 would expand the existing subtraction modification for income resulting from the discharge of student loan debt by eliminating the requirement that only student loans that are discharged due to total and permanent disability or death qualify for the exclusion. The bill would take effect July 1, 2017, and applies to tax year 2017 and beyond.

The State generally conforms to the federal tax treatment of canceled debts, foreclosures, repossessions, and abandonments. The amount of income that must be realized or excluded for State income tax purposes in these circumstances is determined under the federal income tax.

**House Bill 196****Income Tax – Interest Paid on Student Loans**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

House Bill 196 creates a State income tax subtraction modification equal to 100 percent of the interest paid on a qualified student loan in the taxable year. To qualify, the student loan must be incurred to attend and receive a baccalaureate or graduate level degree from an institution of higher education and the taxpayer must be a State resident who has a federal adjusted gross income (FAGI) of less than \$250,000. The Comptroller is required to adopt regulations to implement the bill and specify the documentation necessary to claim the subtraction. The bill would have taken effect July 1, 2017, and applies to tax year 2017 and beyond.

Certain interest paid on student loans may qualify for a federal income tax deduction. Maryland generally conforms to federal tax law, so any amount deducted under federal law flows through for Maryland income tax purposes. Section 221 of the Internal Revenue Code allows a deduction of up to \$2,500 of the student loan interest paid during the year on a qualified student loan. A taxpayer is not required to itemize deductions to claim the deduction. A qualified student loan is one that is used to pay for the qualified education expenses of attending an eligible educational institution, including graduate school. An eligible educational institution is any college, university, vocational school, or other postsecondary educational institution eligible to participate in a student aid program administered by the U.S. Department of Education. It includes virtually all accredited public, nonprofit, and for-profit postsecondary institutions. An eligible educational institution also includes an institution conducting an internship or residency program leading to a degree or certificate from an institution of higher education, a hospital, or a health care facility that offers postgraduate training.

**House Bill 262****Student Debt Disclosure Act**

USM Position: Monitor

Final Status: Unfavorable Report; Withdrawn

House Bill 262 requires each institution of higher education that receives funding from the State and receives education loan information for a student enrolled in the institution to annually provide information related to the student's education loans and, if the student has declared a major, information related to potential loan payments relative to potential future earnings. An institution does not incur liability for any representation made under the bill. The bill would have taken effect July 1, 2017.

**House Bill 399**  
**(Crossfiled with Senate Bill 320)**  
**Student Debt Relief Act**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

House Bill 399 creates a State income tax subtraction modification equal to 100 percent of the interest paid on a qualified student loan in the taxable year. To qualify, the student loan must be incurred to attend and receive a baccalaureate or graduate level degree from an institution of higher education and the taxpayer must have federal adjusted gross income (FAGI) of \$200,000 or less (\$250,000 if married filing jointly). The Comptroller is required to adopt regulations to implement the bill and specify the documentation necessary to claim the subtraction. The bill would have taken effect July 1, 2017, and applies to tax year 2018 and beyond.

**House Bill 1033**  
**Income Tax – Discharged Student Loan Debt**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

House Bill 1033 would create a subtraction modification against the State income tax for specified income resulting from the discharge of student loan debt. The maximum amount of the subtraction may not exceed \$50,000 (\$100,000 if married filing jointly). A taxpayer may not claim the proposed subtraction modification if the taxpayer claims the existing subtraction modification for income resulting from the discharge of student loan debt due to total and permanent disability or death.

**House Bill 1135**  
**Public Institutions of Higher Education – Instructors Expression of Opinion**

USM Position: Oppose

Final Status: Unfavorable Report

House Bill 1135 would have required an instructor of a course related to civics, history, government, social studies, or political science to teach the course in a fair and balanced manner that does not reflect the instructor's personal philosophical agenda, bias, or political opinion. Each public institution of higher education must establish an Office of the Ombudsman to review complaints and assist students who have concerns regarding the philosophical agenda, bias, or political opinion expressed by a professor in one of the above courses. The office must be independent and impartial, and all communications must be confidential. The sponsors argued that House Bill 1135 may not be construed to infringe on speech protected by the First Amendment to the U.S. Constitution or Article 40 of the Maryland Declaration of Rights.

### **House Bill 1337**

#### **Sales Tax – Tax-Free Period for University Textbooks**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

House Bill 1337 establishes two annual 14-day sales tax-free periods – one in August/September and one in January – in which the sale of textbooks bought by a full- or part-time student enrolled at a specified community college, private nonprofit institution of higher education, public senior higher education institution, or regional higher education center is exempt from the State sales and use tax. A student may produce a valid student identification card at the time of purchase to establish full-time or part-time student status.

### **House Bill 967**

**(Crossfiled with Senate Bill 424)**

#### **Textbook Cost Savings Act**

USM Position: Support

Final Status:

House Bill 967 requires the Governor to include \$100,000 in the fiscal 2019 state budget as a grant to the William E. Kirwan Center for Academic Innovation (the center) at the University System of Maryland (USM) for the Maryland Open Source Textbook (MOST) Initiative. The grant may be used to award grants related to openly licensed educational resources, reimburse MOST initiative expenses, and reimburse fiscal 2018 expenditures for these activities. In addition, the center and the Maryland State Department of Education (MSDE) must jointly explore the possibility of providing all students in primary and secondary education with high-quality, low-cost learning materials and resources such as openly licensed educational resources. The center and MSDE must submit an interim report by December 31, 2017, and findings and recommendations by December 31, 2018. The bill takes effect July 1, 2017, and terminates June 30, 2022.

The bills were amended to clarify that the funds for openly licensed educational resources, to the extent practicable be used for materials that are accessible and independently usable by individuals with disabilities.

The USM supported the Maryland Textbook Cost Savings Act of 2017 authorizing the funding for the William E. Kirwan Center for Academic Innovation to strategically expand the Maryland Open Source Textbook (MOST) initiative to make higher education in the State of Maryland more affordable.

Since its beginning just three years ago, the MOST initiative has supported the replacement of traditional textbooks with Open Educational Resources (OERs) in over 60 different courses at 14 public higher education institutions across the state resulting in over \$1 million in cumulative cost savings for over 3,500 students. In addition to saving students money, faculty gained the ability to adapt and customize their instructional materials to ensure they were aligned with their pedagogical methods to best meet their

students' needs. In follow up surveys with students participating in the MOST initiative, 93% reported that the OER content was the same or better quality than traditional textbooks.

At the same time, the University of Maryland University College (UMUC) recently became the first 4-year public higher education institution to move entirely to zero-cost instructional materials, saving their 84,000 students at least \$20 million per year and clearly demonstrating how quickly savings to students can add up when these initiatives are taken to scale. Further, evaluation of learning outcomes from the UMUC initiative has found that converting to OER has not negatively affected course quality.

But while MOST and the UMUC initiatives have seen impressive results, with Maryland 2-year and 4-year students spending over \$223 million annually on textbooks, the savings realized to date is just a drop in the bucket when compared to the potential OERs have for reducing the cost of education for Maryland students. Therefore, we are requesting additional state support of this work through the Maryland Textbook Cost Savings Act of 2017. If approved, the Act will support several new initiatives that will build on and help scale what has been accomplished to date, including:

- The High-Impact OER Mini-Grant Program - This program will support OER adoption by faculty in high enrollment courses as well as scaling of OER across multiple course sections.
- OER Repository and Customization Platform - A strategically important tool that will build on the UMUC OER repository to support the discovery, customization, and authoring of additional zero-cost materials and facilitate inter-institutional course content collaboration among faculty.
- OER Professional Learning Communities (PLCs) - OER PLCs will allow faculty members, librarians, and support staff to share expertise and collaborate in OER scaling.

In addition to supporting these strategic initiatives designed to scale OER adoption and amplify the impact of the MOST initiative, funding from the Act will allow the Kirwan Center to disseminate the “lessons learned” at UMUC about scaling OER and investigate a range of OER sustainability models in use in other states. Once OER adoption reaches a critical mass, such models promise to allow MOST to generate the funds needed to sustain long-term OER adoption that promises to help address college affordability and benefit Maryland students for generations to come.

**Senate Bill 730****Loan Assistance Repayment Program - Farmers**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

Senate Bill 730 would have established the Maryland Loan Assistance Repayment Program for Farmers (Farmer LARP) to assist in the repayment of higher education loans for undergraduate or graduate study leading to a degree in agriculture or an agriculture-related field, including farming, for eligible farmers who have been farmers for at least 5 years and no more than 10 years. Funds for the program must be provided on an annual basis in the State budget.

The Office of Student Financial Assistance (OSFA), in consultation with the Maryland Department of Agriculture (MDA) must adopt specified regulations related to the administration of the Farmer LARP. OSFA must include specified information regarding implementation of the Farmer LARP in the annual report of the Janet L. Hoffman Loan Assistance Repayment Program due January 1st of each year.

**Senate Bill 1000****(Crossfiled with House Bill 1508)****Higher Education – Tuition Rates - Exemptions**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

Senate Bill 1000 alters the circumstances under which an individual is exempt from paying the out-of-state tuition rate under the Maryland Dream Act by (1) altering the time periods under which Maryland income tax returns must be filed to be eligible; (2) removing the requirement that an individual earn an associate's degree or 60 credits at a community college prior to receiving in-state tuition at a public four-year institution; and (3) altering the address requirement to receive in-county tuition at a community college. Finally, the bill requires, notwithstanding any other provision of the Education Article, an individual, who has been granted federal deferred action for childhood arrivals (DACA) status, to remain eligible to pay a rate that is equivalent to the resident tuition rate until the individual is awarded either an associate's degree from a community college or a bachelor's degree from a public four-year higher education institution.

# ADMINISTRATION AND FINANCE

## **House Bill 665**

**(Crossfiled with Senate Bill 607)**

### **Exemptions from Overtime Pay**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

House Bill 665 would establish a minimum salary threshold to be exempt from eligibility for overtime. This minimum salary is the same minimum salary (\$47,476) that was set by a proposed regulation under the federal Fair Labor Standards Act (FLSA) that a federal judge recently temporarily enjoined from enforcement.

When the federal regulation was proposed, many universities opposed it for various reasons, one of which was that it approximately doubled the minimum salary currently in effect. Implementation of the proposed regulation was anticipated to be costly for our institutions, not only due to the costs of increasing certain salaries to new minimum levels, but also due to salary “compression” that this would create. At stake has been the notion of potentially requiring equity increases for other employees whose duties were more complex than those of the employees whose salaries were increased to the new minimum.

## **Senate Bill 202**

**(Crossfiled with House Bill 437)**

### **USM Quasi-Endowment Funds**

USM Position: Support

Final Status: Passed

USM officials sought authorization for the Board of Regents to establish a quasi-endowment fund to provide annual funding for renewal and replacement spending to maintain and provide upkeep to buildings and facilities that are normally funded from state general funds or tuition monies. The legislation would allow USM institutions to contribute up to \$50 million that would be transferred to and invested with the University System of Maryland Foundation, which performs investment management services to the USM and its affiliated foundations for endowment funds, gifts given with a stipulation that the gift be invested, and only the income earned spent.

A quasi-endowment is a fund or investment established by the governing board with the expectation that the fund be managed to produce spendable income annually that would be used for a specific purpose, for instance enhancing the annual spending on needed facilities upkeep or replacement needs known as deferred maintenance. Like other types of endowments, the expectation is that the original invested amount be invested and managed to last in perpetuity, with only the income used annually for the specified purpose. The Board of Regents has a set of policies intended to ensure that endowments,

including quasi-endowments, are invested and spent appropriately in accordance with donor stipulations and requirements.

The quasi-endowment fund would generate investment returns that would allow annual spending, in accordance with Board of Regents policy, of 4.25 percent of market value (or \$2.125 million per year based on the initial deposit of \$50 million) for facilities upkeep and replacement that would otherwise come from other state-supported resources such as state general funds or tuition monies.

### **Senate Bill 356**

#### **Workgroup to Study the Optional Retirement Program**

USM Position: Support

Final Status: Unfavorable

Senate Bill 356 establishes a Workgroup to Study the Optional Retirement Program (ORP) with the USM in the lead staff role. The workgroup must report its findings and recommendations to the Governor and General Assembly by December 1, 2017.

The workgroup must review the population of employees eligible to participate in ORP; review the contribution requirements for ORP; review the eligibility criteria for health benefits of ORP participants; and make recommendations regarding any changes to ORP that would improve the program and be beneficial to program participants and the State.

The ORP was established in 1975. Active employees in Maryland's public higher education institutions account for nearly half of ORP participants. The ORP is a defined contribution plan in which the employer contributes a certain percentage of an employee's salary into a retirement account with either TIAA or Fidelity Investments for USM employees, and the employee's "pension fund" consists entirely of the amounts deposited over time, plus investment income.

### **House Bill 656**

**(Crossfiled with Senate Bill 472)**

#### **Stormwater Remediation Fees and Charges – Property Subject**

USM Position: Support with Amendment

Final Status: In Committee Upon Adjournment

As introduced, House Bill 656 authorized municipalities to assess stormwater utility fees to property owned by the State or a unit of State government, a county, a municipality, a public college or university, or a local school system. As amended by the House of Delegates, jurisdictions required to establish a stormwater remediation fee adopted under § 4-202.1 of the Environment Article or a stormwater charge adopted under § 4-204 of the Environment Article would be authorized to include state owned properties and public colleges, universities or a local school system.

Two of the System's largest institutions (University of Maryland, College Park and Towson University) already have current National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permits. This requires them to plan, implement and pay for activities like public outreach, illicit discharge elimination, storm water runoff control and management, pollution prevention, and restoration.

Many of the remaining institutions of the USM are currently negotiating their own MS4 permits as part of an active, ongoing effort by the Maryland Department of the Environment (MDE) and the federal government to document and expand best management practices (BMPs) among State agencies and federal installations. Institutions of the USM have already expended millions in capital expenditures to reduce, manage and treat stormwater on their campus lands; and that expenditure will continue in a significant way under the new permitting requirements.

However, there is no provision in the legislation to provide financial credit for the significant expenditures these institutions have made (and will continue to make) in improvements and management operations to reduce or eliminate the impact on their surrounding communities.

### **House Bill 1353**

#### **Damages Sustained on Artificial or Synthetic Turf Playing Fields**

USM Position: Oppose

Final Status: Unfavorable Report

House Bill 1353 would give individuals who have sustained any injury on a state- (or local government-) owned turf field the ability to sue these jurisdictions at no limit. USM institutions have very active and highly successful athletic programs that require the use of turf fields.

The specific concern is that an individual who is using a turf field out of institutional courtesy may sustain a sports-related injury and subsequently could sue our institutions at an unlimited amount. Furthermore, this legislation, as written, would remove immunity not only for sports-related injuries but also for any injury or action that arises on such a field. Had House Bill 1353 become law many campuses would have likely reduced sports offerings and end many of outreach programs to members of the community (including those involving the sports teams of local high schools and middle schools).

### **House Bill 1**

#### **(Crossfiled with Senate Bill 230)**

#### **Maryland Healthy Working Families Act**

USM Position: Support with Amendments

Final Status: Passed

House Bill 1 establishes a uniform minimum mandatory sick and "safe" leave program for all employers, including public universities, in Maryland. The bill requires employers

to provide all employees who regularly work twelve or more hours per week with 1 hour of accrued sick and safe leave per thirty hours worked. USM institutions have had policies in place for many years to ensure that regularly employed USM staff and faculty have adequate sick and other leave protections available when they need them. In fact, regular staff and faculty in the USM accrue a minimum of 15 days of sick leave annually, with additional forms of leave available to both faculty and staff. These policies provide those employees with more sick leave than this bill requires, although they generally do not permit use of sick leave for all the purposes for which “safe” leave could be used under this bill. USM’s contingent employees, student employees and most adjunct faculty currently are not provided accrued sick leave as required under this bill. In its fiscal note, DLS estimated providing these employees with seven days annually of sick and safe leave could increase USM expenditures by \$8.1 million annually.

Under the bill, sick and safe leave begins to accrue January 1, 2018. An employer must allow employees to use earned sick and safe leave for expanded purposes compared to USM’s existing sick leave policies, based in part on the purpose of the leave and in part on the bill’s expanded definition of “family member.” That definition includes any child for whom the employee stands “in loco parentis,” any person who stood in loco parentis to the employee or employee’s spouse, foster and step grandparents and grandchildren, and others. Sick and safe leave may be used:

- To care for or treat the employee’s mental or physical illness, injury, or condition;
- To obtain preventive medical care of the employee or family member;
- To care for a family member with a mental or physical illness, injury, or condition; and
- For specified circumstances, due to domestic violence, sexual assault, or stalking committed against the employee or family member.

The bill does contain an exception for employees of a unit of State government if that unit’s “sick leave accrual and use requirements meet or exceed the sick and safe leave provided for” under the bill. Those employees will remain subject to the unit’s policies providing for “accrual and use of sick leave, grievances, and disciplinary actions.” The unit’s employees who do not accrue sick and safe leave as specified will remain subject to the bill’s requirements.

This provides USM with the opportunity to expand and modify its existing policies to provide all employees with sick and safe leave benefits that meet or exceed the requirements of this bill. Any new policy would need to take effect prior to January 1, 2018.

### **House Bill 763**

#### **Wage and Hour – USM Institution Payment of County Minimum Wage**

USM Position: Monitor

Final Status: Unfavorable Report

House Bill 763 would have required a public four-year higher education institution to pay employees who are subject to both the federal Fair Labor Standards Act (FLSA) and Maryland's Wage and Hour Law at least the greater of the federal minimum wage, the State minimum wage, or the county minimum wage (the minimum wage set by the county in which the employee's principal place of employment is located). In some cases, such minimum wages might exceed the minimum wage of the USM's nonexempt pay plan. A public four-year higher education institution must pay employees who are only subject to Maryland's Wage and Hour Law at least either (1) the greater of the federal minimum wage, the State minimum wage, or the county minimum wage or (2) a training wage under regulations that the Commissioner of Labor and Industry adopts. A public four-year higher education institution may still pay an employee a wage that equals 85% of the State minimum wage for the first six months that the employee is employed if the employee is younger than age 20, and exceptions to minimum wage requirements still exist for a disabled employee of a sheltered workshop under specified conditions.

### **Senate Bill 309**

**(Crossfiled with House Bill 433)**

#### **Procurement – Small and Minority Business Participation**

USM Position: Support with Amendment

Final Status: Passed

Senate Bill 309 expands the Small Business Reserve Program (SBR) to apply to all State agencies, raises the program's goal from 10 percent to 15 percent of the value of agency procurements, and alters the method of measuring whether agencies reach the goal. The bill also clarifies the conditions under which a minority business enterprise (MBE) may be removed from a contract and alters the calculation of MBE participation in State procurement for selected MBEs.

The USM requested an amendment to Senate Bill 309 to strike the language requiring that only designated Small Business Reserve (SBR) procurements may count toward the SBR mandate. USM (and Maryland Department of Information Technology) generated significant dollar volume by including SBRs on multiple-award contracts for technology services – including our Maryland Education Enterprise Consortium (MEEC) contracts. The amendment to SFP §14-502(E) included in Senate Bill 309 effectively removes all incentive to make those efforts.

The USM supports efforts to reform Maryland's procurement system and efforts to streamline the process to ensure adequate competition and increased opportunities for small and minority owned businesses. USM supports Senate Bill 309 as it will clarify what constitutes good cause for removal of a certified minority business enterprise from a

State contract. In addition, the bill clarifies that only 60 percent of the costs of materials and supplies provided by a certified minority business enterprise may be counted toward the MBE goal.

However, there's one aspect of the bill that would increase the Small Business Reserve (SBR) mandate from 10 percent to 15 percent while also restricting the dollars that may be counted toward the mandate to only those procurements that were designated as an SBR. USM is a strong proponent of the SBR Program and is a leader in ensuring that small businesses have opportunities to partner with our universities on contracts.

When determining whether to designate a procurement as a small business reserve, many factors are weighed including the type of good or service being procured, the availability of small businesses to supply the product or service and whether restricting the procurement to only small businesses would result in a lack of competition. In many cases, when a procurement is not designated as an SBR, and the procurement officer feels an awardee may be eligible for the program, the firm is encouraged to register as an SBR firm. This ensures that the dollars spent with the firm may be counted toward the mandated 10% as only those firms that are registered as an SBR allow for the dollars to count. In addition, certified small businesses are routinely directly solicited on USM procurement opportunities even when the solicitation is not designated as an SBR, particularly regarding purchases made with a corporate purchasing card.

USM feels that this is a strong process that allows for the SBR program to grow by increasing the pool of SBR firms thereby allowing future procurement opportunities to be designated as SBR. Restricting the program to only procurements that have been designated as an SBR would not only have a chilling effect on the ability to recruit new firms to the program, but could also lead to less competition and higher costs on State procurement contracts.

### **House Bill 1250**

#### **Higher Education – Student Employees – Collective Bargaining**

USM Position: Monitor

Final Status: Unfavorable Report; Withdrawn

This bill authorizes a student employee, including a teaching assistant or a comparable position, fellow, or post-doctoral intern at the University System of Maryland (USM), Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC) to collectively bargain.

Chapter 341 of 2001 extended collective bargaining rights to many categories of higher education personnel at public four-year institutions of higher education and BCCC but excluded all faculty and students from the benefit. Specifically, a student employee, including a teaching assistant or a comparable position, fellow, or post-doctoral intern is excluded from collective bargaining.

For the 2016-2017 academic year, USM has approximately 9,700 student workers, excluding work-study students. In addition, there were 2,530 work-study students at USM institutions in 2014-2015.

**House Bill 815**

**(Crossfiled with Senate Bill 401)**

**State Retirement and Pension System – Membership Elections**

USM Position: Support with Amendment

Final Status: Passed

House Bill 815 requires a new employee to select a retirement plan upon commencement of employment instead of within one year of employment. A decision to join the ORP or the state employees' pension plan is a one-time, irrevocable decision that currently must be made within one year of employment.

Recent rulings by the Internal Revenue Service have raised issues with respect to numerous provisions in State law that allow for optional elections and that allow those elections to occur at times other than at the commencement of employment. Generally, the IRS rulings address impermissible cash or deferred arrangements and limit the circumstances under which one-time, irrevocable membership elections are permissible. Based on its review of these rulings, and on the advice of tax counsel, the SRPS Board of Trustees asked for this legislation to ensure the system's tax-exempt status.

New employees currently have several days or weeks to make decisions regarding other benefits options such their medical plan selection, but this new bill will require them to make a difficult and important retirement plan decision immediately upon employment. In addition, this bill will create a burden to administrative staff who must facilitate the on-boarding process. HR staff must send documents and answer questions prior to a new employee's arrival so that a final decision can be made at the commencement of work.

The bill takes effect July 1, 2017, which is earlier than the effective date of most other bills.

# **HEALTH, WELLNESS AND CAMPUS CLIMATE**

## **House Bill 427**

### **Public Health Advisories – Required Communication**

USM Position: Monitor

Final Status: Unfavorable Report

House Bill 427 would have required the governing body of each public institution of higher education in the state to develop and implement a policy for the timely communication of public health advisories issued by specified entities to students, faculty, staff, and other employees of the institution and submit a copy of the policy to the Maryland Higher Education Commission on or before October 1, 2017.

The Board of Regents has a long-standing policy VI-13.00 entitled: “Policy on Campus Emergency Planning, Preparedness, and Response.” The policy requires USM institutions to develop and maintain a program of campus emergency preparedness to avert a campus crisis or incident. The campus program encompasses public health emergencies

With the expertise available at our institutions USM is not only in contact with the Department of Health and Mental Hygiene (DHMH), but also remain well-informed of constantly updated Centers for Disease Control and Prevention (CDC) guidelines and recommendations.

For example, the outbreak of the Ebola virus in Africa concerned many in the United States for several reasons. Groups of concern included health workers in Africa and the United States who could be exposed and students and faculty coming from countries with the outbreaks. Health experts at the University of Maryland, Baltimore immediately provided guidance, based on CDC information, that our institutions could follow. The early alert and information-sharing reduced the level of concern and provided actions that proved a best practice across USM institutions. All institutions utilized that information to the benefit of their students, faculty, and staff.

Moreover, USM institutions are working closely with the DHMH, providing information on the processes that our campuses have in place to work with local health departments in the case of a community member with tuberculosis or TB. The DHMH has valued the procedures that we have in place, using the USM – most notably the University of Maryland, Baltimore County – as exemplar programs. This includes informational distribution, screening, treatment (both short and long term), and quarantine if necessary.

## **House Bill 159**

### **Weapon-Free Higher Education Zones**

USM Position: Support

Final Status: In Conference Committee Upon Adjournment

House Bill 159 prohibits the carrying or possession of firearms on the property of public institutions of higher education. The USM urged a favorable report. The System testified that campus safety and security is a complex and multi-layered issue and the unauthorized possession of a deadly weapon at any USM institution is prohibited and violators are subject to disciplinary action.

The USM supported House Bill 159 because it retains the ability of the institution's president to set policies for the authorization of certain firearm possession. The USM is a diverse system that includes several different types of institutions. Given that campus safety and security is an ongoing, ever changing issue, presidents need to incorporate flexibility into whatever security recommendations they may need to make.

## **House Bill 950**

### **Alcohol and Drug Addiction Recovery Programs at USM Institutions**

USM Position: Monitor

Final Status: Passed

House Bill 950 requires each USM president to develop and implement a Collegiate Recovery Program (CRP). A CRP provides support and services for enrolled students who are recovering from alcohol or drug addiction. The program must be tailored for the institution, satisfy the standards and guidelines established by the Board of Regents of the USM.

The USM provided information about the current educational and support activities that aligned with the intent of HB 950. Each USM campus approaches alcohol and substance dependence programming in proportion to several factors, including, but not limited to: campus demographics; the proportion of residential students vs. off-campus dwellers; and general campus culture.

Activities can be broadly categorized as (1) informational programs available to all students; (2) intervention and support for students in immediate need; (3) screenings for self- or professional assessment; (4) referral for and access to long-term assistance whether on or close to campus; and (5) special services on some campuses including intensive counseling programs or residential arrangements.

Many USM campuses are a part of the Maryland Alcohol Collaborative and regularly share their best practices with all campuses. All institutions take the challenges of substance use and abuse seriously. For students, with identified immediate treatment, USM campuses already possess the ability to offer layered substance abuse services directly to students or referral to longer-term services without additional resources.

## **Senate Bill 141**

### **Polling Places on College Campuses**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

Senate Bill 141 would require a local board of elections to designate at least one polling place at each USM institution in the county that has residential student housing on its campus--consistent with specified existing requirements for polling places,

Currently, as necessary for the expedience and convenience of voters, a local board of elections may (1) create and alter the boundaries for precincts in the county; (2) designate the location for polling places in any election district, ward, or precinct in the county; and (3) combine or abolish precincts. A local board must establish a separate precinct on campus, or within one-half mile of the campus, to specifically serve a public or private institution of higher education if the local board determines that at least 500 students, faculty, and staff who attend or work at the institution are registered voters in the precinct in which the institution is located.

A local board is not required to establish a separate precinct if there is already an established precinct within one-half mile of the public or private institution of higher education's campus that serves the voters who attend or work at the institution.

Approximately 25 public and private colleges and universities that the bill would apply to, but polling places are already located on at least some campuses. The Prince George's County Board of Elections, for example, has already designated two polling places at the University of Maryland, College Park and one at Bowie State University. Conversely, the Baltimore City Board of Elections expects to need to establish a polling place on each of six campuses (Coppin State University, Morgan State University, Johns Hopkins University, Loyola University of Maryland, Maryland Institute College of Art, and Notre Dame of Maryland University) pursuant to the bill. Currently, there are polling places within one-half mile of those campuses but not on the campuses.

The USM did not provide written testimony. However, we did convey that campus polling place should supplement, not supplant, long-established polling places in the community surrounding the campus.

## **House Bill 1205**

### **Access of Students to Emergency Contraception**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

House Bill 1205 would require public institutions of higher education with student health centers to provide emergency contraception "at all times" or to make emergency contraceptives available by other means.

The USM testified that reasonable options exist currently to obtain emergency contraception and receive contraception care in general. In fact, some USM institutions provide health services in brick-and-mortar setting (during regular business hours) including emergency contraception; contraceptive counseling; and referrals for contraceptive counseling if the type of contraception is not offered by health services. Also, emergency contraception can be purchased in advance of unprotected sex and stored safely in an individual's possession. House Bill 1205 would be a challenge for institutional health service providers whose office and clinics aren't staffed 24-hours day. While the idea of using a vending machine to deliver emergency contraception has been mentioned in conversation, USM officials fear it is a less-than-private option for women seeking this medication.

## **House Bill 1082**

**(Crossfiled with Senate Bill 1060)**

### **Heroin and Opioid Education and Community Action Act**

USM Position: Support with Amendment

Final Status: Passed

This bill (1) requires the State Board of Education to expand an existing program in the public schools to encompass drug addiction and prevention education (specifically heroin and opioids); (2) requires each local board of education to establish a policy requiring each public school to store naloxone and authorize school personnel to administer it; (3) requires each local board of education in cooperation with the local health department (LHD) to hire a county or regional community action official, or develop an equivalent program; (4) requires the Governor to include a general fund appropriation of at least \$3.0 million in the fiscal 2019 budget for the Maryland State Department of Education (MSDE) to award grants to local boards of education to implement the bill's policy and training requirements; (5) requires each institution of higher education in Maryland that receives State funding to establish a policy that addresses heroin and opioid addiction and prevention, including awareness training for incoming students, obtaining and storing naloxone, and campus police training; (6) requires certain institutions of higher education to offer instruction in substance use disorders; and (7) requires MSDE to convene a workgroup and submit a report on behavioral and substance abuse disorder services in public schools.

Sections from a separate bill addressing heroin and opioid addiction (Senate Bill 967) were amended into this bill to address higher education policies. The sponsors of these bills worked with the USM to add in amendments that deleted a parent notification requirement, directed institutions to provide instruction in substance use disorders, effective treatment, and pain management, and exempted UMUC, UMCES, and offsite campuses from complying with certain training and storage of Naxolene requirements.

Each institution of higher education that receives State operating or capital funding must establish a policy on heroin and opioid addiction and prevention that requires (1) incoming full-time students to participate in awareness training; (2) each institution to

provide incoming part-time students with educational resources on heroin and opioid addiction and prevention; (3) each institution to obtain and store naloxone or another overdose-reversing medication; and (4) training for campus police on symptom recognition, medication administration procedures, and follow-up emergency procedures.

The bill exempts health personnel or campus police who respond in good faith and who meet the bill's requirements from personal liability for any act or omission while responding to the emergency, except for willful or grossly negligent acts. By October 1st of each year, each institution of higher education must submit a report on each incident that required the use of naloxone or another overdose-reversing medication to the Maryland Higher Education Commission (MHEC). MHEC must submit this information to the General Assembly in a report by December 1 of 2018, 2019, and 2020. Finally, each institution of higher education that awards a degree that an individual may use to meet the educational requirements for state licensure as a physician, registered nurse, dentist, physician assistant, or podiatrist must offer instruction in substance use disorders, effective treatment, and pain management.

### **House Bill 272**

#### **Establishes Sanctuary Campuses**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

House Bill 272 would establish sanctuary campus status for USM institutions relating to federal immigration policies and prohibits an institution from releasing information concerning the immigration status of its students and employees. The bill also requires immigration officials to provide notice to an institution before entering the campus and mandates an array of services such as housing, health care and legal services to a specific cohort of students who may be affected by federal immigration actions.

USM testified that since the initiation of the Deferred Action for Childhood Arrivals (DACA) program in 2012, the System has witnessed net-positives for students, institutions and communities.

The exact fiscal impact is difficult to determine now due to the need for additional data on the impacted student population and the need to know exactly how many DACA students cannot afford health insurance, whether travel to their family residences during academic breaks is diminished, their qualification for in-state tuition or the extent a student may need campus legal services. House Bill 272 would likely have a substantial fiscal impact to the USM.

The testimony went on to explain DACA should be upheld and expanded as both a moral imperative and a national necessity. A state-mandated prescription for a concept that means different things to different people may augment, not lessen, the legal challenges USM DACA students may face. The USM will continue to comply with all applicable federal and state laws and regulations – including FERPA regulations that protect a student's privacy.

## **House Bill 1491**

**(Crossfiled with Senate Bill 721)**

### **USM Institutions – Events Held by Conservation Organizations**

USM Position: Monitor

Final Status: Unfavorable Report; Withdrawn

This bill authorizes a conservation organization, as specified, to hold an event on the campus of a public institution of higher education regardless of whether members of the organization carry or possess firearms during the event.

University System of Maryland campuses prohibit firearms on campus unless possession is otherwise authorized by the president in deference to safety and security. All USM institutions have written and published prohibitions regarding deadly weapons.

## **House Bill 528**

**(Crossfiled with Senate Bill 420)**

### **Humane Adoption of Companion Animals Used in Research**

USM Position: Monitor

Final Status: In Committee Upon Adjournment

House Bill 528 would have required a “research facility” located in the State, in which dogs or cats are used for “scientific research purposes,” to take reasonable steps to provide for the adoption of a dog or cat that is no longer needed for scientific research purposes by (1) establishing a list of animal rescue organizations that are willing to take a dog or cat from the research facility and (2) offering the dog or cat to the organizations identified in the list. Beginning December 1, 2018, and annually thereafter, a research facility must submit information to the Secretary of Agriculture about adoptions. UMB had concerns about these bills for several reasons.

First, UMB already has well-established processes to ensure the safe rehoming of our research animals. Second, this bill would force our institutions to turn all adoptable animals over to organizations that are significantly less regulated than we are, rather than allow direct adoptions within our institutions. We strongly contend that decisions concerning the adoption of research animals are the responsibility of the trained veterinarians accountable for their care and in accordance with federal standards for the health and safety of the animals and the broader public. Those veterinarians have developed a relationship with the animals and are most familiar with their unique needs. They are best suited to make decisions regarding the safe placement of animals under their care into the community.

Finally, this bill is a veiled effort to remove animals from research facilities and to prohibit the use of all animals in all research. The driving force behind this bill, the Beagle Freedom Project, has publicly acknowledged that their goal is to end animal research. Passage of any legislation that opens the door, however narrowly, to prohibiting the use of animals for medical research is deeply concerning. Biomedical research using

animals has been essential for discovery of treatments for nearly every type of disease and condition. Medical advances that are taken for granted – for people as well as animals – would not have occurred without research using animals.

## **ECONOMIC DEVELOPMENT**

### **Senate Bill 364**

**(Crossfiled with House Bill 1007)**

#### **One Maryland Economic Development Tax Credits - Business Incubators, Enterprise Zones, and Regional Institution Strategic Enterprise Zones**

USM Position: Support

Final Status: In Committee Upon Adjournment

Senate Bill 364 expands the applicability of the One Maryland economic development tax credit to include a “business incubator” that: (1) establishes or expands in an Enterprise Zone or a Regional Institution Strategic Enterprise (RISE) Zone; (2) meets the number of qualified positions requirement by aggregating the positions created by businesses at the facility; and (3) otherwise meets the eligibility requirements of the credit.

The OneMD tax credit program was created in 1999, and provides significant benefit for larger-scale projects – generally operating companies creating net new employment of at least 25 FTEs – in counties that meet several criteria for “economic distress.” Currently OneMD eligible counties include Baltimore City, Dorchester County, Allegany, Somerset and Worcester.

The bill has the potential to provide significant state tax credits available through the One Maryland (OneMD) program to eligible incubators located in OneMD jurisdictions and additionally to incubators in RISE and enterprise zones throughout the state. The USM testified that will further support strategic efforts on the part of the USM to leverage its valuable translational research and help drive innovative, entrepreneurial and resilient economic growth throughout the state of Maryland.

Senate Bill 364 would allow the aggregation of a minimum of 25 full time jobs (which trigger eligibility for the program benefits), generated by the various tenants of an incubator. Additionally, the bill would allow 1099 contractors (who would need to meet full-time equivalency criteria) to be eligible. As it stands only W-2 employees meet eligibility requirements for OneMD.

### **House Bill 1357**

#### **USM Institutions – Policies Related to Inventions and Patents**

USM Position: Oppose

Final Status: Unfavorable Report; Withdrawn

House Bill 1357 would have disqualified the constituent institutions of the University System of Maryland (USM), the University of Maryland Center for Environmental

Science (UMCES), Morgan State University (MSU), and St. Mary's College of Maryland (SMCM) from receiving student financial assistance or research funding from the State unless the governing board for each institution adopted a specified policy related to inventions, patents, patent assertion, and technology transfer. Under the required policy, the assignment of a patent by one of these institutions to a "patent assertion entity" must be considered void and unenforceable.

The stated objectives of USM's policy on patents are to encourage and aid research at USM, to provide financial compensation as well as professional recognition to inventors, and to protect and best serve the public interest. The policy encourages disclosure of inventions and discoveries and their evaluation for possible patenting and licensing and establishes principles for determining the rights of the constituent institutions and inventors.

The faculty and staff of USM institutions obtain funding for research, education, and public service activities from many sources. Per a recent report, USM institutions received a total of \$1.3 billion in extramural funding in fiscal year 2016 to support specific initiatives in research, education, or service. The federal government was the largest funding source for USM and for research-intensive institutions. Remaining funding came from State government, corporations and foundations, and other sources.