

**REGIONAL HIGHER EDUCATION CENTER
GUIDELINES**

Approved: June 13, 2007
Updated: May 10, 2007

Table of Contents

Background.....	3
Purpose.....	3
Definition	4
State Role and Responsibilities.....	4
A. Maryland Higher Education Commission Role and Responsibilities.....	5
B. University System of Maryland Role and Responsibilities	5
Regional Higher Education Center Responsibilities.....	5
A. Partners.....	5
B. Governance.....	6
C. Mission Statements	6
D. Strategic Plans.....	7
E. Budget Requests	10
F. Reporting	11
Funding of Regional Higher Education Centers.....	11
A. Base Allocation	12
B. Incentive Funding.....	12
C. Special Funding.....	12
D. Leasing Costs	12
Review of Annual Funding Requests	13
A. Funding Recommendations.....	13
B. Funding Priorities.....	13
Procedure for Designation as a Regional Higher Education Center.....	14
A. Partnership Agreement.....	14
B. Application Process.....	14

Background

The General Assembly enacted Chapter 542, Laws of Maryland 2000, which revised the Maryland Charter for Higher Education to include regional higher education centers (RHEC). The Maryland Higher Education Commission is charged with statewide coordinating responsibility for the regional higher education centers under §§ 10-101, 10-212, 11-105, 11-302–11-303, 12-104 and 24-305 of the *Education Article, Annotated Code of Maryland*. To carry out its statutory responsibilities for RHEC, the Maryland Higher Education Commission developed policies in June 2001 for RHEC. These policies included guidelines for mission statements, strategic plans, and operating and capital budget requests.

The 2004 Joint Chairmen's report required the Commission to submit a report examining Maryland's RHEC. The language of the Committee Narrative is as follows:

Maryland has six regional higher education centers, two overseen by the University System of Maryland and four overseen by the Maryland Higher Education Commission (MHEC). Four of these centers have received funding from the State, but funding is inconsistent. For example, the Eastern Shore Center was completed in 2003 but has received no start-up funding to date, while the Hagerstown Center will be completed in 2004 and will receive substantial start-up funding. Therefore, the committees ask that MHEC, in consultation with the University System of Maryland, the Maryland Association of Community Colleges, and the Maryland Independent College and University Association, examine the State's interests and goals for higher education centers, their appropriate role in the delivery of higher education, their potential to provide greater access to higher education in underserved areas of the State, the barriers to academic program delivery, and equitable funding mechanisms that will ensure the State's goals for these centers is achieved.

A follow-up letter was received in May 2004 from the chairs of the legislative budget committees that clarified that this examination be conducted in consultation with the University System of Maryland (USM), the Maryland Association of Community Colleges (MACC), and the Maryland Independent College and University Association (MICUA). The Commission convened a workgroup with the representatives from the regional higher education centers, USM, MACC, and MICUA to address the concerns identified in the Joint Chairmen's Report. A response to the report was presented in October 2004. It included recommendations to amend the statutes governing RHEC and to revise the 2001 MHEC guidelines for RHEC. The background information provided here comes largely from that response, and the revised guidelines reflect the input of the workgroup.

During the 2005 legislative session, the General Assembly asked MHEC to develop an equitable, consistent, and ongoing funding strategy for regional higher education centers. This funding strategy is included in the guidelines.

Purpose

Regional higher education centers (RHEC) are designed to ensure access to baccalaureate and graduate education in both unserved and underserved areas of Maryland at a reasonable cost to students and the State. RHEC can also provide linkages between higher education, local government, and business communities to address workforce needs. RHEC offer the State an opportunity to address workforce needs in high-demand areas, particularly for nontraditional students, and to support State, regional, and local economic and workforce development goals that make the State an attractive destination for companies.

RHEC meet these objectives by providing baccalaureate and graduate programs in areas of the state in which students do not have access to these programs due to geographical distance, commute time or the limited capacity of local 4-year institutions. RHEC can extend the existing program resources of higher education in the State to unserved and underserved areas. Through this network, all regions of the State can be provided with a well-educated workforce critical to the economic development of the regions and the state as a whole.

Definition

According to statute §10-101, *Education Article, Annotated Code of Maryland*, as amended in 2005, a regional higher education center is a higher education facility in the state that:

- (1) Is operated by a public institution of higher education in the State or a nonpublic institution of higher education operating under a charter granted by the General Assembly and includes participation by two or more institutions of higher education in the State;*
- (2) Consists of an array of program offerings from institutions of higher education approved to operate in the State by the Commission or criteria set forth in §10-212(B) of this title;*
- (3) Offers multiple degree levels; and*
- (4) Is approved by the Commission to operate in the State or is established by a statute.*

State Role and Responsibilities

The State may provide operating and capital funds to RHEC to support the delivery of higher education to unserved and underserved areas of the State or to support areas where it is determined that there is a need (e.g., specific workforce development or skills training).

The State develops policies to guide the growth, development, and State support for RHEC. It identifies the appropriate role of RHEC, establishes policies and procedures to apply for RHEC status, provides standards to ensure that RHEC are meeting defined regional needs, and sets guidelines for appropriate State funding and accountability reporting to ensure that State funds provided to RHEC are achieving their stated purpose and the mission of the RHEC. Funding for RHEC should be equitable, consistent, and ongoing to ensure that all unserved or underserved state regions have access to centers that offer needed baccalaureate and graduate programs.

State oversight of RHEC is divided between the Maryland Higher Education Commission and the University System of Maryland.

A. Maryland Higher Education Commission Role and Responsibilities

The Maryland Higher Education Commission is charged with statewide coordinating responsibility for the Regional Higher Education Centers (RHEC) under §§ 10-101, 10-212, 11-105, 11-302–11-303, and 12-104 of the *Education Article, Annotated Code of Maryland*. This responsibility includes approving center mission statements and ensuring that courses and programs offered by the centers are within the scope of their approved missions and consistent with their strategic plans. All new academic programs offered at a regional center must be consistent with new program offerings outlined in the strategic plan. The Commission is also charged with making recommendations for State funding for all centers to the Governor and General Assembly. The Commission is responsible for administering funds provided to the centers that are not governed by the University System of Maryland (USM) Board of Regents. USM provides administrative oversight to the centers under their purview. The Commission reviews all applications for designation as a regional higher education center and approves regional higher education centers to operate in the State. In addition, the Commission will conduct annual evaluations of centers to ensure that centers continue to fulfill goals and objectives as specified in the State Plan and continue to meet both State and regional needs.

B. University System of Maryland Role and Responsibilities

The University System of Maryland administers operating funding for the Shady Grove and Hagerstown centers as well as any other RHEC it may successfully establish. It may establish new regional higher education centers subject to the concurrence of the Maryland Higher Education Commission. At its discretion, the University System of Maryland Board of Regents may close any RHEC it has established.

Regional Higher Education Center Responsibilities

It is the responsibility of the regional higher education center to ensure that its mission and strategic plan are aligned with the State Plan for Higher Education, with the mission statements of its partners, and with the educational and workforce needs of the region it serves. It must abide by other pertinent statutes, requirements, and guidelines for higher education institutions. RHEC under the purview of MHEC must also abide by these RHEC guidelines.

A. Partners

To be eligible to operate a regional higher education center, an institution must be a public institution of higher education in the state or a nonpublic institution of higher education operating under a charter granted by the General Assembly. A regional higher education center must have at least two participating institutions of higher education offering programs at the center.

All partners offering programs at an RHEC must be approved by the Commission to operate in Maryland or must be approved by an act of the General Assembly that specifically satisfies the criteria set forth in §10-212(b) of the *Education Article, Annotated Code of Maryland* as follows:

- (1) *Provide access to affordable higher education programs to citizens in unserved or underserved areas of the State;*
- (2) *Respond to the needs of businesses and industries in the areas in which they serve;*
and
- (3) *Encourage participation by institutions of higher education for the benefit of students and serve the needs of, and provide programs to, elementary and secondary schools, business and industry, and governmental agencies.*

B. Governance

Each regional higher education center should have clearly established governing and administrative structures as specified below under “Strategic Plans.” Each RHEC should be appropriately staffed with professional personnel capable of administering the RHEC activities effectively.

C. Mission Statements

Institutional mission statements are essential to the overall success of higher education in the State of Maryland. They ensure that the purveyors of Maryland higher education support and endorse the State’s goals and objectives of bringing postsecondary education to all qualified Maryland citizens. RHEC serve an important role in achieving the State’s higher education goals, as they bring higher education to communities that do not offer baccalaureate and graduate-level degree programs in their regions. It is therefore essential that the State’s RHEC each prepare a mission statement of their goals and objectives.

As the statewide coordinating board for higher education, the Maryland Higher Education Commission is responsible for reviewing, negotiating, and approving the mission statements developed by Centers in the state.

A regional higher education center’s mission statement should be written in clear and concise language, specifically demonstrating consistency of the mission with the State Plan for Higher Education and incorporating the applicable mandates and priorities established by the legislature. To this end, mission statements should address the following:

1. Summary of Identity and Purpose:

Provide a brief description of the RHEC, including the names of the higher education institution affiliates and the various levels of degree programs offered at the RHEC. Identify the unique assets the RHEC contributes to the State’s diversity of programs, including bringing higher education to underserved regions of the State. RHEC priorities for instructional program emphasis and aspirational degree levels should also be included.

2. *Performance and Outcomes:*

Describe the RHEC's essential functions (teaching, research, and/or public service) as they relate to regional needs. Describe how the RHEC will reach its full potential as a resource to the community. Describe how the unique strengths of the RHEC, as outlined above (Summary of Identity and Purpose), apply and contribute to the RHEC's goals and objectives, e.g., workforce training, economic development, K-16 partnerships, and collaborative efforts with government, business, and industry.

D. Strategic Plans

Pursuant to §11-105 of the *Annotated Code of Maryland, Education Article*, the Maryland Higher Education Commission may require submission of strategic plans by regional higher education centers. The Commission shall review each strategic plan to determine whether the strategic plan is consistent with the State Plan for Higher Education developed under §11-105(b)(2), as well as, with the mission of the RHEC and with the missions of the participating institutions.

Each proposed new regional higher education center or existing center requesting or receiving State funds must develop and submit a strategic plan at least once every four years and the strategic plan should be updated if a center has made significant changes to its mission statement. These strategic plans are to be developed and approved by the planning body of the proposed center or by the governing structure of an existing center.

The strategic plan for both new and existing centers shall include

1. *Needs and Economic Analysis:*

This section of the plan should document and describe how the proposed center provides access to unserved and underserved areas of the State and how the proposed center meets a regional and/or statewide need, including the needs of businesses and industries in the area as specified under Education Article §10-212(b). This section should:

- a. Provide demographic information concerning the population's level of participation in higher education and educational attainment level;
- b. Demonstrate the lack of nearby higher education facilities offering the baccalaureate- and graduate-level programs to be offered at the RHEC or demonstrate a lack of access in terms of commute time or limited capacity to these programs at nearby institutions;
- c. Identify the level of need by programmatic areas based on State and/or local workforce studies and market demands;
- d. Evaluate the current workforce in the area and the economy to determine the area's current and future employment base and employment needs; and

- e. Provide a plan to address the workforce and economic needs of the area.

2. *Goals, Priorities and Consistency with the State Plan for Higher Education*

This section should describe how the RHEC will specifically meet the goals and objectives stated in the State Plan for Post-Secondary Education. This section should list the short-range and long-range goals and objectives that warrant the investment of State resources in the RHEC and address to what extent these objectives will meet the State's present and future needs as outlined in the State Plan for Higher Education.

3. *Partnerships and Collaborations:*

This is an assessment of opportunities for partnerships and collaborations at the RHEC. It should include:

- a. A letter of intent or memorandum of understanding from each partner institution;
- b. A description of the level of participation by each partner institution, including documentation on the academic programs to be offered; and
- c. A description of partnerships with the private sector and/or county and local governments, as appropriate, to address the educational needs of the workforce in the region.

4. *Governance:*

This section is an outline of the governance structure. It should describe:

- a. The governing structure;
- b. The constituent groups represented in the governing structure; and
- c. An overview of the administrative structure of the RHEC.

5. *Program Offerings:*

This is an analysis of program offerings that should:

- a. Identify the academic programs to be offered by each participating institution;
- b. Provide a five-year projection of anticipated academic program additions by each participating institution.
- c. For existing RHEC submitting an updated strategic plan, this analysis should identify what programs have been offered for the past three years and include a five-year projection of anticipated program additions. Furthermore, centers offering lower division courses should provide information on how these

courses are part of a planned sequence of courses leading to a baccalaureate degree that is offered at the center.

6. *Enrollment Projections:*

This section should describe the student population to be served by the RHEC. It should include:

- a. Total headcount within each program.
- b. The number of eligible, credit lower-division FTES enrolled in 2 + 2 programs offered at the center and credit upper-division, and graduate level FTES enrolled in each program that qualify for incentive funding under the RHEC funding guidelines and all other lower division or other FTES such as non credit enrollments or ineligible enrollments for the current fiscal year. Undergraduate FTES are the total number of full-time and part-time undergraduate semester credit hours (or equivalent) divided by 30; graduate FTES are the total number of full-time and part-time graduate semester credit hours (or equivalent) divided by 24.
- c. A five-year projection of FTES enrollment as described in 6.b above. For existing RHEC submitting an updated strategic plan, enrollments from the previous three years should also be included. This information should be included in the table form provided by MHEC.

7. *Student Support Services:*

This section should describe the student support services that will be provided by the RHEC or by participating institutions. It should include:

- a. A description of the type of services (i.e., academic advising, library, placement testing, registration, bookstore, etc.) planned to be offered on-site; and
- b. A description of how these services are to be delivered.

8. *Technological Needs:*

This section is a discussion of technological needs of the RHEC. It should include:

- a. An analysis of the internal needs of the RHEC to provide appropriate technical support for faculty, staff, and students; and
- b. An analysis of the technological needs for distance learning courses to be provided at the RHEC.

9. Site/Facility Evaluation:

The site evaluation of the area in which the proposed center is to be located should include:

- a. An analysis of the proposed site and structures and a projection of future needs;
- b. A discussion of location alternatives with justification(s) of why the proposed site is the ideal location; and
- c. A discussion of future expansion capabilities.

The site evaluation for current RHEC should include a discussion of current capacity, future expansion capabilities, as well as a projection of future needs.

10. Marketing Plan:

This is to be a description of the components of the plan for marketing the RHEC. This narrative section should include:

- a. A discussion of publication, press releases, newspaper and/or radio advertisements, and other marketing tools that will be used to promote the RHEC.

11. Financial Plan:

This is a five-year financial plan for the RHEC. The Financial Plan should include:

- a. Tables on Projected Revenue and Projected Expenditures. Narrative explanation attached to each table. Data should be presented for the five upcoming fiscal years and then totaled by category for each year.
- b. Existing RHEC submitting an updated strategic plan should also include a financial summary of the past three years, which should appear in the same table and narrative format. The specific format for these tables and definitions for line items appear in the Budget Request Instructions available from MHEC.

E. Budget Requests

1. Annual Budget Request

As a component of its oversight authority for RHEC, the Commission will review all RHEC annual budget requests. This annual review will consist of: 1) an analysis of the funding request to determine if the request is in alignment with the RHEC's individual mission and strategic plan; and 2) an analysis to determine whether center activities are meeting the goals and objectives as identified in the strategic plan. The Commission will make specific recommendations for State funding to the Governor and General Assembly. Refer to Appendix II for specific instructions. Furthermore, the Commission has administrative responsibility for non-USM RHEC budget requests. These funds will be provided as grants through the Commission's operating budget. USM has administrative oversight over centers under their purview.

2. Budget Request with Application for Designation as an RHEC

Application for designation as a regional higher education center is the first step in applying for State funds. Refer to "Procedure for Designation as a Regional Higher Education Center", page 14. If a budget request accompanies the application for designation as an RHEC, it is included in the strategic plan as part of the financial plan and follows the same format as the annual budget request, with the exception of the enrollment data table. The enrollment data table is included in the strategic plan portion of the application. Refer to the section D "Strategic Plans" under Regional Higher Education Center Responsibilities on page 7.

Instructions for the application process for designation as an RHEC and samples of the tables to be included in the financial plan are available from MHEC upon request.

F. Reporting

As part of its charge to assure that State funds for RHEC are spent prudently and in accordance with State guidelines (§11-105(8)(d)(v)), the Commission requires that each RHEC receiving State funds to conduct an audit. The audit may be a separate audit of the center or performed as part of an audit of a larger entity. An audit should be conducted annually and should be available on request.

In addition, the RHEC should provide a report that describes how funds were used, list and describe the degree programs offered and provide enrollments by lower division, upper division and graduate for the degree programs for the prior year. RHEC receiving special funding are required to submit a report to the Commission that specifically outlines how these funds were spent during the fiscal year. This report is due to the Commission September 1 of each year.

Funding of Regional Higher Education Centers

The Maryland Higher Education Commission is charged with oversight of State funding for regional higher education centers that are not governed by the University System of Maryland (USM) Board of Regents. RHEC under the purview of the Commission may submit a request for State funding each year. RHEC governed by USM will submit their requests as part of the total USM request. A prospective RHEC must have official designation as an RHEC to be considered for State funding. Further, State funding is contingent upon whether the request is consistent with the RHEC's mission and strategic plan and the State's goals as described in Chapter 542, Laws of Maryland 2000.

State funding is intended to help defray expenses associated with the operations of the center inclusive of utilities, lease, administration, support services and other operating expenses that support credit enrollments in lower division 2+2 programs that articulate to baccalaureate programs offered at the center, baccalaureate programs, and graduate programs. Students enrolled in lower division courses in 2 + 2 programs offered at the center must be identified by either a Letter of Intent completed during the academic advising process or by a joint application for admission to the 2+2 program at the center. It is important that distinctions remain clear and demonstrative between RHEC and off campus extension centers for funding purposes.

All programs should address the needs of citizens in unserved or underserved areas of the state and respond to the needs of businesses and industries in the areas that they serve. Furthermore, the funding model takes into consideration the different types of RHEC and the different revenue sources available to each type of RHEC. The proposed funding strategy includes the following components:

1. Base Allocation: The base allocation supports the basic operation of a RHEC. This may include a minimum amount of the cost to maintain and operate center facilities as well as staff needed to support the core functions of the center (i.e. the administration of the facility and coordination of center activities). The RHEC work group recommends that the base allocation be funded at \$200,000 for each center.

2. Incentive Funding: Incentive funding is based on dollars per lower division eligible FTES credit enrollments in 2 + 2 programs offered at the center and upper-division and graduate division FTES credit enrollments. The Universities at Shady Grove's general fund appropriation per FTES for FY 2005 is used to set the benchmark for dollars per FTES. This benchmark is then inflated annually by the Higher Education Price Index (HEPI) for the recommended funding level per FTES for the current fiscal year. The resulting inflated funding per FTES figure is multiplied by the number of upper division, graduate division, and 2 + 2 lower division FTES to determine that center's incentive funding amount.

3. Special Funding: Special funding is designated for initiatives such as start-up of new centers; support for high need, critical, and special programs to meet regional needs; one-time enhancement funding; and funding for non-capital equipment (i.e., any equipment

with a useful life of less than 15 years and is not funded with debt and therefore must be financed through the operating budget). Each request is examined on a case-by-case basis.

4. *Leasing Costs:* Leasing costs are based on upper division and graduate FTES credit enrollments at centers that lease facilities. The leasing appropriation is calculated by dividing the sum of the annual cost for building and land lease by the number of total FTES where total FTES includes all eligible, ineligible, credit and non credit/continuing ed FTES enrollments at the center (lower, upper and graduate). The resulting number is multiplied by the total number of upper division and graduate FTES credit enrollments at the center to determine the amount of the grant.

Review of Annual Funding Requests

A. Funding Recommendations

The Commission will review all RHEC's annual budget requests and recommend funding according to the funding strategy. The Commission will administer funds for those centers under its purview. , USM will administer funds for those centers under its purview. The Commission's recommendations will be based on the following:

- Funding priority for the base allocation to ensure consistency and predictability in funding;
- The number of FTES at the upper-division and graduate level in the RHEC and FTES enrolled in 2 + 2 programs offered at the center;
- Special funding such as support for the start-up for new centers or new initiatives in high need areas;
- Evidence that the center meets mission and strategic plan goals and objectives as set forth by the RHEC and strives to be fully utilized;
- Programs provided or to be provided that address the needs of citizens in unserved or underserved areas of the State; and
- Programs provided or to be provided that respond to the needs of businesses and industries in the areas in which the RHEC serves.

Other factors that may be considered include:

- State funds do not supplant local or county support identified in the RHEC's five-year strategic plan; and

- Demonstration of effective and efficient business practices. Audits and records management that is consistent with sound business practices including accounting records using generally accepted accounting principles.

Funding requests may be denied if the requesting RHEC has a delinquent report from a previous fiscal year.

Procedure for Designation as a Regional Higher Education Center

A prospective regional higher education center must apply to the Maryland Higher Education Commission in order to be established as a regional higher education center. The center will not have approval to operate without this designation.

A. Partnership Agreements

A public institution of higher education or a nonpublic institution of higher education operated by a charter granted by the General Assembly that wishes to operate a regional higher education center develops partnership agreements or memorandums of understanding with other institutions of higher education approved to operate in the state by the Commission or by an act of the General Assembly (see §10-212(B), *Education Article, Annotated Code of Maryland*).

These agreements are made in order to offer at the proposed center an array of academic programs at multiple degree levels that are not otherwise available in the area to be served by the RHEC. Institutions negotiate individually with the proposing institution, and there must be a commitment from potential four-year institution partners to offer the needed academic programs.

There is no statewide effort or Commission involvement at this level unless an institution seeks counsel.

B. Application Process

1. Institutions submit an application for designation as a regional higher education center to the Maryland Higher Education Commission for review and approval. The application will consist of, at least, (1) a signed approval by the chief executive of the submitting institution(s) that will operate the RHEC; (2) a mission statement; and (3) a strategic plan. Applications are available from MHEC upon request.
2. The Commission forwards the application for approval as a regional higher education center to all Maryland public and private higher education institutions and all established regional higher education centers in Maryland for a 30-day review and comment period. At the end of the 30-day comment period, the Commission reviews all comments received and seeks additional information from the proposing or objecting institutions and/or established regional higher education centers.

3. The Commission makes a decision on the request to be designated as a regional higher education center after reviewing all information received regarding the proposed regional higher education center.
4. The Commission reports the final outcome of this review to the Department of Budget and Management, the Governor, and the General Assembly of Maryland.
5. Funding for the RHEC will be considered once the prospective RHEC is designated by Maryland Higher Education Commission as an RHEC and receives Maryland Higher Education Commission approval to operate in the State.
6. Annual budget requests are required to be submitted to the Commission by May of the fiscal year two years before funding would be received (e.g., May 2007 deadline for funds to be received July 1, 2009).