

Much Accomplished,  
Much at Stake:  
Performance and Policy  
in Maryland Higher Education

Laura Perna and Joni Finney  
University of Pennsylvania, Institute for Research on Higher Education

Patrick Callan  
National Center for Public Policy and Higher Education

February 2012



THE NATIONAL CENTER FOR  
PUBLIC POLICY AND  
HIGHER EDUCATION

## Overview

**The challenge:** To maintain an internationally competitive work force, Maryland aims to increase the share of its adult population that holds at least an associate degree from 44% to 55% by 2025. To achieve this goal, the state must improve the performance of its higher education system, ameliorating its weaknesses and building on its strengths.

**The bottom line:** Maryland's higher education system is leaving poor, urban, black, Hispanic and native-born Marylanders behind. But a strong record of marshaling resources to achieve higher education goals and the state's relative wealth put Maryland in a good position to do something about this problem, if it so chooses.

## Background

Maryland is a national leader in educational attainment; the state ranks fourth in the United States in the percentage of adults who have earned at least an associate degree. Even so, Maryland aspires to improve its performance. By 2025, the state hopes to increase to 55% the share of its adult population with at least an associate degree. A state leader says that Maryland seeks to compete globally, not nationally: "Our governor has made it clear that we are not measuring ourselves against the southern states or against any other state, quite frankly. Our goal as a state is to be among the most competitive countries in the world."

To reach this goal, Maryland must improve the performance of higher education. Based on trends in degree production and projected population growth, Maryland needs to increase its annual production of associate and bachelor's degrees by 5.1% per year so that by 2020, 55% of its workforce (ages 25 to 64) will hold at least an associate degree, which is the level of attainment of the best-performing nations. By 2018, projections suggest that 66% of all jobs in Maryland will require at least some postsecondary education or training.

Maryland is a relatively wealthy state, ranking fourth nationally in per capita personal income. The state's personal income levels have historically exceeded the national average, with the gap increasing over the past decade. In 2009, Maryland's per capita personal income (\$48,247) was 122% of the U.S. average (\$39,635).

Despite Maryland's wealth relative to many other states, its efforts to increase educational attainment must recognize the likelihood of restrained fiscal resources for the foreseeable future. From fiscal year 2005 to 2008, Maryland increased its general fund support for higher education by 34%, compared with an average increase of 23% nationally. Since 2008, however, Maryland has experienced revenue shortfalls that constrain the availability of state funding for higher education. General fund revenues declined by 5% in fiscal year 2009 and by an additional 2.4% in 2010.

For 2011-2012, the General Assembly reduced state funding for four-year colleges and universities only slightly (to \$1.1 billion, reflecting health insurance and pension benefit savings), increased funding for community colleges by 5.7% (to \$314 million), and maintained funding for independent colleges and universities (at \$38.4 million). Gov.

Martin O'Malley has articulated the need to accomplish more with fewer resources, stating, "The ongoing financial crisis has called upon us to re-imagine what a government can do well, and to redesign better ways to serve and protect the people of Maryland."

### **Structure of higher education in Maryland**

Maryland has a diverse system of higher education that comprises 13 public four-year colleges and universities, 16 public community colleges, 23 private nonprofit four-year institutions, and 40 Title IV-eligible for-profit institutions. In fall 2007, about 82% of the students who were enrolled in degree-granting institutions in Maryland were attending a public rather than a private nonprofit (16%) or private for-profit (2%) institution. Community colleges account for 45% of total student enrollments in Maryland's public institutions.

The Maryland Higher Education Commission, created by the Legislature in 1988, is responsible for "the planning, supervision, and coordination of Maryland's postsecondary education system." The commission director serves as secretary of higher education and is a member of the governor's Executive Council. The state's 16 community colleges were once coordinated by a separate statewide board, but are now under the oversight of the commission. Each college is operated locally except for Baltimore City Community College, which was taken over by the state in 1991 and is now considered a state agency.

The University System of Maryland (USM) was also developed in 1988, with the goal of improving the coordination of higher education. Eleven of the state's 13 public four-year colleges and universities fall under the USM. Morgan State University and St. Mary's College of Maryland are public but standalone institutions. The University System also includes the University of Maryland University College (UMUC), a regionally accredited institution that offers both online and face-to-face classes in 170 locations in 26 nations.

Four of the state's public four-year institutions are Historically Black Institutions (HBIs): Morgan State University, Bowie State University, Coppin State University, and the University of Maryland Eastern Shore (UMES).

The state also offers eight Regional Higher Education Centers, created to promote access to bachelor's and graduate degree programs in underserved areas of the state and to address workforce needs. Most centers are collaborations between community colleges and four-year universities.

### **Weaknesses**

**Disparities:** Despite the state's relatively high-level of educational attainment, *degree attainment* and *preparation for college* in Maryland are marked by sharp disparities among demographic groups and regions (all figures are for the most recent year available).

- Only 33% of blacks and 20% of Hispanics between the ages of 25 and 34 hold at least an associate degree, compared with 51% of white Marylanders. Moreover, among

Hispanics, the state's fastest-growing demographic group, degree attainment fell significantly between 1990 and 2005.

- Only 29.5% of adults in Baltimore (home to nearly 11% of Maryland's population) hold at least an associate degree.
- Only 35% of native-born Marylanders have at least a bachelor's degree, compared with 43% of Maryland residents who are from another state or country.

Similarly, poor, black and Hispanic Maryland schoolchildren score lower on standardized tests, drop out of high school more often, go on to attend college less often and fail to complete college more often than do wealthier and white schoolchildren.

- 15% of blacks and 26% of Hispanics scored at or above proficient on the 8th grade national assessment in math in 2009, compared with 56% of whites and 76% of Asian Americans.
- 17% of low-income students scored at or above proficient on the 8th-grade math assessment, compared with 50% of other students.
- 62% of black students and 65% of Hispanic students graduate from high school (calculated using the Cumulative Promotion Index), compared with 82% of white students.
- 32% of blacks and 25% of Hispanics ages 18-24 were enrolled in a college or university in 2006, compared with 42% of whites in the same age range.

Demographic trends are likely to magnify these disparities. In particular, Hispanics represent the fastest-growing segment of Maryland's population, meaning that the percentage of Maryland schoolchildren who are at a disadvantage academically is on the rise.

Although the state has recognized the problem of disparities, Maryland lacks a coherent set of public policies to ensure that more children are prepared for, attend and complete college. In 2011, the Southern Regional Education Board urged Maryland to improve college readiness through enacting legislation, as many other states have done.

**Legacy of racism and segregation:** Maryland's formerly segregated higher education system remains under the supervision of the U.S. Office for Civil Rights, which monitors its compliance with Title VI of the 1964 Civil Rights Act. Though Maryland has invested heavily, particularly in capital projects, to bring its four Historically Black Institutions up to par with its traditionally white institutions, the state has yet to resolve disagreements about how best to use the strengths and balance the needs of these two sets of universities. The statewide Funding Commission (discussed in more detail below) has recommended a new funding model for Historically Black Institutions that emphasizes "common or specific criteria and appropriate goals and accountability."

### **Strengths**

**Leadership and cooperation:** For many years, governors and legislative leaders have shown a consistent commitment to higher education, where many of them have had strong roots. For example, Gov. Parris Glendening (1995-2003) once served as a

professor of government and politics at the University of Maryland, College Park, and many key legislators have been teachers and education administrators. The University System of Maryland, created under Gov. William Donald Schaefer (1987-1995), also has a record of stable and well-regarded leadership

With the support of a populace that clearly values education, Maryland's politicians, higher education administrators and the University System have a long history of working together, and working across educational sectors, to set and achieve higher education goals. Several successful initiatives have built a foundation to support further reforms.

- The P-20 Leadership Council, launched in 1995, promotes cooperation across educational sectors, from pre-kindergarten to graduate and professional school. Signaling his commitment to the initiative, Gov. O'Malley serves as chair of the council; he has expanded its scope (until 2007, it was a P-16 body) and asked the heads of more state agencies to join its deliberations (five agencies are now represented). Despite its success in increasing communication across agencies and educational sectors, however, the P-20 council has yet to make much progress toward one of its main goals: to improve college readiness among Maryland high school students.
- Maryland has also cooperated across sectors to make it easier to transfer credits from two-year colleges to four-year colleges and universities, in part through articulated programs that transfer credits as a group rather than as individual courses. But much work remains to be done: in a recent survey, about 60% of community college graduates who transferred to a four-year institution reported that they did not receive credit for all community college courses in which they had earned at least a "C."
- Since 1990, in a successful effort to share data, the Student Outcome and Achievement Report (SOAR) has measured the performance of the state's high school graduates and community college transfers at public four-year colleges and universities. With the exception of the SOAR report, however, the state continues to maintain separate data systems for K-12 education and higher education. Better data linkages across the sectors could promote further collaboration in efforts to improve student performance.

**Affordability and funding:** As it has in most states, a college education in Maryland has become less affordable. From 1999 to 2009, tuition rose by 25% at Maryland's public four-year universities and by 6% at its public two-year colleges, while family incomes remained flat. Yet Maryland has done better than most other states at slowing the increase in college costs. A collective effort to hold down tuition began with the Tuition Affordability Act of 2006; the Funding Commission created by the act produced a blueprint for financing higher education and reining in tuition increases. The governor, legislators, and college and university presidents worked together to freeze tuition at four-year institutions for four years. In 2010, a new law capped undergraduate tuition increases at the percentage rise in median family income; it also authorized the state to invest in an endowment to reduce the volatility of state appropriations.

Improving the financial picture for higher education, Maryland's public universities have attracted high levels of research funding from the federal government and from sources outside the state, and the University System has led a well-regarded effort to cut costs and improve efficiency.

In the wake of the economic downturn, however, Maryland has not been able to fully implement the Funding Commission's blueprint, which set targets that proved unrealistic in the face of falling tax revenue. Moreover, tuition in Maryland remains well above the national average.

### **Conclusion**

To achieve its workforce goals, Maryland must make higher education affordable for all and reduce other disparities that make a college degree less likely for nonwhite, poor and urban Marylanders.

With the Funding Commission plan as a guide, Maryland has been a leader among the states, taking important steps to slow the erosion of college affordability. However, in the wake of recession and economic stagnation, only some of the Funding Commission's recommendations on how to finance higher education in Maryland have been implemented, a weakness of a plan that can only provide guidance when the economy is strong. Nonetheless, the plan provides a solid foundation, and Maryland should be able to build on its commitment to bolster its higher education system and at the same time make tuition more predictable and affordable.

The picture is more fraught when it comes to college preparation and completion, where the state lacks a coherent set of public policies. Perhaps most pressingly, Maryland must help more children go on to earn college degrees in Baltimore, where the population is much poorer and less white than that of the affluent suburban counties near Washington, DC. One hurdle is that Maryland currently bases its funding for higher education institutions on enrollment, rather than providing strong performance incentives that could encourage these institutions to improve academic preparation and college completion and to make progress toward other statewide goals.

In a time of economic uncertainty, it will take a concerted effort by the governor, the Legislature, and institutional leaders to implement the Funding Commission's recommendations and reduce the disparities that make a college education less likely for some Marylanders than for others. Unless the state's leaders can find an approach that works in a weak economy as well as a strong one, higher education reform in Maryland is in danger of stalling.

## Data sources

- Carnevale, A. P., Smith, N., & Strohl, J. (2010). *Help wanted: Projections of jobs and education requirements through 2018*. Washington, DC: Georgetown University Center on Education and the Workforce.
- Delta Cost Project (2010). *Maryland state data*.  
<http://deltacostproject.org/data/state/pdf/md.pdf>
- Editorial Project in Education Research Center (2010). *Education counts research center custom table*. <http://www.edcounts.org/createtable/step1.php>
- Kelly, P. (2010). *Projected degree gap: Percent of 25 to 64 year olds with associate degrees or higher*. Unpublished table.
- Marcus, J. (2009). A Mid-Atlantic miracle: How Maryland held the line on college costs. *Washington Monthly*. Retrieved from <http://www.washingtonmonthly.com>
- Maryland Higher Education Commission (2007). *Office for civil rights partnership agreement*. Annapolis, MD: Author.
- Maryland Higher Education Commission (2009a). *2008 community college graduates follow-up survey report*. Annapolis, MD: Author.
- Maryland Higher Education Commission (2009b). *2009 Maryland state plan for postsecondary education*. Annapolis, MD: Author.
- Maryland Higher Education Commission (2010). *Commission responsibilities*.  
<http://www.mhec.state.md.us/higherEd/about/commissi.asp>
- Maryland Office of the Secretary of State (2011). *Code of Maryland regulations, 13B.02.03.02*. <http://www.dsd.state.md.us/comar/comarhtml/13b/13b.02.03.02.htm>
- Maryland State Archives (2011a). *Maryland higher education commission: Origin and functions*.  
<http://www.msa.md.gov/msa/mdmanual/25ind/highered/html/43highf.html>
- Maryland State Archives (2011b). *Regional higher education centers*.  
<http://msa.md.gov/msa/mdmanual/01glance/html/edregion.html>
- Maryland State Department of Education (2010). *Divisions: The Governor's P-20 leadership council of Maryland*.  
[http://www.marylandpublicschools.org/MSDE/divisions/leadership/programs/P-20\\_Partnership/](http://www.marylandpublicschools.org/MSDE/divisions/leadership/programs/P-20_Partnership/)

- Maryland State Legislature (2010). *House bill 470, Higher Education Investment Fund - Tuition stabilization and funding*. <http://mlis.state.md.us/2010rs/billfile/hb0470.htm>
- National Center for Education Statistics (2010). *Nation's report card - NAEP data explorer*. <http://nces.ed.gov/nationsreportcard/naepdata/dataset.aspx>
- National Center for Education Statistics (2012a). *Table 229. Total 12-month enrollment in degree-granting institutions, by control and type of institution and state or jurisdiction: 2007-08 and 2008-09*. [http://nces.ed.gov/programs/digest/d10/tables/dt10\\_229.asp](http://nces.ed.gov/programs/digest/d10/tables/dt10_229.asp)
- National Center for Education Statistics (2012b). *Table 276. Degree-granting institutions and branches, by type and control of institution and state or jurisdiction: 2009-10*. [http://nces.ed.gov/programs/digest/d10/tables/dt10\\_276.asp?referrer=list](http://nces.ed.gov/programs/digest/d10/tables/dt10_276.asp?referrer=list)
- National Center for Education Statistics (2012c). *Table 277. Number of non-degree-granting title IV institutions offering postsecondary education, by control and state or jurisdiction: Selected years, 2000-01 through 2009-10*. [http://nces.ed.gov/programs/digest/d10/tables/dt10\\_277.asp?referrer=list](http://nces.ed.gov/programs/digest/d10/tables/dt10_277.asp?referrer=list)
- National Center for Higher Education Management Systems (2007a). *2005 ACS PUMS - education by age by race by state*. <http://www.higheredinfo.org/analyses/>
- National Center for Higher Education Management Systems (2007b). *Educational attainment by state, age, race and gender 1990-2000*. <http://www.higheredinfo.org/analyses/>
- National Center for Higher Education Management Systems (2009). *Total research and development expenditures per capita*. <http://www.higheredinfo.org/dbrowser/?level=nation&mode=map&state=0&submeasure=115>
- National Center for Public Policy and Higher Education (2008). *Percent of population age 18-24 enrolled in undergraduate-level education by Race/Ethnicity, 2006*. [http://measuringup2008.highereducation.org/about/download/Performance\\_Gaps.xls](http://measuringup2008.highereducation.org/about/download/Performance_Gaps.xls)
- National Center for Public Policy and Higher Education (2011, June). *Affordability and transfer: Critical to increasing baccalaureate degree completion*. San Jose: Author.
- Office of Policy Analysis, Department of Legislative Services (2010). *Issue papers 2011 legislative session*. Annapolis, Maryland: Author.
- O'Malley, M. (2010). *State of the state*. <http://www.governor.maryland.gov/speeches/sos2010.pdf>



- Southern Regional Education Board (2011a). *Legislative report, report no. 4*. Atlanta, GA: Author.
- Southern Regional Education Board (2011b). *State college and career readiness initiative: Final progress reports*. Atlanta, GA: Author.
- U.S. Bureau of Economic Analysis (2010a). *Local area personal income, 1969-2008*. <http://www.bea.gov/regional/reis/default.cfm?selTable=CA1-3&section=2>.
- U.S. Bureau of Economic Analysis (2010b). *Personal income and per capita personal income by state and region, 2006-2010*. [http://www.bea.gov/newsreleases/regional/spi/spi\\_newsrelease.htm](http://www.bea.gov/newsreleases/regional/spi/spi_newsrelease.htm)
- U.S. Census Bureau (2010). *Table C15002: Sex by educational attainment for the population 25 years and over - 2009 American Community Survey*. Retrieved from <http://factfinder.census.gov>
- U.S. Census Bureau (2011). *Table S1501: Educational attainment from 2005-2009 American Community Survey 5-year estimates*. [http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_09\\_5YR\\_S1501&prodType=table](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_09_5YR_S1501&prodType=table)
- University of Maryland University College (2010). *Fiscal year 2010 fact book*. Adelphi, MD: Author.
- University System of Maryland (2010). *Powering Maryland forward: USM's 2020 plan for more degrees, a stronger innovation economy, a higher quality of life*. Adelphi, MD: Author.
- Western Interstate Higher Education Commission (2008). *Knocking at the college door – data files*. <http://www.wiche.edu/knocking/data>

## **State Review Project on Policy and Performance in Higher Education**

### Purpose of The Project

The National Center for Public Policy and Higher Education's biennial state-by-state report card, *Measuring Up*, shows that, between 2000 and 2008, many states improved their performance on key measures of college preparation, participation, and completion. While shedding light on performance in key areas relative to other states, the report cards do not reveal the policies and practices that contribute to a state's performance or the reasons that some states improved their performance while other states declined. Understanding these issues is a critical step toward identifying how to improve higher education performance within a particular state and subsequently realize the level of degree production required to compete in a global economy. This project improves our understanding of how states can improve degree attainment in the context of fiscal, demographic, and other challenges.

### Methods

This project draws on data collected from case studies of five states: Georgia, Illinois, Maryland, Texas, and Washington. We used a number of data sources to construct the case studies. For each state, existing data sets, media reports, and government and other documents were first used to produce a "briefing book" that described trends in the state's higher education performance, as well as the state's demographic, economic, and political context. The briefing book also presented a preliminary report of the public policies that operate within the state. The briefing books were then used to generate state-specific hypotheses about the relationship between public policy and higher education performance in the state.

We then used state-specific protocols to collect data explaining the relationships between formal and informal policies and state performance. The research team spent three to five days in each state conducting individual and group interviews with institutional and state leaders who were expected to be knowledgeable about particular dimensions of higher education performance and relevant policies and practices. In each state we spoke with elected officials and staff in the executive and legislative branches of government, staff and leaders of administrative agencies and governing boards, K-12 and higher education leaders, business and civic leaders, and leaders of associations representing other relevant constituencies (e.g., private college association). Many of these informants provided us with additional relevant supporting documents. A case study report drawing on the multiple sources of data was produced for each state. Cross-state analyses identify themes that cut across the five states.

### Project Team

This project was completed by a team of researchers from the National Center for Public Policy and Higher Education and The Institute for Research on Higher Education (IRHE). This team was led by Joni Finney and Laura Perna, co-directors of the project and professors of higher education at the University of Pennsylvania. Other members of

the project team were Michael Armijo, Awilda Rodriguez, and Jamey Rorison. Scott Stimpfel and Christopher Miller also provided assistance.

#### Project Sponsors

The project was sponsored by the Institute for Research on Higher Education at the University of Pennsylvania and the National Center for Public Policy and Higher Education.

Founded in the mid-1980s, the Institute for Research on Higher Education (IRHE) is a university-wide research institute that conducts research relevant to policymakers and educational practitioners. Under the leadership of its first director, Robert Zemsky, one of the first projects, undertaken with the College Board, resulted in the development of a framework for understanding the higher education market for undergraduate education. IRHE also served a national convening role in the 1990s, publishing *Policy Perspectives* focused on the future of American higher education. In 1995 IRHE won the competition for a five-year federally funded National Center on the Improvement of Postsecondary Education. From 2009 to 2011, under the leadership of its new director, Joni Finney, IRHE collaborated with the National Center for Public Policy and Higher Education to complete a five-state policy review, to determine the relationship between public policy and state performance in higher education. For further information about the state policy review project, visit [www.gse.upenn.edu/irhe/srp](http://www.gse.upenn.edu/irhe/srp).

Founded in 1740 by Benjamin Franklin, the University of Pennsylvania is America's first university and one of the world's premier research universities. The Penn Graduate School of Education (Penn GSE)—one of only three schools of education in an Ivy League institution—is recognized as one of the best in the United States. Penn GSE is broadly interdisciplinary with a long history of excellence in qualitative research, language and literacy studies, practitioner inquiry and teacher education, quantitative research, policy studies, evaluation, higher education, and psychology and human development. Faculty in the School's Higher Education Division focus their research on access and equity; diversity and higher education; policy and public financing; civic engagement; organizational change; and the impact of the marketplace on colleges and universities.

The National Center for Public Policy and Higher Education promotes public policies that enhance Americans' opportunities to pursue and achieve high-quality education and training beyond high school. As an independent, nonprofit, nonpartisan organization, the National Center prepares action-oriented analyses of pressing policy issues facing the states and the nation regarding opportunity and achievement in higher education—including two- and four-year, public and private, for profit and nonprofit institutions. The National Center communicates performance results and key findings to the public, to civic, business, and higher education leaders, and to state and federal leaders who are in positions to improve higher education policy.

This publication is supported by grants from the Bill & Melinda Gates Foundation and Lumina Foundation for Education. This statements and views in this report do not

necessarily reflect those of the funders, and are solely the responsibility of its authors and the National Center for Public Policy and Higher Education.