
Two state agencies oversee, overlap on higher education

Overhaul mulled to close big Md. budget shortfall; 'There's room for savings'

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As Maryland faces a \$1.7 billion budget shortfall, its colleges and universities are bracing for unprecedented tuition increases and possible campus layoffs.

All but untouched, however, is the state's well-kept secret: a double-layered higher education bureaucracy where two agencies that cost millions to run spend much of their time duplicating each other's work.

The Maryland Higher Education Commission has a staff of 82 people and a \$6.8 million administrative budget. The central office of the University System of Maryland has 103 employees and an operating budget of \$11.5 million.

Both agencies are charged with building public support for higher education. Both help develop the budget requests of the state's colleges and universities. Both regulate academic offerings.

In the most direct duplication, both spend long hours every year to produce enrollment projections for the state's colleges.

Some wonder whether Maryland can afford two agencies with overlapping duties to oversee higher education, funded at levels higher than equivalent departments in most states.

"There's room for savings at the top of [both] agencies," said Sen. Patrick J. Hogan, a Montgomery County Democrat who is chairman of the Budget and Taxation subcommittee that oversees education spending. "To the extent we can save money there to limit tuition increases, I say, 'Absolutely.' "

Defenders of Maryland's higher education bureaucracy say both agencies have a role to play but acknowledge that the state could be getting more for its money. The answer, they say, is to overhaul the Higher Education Commission to rededicate it to its founding mission - giving impartial, forceful guidance to post-secondary education in all its forms.

Ehrlich weighs options

According to those familiar with the discussions of Gov.-elect Robert L. Ehrlich Jr.'s transition team, both options - downsizing and revamping the commission - are being considered as Ehrlich prepares to release his budget later this week.

It isn't the first time those in power have taken a hard look at the higher education bureaucracy, which, according to a survey by The Sun, is more costly than those in other states. But despite attempts to reduce duplication, the agencies' combined budgets have continued to grow.

The Higher Education Commission and the central office of the university system date to 1988, when the legislature decided to create a University System of Maryland made up of 11 of the state's four-year colleges. Morgan State University and St. Mary's College were excluded.

Worried that this new creation would dominate higher education in the state, officials at private colleges fought for a separate agency to represent institutions outside the system.

"It's important to have some entity at the state level to think about policy generally, not just in the context of a single institution," said Paul E. Lingenfelter, director of the State Higher Education Executive Officers association in Denver.

Hence the commission, which is often called by its acronym, MHEC. Housed in a nondescript building beside the Westfield Mall in Annapolis and overseen by a board of 12 unpaid gubernatorial appointees, it is supposed to coordinate all of higher education in Maryland - public and private four-year colleges, community colleges and private career schools.

Its staff collects data on enrollment and graduation rates, lobbies legislators on behalf of all the state's colleges and manages most state scholarships, among other duties.

Higher Education Secretary Karen R. Johnson, who heads the agency, said its aim is to argue for higher education from the perspective of the state's needs - as opposed to the system office, which she said argues for its own institutions. "Our role is to advocate for what the higher education community needs to achieve its goals," she said.

Every two years, the commission writes a plan laying out the state's work-force needs and how colleges can meet them. Beyond that, though, the agency's impact on higher education is nebulous, critics say, because it has little policy-making power.

Despite its broad purview and ample budget, the commission has failed to tackle hard questions facing higher education, such as the need for better teacher training in the state, critics contend.

This month's meeting of the commission's education policy committee was canceled because there was nothing on the agenda; the 10 agenda items at a full commission meeting in April included a name change for Garrett Community College and an update on "Maryland-Estonia cooperation."

"I don't think it's been very influential," said Frank A. Schmidlein, an expert on higher education administration at the University of Maryland, College Park who, on principle, favors statewide agencies like the commission.

The university system office, housed in a large office building in the Adelphi woods, has more control over its domain, 11 four-year colleges and two research institutes. Overseen by a 17-member unpaid Board of Regents and Chancellor William E. Kirwan, the office helps set tuition rates and hire college presidents, among other duties.

Because the university system includes all but two of the public four-year colleges, it has become the forum for airing many of the issues facing higher education. For instance, it is Kirwan, not the Higher Education Commission, who is leading a study of the tuition structure on state campuses.

The overlap was supposed to end in 1998, when a blue-ribbon panel headed by retired Adm. Charles R. Larson weakened MHEC's role in reviewing new programs at system institutions because the system office was already doing that.

In fact, there was talk of dismantling the commission altogether. But then the U.S. Department of Education's Office of Civil Rights decided to sign an agreement with the state to desegregate its public colleges. MHEC officials argued that they would be needed to oversee the deal.

The commission survived, and new complaints arose. Today, college presidents say, MHEC rarely turns down a new course unless it is seen as competing with the state's historically black colleges, which the commission says is forbidden under the civil rights agreement. Critics say unnecessary programs have proliferated.

Red tape

At the same time, much red tape remains, presidents say. System institutions must still send separate performance data to the commission and to the state Department of Budget and Management.

"Overlap continues to be a concern," said Frostburg State University President Catherine R. Gira.

Since the reorganization, the total cost of the two agencies has increased.

Even as its role was cut back, the commission's administrative budget has grown 36 percent since 1998, to \$6.8 million this fiscal year. That budget, which supports 82 full-time employees, is more than the cost of the last elementary school built in Baltimore.

Johnson, who was appointed by Gov. Parris N. Glendening, earns about \$119,000 (about \$25,000 less than the national average for similar positions).

The university system office has grown from 92 employees in 1998 to 103 today. Its operating budget of \$11.5 million is more than the state is spending this year for lead abatement in Baltimore homes.

Kirwan earns \$375,000 and has use of a car and a mansion in Baltimore County. His office includes three vice chancellors, who earn close to \$200,000.

Having a large central office for the state's four-year colleges has not meant a reduction in administration at the campuses. As of last year, the University of Maryland, College Park had four vice presidents earning an average of \$190,000, nine assistant vice presidents paid an average of \$115,000 and five assistants to the president who averaged \$110,000 in pay.

Extensive higher education bureaucracies are hardly unique to Maryland. But a Sun survey found that having both a well-funded central system office and a well-funded coordinating agency is unusual.

About 28 states have a coordinating agency for higher education in addition to the administrations that directly oversee their public universities. Most of these agencies, though, operate with staffs and budgets about half the size of the Maryland commission - even in much larger states, the survey found.

The few agencies as large as Maryland's are in states that lack a single university system office like Kirwan's operation. With a more scattered higher education structure, they rely on their coordinating agency to offer guidance that in Maryland is often provided by the system office.

Officials elsewhere were startled to learn about the budgets of Maryland's two agencies.

"That's a pretty good size. Wow," said Mike Baumgartner, associate commissioner for financial affairs at Indiana's Commission for Higher Education. That commission, in a state that spends as much as Maryland on its universities, has 13 employees and a \$1.5 million budget.

If Ehrlich does seek an overhaul of the higher education bureaucracy, examples of possible options abound. Florida relies on its coordinating agency of 16 people (budget \$1.4 million) mainly to do policy research - the function that observers say Maryland's commission does best.

Other states manage their scholarship programs at the campus level - a reform that was recommended for Maryland two years ago by a consultant hired by the Maryland commission.

Still others leave the problem of program duplication up to councils of college presidents, who hash out differences among themselves.

MHEC's defenders

The commission's defenders argue that whatever reforms the state considers, it will still have to assign someone to tasks that the agency now handles, such as policing private career schools and setting guidelines for transfers from two-year to four-year colleges.

"They're juggling five or six different balls. The question is: If they're not, then who is?" said Robert O. Berdahl, another College Park higher education expert.

Johnson, of the Maryland commission, argues that leaving the leadership of higher education to the system office would be a mistake.

"The bottom line is: The chancellor's responsibility is for those 11 campuses," she said. "For the most part, their interests are consistent with the state's, but don't think that because they represent a critical mass [of colleges] they can carry water for the state."

Among the commission's strongest allies are officials at private colleges, who see the agency as a protector of the formula that annually gives them \$44 million in state money.

Some, like UM's Schmidlein, believe a better solution would be to do away with the more costly university system office and simply let the state's four-year colleges be governed by their own boards of trustees, with additional oversight by a revamped higher education commission. That structure, they note, has served states such as Virginia very well.

Kirwan counters that the system office plays a vital role in encouraging collaboration between state colleges that might otherwise go their own ways.

One way or the other, lawmakers eager to close the budget gap and educators eager to eliminate unnecessary bureaucracy say an overhaul is long overdue.

"Now is the perfect time. There's no time better," said Sen. Hogan. "With a new administration coming in, and with the budget situation we're in, it is the best time to evaluate all the agencies."

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