

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

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## 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.

## 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. Yet Maryland lacks a coherent set of policies to ensure that more children are prepared for, attend and complete college.

**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 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.

## Strengths

**Leadership and cooperation:** With the support of a populace that clearly values education and a fairly stable political system, Maryland's politicians, higher education administrators and the University System have a long history of working together to set and achieve higher education goals. Several initiatives stand out. The P-20 Leadership Council promotes cooperation across educational sectors, from pre-kindergarten to college. Maryland has also cooperated across sectors to make it easier to transfer credits from two-year colleges to four-year colleges and universities. And 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.

**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 have 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. And since 2004, 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 institutional funding 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.