
University System of Maryland Fiscal 2020 Budget Overview

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

February 2019

Note: Numbers may not sum to total due to rounding.

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Analysis of the FY 2020 Maryland Executive Budget, 2019

R30B00
University System of Maryland
Fiscal 2020 Budget Overview

Executive Summary

The University System of Maryland (USM) consists of 11 degree-granting institutions, a research center, and the system office, which operates two regional higher education centers.

Operating Budget Data

(\$ in Thousands)

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>	<u>Prior Year</u> <u>% Change</u>
General Funds	\$1,279,795	\$1,323,677	\$1,377,636	\$53,959	4.1%
Adjustments	0	12,679	65,158		
Adjusted General Funds	\$1,279,795	\$1,336,356	\$1,442,794	\$106,438	8.0%
Special Funds	\$57,936	\$63,188	\$67,503	\$4,315	6.8%
Other Unrestricted Funds	\$2,916,137	\$3,053,841	\$3,152,131	\$98,290	3.2%
Total Unrestricted Funds	\$4,253,869	\$4,440,706	\$4,597,271	\$156,565	3.5%
Adjustments	0	12,679	65,158	52,479	
Adjusted Total Unrestricted Funds	\$4,253,869	\$4,453,385	\$4,662,428	\$209,043	4.7%
Restricted Funds	\$1,281,034	\$1,356,838	\$1,370,710	\$13,871	1.0%
Adjusted Grand Total	\$5,534,903	\$5,810,224	\$6,033,138	\$222,915	3.8%

Note: Special funds totaling \$9.1 million in fiscal 2019 and \$9.4 million in fiscal 2020 for the Maryland Fire and Rescue Institute are included as restricted funds. The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

- General funds increase \$106.4 million, or 8.0%, in fiscal 2020 after accounting for a one-time \$500 bonus and a 0.5% general salary increase effective April 1, 2019, and the annualization of the fiscal 2019 salary increase and a 3% general salary increase effective July 1, 2019.
- The fiscal 2020 general fund allowance includes an additional \$20.0 million to support Workforce Development Initiatives (WDI) at all institutions and USM's regional higher education centers. The funding expands WDI by \$11.3 million over fiscal 2019.

Personnel Data

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>
Regular Positions	24,316.70	24,795.41	24,795.41	0.00
Contractual FTEs	<u>6,368.94</u>	<u>6,875.83</u>	<u>7,221.36</u>	<u>345.53</u>
Total Personnel	30,685.64	31,671.24	32,016.77	345.53

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	766.18	3.09%
Positions and Percentage Vacant as of 12/31/18	1,465.93	5.91%

- The allowance does not provide any new regular positions. However, USM has personnel autonomy and may create or abolish positions during the fiscal year. In fiscal 2019, 491.9 positions were added with the majority at the University of Maryland, College Park Campus (UMCP) (198.29) and the University of Maryland, Baltimore Campus (175.61). Over half the positions (255.9) are State-supported.
- Of the 491.9 newly created positions, 381.9 were new positions, and 110.0 were contractual positions that were converted to regular positions. The increase in positions was slightly offset by the elimination of 10.0 positions at the University of Baltimore (UB) and 3.2 positions at the University of Maryland Eastern Shore.
- The allowance provides for an additional 345.53 contractual positions of which 145.44 are attributed to the University of Maryland University College that increased the number of adjuncts due to an increase in enrollment and 127.94 at UMCP related to new facilities, the University of Maryland Center for Economic and Entrepreneurship Development, and WDI.
- Four institutions have a vacancy rate over 10.0%; Frostburg State University and UB are leaving positions open to help cover budget shortfalls in fiscal 2019, and Bowie State University and Coppin State University are in the process of recruiting faculty and expect to fill the positions by fall 2019.

Key Observations

- Two institutions face continuing enrollment challenges that have led to serious budget shortfalls, and enrollment at USM’s two regional higher education centers declined for a second successive year.

Operating Budget Recommended Actions

1. Add language to reduce general funds for the University System of Maryland.
2. Add language to restrict general funds for academic programming at the Universities at Shady Grove.
3. Add language to reduce general funds for the Southern Maryland Higher Education Center.
4. Add language restricting general funds for the Universities at Shady Grove pending the submission of a report.
5. Adopt narrative requesting information on the outcomes of the University of Maryland University College's national marketing campaign.

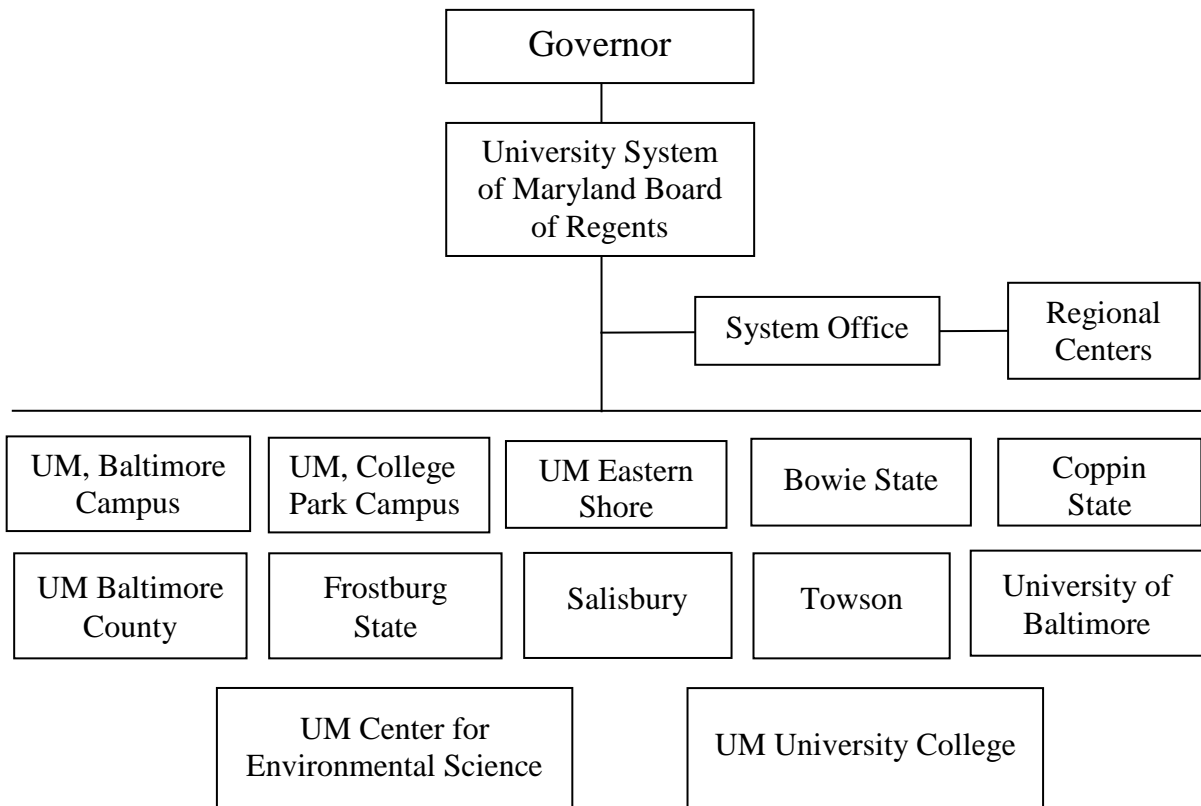
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Operating Budget Analysis

Program Description

Title 12 of the Education Article establishes the University System of Maryland (USM) to “foster the development of a consolidated system of public higher education, to improve the quality of education, to extend its benefits, and to encourage the economical use of the State’s resources.” USM consists of 11 degree-granting institutions, a research center, and the system office, which operates two regional higher education centers. **Exhibit 1** illustrates the structure of the system.

Exhibit 1
University System of Maryland



UM: University of Maryland

Source: Department of Legislative Services

The Board of Regents (BOR) is the governing body of USM. The board consists of 17 members, including a full-time student and the Secretary of Agriculture (*ex officio*). Except for the Agriculture Secretary, each member is appointed by the Governor with the advice and consent of the Senate. The board appoints the Chancellor, who serves as the Chief Executive Officer of the system and the Chief of Staff to the board. The Chancellor and staff coordinate system planning; advise the board of systemwide policy; coordinate and arbitrate among system institutions; and provide technical, legal, and financial assistance.

The board reviews, modifies, and approves a system strategic plan developed by the Chancellor in consultation with institution presidents. The board is charged with assuring that programs offered by the institutions are not unproductive or unreasonably duplicative. Other board activities include reviewing and approving new programs, reviewing existing programs, setting minimum admission standards, and determining guidelines for tuition and fees (T&F). The board monitors the progress of each system institution toward its approved goals and holds each president accountable for the progress toward the goals. Furthermore, the board may delegate any of its responsibilities to the Chancellor.

USM goals, consistent with the State Plan for Higher Education, are to:

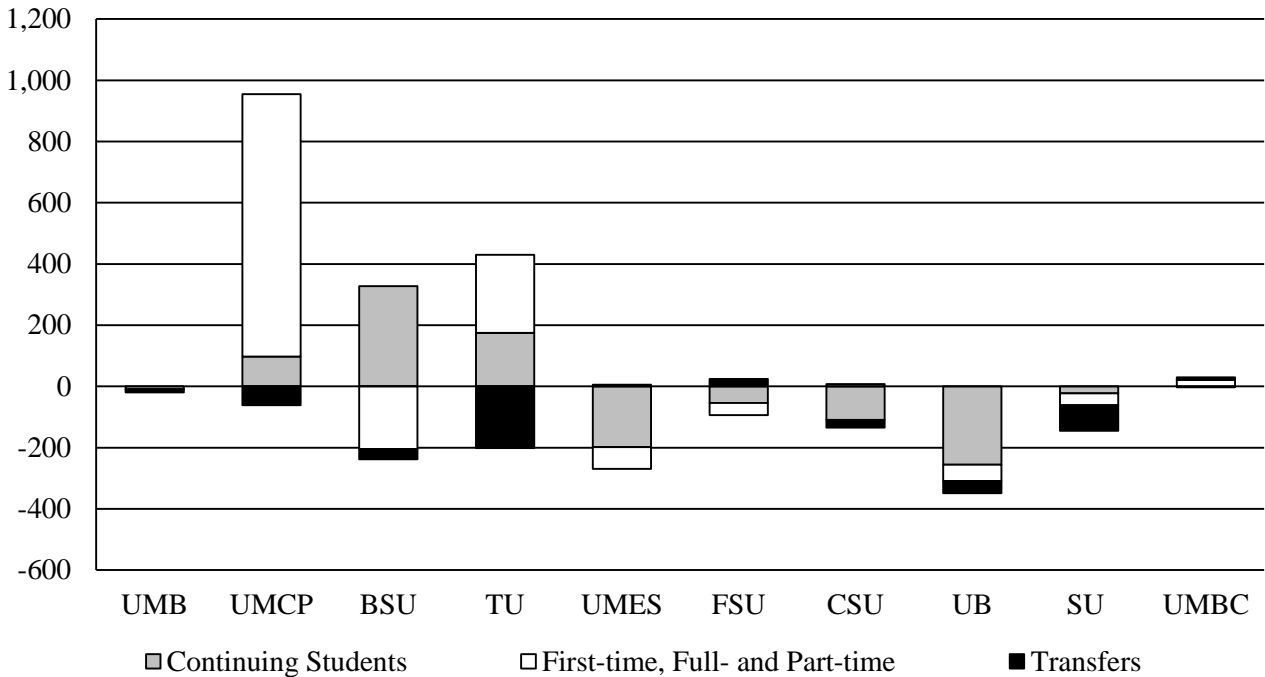
- create and maintain a well-educated workforce;
- promote economic development;
- increase access for economically disadvantaged and minority students; and
- achieve and sustain national eminence in providing quality education, research, and public service.

Performance Analysis

1. Enrollment

Undergraduate enrollment at USM institutions grew 1.4%, or 1,891 students, in fall 2018 mainly due to an increase of 1,630 students at the University of Maryland University College (UMUC). When excluding UMUC, enrollment grew 0.3% with increases at four institutions (1,237 students) offset by declines at the other six institutions (976 students), as shown in **Exhibit 2**. The University of Maryland, College Park Campus (UMCP) grew at the greatest rate of 3.0% primarily due to a 16.5% increase in first-time students. The University of Baltimore (UB) and Salisbury University (SU) faced decreases in all categories of students with total undergraduate enrollment declining by 12.0% and 1.9%, respectively.

Exhibit 2
Change in Fall 2017 and 2018 Undergraduate Headcount Enrollment



BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University

UB: University of Baltimore
 UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore

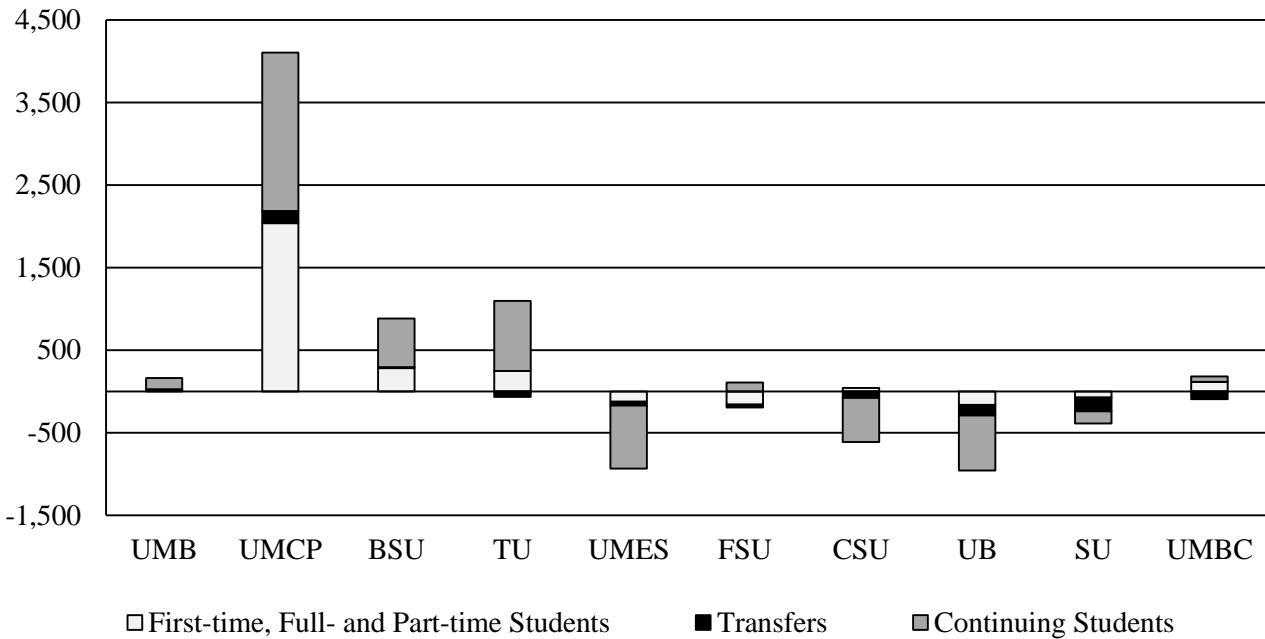
Source: University System of Maryland

In terms of the number of continuing students, Bowie State University (BSU) experienced the largest increase of 327 students, a 9.5% increase in fall 2018. However, BSU also saw the largest decline in the number of first-time students falling 18.4%, or 205 students. UB experienced the largest decline in the number of continuing students (256), and Towson University (TU) had the largest decline for transfer students (202). Graduate enrollment, excluding UMUC, decreased 0.8% in fall 2018, resulting in an overall enrollment growth of 0.4%.

Between fall 2013 and 2018, undergraduate enrollment grew 21.4%, or 23,806 students, at USM institutions. This increase was driven primarily due to enrollment increasing by 20,487 students at UMUC. When excluding UMUC, enrollment increased 3.9%, with enrollment growing at five institutions, as shown in **Exhibit 3**. BSU and UMCP experienced the highest growth rates of 22.2% and 15.4%, respectively, with increases across all categories of students. In term of the number of students, these institutions also experienced the largest increase in the number of first-time students of

2,038 at UMCP and 280 at BSU. Conversely SU, UB, and University of Maryland Eastern Shores (UMES) saw declines in all groups of students. UB and UMES experienced the largest enrollment declines of 957 students and 934 students, respectively.

Exhibit 3
Five-year Change in Undergraduate Headcount Enrollment
Fall 2013 and 2018



BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University

UB: University of Baltimore
 UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore

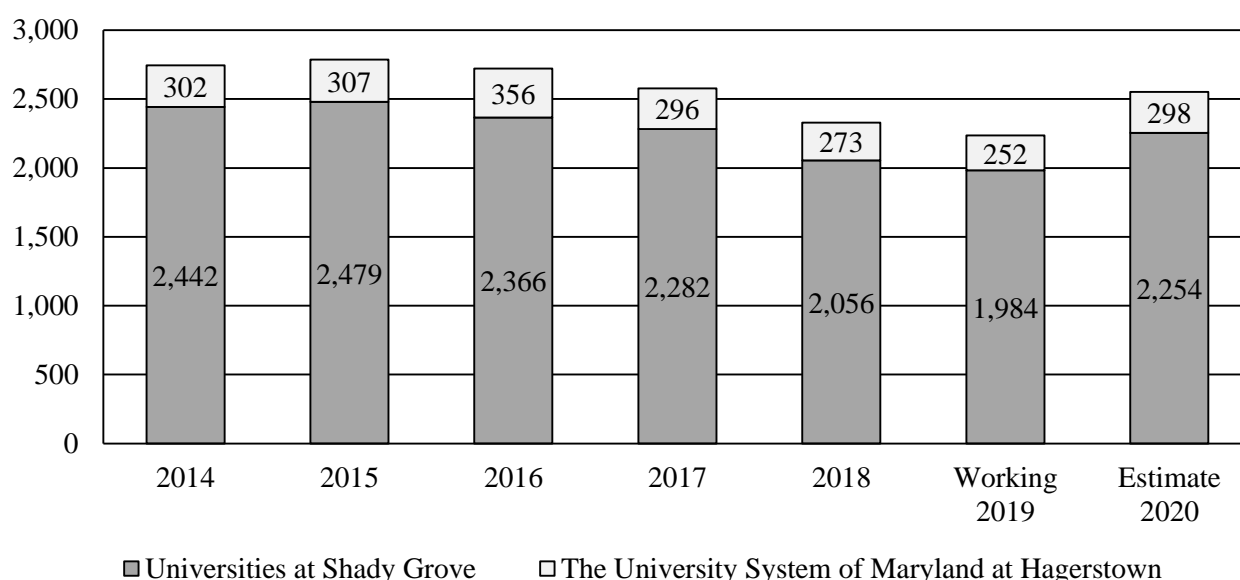
Source: University System of Maryland; Department of Legislative Services

Enrollment at the Regional Education Centers

USM provides access to its institutions through two regional higher education centers – the Universities at Shady Grove (USG) and the University System of Maryland at Hagerstown (USMH). Overall, between fiscal 2014 and 2019, both centers have experience enrollment declines, 18.8% at USG and 16.4% at USMH, as shown in **Exhibit 4**. This drop may be attributed to declining enrollment at the community colleges, which has fallen 13.2% during the same time period. At USG, enrollment fell by 458.8 full-time equivalent students (FTES) with UMCP falling by 425.6 FTES and UMUC by 165.8 FTES (see **Appendix 1** for enrollment by institution). According to UMCP, while undergraduate

enrollment has remained fairly stable, the decline related to its graduate program due to the Business School no longer offering its Master of Science program, the College of Education offering instruction in Montgomery County Schools, and more masters students turning to online programs for their degrees. While UMCP still has the most students enrolled in its programs, it accounts for 30.1% of the total enrollment in fiscal 2019 compared to 41.9% in fiscal 2014. In the same period, enrollment in the University of Maryland, Baltimore Campus (UMB) programs increased 39.1%, or 160.1 FTES, and in fiscal 2019, accounted for 28.7% of total enrollment.

Exhibit 4
Full-time Equivalent Enrollment at Regional Centers
Fiscal 2014-2020 Est.



Source: University System of Maryland

At USMH, enrollment in Frostburg State University (FSU) and TU programs fell 25.9% (53.6 FTES) and 35.1% (25.4 FTES), respectively, between fiscal 2014 and 2019. Conversely, enrollment in SU programs doubled, increasing by 29.3 FTES. Despite the drop in enrollment, FSU still accounts for over half (52.8%) of total enrollment with SU now nearly a quarter (23.8%).

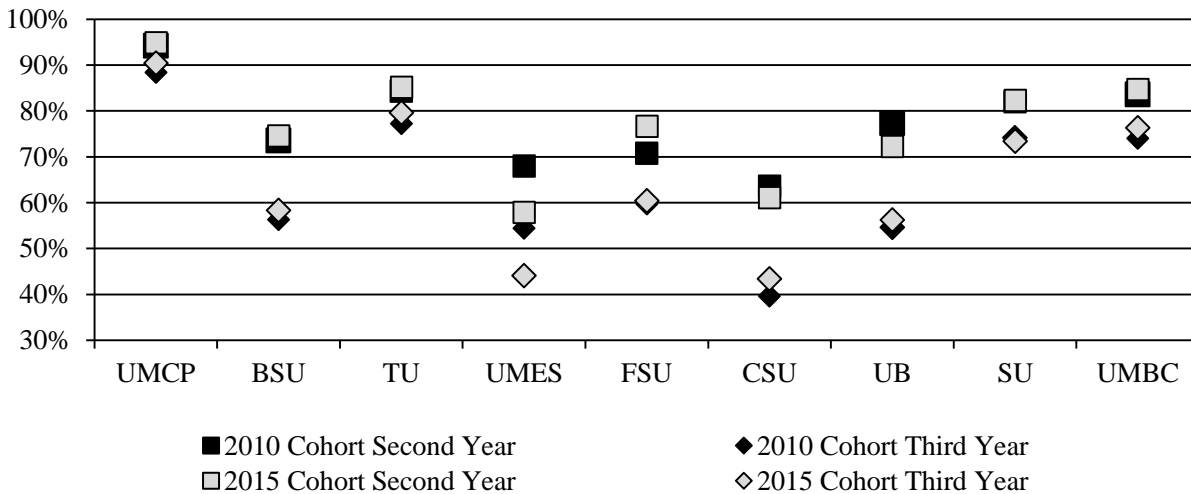
The Chancellor should comment on support provided by the University System of Maryland Office (USMO) to those enrollment-challenged institutions to help stabilize and increase enrollment and factors contributing to the declining enrollments at USG and USMH and efforts to stabilize enrollment.

2. Student Performance

Retention Rates

Student retention rates provide insight into student progress, showing if students are on track to graduate in a timely manner. Higher rates indicate that students are moving faster through the pipeline, freeing space for more students, and leading to increased degree production. Improving the retention of students is a component of USM efforts to increase the number of bachelor’s degrees to 28,000 annually by 2020, one of the four goals of USM’s strategic plan. **Exhibit 5** compares the second- and third-year retention rates for fall 2010 and 2015 first-time/full-time (FT/FT) cohorts by institution, excluding UMB and UMUC. The second-year rate declined at three institutions – UMES, Coppin State University (CSU), and UB. UMES experienced the largest decline of 10.1 percentage points, from 68.0% to 57.9%, reflecting the admission of students who were not prepared for college, which will be discussed in UMES’ budget analysis. FSU showed the most improvement with the rate increasing 5.9 percentage points, from 70.8% to 76.7%. All but two institutions made strides in improving the retention of students beyond the second year; CSU showed the most improvement with its third-year rate increasing 3.8 percentage points, from 39.6% to 43.4%. However, UMES experienced the largest decline of 10.3 percentage points, dropping from 54.4% to 44.1%.

Exhibit 5
Undergraduate Second- and Third-year Retention Rates
First-time/Full-time Fall 2010 and 2015 Cohorts



BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University

UB: University of Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore

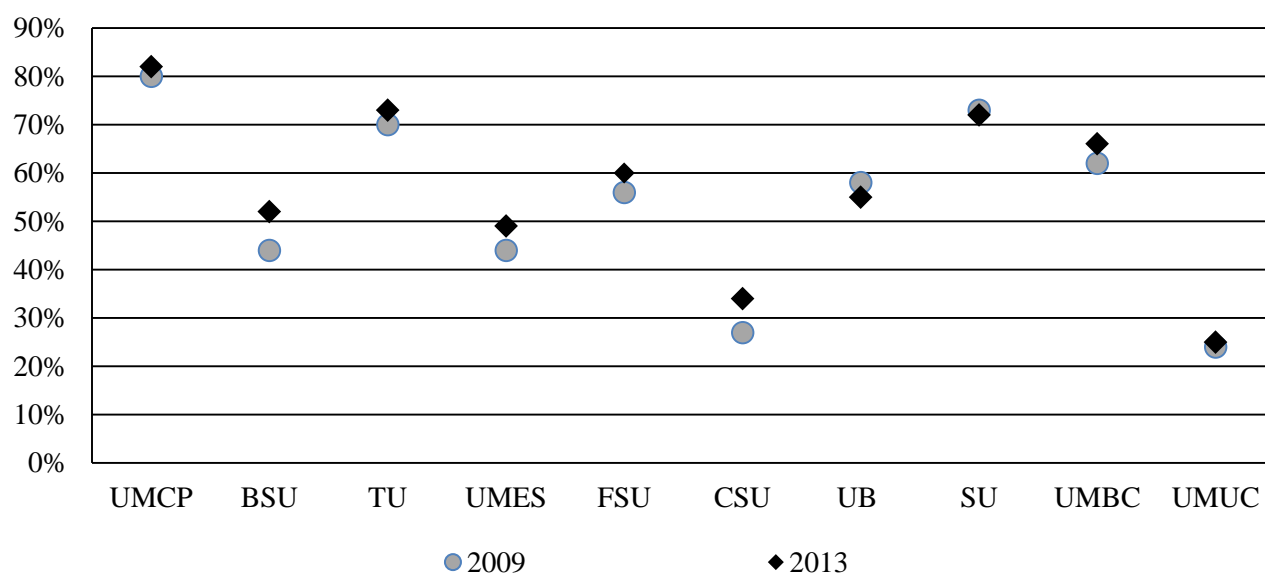
Source: Maryland Higher Education Commission

Graduation Rates

The traditional graduation rate measures used by the Maryland Higher Education Commission (MHEC) only track the completions of the traditional FT/FT students – those enrolled at an institution at the start of the academic year and who are continuously enrolled as a full-time student until completion. In general, for USM institutions, this only captures the progress of about a third of the students thus providing only a partial picture of how an institution is performing. In order to provide a more comprehensive picture, USM bases its six-year graduation rate on all new degree-seeking students enrolled during the fiscal year. This includes not only FT/FT students but also part-time students; transfers; and those who enroll in spring, stopped out, or changed enrollment status. In general, the graduation rates of fiscal year cohorts tend to be higher than the traditional rate at institutions that have a higher portion of transfers and part-time students, such as CSU, BSU, and UB. Furthermore, using a fiscal year cohort allows for a calculation of the UMUC six-year graduation rate, which has been excluded from the traditional measure due to its unique student population – mainly adult, nontraditional students.

Exhibit 6 compares the six-year graduation rates of the fiscal 2009 and 2013 cohorts. Overall, the graduation rate improved at all institutions, except UB and SU where the rates declined 3 and 1 percentage points, respectively. BSU showed the greatest improvement with the rate increasing from 44% with the 2009 cohort to 52% with the 2013 cohort. While UMUC’s six-year graduation rate increased to 25% with the 2013 cohort, it is the lowest of all the institutions and is more comparable to the two-year graduation rates of Maryland community college transfer students at other institutions. This is to be expected, given that transfer students comprise 86.1% of UMUC’s new undergraduate enrollment in fall 2013. Furthermore, 77.9%, or 20,823 students, of UMUC’s undergraduate students in fall 2013 were part-time students who take longer to graduate.

**Exhibit 6
Comparison of Six-year Graduation Rates
Fiscal 2009 and 2013 Cohorts**



BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University

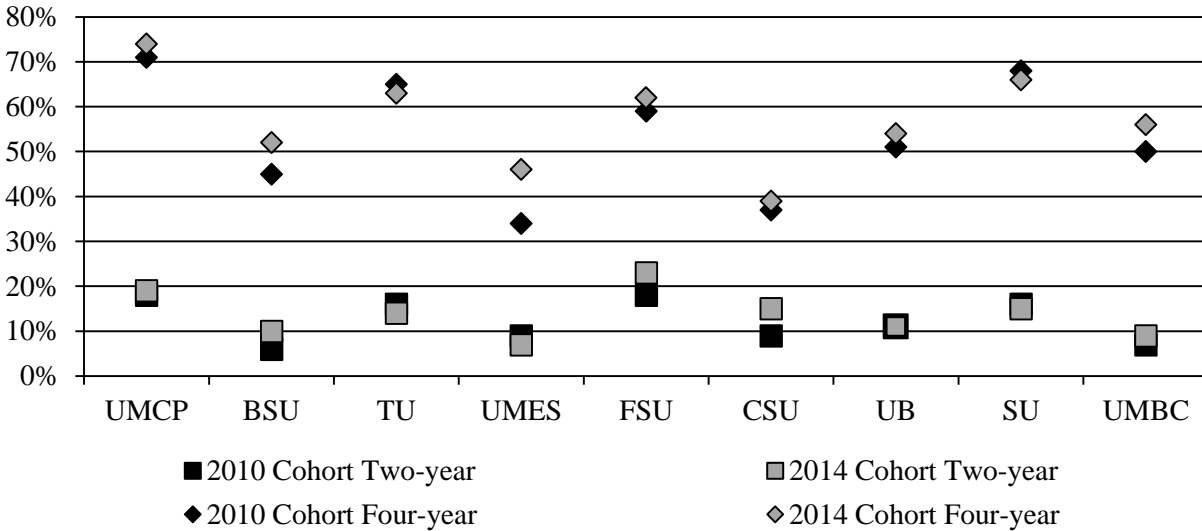
UB: University of Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore
 UMUC: University of Maryland University College

Note: Fiscal year cohorts include all degree-seeking students (first-time/full-time, part-time, transfers, and spring admits) who enrolled during the fiscal year.

Source: University System of Maryland

The two- and four-year graduation rates for the fiscal 2010 and 2014 cohorts of Maryland community college transfer students, which are equivalent to the four- and six-year rates for FT/FT students at the four-year institutions, are shown in the **Exhibit 7**. Overall, 56% of the 2014 cohort of community college transfers graduated within four years from a USM institution. In general, the four-year rate tends to be lower than the comparable six-year rate for FT/FT students (the USM average for the 2011 cohort was 70%) due to a significant percentage being part-time students. If only considering full-time transfer students, the USM average four-year rate increases to 65%. In addition, the percentage of transfers entering as freshmen and sophomores affects the rate, as they come in with fewer credits and take longer to graduate. For the fiscal 2014 cohort, 14.4% and 34.4% entered as either a freshmen or sophomore, respectively.

**Exhibit 7
Two- and Four-year Graduation Rates of
Maryland Community College Transfers
2010 and 2014 Cohorts**



BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University

UB: University of Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore

Note: Graduation rates include those students who transferred in and then transferred and earned a degree at another University System of Maryland institution.

Source: University System of Maryland

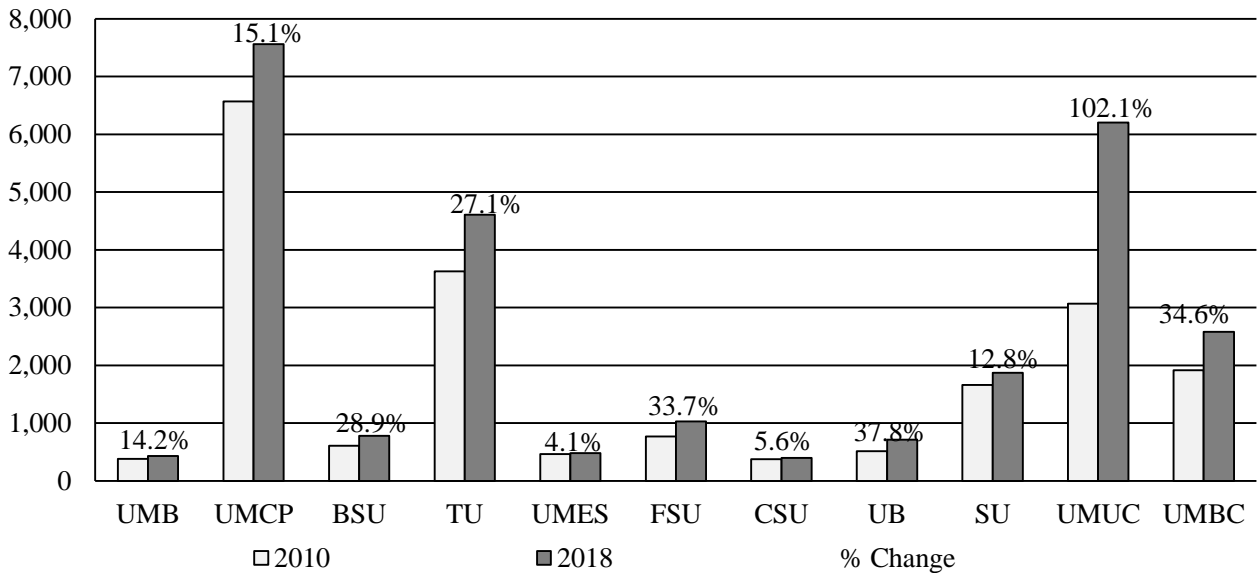
In regard to the two-year graduation rate, CSU and FSU experienced the largest improvement with the rates increasing by 6 and 5 percentage points, respectively, while the rates at TU and UMES declined by 2 percentage points and at SU by 1 percentage point. UMES and BSU showed the most improvement in the four-year rate increasing by 12 and 7 percentage points, respectively, indicating that programs targeting transfer students have proven to be successful. However, the four-year rates at TU and SU declined by 2 percentage points from the 2010 and 2014 cohorts.

Undergraduate Degree Production

In order to produce a well-educated workforce and meet the State’s completion goal, USM will need to increase the number of undergraduate degrees awarded. USM plans to increase bachelor’s

degree production from 19,950 in fiscal 2010 to 28,000 annually by fiscal 2020. **Exhibit 8** compares the number of undergraduate degrees conferred by institution between fiscal 2010 and 2018. Overall, since fiscal 2010, degree production increased 33.6% to 26,658 in fiscal 2018. The highest rates of growth occurred at UMUC, UB, FSU, and the University of Maryland Baltimore County (UMBC). In terms of the greatest increase in the number of undergraduate degrees awarded, UMUC and UMCP awarded an additional 3,136 and 990 degrees, respectively. However, it should be noted that degrees awarded by UMUC in 2018 are not comparable to 2010 due to a change in the U.S. Department of Education reporting requirement in 2014. Because UMUC’s online courses are administered stateside, all undergraduate degrees awarded are included in the total.

Exhibit 8
Total Undergraduate Degrees Awarded and Percent Change
Fiscal 2010 and 2018



BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University
 UB: University of Baltimore

UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore
 UMUC: University of Maryland University College

Note: Degrees awarded by UMUC in 2018 are not comparable to 2010 due to a change in the U.S. Department of Education reporting requirements; since online courses are now administered stateside, all degrees are included in the total.

Source: University System of Maryland

Proposed Budget

As shown in **Exhibit 9**, the general fund allowance for fiscal 2020 is 8.0%, or \$106.4 million, higher than that in fiscal 2019 after adjusting for a one-time \$500 bonus and a 0.5% general salary increase in fiscal 2019 and the annualization of the fiscal 2019 salary increase and a 3% general salary increase in fiscal 2020. The general funds for these salary increases are included in the Department of Budget and Management (DBM) budget. It should be noted that the fiscal 2019 general salary increase is overbudgeted by \$2 million. This will be further discussed in DBM’s analysis. The Higher Education Investment Fund (HEIF) increases 6.8%, or \$4.3 million, resulting in total State funding growing 7.9%, or \$110.8 million, in fiscal 2020.

Exhibit 9
Proposed Budget
University System of Maryland
Fiscal 2018-2020
(\$ in Thousands)

	2018 <u>Actual</u>	2019 <u>Adjusted</u>	2020 <u>Adjusted</u>	2019-2020 <u>Change</u>	Prior Year <u>% Change</u>
General Funds	\$1,279,795	\$1,323,677	\$1,377,636		
Bonus/General Salary Increase		12,679	65,158		
Total General Funds	1,279,795	1,336,356	1,442,794	\$106,438	8.0%
HEIF	57,936	63,188	67,503	4,315	6.8%
Total State Funds	1,337,731	1,399,544	1,510,297	110,753	7.9%
Other Unrestricted Funds	2,916,137	3,053,841	3,152,131	98,290	3.2%
Total Unrestricted Funds	4,253,869	4,453,385	4,662,428	209,043	4.7%
Restricted Funds	1,281,034	1,356,838	1,370,710	13,871	1.0%
Total Funds	\$5,534,903	\$5,810,224	\$6,033,138	\$222,915	3.8%

HEIF: Higher Education Investment Fund

Note: Fiscal 2019 general funds are adjusted to reflect a one-time \$500 bonus and general salary increase. Fiscal 2020 general funds are adjusted to reflect annualization of fiscal 2019 general salary increase.

Source: Governor’s Fiscal 2020 Budget Books; Department of Legislative Services

The allowance includes \$9.5 million to fund new and ongoing mandates: Chapter 25 of 2016 required the Governor to provide \$2.0 million to UMCP to fund the University of Maryland Center for Economic and Entrepreneurship Development and \$2.0 million each to UMBC and to TU to increase funding guideline attainment; UMB is provided a \$2.5 million grant as stipulated in Chapter 590 of 2018 to fund immunotherapy research; and USMO is provided \$1.0 million as mandated in Chapter 358 of 2018 to administer the Maryland Center for Computing Education.

The allowance includes State funds for:

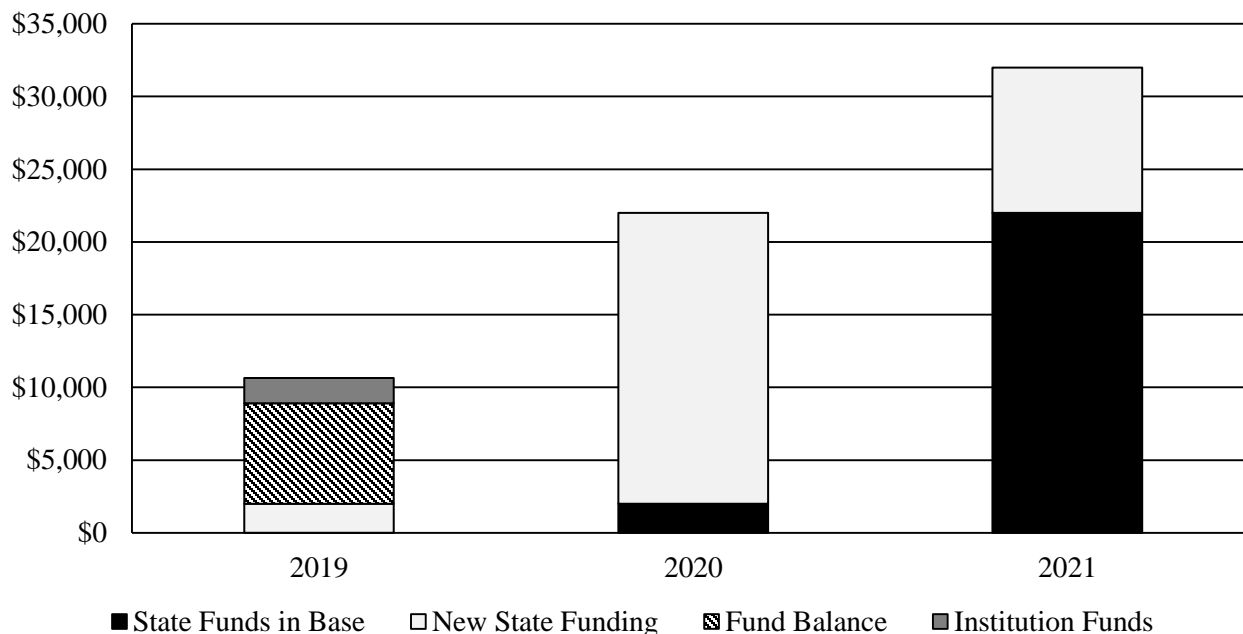
- an increase of \$20.0 million for Workforce Development Initiatives (WDI). However, overall funding for the initiative grows by \$11.3 million when accounting for non-State spending on WDI in fiscal 2019;
- \$17.3 million to annualize the January 1, 2019 2.0% general salary increase;
- \$5.8 million to fund the costs of opening new facilities at TU (\$2.2 million), UMBC (\$1.9 million), UMCP (\$1.3 million), and USMO for USG (\$0.4 million);
- \$5.2 million related to miscellaneous adjustments;
- \$5.0 million enhancement funding to UMBC that will fund hiring of additional instruction faculty; student success initiatives including expanding first-year experience programs, developing additional early intervention initiatives, and expanding use of data analytics; expanding research capacity through hiring and retaining faculty and staff; improving and expanding student support services; and improving campus administrative and infrastructure including campus safety improvements, facilities renewal, and audit- and risk-management resources; and
- \$0.5 million to UMB to establish a tuberculosis sclerosis complex center.

Other current unrestricted funds increase 3.2%, or \$98.3 million, over fiscal 2019, of which T&F revenues account for \$66.3 million of the increase partly due to a planned 2% increase in resident undergraduate tuition. Auxiliary revenues account for \$18.2 million of the increase while the remaining funds come from other sources such as the sales and services of educational activities.

Workforce Development Initiative

In fiscal 2019, the Administration agreed to provide USM with additional funds over a three-year period to support WDI. USM received \$2 million of new State funding in fiscal 2019. The allowance provides \$22 million of State support for fiscal 2020, and USM expects to receive \$32 million in fiscal 2021. In fiscal 2019, USM supplemented the State's \$2 million investment with \$6.9 million from institutions' fund balance and \$1.7 million in other institutional funds, as shown in **Exhibit 10**. (**Appendix 2** provides further details on WDI funding and programs). USM expects to receive an additional \$10.0 million for WDI in fiscal 2021. Over the three years, this would result in \$56.0 million in State funds being added to support WDI. It should be noted that the programs created or expanded under WDI will produce tuition revenue that could be used to cover at least a portion of the ongoing cost of the program. **The Chancellor should comment on if USM expects funding for WDI to continue after fiscal 2021, and if not, how will ongoing initiatives be supported.**

Exhibit 10
Funding for Workforce Development Initiatives
Fiscal 2019-2021
(\$ in Thousands)

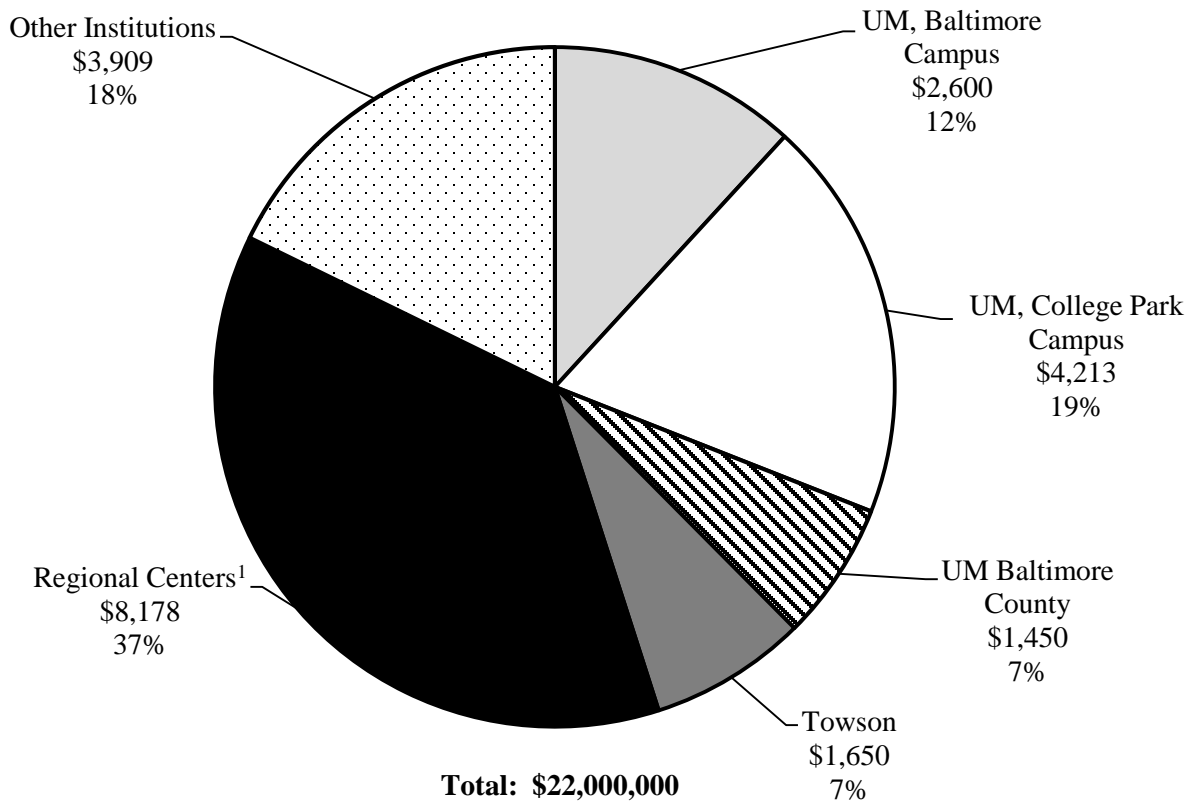


Source: University System of Maryland; Department of Legislative Services

Institutions will use the funds to support a variety of initiatives and programs, including creating a statewide Physician Assistant Partnership with UMB, FSU, UMES, and USMH; developing new undergraduate, graduate, and certificate programs; and expanding capacity of existing programs. Overall, USM projects these efforts will ultimately result in an additional 2,002 degrees or certificates. **The Chancellor should comment on when USM will achieve the degree production outcome of an additional 2,002 degrees directly related to WDI.**

The \$22.0 million provided in fiscal 2020 would support various initiatives and programs at all USM institutions, USG, USMH, and the Southern Maryland Higher Education Center (SMHEC). As shown in **Exhibit 11**, 37% (\$8.2 million) of the funds are directed toward the regional centers. UMB and UMCP would receive 31% (\$6.8 million) of the funds with the remainder (\$7.0 million) going to the other USM institutions. When only considering the additional \$11.3 million provided in fiscal 2020, the regional centers would receive 49% (\$5.6 million) of the WDI funds of which USG would receive \$5.0 million, as shown in **Exhibit 12**. UMB and UMCP would receive 32% (\$3.7 million) of the funds.

Exhibit 11
Distribution of Workforce Development Initiative Funds
Fiscal 2020
(in Thousands)



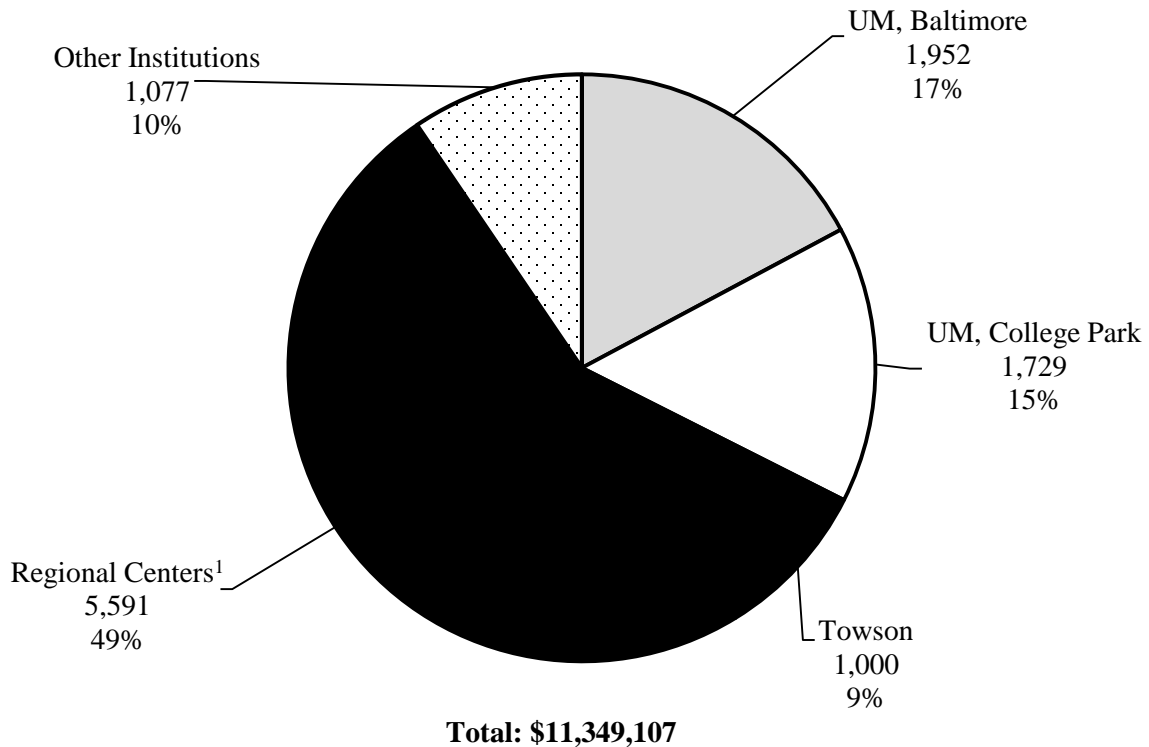
UM: University of Maryland

¹ Regional centers include the Universities at Shady Grove, the University System of Maryland at Hagerstown, and the Southern Maryland Higher Education Center.

Note: Regional centers include funding allocated to institutions for programs to be delivered at a regional center.

Source: University System of Maryland

Exhibit 12
Distribution of Incremental Workforce Development Initiative Funds
Fiscal 2020
(in Thousands)



UM: University of Maryland

¹ Regional centers include the Universities at Shady Grove, the University System of Maryland at Hagerstown, and the Southern Maryland Higher Education Center.

Note: Total includes those institutions that increased the amount of institutional funds or fund balance to support programs in fiscal 2019.

Source University System of Maryland

SMHEC is to receive \$1.0 million of the WDI funds. It should be noted that Chapter 402 of 2018 allows for the merger of SMHEC and USM effective March 1, 2019, contingent on the Chancellor appointing UMCP to oversee the center and soliciting advice from UMCP before appointing an executive director. SMHEC's general fund appropriation of \$0.5 million was transferred to USM in fiscal 2019. The WDI funds will be used to help underwrite administrative costs, identify internship opportunities for students, sponsor faculty development and training to improve articulation of programs with the College of Southern Maryland, and to begin the process of expanding programs.

Since the funds would be used for administrative purposes and not to directly support the delivery of programs in fiscal 2020, the Department of Legislative Services (DLS) recommends reducing USMO’s budget by \$1.0 million.

Current Services Costs

USM State-supported current services cost (CSC) are estimated to increase \$81.8 million, as shown in **Exhibit 13**. These costs are funded with unrestricted funds (*e.g.*, general funds, the HEIF, and T&F revenues). All institutions, except UMES, plan to increase spending on facilities renewal. This is a priority of BOR and the Chancellor in which presidents will be held accountable in meeting the BOR target of annually increasing operating expenditures on facilities renewal by 0.2% until the amount equals 2.0% of the replacement value of the academic buildings. USM’s deferred maintenance totals \$1.6 billion.

After adjusting for the annualization of the fiscal 2019 and 2020 general salary increase, expenditures increase \$147.0 million in fiscal 2020, as shown in **Exhibit 14**. On the revenue side, new State funds increase \$110.7 million that includes \$65.2 million budgeted in DBM to fund the general salary increases. New T&F revenue totals \$66.3 million. Adding other unrestricted revenues result in total new revenues of \$185.3 million, leaving USM \$38.4 million to fund \$25.5 million in initiatives – WDI, student success initiatives and faculty at UMBC, and establishing a tuberculosis sclerosis complex at UMB that were previously discussed.

Exhibit 13
Increases in State-supported Current Service Costs
Fiscal 2020
(\$ in Thousands)

	<u>Other¹</u>	<u>Salary Increase Annualization</u>	<u>Facilities Renewal²</u>	<u>Financial Aid</u>	<u>New Facilities</u>	<u>Mandated³</u>	<u>Miscellaneous Adjustments</u>	<u>Total</u>
UM, Baltimore Campus	\$2,009	\$3,061	\$3,000	\$681	\$0	\$2,500	\$959	\$12,211
UM, College Park Campus	13,575	7,667	4,352	3,281	1,278	2,122	2,438	34,712
Bowie State University	0	436	654	209	0	0	188	1,487
Towson University	1,704	1,571	789	1,511	2,212	2,000	805	10,593
UM Eastern Shore	0	445	0	0	0	0	126	571
Frostburg State University	510	431	449	400	0	0	168	1,959
Coppin State University	0	319	685	245	0	0	153	1,401
University of Baltimore	0	627	623	161	0	0	231	1,641
Salisbury University	900	688	450	1,400	0	0	229	3,667
UM, University College		312	82	792	0	0	98	1,284
UM Baltimore County	1,438	1,420	1,515	715	2,278	2,000	469	9,834
UM Center for Environmental Science	0	161	173	0	0	0	24	359
University System of Maryland Office	123	213	263	0	431	1,000	78	1,107
Total	\$20,260	\$17,351	\$13,033	\$9,394	\$6,199	\$9,622	\$5,967	\$81,826

UM: University of Maryland

¹ Includes contractual increases; technology upgrades; and costs related to Title IX, equipment, personnel, financial aid audits.

² University of Maryland University College (UMUC) includes fuel and utilities.

³ Includes funds for immunotherapy research (University of Maryland, Baltimore Campus (UMB)); Veterinary Medicine Agreement and University of Maryland Center for Economic and Entrepreneurship Development (University of Maryland, College Park Campus); funding guideline attainment (Towson University and University of Maryland Baltimore County (UMBC)); and Maryland Center for Computing Education (University System of Maryland Office).

Note: The University System of Maryland (USM) estimated current service costs (CSC) increase \$135.4 million when including adjustments of \$4.2 million for one-time funding in fiscal 2019. The Department of Legislative Services analysis excludes certain costs that USM considers CSC including \$20.0 million related to Workforce Development Initiatives, \$5.0 million for faculty and student success initiatives at UMBC, and \$0.5 million to establish a tuberculosis sclerosis center at UMB. These costs are better categorized as program enhancements/initiatives and therefore not included in CSC. Also excluded is \$33.3 million related to UMUC's national marketing campaign since it will be mostly funded with a transfer from fund balance.

Source: University System of Maryland

Exhibit 14
State-supported Revenues Available for Program Enhancements
Fiscal 2020
(\$ in Thousands)

	<u>Amount</u>
Expenditures	
Current Services Cost Increase	\$81,825,503
Salary Increase	65,157,720
Total Expenditures	\$146,983,223
Revenues	
New State Funds ¹	\$110,753,487
New Tuition and Fee Revenues	66,282,565
Other New Unrestricted Revenues	8,308,352
New General Fund, Tuition, and Other Revenues	\$185,344,404
Funds Available for Initiatives/Program Enhancements (Revenues Less Expenditures)	\$38,361,181
Initiatives	
Workforce Development Initiatives	\$20,000,000
Faculty and Student Success Initiatives (UMBC)	5,000,000
Tuberculosis Sclerosis Complex (UMB)	500,000
Total Initiatives	\$25,500,000
Funds Available for Enhancements or Fund Balance	\$12,861,181
Planned Fund Balance Transfers	
State-supported Fund Balance	\$15,671,713
Non-State-supported Fund Balance ²	-13,790,459
Estimated Ending Fiscal 2020 Total Fund Balance	\$1,102,761,858

UMB: University of Maryland, Baltimore Campus

UMBC: University of Maryland Baltimore County

¹ State funds include general funds and Higher Education Investment Funds. General funds include \$65.2 million related to general salary increases included in the budget of the Department of Budget and Management.

² Reflects University of Maryland University College's transfer of funds to support a national marketing campaign.

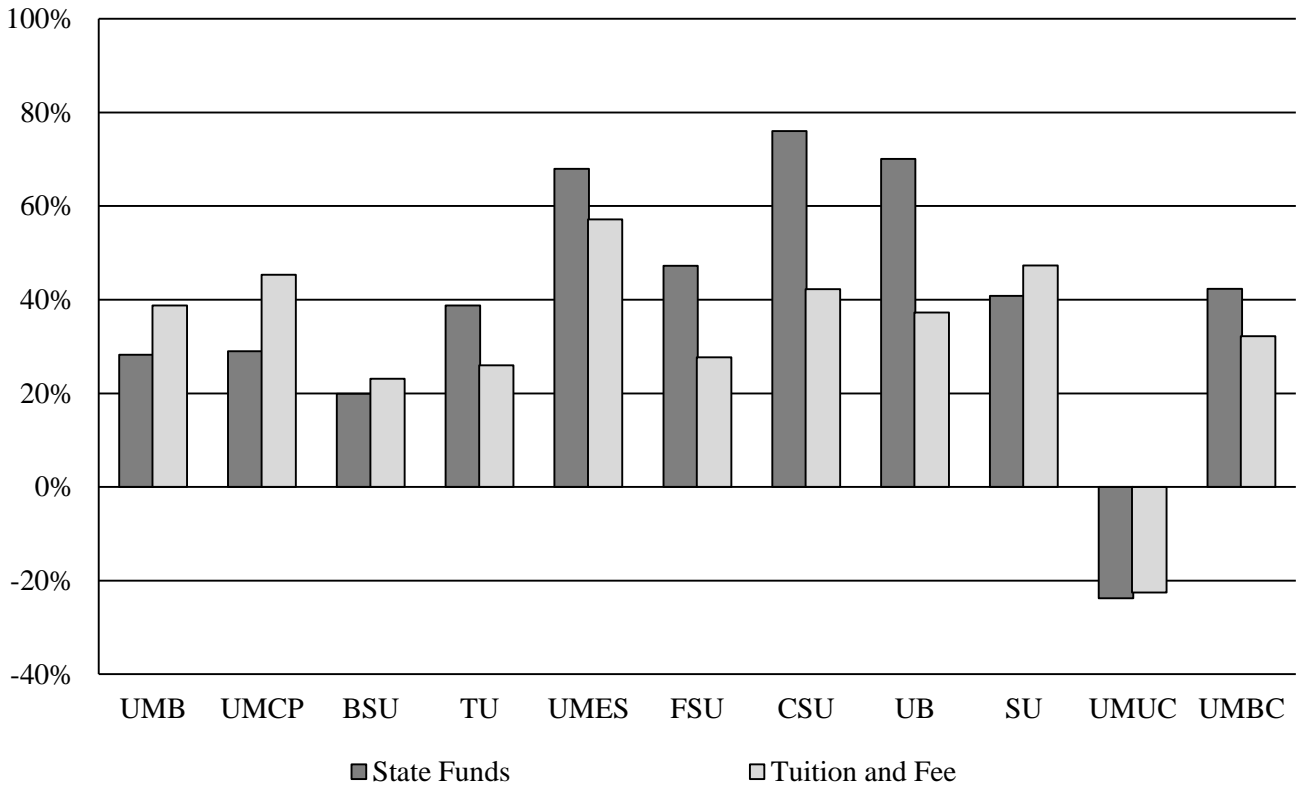
Source: Governor's Fiscal 2020 Budget Books; Department of Legislative Services

After accounting for increases in CSC and funding new initiatives, USM has \$12.9 million to further fund enhancements or transfer to fund balance. As also shown in Exhibit 14, in fiscal 2020, USM plans to transfer \$15.7 million to the State-supported portion of the fund balance (see **Appendix 3** for fund balance by institution). Due to UMUC’s withdrawal of \$29.3 million from the non-State-supported portion of the funds to fund its national marketing campaign, to be discussed in Issue 4, the balance is estimated to decline by \$13.8 million. Overall, USM’s total fund balance is estimated to increase \$1.9 million, totaling \$1.1 billion.

As shown in Exhibit 14, new State-supported revenues are sufficient to cover CSC and initiatives, leaving USM \$12.9 million to transfer to the State-supported portion of the balance or fund other initiatives. USM plans to transfer \$15.7 million to the State-supported portion of the fund balance. Since USM’s available resources far exceeds the 1:1 debt ratio, DLS recommends reducing USM’s general fund appropriation by \$10 million.

Exhibit 15 shows the percentage change in State funds (General Fund and the HEIF) and T&F revenues per FTES between fiscal 2010 and 2020 by institution. In terms of State funding, CSU grew at the highest rate of 74.7%, increasing from \$11,997 in fiscal 2010 to \$20,960 in fiscal 2020 with UMES increasing at the next highest rate of 67.0% (see **Appendix 4** for further detail). These increases largely reflect a significant decline in enrollment at both institutions. The decline of 17.6% in State funds and 22.6% in T&F revenues at UMUC is attributable to a change in federal reporting requirements in which all students enrolled in online programs are now included in its stateside numbers. The change occurred in fiscal 2015, with UMUC’s stateside enrollment growing 15.5%. The highest growth in T&F revenues per FTES of 57.2% and 47.3% occurred at UMES and SU, respectively.

Exhibit 15
Percentage Change in State Funds and Tuition and Fees Per FTES
Fiscal 2010-2020



BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University
 UB: University of Baltimore

UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore
 UMUC: University of Maryland University College

Note: State funds include general funds and Higher Education Investment Funds.

Source: Governor’s Budget Books; Department of Legislative Services

Issues

1. Cost of the Independent Commission

On August 14, 2018, the President of UMCP announced the formation of an independent commission to investigate allegations reported in the media of a toxic culture within UMCP's football program. On August 17, 2018, the USM BOR voted unanimously to assume control over the commission and added five new members for a total of eight members: Frederick M. Azar, Bonnie Bernstein, Governor Robert L. Ehrlich, Jr., Benson E. Legg, C. Thomas McMillen, Charles P. Scheeler, Alexander Williams, Jr., and Douglas Williams. The commission released its report on October 23, 2018.

In a January 31, 2019 article in the Washington Post, it was reported that the two-month investigation cost \$1.57 million. Of the total costs, \$649,492 was paid to the law firm DLA Piper, which included legal work as well as the charges of one of the commissioners. The remaining commissioners (and one legal associate) billed \$636,548 in charges. Commission members charged an hourly rate of \$650, including travel time, and were compensated for expenses. An additional \$152,162 was spent to purchase insurance to cover the commissioners in the event of a legal action. The Washington Post article stated BOR absorbed the cost of the investigation. However, according to UMCP, USM subsequently forwarded the bill to UMCP to pay for the total cost of the investigation. UMCP reports that it will use auxiliary funds to pay the bill and ultimately, the expense will be charged to the athletic program.

The Chancellor should comment on the contract used to pay for the investigation; including justification for the rates allowed to be charged by the commission members; if the contract was approved by BOR and the Board of Public Works (BPW); and who was responsible for contract monitoring.

2. Governance and Financing of Regional Centers

There have been concerns over the past few years that the funding model for the regional centers has not been working to ensure that institutions do not have to subsidize programs offered at the centers. Additionally, as previously discussed, enrollment at USG has been declining since fiscal 2016. This led to concerns that the new Biomedical Sciences and Engineering (BSE) building at USG will not be fully utilized. In response, a total of \$7.4 million of State funds has been provided since fiscal 2017 to support the development of programs that would be housed in the BSE building.

Funding Delivery of Academic Programs

Institutions offering programs at the regional centers face a continuing financial challenge; tuition revenue for high-cost programs, such as science, technology, engineering, and mathematics (STEM), and health professions, are not enough to cover the expenses of delivering these programs off campus, requiring institutions to internally reallocate resources to fund the budget gap.

Recognizing that the funding model was not working, USM began implementing a Memorandum of Understanding (MOU)-based model for developing and maintaining high-cost programs at USG, particularly those programs to be offered in the BSE building. The MOU includes the institution's and USG's goals for the program and how it should respond to workforce needs of the region; enrollment and other measures, such as degree output; projected cost of offering or expanding a program; tuition and other revenues that the program is expected to generate; and the responsibility and process for covering any funding gaps.

UMCP, which is the administrative unit responsible for USG, also proposed a funding model for the delivery of academic programs in a *Joint Chairmen's Report* (JCR) submitted on July 28, 2018. The report states that not only does the current model present barriers to offering programs at USG, but uncertain or low enrollment in STEM and professional programs pose additional budgetary challenges. The lack of financial incentives is a reason that institutions have not offered more programs at USG, and therefore UMCP proposes to build a modest incentive into the financial model. Academic departments and centers at the institution offering programs at USG will be able to keep a small portion of the tuition for new program development or other purposes. While all new programs will need some base funding in addition to the tuition revenue, the incentive is to ensure new tuition revenue is directed to the USG program rather than the institution's general budget.

USM established a workgroup comprised of the provosts from UMB, UMCP, UMBC and UB and representatives from USMO to examine the regional center funding model focusing on USG. The workgroup is focusing on the financial approaches and processes of the four institutions since each handles the funding of academic programs at USG differently. The goal is to determine what, if any, changes to the financial model are needed to insure the continued financial health and stability of the regional centers.

Enhancement Funding

In fiscal 2017, USG received \$1.6 million in enhancement funds to support two new STEM programs and the expansion of existing programs of which \$0.3 million was used to support existing programs and \$0.6 million to hire additional staff to expand student services and on various capital-related projects such as the renovation of classroom and temporary faculty workstation. The remaining \$0.7 million was carried over to fiscal 2018, providing \$2.3 million for program funding. USG used a portion of the enhancement funds for student services staffing again in fiscal 2018, 2019, and in the 2020 budget. Overall, from fiscal 2017 and 2020, \$1.9 million will have been used to expand staff support in student services despite a continuing decline in enrollment. **Since these funds were not used to support academic programs as originally intended, DLS recommends that the \$470,000 in the fiscal 2020 budget intended to be used for student services be restricted to be used to support the delivery of academic programs at USG.**

In fiscal 2018, USG received a one-time transfer of \$450,000 from Baltimore City Community College to support new academic programming related to the new BSE building. According to USM, these one-time funds will be used to develop Entrepreneurship and Innovation Initiatives to be offered at the BSE building, which include cybersecurity events and initiatives to support the development of partnership with county and regional employers. **Since USG is not intending to use these funds as**

directed, DLS recommends restricting \$1.0 million until a report is submitted on how the \$450,000 of one-time funds will be used to support the delivery of academic programs that will be housed in the BSE building.

Overall, from fiscal 2016 to 2020, State funding for USG has more than doubled from \$8.6 million to \$21.9 million (See **Appendix 5** for detail on the budget of USG). Most of this increase, \$11.1 million, occurred in fiscal 2019 and 2020, reflecting enhancement funding for academic programs and the opening of the BSE building.

Proposed USG Administrative Model

UMCP’s JCR report included a plan to strengthen its leadership role and efforts to ensure the long-term growth and viability of USG through changes to the administrative structure. The current administrative structure of the Senior Vice President and Provost of UMCP overseeing the executive director has been in place since the establishment of USG. In order to better respond to workforce demands of the region, partner institutions must have administrative oversight of and academic involvement in USG. To that end, UMCP worked with provosts from institutions that offer the most programs and serve the most students at USG, UMB and UMBC and also USMO to develop a proposal for new administrative and academic oversight of USG. This includes:

- Creation of a Council of Provosts (COP) comprised of provosts from UMCP, UMB, UMBC, and TU, and USM’s Senior Vice Chancellor for Academic and Student Life and Vice Chancellor for Finance and Administration. Responsibilities include:
 - involvement in all academic and administrative decisions, including academic programming; program access, development and assessment; and overseeing central management of all administrative details;
 - providing an annual report to the presidents of the partner institutions, the Chancellor, and the USM Academic Affairs Advisory Committee. The report will include budget, future goals, opportunities, program and funding priorities, and program outcomes and effectiveness; and
 - oversight of the academic program budget will be the responsibility of the chair and managing Provost of COP (the Provost of UMCP), in consultation with COP; and
- elevating the executive director to Dean of USG.

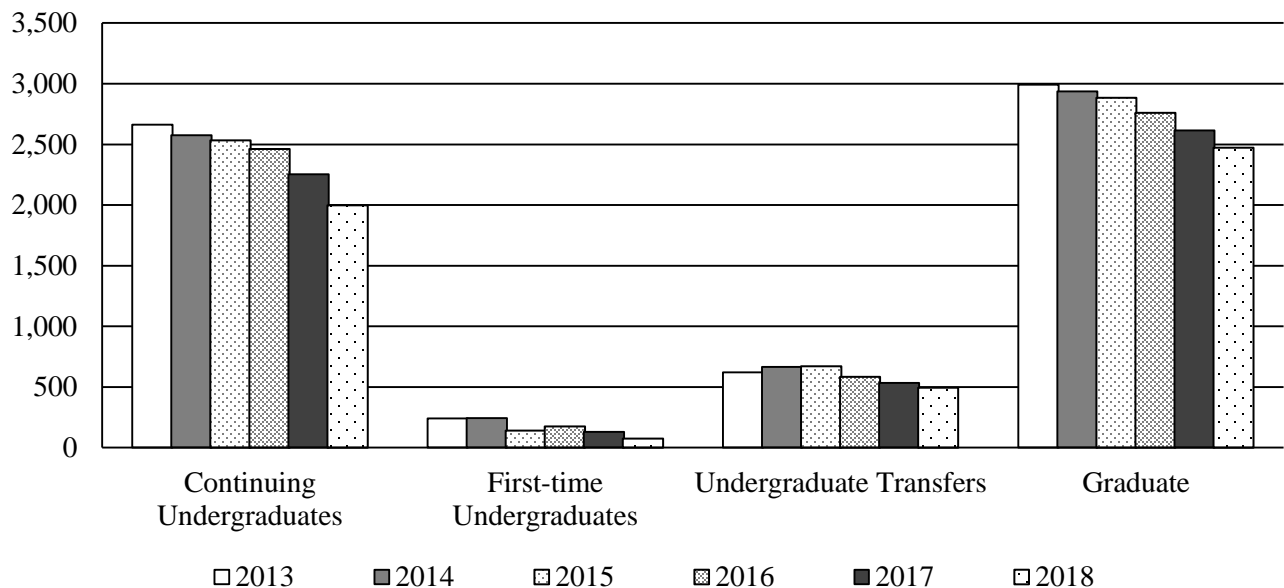
The Chancellor should comment on why enhancement funds have not been used as intended, progress on developing a new financial model for USG, programs that will be offered in the BSE building in fall 2020, and the status on implementing changes to USG’s administrative structure.

3. UB’s Continuing Enrollment and Budgetary Challenges

Enrollment

Since fall 2013, UB has lost almost a quarter of its student population with enrollment falling 23.1% (1,517 students) to 5,041 in fall 2018. This was driven by a steady decline in continuing and graduate students of 665 students and 520 students, respectively, as shown in **Exhibit 16**. Fall 2018 undergraduate enrollment fell 12.0% (349 students) of which 256 were continuing students. First-time students declined for a second year, falling 41.1% (53 students), and have declined 68.4% (165 students) since fall 2013. UB attributes this to a change in enrollment strategy from prior years when UB sought to add traditional freshmen to grow enrollment to 8,000 students. UB’s current freshmen recruitment strategy focuses on students who have higher academic credentials and who want to pursue niche program or pathways at UB, including law and graduate schools. UB states that it will take approximately two recruitment cycles to stabilize and increase freshmen enrollment.

Exhibit 16
Total Fall Headcount Enrollment
Fall 2013-2018



Source: University System of Maryland

Graduate enrollment dropped by 520 students from fall 2013 to 2018, accounting for 35.2% of the total decline in enrollment. This is primarily due to a steady decline in law school in which enrollment has fallen 30.3%, or 311 students, since fall 2013.

Financial Impact

UB's financial challenges began in fiscal 2015 with a 3.0% enrollment decline, leading to a \$1.8 million deficit in education and general (E&G) spending. This was covered with a \$1.8 million surplus in auxiliary revenues. Despite a 3.9% decline in enrollment in fiscal 2016, the E&G deficit narrowed to \$0.3 million with the auxiliary surplus again used to cover the gap. The financial effects of the relatively small enrollment declines were mitigated by increases in T&F, resulting in small increases in revenues. However, in fiscal 2017, enrollment declined 7.5% resulting in a \$2.1 million decrease in T&F revenues and reducing UB's working appropriation by \$3.96 million. This shortfall was met by a mid-year elimination of 45 positions: 28 State-supported positions of which 15 were vacant; and 17 non-State-supported positions, 15 of which were funded by a contract that ended in September 2016. These actions led to a small E&G surplus.

Facing a \$4.2 million budget shortfall in fiscal 2018, UB implemented several cost containment measures, including a hiring freeze (\$1.6 million), employee furloughs and executive staff salary reductions (\$1.3 million), a general reduction of expenditures (\$0.7 million), and a \$0.6 million transfer from fund balance. The impact of the continued enrollment decline in fiscal 2019 resulted in UB revising budgeted T&F revenue down by \$2.8 million, from \$68.1 million to \$65.3 million. UB expects to cover 42% of the shortfall through a hiring freeze and the remaining amount from the avoidance, or deferment, of general and administrative spending. In fiscal 2019, as shown in **Exhibit 17**, spending on academic services declines 28.3%, or \$5.1 million, while expenditures in other program areas, except student services, increase by \$8.2 million. In general, increases in program areas are related to fully budgeting all positions. It should be noted that fiscal 2019 E&G expenditures and revenues are adjusted to reflect a one-time \$500 bonus and a 0.5% general salary increase. The 29.3%, or \$2.8 million, increase in spending in operation and maintenance of plant is primarily related to the cost associated with the opening of the Robert L. Bogomolny Library and facility renewal projects. The 28.3%, or \$5.1 million, decline in academic support expenditures is related to a one-time write-off of bad debt associated with student accounts. Through its cost containment efforts, UB was able to reduce spending across program areas in which those savings were used to write off the debt.

The President should comment on the \$5 million write-off of bad student debt, how old were the debts, and the impact this had on the budget.

Exhibit 17
University of Baltimore Budget Changes for Unrestricted Funds by Program
Fiscal 2018-2019
(\$ in Thousands)

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Adjusted</u>	<u>2018-19</u> <u>Change</u>	<u>2018-19</u> <u>% Change</u>
Expenditures				
Operation and Maintenance of Plant	\$9,407	\$12,164	\$2,757	29.3%
Instruction	36,186	38,631	2,445	6.8%
Institutional Support	18,969	20,596	1,627	8.6%
Scholarships and Fellowships	9,808	10,881	1,073	10.9%
Research	463	767	305	65.8%
Student Services	9,857	9,289	-568	-5.8%
Academic Support	17,932	12,852	-5,080	-28.3%
Bonus/General Salary Increases		270		
E&G Total	\$102,623	\$105,450	\$2,828	2.8%
Auxiliary Enterprises	\$7,626	\$7,736	\$110	1.4%
Total Adjusted Expenditures	\$110,249	\$113,186	\$2,937	2.7%
Revenues				
Tuition and Fees	\$62,586	\$65,317	\$2,731	4.4%
State Funds ¹	37,018	37,817	799	2.2%
Other	3,481	3,467	-14	-0.4%
Total E&G Revenues	\$103,084	\$106,600	\$3,516	3.4%
Auxiliary Enterprises	\$7,629	\$7,736	\$106	1.4%
Transfer (to)/from Fund Balance	-465	-1,150		
Available Unrestricted Revenues	\$110,249	\$113,186	\$2,937	2.7%

E&G: education and general

¹ State funds include general funds and Higher Education Investment Funds.

Note: Fiscal 2019 general funds are adjusted to reflect a general salary increase and a one-time bonus.

Source: Governor's Fiscal 2020 Budget Books; Department of Legislative Services

Pathway To Future Success

To stabilize and increase enrollment, UB will present itself as the region’s premier, professional, career-focused university and will focus on:

- law and Juris Doctor students;
- graduate students (working professionals interested in advancing their careers);
- transfer students with and without associate degrees; and
- admitting first-time students pursuing UB’s niche programs or pathways, including law and graduate schools.

UB developed a plan outlining its strategy to reduce the budget by \$4.5 million over two years starting in fiscal 2020 based, on the following principles:

- (1) align university functions with mission and student profile;
- (2) identify opportunities for enhanced operational efficiencies;
- (3) deploy alternative funding sources; and
- (4) minimize displacement of UB’s workforce.

As shown in **Exhibit 18**, realignment and reductions in expenditures is estimated to produce cost savings of \$3.1 million and \$1.4 million in fiscal 2020 and 2021, respectively.

Exhibit 18
Realignment and Expenditure Reductions
Fiscal 2020 and 2021

	Minimum Targets		
	<u>2020</u>	<u>2021</u>	<u>Total</u>
Consolidate and align student services with student profile, including closing the recreation and wellness center	\$594,000	\$0	\$594,000
Restructure funding center and sponsored research ¹	346,800	0	346,000
Continue implementation of shared services	130,000	0	130,000
Increase student to faculty ratio to 15:1	600,000	900,000	1,500,000
Realign/restructure across and within colleges, schools, and libraries	150,000	500,000	650,000
Reduce academic spending	745,900	0	745,900
Reduce administrative spending	542,100	0	542,100
Total	\$3,108,800	\$1,400,000	\$4,508,800

¹ Funding for several positions in the Office of Sponsored Research will be funded with overhead funds instead of State funds; State-supported center directors will be reduced and funded with either overhead funds or foundation-supported endowments; and residual funding from centers will remain with the centers.

Source: University of Baltimore

UB plans to grow revenues by:

- increasing student body headcount by 350 students over the fall 2018 levels over the next three years by implementing a coordinated admissions strategy, hiring staff focusing on transfer students and community college partnerships, ensuring a cohesive and integrated marketing and enrollment strategy, and tasking the deans with greater responsibilities for graduate enrollment;
- improving the fall-to-fall student retention rate by 100 undergraduate and 100 graduate students can yield approximately \$1.4 million in additional revenue;
- increasing enrollment and revenues in the summer and winter terms – developing a comprehensive summer strategy, including publishing two-year rolling schedules and piloting shared revenue models to generate an estimated annual \$0.2 million in additional tuition revenue; and
- monetizing real estate, including relocating all functions in the Charles Royal building to the core campus and leasing the building generating an estimated annual income of \$0.3 million.

The President should comment on the ability to increase enrollment by 350 students considering the continuing decline in enrollment.

3. Status of BSU Nursing Program

The nursing program is one of the most popular programs offered at BSU. The number of declared nursing students has ranged from 492 in 2011 to 610 in 2018. However, not all students who declare as nursing students will graduate from the nursing program. Since 2011, the nursing program has consistently ranked as a top-five undergraduate degree producing program, behind only business administration and in line with communication media, criminal justice, psychology, and sociology. The undergraduate degrees awarded had grown in each year from 2002 (18) to 2016 (112). However, as shown in **Exhibit 19**, 2018 saw a substantial decrease in the total undergraduate degrees awarded, decreasing from 2016 by 54 degrees, to total just 58 degrees.

Exhibit 19
Undergraduate Nursing Enrollment and Degrees
Fall 2010-2018

<u>Year</u>	<u>Declared Nursing Students</u>	<u>Nursing Student Admitted</u>	<u>Degrees</u>
2010	495	96	40
2011	492	105	65
2012	563	97	66
2013	647	132	69
2014	614	79	84
2015	530	68	86
2016	546	89	112
2017	610	58	50
2018	610	41	58

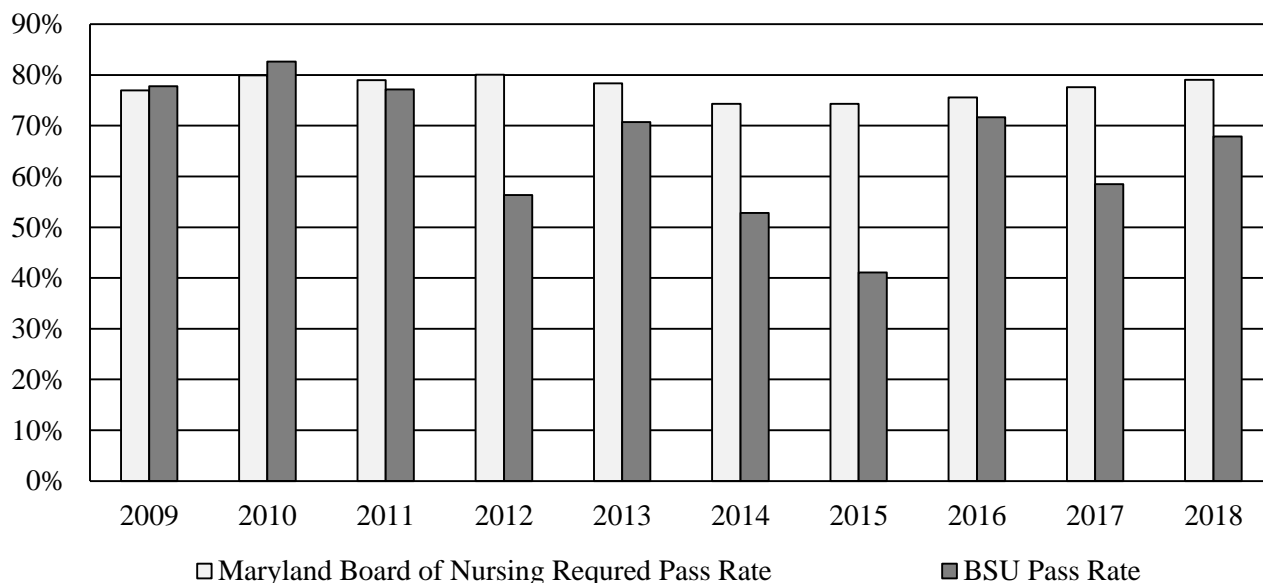
Source: Bowie State University; Maryland Higher Education Commission

Accreditation and State-approved Nursing Program Concerns

The BSU undergraduate nursing program received initial accreditation from the Accreditation Commission for Education in Nursing (ACEN) in March 1998. As part of the accreditation process, ACEN conducts site visits to determine if a nursing program has continued to meet the requirements of accreditation. After an ACEN site visit in March 2017, BSU was placed on continuing accreditation with warning for good cause. ACEN found that BSU was not in compliance with ACEN accreditation Standard 6, Outcomes 6.2. This accreditation standard seeks evidence to ensure that the program demonstrates graduates' achievement on the licensure exam. Specifically, BSU last met the Maryland

Board of Nursing (MBON) required pass rate for a graduating class in 2010 and has failed to do so in each subsequent year, as shown in **Exhibit 20**.

Exhibit 20
Maryland Board of Nursing Required Pass Rate
Fiscal 2009-2018



BSU: Bowie State University

Source: Maryland Board of Nursing

Continuing accreditation with warning for good cause is a measure imposed by the ACEN Board of Commissioners following the determination that a nursing program has not remedied deficiencies at the conclusion of its monitoring period but that the program (1) has demonstrated significant recent accomplishments in addressing deficiencies; (2) has documented that it has the potential to remedy all deficiencies within the extended period as defined by the commission; and (3) provides assurance to the commission that it is not aware of any other reasons, other than those identified by the commission, why the nursing program could not be continued for good cause. ACEN conducted another site visit from October 2 to October 4, 2018, to determine the nursing program's future accreditation status. The results of that site visit will be released at the March 2019 ACEN Board of Commissioner's meeting

In addition to ACEN, MBON, which determines if a prelicensure program can operate in the State, placed BSU's program on a warning status in fiscal 2011 for not meeting the required passing score for Maryland schools. After not meeting the required score for a second consecutive year, the

nursing program received conditional approval in fiscal 2013 and has remained on conditional approval through 2018.

The first year a program does not meet the State-required pass rate, a report must be submitted identifying the factors that contributed to the decline in the pass rate and an action plan to remedy those deficiencies. For a second consecutive year that a program is not in compliance, the program not only must submit a report analyzing all aspects of the program but also must obtain the services of a MBON-approved outside consultant with expertise in nursing education. BSU has failed to meet the State-required pass rate since 2010.

BSU identified several strategies to increase the pass rate including:

- ***Faster Registration for National Council Licensure Examination for Registered Nurses (NCLEX-RN):*** Students in previous graduating classes delayed taking the licensure examination for periods of up to more than a year. Those students had more difficulty passing the exam. A new policy for taking the NCLEX-RN was developed and approved by faculty and included in the *Department of Nursing Student Handbook* for fall 2018. Students are required to complete a commercial review course provided at no charge and register for the examination within eight weeks of graduation.
- ***Student Risk Assessment Plan Development:*** Effective spring 2018, students who were identified as performing below the expected level of achievement met with faculty advisors to discuss the student's performance, and a plan was developed to successfully complete the course. The plan is documented on the *Student Risk Assessment* portion of the *Course Progress/Student Risk Assessment Summary Report Record* and signed by the student and the faculty member. Expected outcomes are identified along with associated faculty actions, student actions, actual outcomes, and continued follow-up meetings.
- ***Nursing Student Success Center:*** Faculty received funding from MHEC's Nursing Support Program II to implement the Nursing Student Success Center on campus. This center provides test-taking strategies, study strategies, tutoring sessions, and senior NCLEX-RN review prep.

After implementation of these strategies, BSU has indicated that the most recent report from the National Council of State Boards of Nursing identified a NCLEX-RN pass rate of 92% for the first quarter of fiscal 2019. **The President of BSU should comment on what else is being done to ensure that the nursing program meets accreditation standards and that the program meets the MBON-required pass rate for the licensure exam.**

4. UMUC's National Footprint Campaign

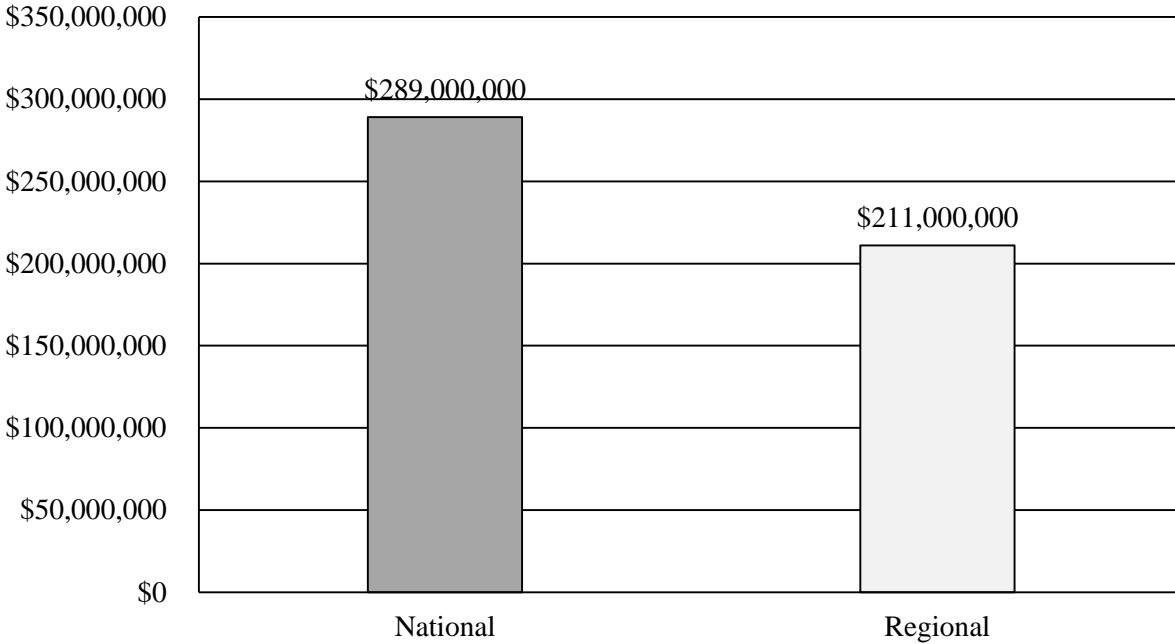
The mission of UMUC is to improve the lives of adult learners by being a 100% student-centric institution of higher education. UMUC offers degrees fully online and currently has over 90,000 students and 275,000 enrollments making it America's largest online public university.

UMUC’s business model is based on a modest level of State support, roughly 10% of their total budget, while the rest is derived from T&F. This business model is dependent on enrollment growth with economies of scale, allowing UMUC to provide a quality education at a low cost to students. Given the increasingly competitive online education market, future growth for UMUC is constrained by their reliance on the Washington DC, Maryland, and Virginia (DMV) region that currently represents 68% of enrollment, and the military that currently represents 71% of enrollment outside the DMV region.

Cost-per-enrollment (CPE), or the total cost in advertising expenses divided by the number of new students, for the DMV region will continue to rise annually according to UMUC. CPE jumped 16% last year for enrollments from the DMV region; in addition, the market share of adult students in the DMV region has reached near maximum levels while competing institutions have made inroads into the region. The market saturation that has been attained by UMUC in the DMV region has resulted in it now being prohibitively expensive to continue to rely heavily on this location to enroll students. Given these market realities, UMUC believes that the implementation of a national marketing campaign to increase enrollment from outside the DMV region and the military is essential to continued financial viability.

UMUC plans to spend \$500 million in advertising costs over six years to attract students. The national campaign will total \$289 million, while regional advertising would total \$211 million, as shown in **Exhibit 21**. The funding for this initiative was approved on June 22, 2018, in a closed session of BOR, while BPW approved the funding on January 23, 2019. The funding of the advertising campaign involves UMUC using \$89 million of fund balance with the remaining amount (\$411 million) coming from the expected T&F revenues associated with increased enrollment. The \$500 million in funding will be split equally between online advertising and offline marketing strategies, each of which will have four different vendors handling specified marketing responsibilities.

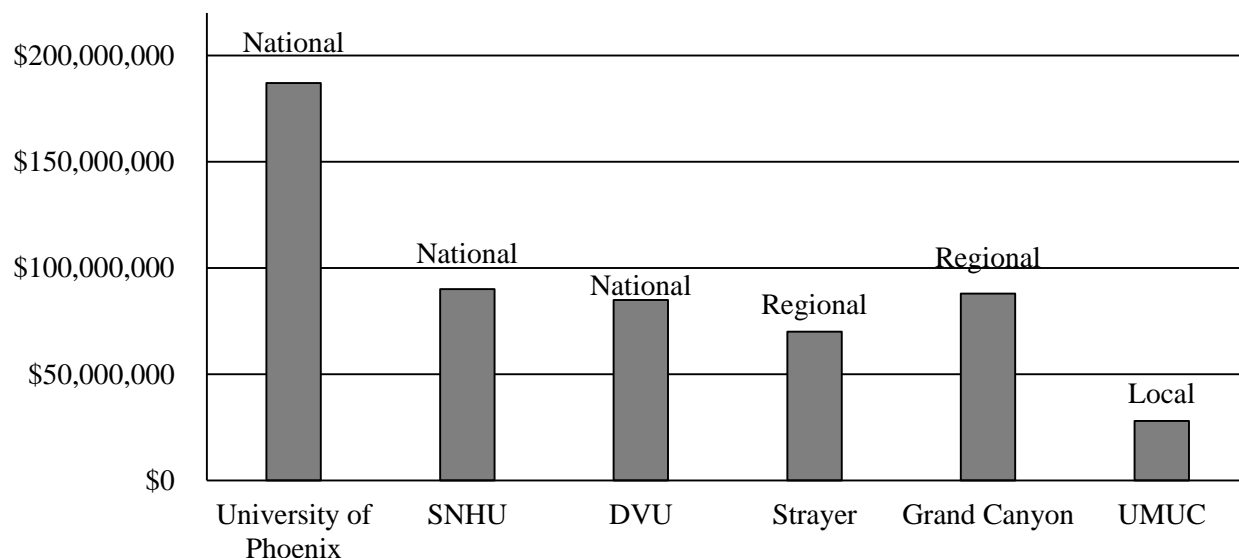
Exhibit 21
Six-year Advertising Cost Breakdown



Source: University Maryland University College

Competitor institutions have already invested heavily in both national and regional marketing campaigns. As shown in **Exhibit 22**, the cumulative fiscal 2017 annual spending by five institutions identified by UMUC totaled well over \$520 million. Furthermore, UMUC indicated that one competitor’s estimated cost to launch their national campaign totaled \$117 million for one fiscal year.

**Exhibit 22
Fiscal 2017 Competitive Annual Spend**



DVU: DeVry University
 SNHU: Southern New Hampshire University
 UMUC: University of Maryland, University College

Source: University Maryland University College

The goal of the UMUC National Footprint Campaign is to increase student enrollment. UMUC has performance metrics in place to ensure that advertising activity data is meeting internal targets. A daily review will be completed by the enrollment and marketing department to ensure that website visits, inquiries, applications, and enrollments are analyzed with the distribution of resources then allocated based on the success of the strategy. Weekly phone conversations will occur between vendors and UMUC personnel to discuss marketing strengths and opportunities. Should a vendor fail to meet performance targets, UMUC has the ability to cancel a contract and reallocate those required services to one of the other vendors in the respective advertising area. Internal UMUC dashboards have been created and are available at any time to allow the institution to refine particular marketing strategies. UMUC leveraged their data warehouse, which stores multiple years of data, and are partnering with HelioCampus to study long-term response patterns and optimize their advertising tactics.

DLS recommends that UMUC submit a report on the status of the advertising campaign, identifying their internal performance measure targets and the success of those targets.

5. Two Institution Facing Lawsuits

In fall 2018, a federal civil lawsuit was filed against UMBC in which the plaintiffs charged officials did not take reports of sexual assaults seriously, and a sexual harassment lawsuit was brought against UMB related to the School of Medicine.

UMBC Federal Civil Lawsuit

In September 2018, a federal class action civil lawsuit was filed against UMBC, the UMBC Police Department, BOR, the Baltimore County Police Department, and the Baltimore County State Attorney Office. In the suit, the plaintiffs charged that UMBC and county officials failed to take sexual assault reports seriously, stating that authorities humiliated, intimidated, and deceived women as part of an intentional effort to cover up justifiable complaints of sexual assault. In October, the lawsuit was expanded to include three new plaintiffs who charged that UMBC, county police, and county prosecutors discriminated against women for years on the basis of gender, denying women equal access to justice and equal protection under the law.

In January, a motion was filed to dismiss the claims stating that UMBC, the Baltimore County Police, and prosecutors are immune from lawsuits and that the plaintiffs failed to provide enough facts showing that authorities engaged in sex- or gender-based discrimination.

UMBC’s Response

UMBC leadership met with students to listen to their concerns and partnered with student groups to sponsor a campuswide listening session about the prevention of and response to sexual violence and misconduct and the impact on campus safety and well-being. This helped leadership determine the appropriate next steps and actions to take to implement changes. During fall 2018, UMBC addressed some immediate needs, including:

- Mandatory, in-person and online Title IX/sexual misconduct response and prevention training for administrators, faculty, and staff. Sessions began in December and will continue through May, with an estimated 3,600 individuals participating in the in-person training.
- Creating the Retriever Courage initiative as a means of connecting the campus community to resources, information, and ways to engage regarding policies, programs, and initiatives related to sex discrimination and sexual violence/misconduct issues.
- Establishing several process teams comprised of students, faculty, and staff to engage in key aspects of the Retriever Courage initiative, including procurement of an external consultant, training, and implementation of recommendations from the campus community and external consultant.

- Retaining an external consultant (Grand River Solutions, Inc.) to review current processes, policies, procedures, and practices regarding the prevention and response to sexual misconduct and violence.
- Designing a new UMBC identification card with emergency contact information on the back of the card that will be distributed during the spring 2019 semester.
- Assessing and making ongoing improvements to campus lighting.

UMB Sexual Harassment Lawsuit

In November 2018, a federal lawsuit was filed against UMB and the School of Medicine for failing to stop harassment by a supervisor. Since the filing of the lawsuit, three other women complained about similar behavior by the same supervisor. It should be noted that the plaintiff was not an employee of UMB but employed by the Baltimore Research and Education, Inc. at the Baltimore VA Medical Center. Some of the employees at the center share an appointment at UMB.

According to UMB, the Title IX office received a complaint filed by the plaintiff in November 2016 alleging that a faculty member holding an appointment at both the Baltimore VA Medical Center and UMB had sexually harassed her. UMB investigated and based on “thousands of mutually exchanged text messages, witness interviews, and various submitted documents” could not conclude by a preponderance of evidence that the plaintiff was subjected to sexual harassment. The report did find that the faculty member, whose contract was not renewed, showed poor judgement. According to UMB, in 2017, the plaintiff filed a charge of discrimination with the Equal Employment Opportunity Commission, which declined to pursue it.

UMB has taken several actions to ensure a diverse, inclusive, and respectful environment; improve accountability and transparency; and ensure a diverse, effective, and accountable leadership in the School of Medicine including:

- in January 2018, the School of Medicine began analyzing its culture, resulting in unconscious bias prevention and training for school leaders, faculty, and students;
- in response to news articles, the dean held 12 town hall listening sessions for school leaders, faculty, and students;
- a series of planned promotions of senior women leaders and an appointment of a director to oversee a number of culture transformation initiatives was accelerated including the development of a diversity dashboard; improving awareness of how to report observed unprofessional or harassing behavior; implementation of TransformMD, an electronic suggestion box; and providing resources and support for convening a group on women in medicine and science for all school female faculty; and

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- launching a search for a permanent Chair of the Department of Surgery.
- UMB is also implementing universitywide actions, including:
- drafting and implementing a policy governing consensual relationships;
 - developing actions based on the student climate survey data to enhance the student experience;
 - conducting a second climate survey involving faculty and staff in spring 2019;
 - establishing a discretionary fund to fund initiatives such as enhancing the culture of compliance with policies related to Title IX sexual harassment and misconduct; and
 - establishing a President’s Advisory Council for Women to provide advice and recommendations to the president.

Operating Budget Recommended Actions

1. Add the following language:

, provided that this appropriation made for the purpose of the University System of Maryland institutions shall be reduced by \$10,000,000.

Explanation: This language reduces the University System of Maryland’s (USM) general fund appropriation by \$10.0 million. New State-supported revenues are more than sufficient to cover current services cost and initiatives leaving USM \$12.9 million to transfer to the State-supported portion of the fund balance. Since USM’s available resources to debt exceeds the 1:1 ratio, this reduction will not significantly affect its coverage.

2. Add the following language to the unrestricted fund appropriation:

Further provided that \$470,000 of this appropriation made for the purpose of the Universities at Shady Grove (USG) in the University System of Maryland Office may only be used to fund the development or expansion of academic programs at USG. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: This language restricts \$470,000 of the general fund appropriation for USG budgeted in the University of Maryland System Office to be used only for the development of new programs or the expansion of existing programs. In fiscal 2017, \$1.6 million was provided to USG for academic programming, however \$0.5 million was used to expand staff. From fiscal 2017 to 2019, USG has used \$1.4 million of the \$4.8 million for personnel and not to fund academic programs.

3. Add the following language to the unrestricted fund appropriation:

Further provided that \$1,000,000 of this appropriation made for the purpose of Workforce Development Initiatives at the Southern Maryland Higher Education Center at the University System of Maryland Office shall be deleted.

Explanation: This language reduces the general fund appropriation for the Southern Maryland Higher Education Center (SMHEC) budgeted in the University System of Maryland Office by \$1.0 million. The allowance provides SMHEC \$1.0 million in Workforce Development Initiative funds that would be primarily used for administrative purpose and not to support the delivery of new programs to the center.

4. Add the following language to the unrestricted fund appropriation:

Further provided that \$1,000,000 of this appropriation made for the purpose of the Universities at Shady Grove in the University System of Maryland Office (USMO) may not be expended until USMO submits a report to the budget committees on how one-time funding of \$450,000 restricted in the fiscal 2018 budget to support new academic programming related to the new Biomedical Sciences and Engineering Education Facility was spent. The budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This language restricts \$1.0 million of the Universities at Shady Grove (USG) general fund appropriation budgeted in USMO until a report is submitted on how one-time funding of \$450,000 restricted in the fiscal 2018 budget to support new academic programming related to the Biomedical Sciences and Engineering Education Facility at USG will be spent.

Information Request	Author	Due Date
Report on enhancement fund	USMO	45 days prior to expenditure

5. Adopt the following narrative:

The National Marketing Initiative: The University of Maryland University College (UMUC) has documented that there is a need to expand marketing nationally to ensure that the costs associated with their program offerings remain competitive. UMUC will begin a six-year marketing campaign in 2019 at a total cost of \$500 million. The committees request UMUC to report on the status of the advertising campaign, identifying their internal performance measure targets and if the targets are being met.

Information Request	Author	Due Date
UMUC advertising campaign performance evaluation	UMUC	December 1, 2019

Updates

1. Instruction Workload

Annual language in the JCR requires USM to submit a report on the instruction workload of faculty. BOR sets standards of expectations of instructional workload for tenured/tenure-track faculty, which have not changed since fiscal 2005. The average target course units (equivalent to teaching a three-hour course) per full-time faculty member is 5.5 and 7.5 course units at research and comprehensive institutions, respectively.

As shown in **Exhibit 23**, when only considering the workload of tenured/tenure-track faculty, all but one of the seven comprehensive institutions fall below the standard, and only UMBC of the two research institutions exceeded the BOR standard in fiscal 2018. When all core instructional faculty (*i.e.*, tenured/tenure-track and full-time nontenured instructional faculty who are responsible for the main activities of teaching and managing the instructional activity of the institution) are considered, there are still only two comprehensive institutions (BSU and CSU) that met or exceeded the standard. UMCP and UMBC both exceed the standard.

Exhibit 23
Average Course Units Taught by Full-time Equivalent Tenured/Tenure-track and
All Core Instructional Faculty
Fiscal 2012, 2017, and 2018

	2012		2017		2018	
	<u>Tenure</u>	<u>Core</u>	<u>Tenure</u>	<u>Core</u>	<u>Tenure</u>	<u>Core</u>
BSU	7.5	7.7	7.0	7.6	7.2	7.5
CSU	8.3	9.0	7.9	9.3	7.8	9.3
FSU	7.4	7.4	7.1	7.1	7.1	7.2
SU	7.6	7.8	7.3	7.5	7.3	7.4
TU	7.0	7.4	6.6	7.0	6.5	7.0
UB	6.6	6.5	6.7	7.0	6.8	7.1
UMES	7.6	7.6	7.1	7.0	6.9	7.0
Comprehensive Average	7.4	7.6	7.0	7.2	7.0	7.2
UMBC	6.8	6.9	6.3	6.5	6.4	6.6
UMCP	5.6	5.6	5.5	5.7	5.4	5.6
Research Average	5.9	5.9	5.7	5.9	5.6	5.9

BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University

UB: University of Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore

Note: One course unit is defined as a standard three-credit lecture course; all other courses and instructional activity such as undergraduate and dissertation research are converted to course units. Calculations for SU, TU, and UB omit the schools of business and law because accreditation standards requires law faculty to teach four course units and business faculty to teach six course units.

Source: University System of Maryland, *Annual Report on the Instructional Workload of University System of Maryland Faculty*

Exhibit 23 presented information for one measure that can be used when looking at instructional activity and effectiveness of faculty. As shown in **Exhibit 24**, another measure is the production of semester credit hours, which are based on time in the classroom multiplied by the total students enrolled in the course. For example, a 3-credit course with 10 students produces 30-semester credit hours. This measure also provides an indication of how well institutions are managing faculty and maintaining class size.

Exhibit 24
Average Semester Credit Hours Generated by Tenured/Tenure-track and
All Core Instructional Faculty
Fiscal 2012, 2017, and 2018

	2012		2017		2018	
	<u>Tenure</u>	<u>Core</u>	<u>Tenure</u>	<u>Core</u>	<u>Tenure</u>	<u>Core</u>
BSU	526	561	463	482	388	410
CSU	263	255	308	306	296	295
FSU	496	494	401	411	405	418
SU	606	615	522	518	512	529
TU	402	425	396	419	399	420
UB	404	419	366	377	364	384
UMES	448	542	604	585	610	616
UMBC	363	456	350	482	326	470
UMCP	491	568	412	525	396	509

BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University

UB: University of Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore

Note: Excludes faculty on sabbatical and those exempted as a result of illness or death, and adjustments are also made for instruction-related activity and external funding. Calculations for SU, TU, and UB are adjusted to omit the schools of business and law.

Source: University System of Maryland, *Annual Report on the Instructional Workload of University System of Maryland Faculty*

When data from faculty workload and semester hours generated is considered together, it provides a better picture of instruction productivity at each campus. For example, as previously shown in Exhibit 23, while core faculty at CSU continually teach more course units than faculty at other comprehensive institutions, they also produce the least number of credit hours per semester, an indication that faculty teach more classes with fewer students. Conversely, in fiscal 2018, UMES' core faculty produced the most credit hours (616) of any institutions, although it fell below the standard of average course units taught by faculty. This implies faculty are teaching fewer but larger classes.

On average, in 2018, tenured/tenure-track faculty accounted for 40% of the credit hours produced, as shown in **Exhibit 25**. At four institutions (CSU, FSU, SU, and UMES), these faculty produced over half the credit hours. In general, over the last five years, tenured/tenure-track faculty are

producing fewer credit hours while full-time nontenured instructional faculty are producing 18.4% more hours. The decrease in the production of credit hours for tenured/tenure-track faculty can be attributed to additional responsibilities such as an increase in advising workloads, development of new curricula, departmental duties, and research-related and service activities.

Exhibit 25
Percentage of Credit Hours Produced by Type of Faculty
Fiscal 2018 and Five-year Percent Change

	<u>T/TT</u>	<u>Full-time Non-TT</u>	<u>Part-time</u>	<u>Five-year % Change</u>		
				<u>T/TT</u>	<u>Full-time Non-TT</u>	<u>Part-time</u>
BSU	35%	15%	44%	-8.7%	-7.8%	52.9%
CSU	56%	3%	35%	9.4%	-41.3%	3.2%
FSU	58%	15%	21%	-5.9%	18.9%	-5.0%
SU	54%	19%	22%	4.1%	9.5%	-1.0%
TU	38%	27%	33%	-4.1%	15.5%	-11.7%
UB	43%	10%	43%	13.0%	-22.8%	-20.4%
UMES	52%	23%	21%	-5.6%	-19.1%	-44.3%
UMBC	29%	32%	33%	-7.7%	17.3%	-3.7%
UMCP	38%	25%	29%	-8.9%	35.5%	8.2%
Overall	40%	24%	30%	-4.9%	18.4%	-0.9%

BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University
 T: Tenured

TT: Tenure-track
 UB: University of Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore

Note: Other faculty including department chairs, non-tenure track research or public service faculty and teaching assistants are not included, and therefore numbers will not total 100%.

Source: University System of Maryland, *Annual Report on the Instructional Workload of University System of Maryland Faculty*, November 2019

2. Relocation of University of Maryland Center for Environment Science

Language in the 2018 JCR required USMO to submit a report on how the consolidation of the University of Maryland Center for Environment Science (UMCES) with the appropriate USM institution(s) could be accomplished in a manner that advances the research conducted at UMCES and maintains and elevates the impact of UMCES' role in the research and protection of the State's environmental resources, while also obtaining cost savings. USMO submitted a report on the pros and cons of merging with one and multiple institutions. Overall, the conclusions were based on an assumption that, if merged, UMCES would lose its standing as an independent institution, and personnel would be placed in differing departments or colleges.

However, it should be noted that numerous centers and institutions already operate independently at USM institutions. Additionally, UMCES already shares many back office functions with UMCP; the joint degree in marine, estuarine, and environmental science (MEES) is administratively housed at UMCP; and the Director of MEES holds a half-time administrative appointment with UMCP and a half-time research and teaching appointment with UMCES. Although the report states that there are “no material cost savings resulting from a consolidation with another USM institution,” savings could be achieved through the elimination of duplicative administrative positions.

Appendix 1
University System of Maryland Regional Higher Education Centers
Full-time Equivalent Student Enrollment
Fiscal 2009-2020 Est.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	Working 2019	Estimate 2020
Universities at Shady Grove (USG)												
Bowie State University	14.4	15.3	13.0	15.6	11.4	10.0	10.4	11.2	10.4	16.2	9.7	21.0
Salisbury University (SU)	9.3	22.8	23.1	19.5	28.3	45.0	54.7	58.0	40.4	34.6	30.2	42.0
Towson University (TU)	97.5	108.8	107.8	129	145.3	128.8	89.5	78.1	73.4	101.0	97.0	94.0
University of Baltimore	43.6	61.7	69.4	78.2	78.0	76.8	68.5	58.4	77.6	88.4	84.4	85.0
University of Maryland, Baltimore Campus	264.4	371.9	418.2	428.2	420.3	409.3	458.8	453.0	531.4	567.9	569.4	585.0
University of Maryland Baltimore County	175.5	215.0	243.8	292.5	276.9	331.7	359.1	350.7	363.1	365.7	362.7	369.0
University of Maryland, College Park Campus (UMCP)	818.5	995.8	994.4	999.5	990.0	1,022.7	1,030.3	945.4	848.8	629.9	597.1	700.0
University of Maryland Eastern Shore (UMES)	48.2	66.7	74.8	79.3	78.9	77.2	68.2	77.0	72.7	57.2	58.0	72.0
University of Maryland University College (UMUC)	312.4	372.2	391.1	383.0	320.1	340.8	339.9	334.4	264.5	194.7	175.0	286.0
USG Total	1,783.8	2,230.2	2,335.6	2,424.8	2,349.2	2,442.3	2,479.4	2,366.2	2,282.3	2,055.6	1,983.5	2,254.0
% Change	26.2%	25.0%	4.7%	3.8%	-3.1%	4.0%	1.5%	-4.6%	-3.5%	-9.9%	-3.5%	13.6%
The University System of Maryland at Hagerstown (USMH)												
Frostburg State University	187.0	193.6	180.9	160.1	182.9	179.5	186.6	186.6	138.9	148.0	133.0	157.0
Coppin State University	0.0	0.0	0.0	0	0.0	0.0	2.8	1.4	1.0	1.5	1.0	0.0
SU	20.3	28.5	29.0	33.9	32.5	30.7	41.6	45.8	55.0	55.9	60.0	70.0
TU	32.6	47.7	52.7	51.8	61.1	72.4	71.1	111.2	90.6	57.2	47.0	50.0
UMCP	1.5	1.1	7.2	9.0	10.6	9.0	3.0	0.0	0.0	0.0	0.0	0.0
UMES										0.0	0.0	10.0
UMUC	5.6	8.0	10.8	12.2	11.6	10.0	1.6	11.0	10.1	10.3	11.0	11.0
USMH Total	247.0	278.9	280.6	267.0	298.7	301.6	306.7	356.0	295.6	272.9	252.0	298.0
% Change	4.7%	12.9%	0.6%	-4.8%	11.9%	1.0%	1.7%	16.1%	-17.0%	-7.7%	-7.7%	18.3%

Source: Universities at Shady Grove; University System of Maryland at Hagerstown

Appendix 2
Allocation of Fiscal 2019 and 2020 Workforce Development Initiative Funds

	2019		2020			Est. Degrees/ Certificates
	<u>WDI Funds</u>	<u>Fund Balance</u>	<u>Other Funds</u>	<u>2019 WDI</u>	<u>2020 Funds</u>	
University of Maryland, Baltimore Campus (UMB)						
Statewide Physician Assistant Partnership		\$648,000			\$1,800,000	35
Substance Use and Disorder Internship Program					800,000	20
					\$2,600,000	
University of Maryland, College Park Campus (UMCP)						
Increased Capacity Computer Science		\$1,675,000			\$1,560,000	600
Immersive Media/Augmented and Virtual Reality		303,000			555,000	70
Enhance Cybersecurity at iSchool		273,000			395,000	40
Computational Journalism					190,000	20
New Neuroscience Major		233,000			570,000	100
Expand Materials Science and Engineering					318,000	20
Expand Public Health Science Program					325,000	20
Electrical Engineering (SMHEC) ¹					300,000	25
					\$4,213,000	
Bowie State University (BSU)						
Building Capacity for Veterans					\$225,000	20
Cybersecurity Certificate			\$346,350		173,000	25
Expand Entrepreneurship Concentration					115,000	25
					\$513,000	
Towson University						
Nursing Simulation Capacity		\$650,000			\$650,000	30
Teacher Education Scholarship Enhancement Program					300,000	25
TUNE – Communications/Health Care Management/Cyber/Environmental Science					700,000	50
					\$1,650,000	

	2019			2020			Est. Degrees/ Certificates
	<u>WDI Funds</u>	<u>Fund Balance</u>	<u>Other Funds</u>	<u>2019 WDI</u>	<u>2020 Funds</u>	<u>Total</u>	
University of Maryland Eastern Shore							
Statewide Physician Assistant Partnership					\$402,900		
						\$402,900	
Frostburg State University (FSU)							
Construction Management Program					\$375,000		18
Statewide Physician Assistant Partnership		\$510,000	\$990,000		510,000		23
						\$885,000	
Coppin State University							
Data Science and Enterprise Resource Planning					\$525,000		50
						\$525,000	
University of Baltimore							
Cyber Security Management Competencies and Programs					\$260,000		15
3D Certification for Simulation and Game Design					23,000		20
Insurance/Risk Management Specialization in Business Program					220,000		10
						\$503,000	
Salisbury University (SU)							
Expand Information and Decision Science		\$62,000			\$365,000		35
Expand Social Work Program (USG) ¹		169,343			244,000		30
Establish Community Health Program (USG) ¹		203,818			218,000		10
SU Total		\$400,000	\$35,158			\$827,000	
University of Maryland Baltimore County (UMBC)							
STEM High Demand Degrees		\$2,000,000			\$1,449,994		75
						\$1,449,994	
University of Maryland Center for Environment Science							
Environmental Professionals Graduate Certificates					\$253,071		20
						\$253,071	

	2019			2020			Est. Degrees/ Certificates
	WDI Funds	Fund Balance	Other Funds	2019 WDI	2020 Funds	Total	
Regional Centers							
USG							
Dental Hygiene/Oral Health Sciences (UMB)	\$709,788			\$709,788	\$40,212		20
Engineering-Embedded Systems (UMCP)	756,242			756,242			50
Engineering Mechatronics (UMCP)					900,000		36
Agricultural Science & Technology (UMCP)					500,000		20
Bioengineering (UMCP)					900,000		70
Psychology w/certificate Addictions Counseling (BSU)					135,000		10
Applied Health Physiology Master of Science (SU)			\$272,535		385,000		25
Computer Science/Cyber/Data Science (UMBC)	167,440	\$117,000		167,440	1,194,973		200
Translational Life Science/Bioinformatics (UMBC)	366,530		100,000	366,530			0
Mechanical Engineering (UMBC)					900,000		70
						\$4,955,185	
University System of Maryland at Hagerstown (USMH)							
Physician Assistant Program USMH Rent – Meritus (FSU)		\$97,850			\$97,850		
Certificate Manufacturing Leadership (FSU)					125,000		20
						\$222,850	
SMHEC							
					\$1,000,000		
						\$1,000,000	
Total	\$2,000,000	\$6,906,850	\$1,744,043*	\$2,000,000		\$20,000,000	
Total WDI Expenditures			\$10,650,893			\$22,000,000	

SMHEC: Southern Maryland Higher Education Center
STEM: science, technology, engineering, and mathematics
TUNE: Towson University in Northeastern Maryland

USG: Universities at Shady Grove
WDI: Workforce Development Initiative

¹ Funds are allocated to the campus and not the regional center.

*Includes \$100,000 from University System of Maryland Office for Translational Life Science/Bioinformatics.

Note: Institutional funds include fund balance or other funds.

**Appendix 3
Fund Balance by Institution
Fiscal 2018-2020**

	2019 Working			2020 Allowance			2019-2020 \$ Change			
	<u>2018 Total</u>	<u>State-supported</u>	<u>Non-State-supported</u>	<u>Total</u>	<u>State-supported</u>	<u>Non-State-supported</u>	<u>Total</u>	<u>State-supported</u>	<u>Non-State-supported</u>	<u>Total</u>
UM, Baltimore Campus	\$188,068	\$27,691	\$164,567	\$192,258	\$29,691	\$169,362	\$199,054	\$2,000	\$4,795	\$6,795
UM, College Park Campus	416,133	164,510	258,830	423,340	173,717	258,830	432,547	9,207	0	9,207
Bowie State U.	27,619	15,355	13,454	28,810	16,309	13,729	30,038	953	275	1,228
Towson U.	80,280	-2,145	86,364	84,219		88,809	88,809	2,145	2,445	4,590
UM Eastern Shore	1,702	-4,956	6,658	1,702	-4,956	6,658	1,702	0	0	0
Frostburg State U.	20,204	3,344	17,393	20,737	3,344	18,437	21,781	0	1,044	1,044
Coppin State U.	10,052	-9,828	20,646	10,818	-8,798	20,381	11,583	1,031	-265	765
U. of Baltimore	14,110	137	15,123	15,260	1,265	15,123	16,388	1,128	0	1,128
Salisbury U.	54,583	2,332	53,851	56,183	1,539	56,644	58,183	-792	2,792	2,000
UM University College	165,053	0	149,641	149,641	0	120,373	120,373	0	-29,267	29,267
UM Baltimore County	92,550	29,164	64,966	94,130	29,164	68,775	97,939	0	3,809	3,809
UM Center for Environment Science	19,989	114	20,172	20,287	114	20,471	20,585	0	298	298
USMO	3,212	2,031	1,466	3,496	2,031	1,750	3,781	0	284	284
Total	\$1,093,554	\$227,749	\$873,132	\$1,100,881	\$243,420	\$859,341	\$1,102,762	\$15,672	-\$13,790	\$1,881

R30B00 – University System of Maryland – Fiscal 2020 Budget Overview

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UM: University of Maryland
USMO: University System of Maryland Office

Source: University System of Maryland

Appendix 4
State Funds per Full-time Equivalent Student
Fiscal 2010-2020

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u> <u>Adjusted</u>	<u>2020</u> <u>Adjusted</u>
UMB	\$28,973	\$28,643	\$28,450	\$28,593	\$30,558	\$32,740	\$33,807	\$33,570	\$33,669	\$34,559	\$37,165
UMCP	12,031	11,886	11,984	12,149	12,800	13,451	13,900	14,085	13,736	14,325	15,517
BSU	7,800	7,704	7,990	8,392	8,683	8,803	9,543	9,571	8,792	8,984	9,353
TU	5,077	5,034	5,077	5,057	5,158	5,573	5,926	6,344	6,310	6,370	7,046
UMES	8,590	7,454	7,487	7,504	8,410	8,620	8,961	11,186	12,131	13,687	14,430
FSU	7,041	6,941	7,264	7,350	7,706	8,112	8,411	9,053	9,548	9,822	10,368
CSU	11,997	12,546	13,061	13,760	15,337	17,003	18,275	20,009	20,872	20,417	21,121
UB	7,127	7,050	6,852	6,387	7,224	7,738	8,333	9,376	10,026	11,424	12,120
SU	5,208	5,143	5,049	5,130	5,308	5,716	6,162	6,529	6,907	6,966	7,335
UMUC	1,447	1,466	1,290	1,360	1,483	1,409	1,201	1,229	1,224	1,154	1,103
UMBC	9,092	9,000	8,875	8,732	9,058	9,511	9,969	10,668	10,882	11,497	12,937

BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 SU: Salisbury University
 TU: Towson University
 UB: University of Baltimore

UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore
 UMUC: University of Maryland University College

Note: UMCP and UMES exclude funding for Agriculture Cooperative Extension and Experimental Station. General funds adjusted to reflect fiscal 2019 one-time bonus and general salary increase, and fiscal 2020 reflects a general salary increase and annualization of fiscal 2019 salary increase. State funds include general funds and Higher Education Investment Funds.

Source: Governor's Budget Books; Department of Legislative Services

Appendix 5
University System of Maryland
Shady Grove Center
Fiscal 2016, 2019, and 2020

Analysis of the FY 2020 Maryland Executive Budget, 2019

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R30B00 – University System of Maryland – Fiscal 2020 Budget Overview

	<u>2016</u> <u>Actual</u>	<u>2019</u> <u>Working</u>	<u>2020</u> <u>Allowance</u>	<u>2016-2020</u> <u>Change</u>	<u>% Change</u>
Full Time FTE	73.00	94.00	97.00		
Part Time FTE	2.50	2.50	2.50		
Total Salaries and Wages	\$7,142,568	\$11,198,208	\$11,772,545	\$4,629,977	64.8%
Communication	\$225,278	\$332,270	\$342,270	\$116,992	51.9%
Travel	69,112	82,506	82,506	13,394	19.4%
Food	0	163,850	163,850	163,850	
Fuel and Utilities	1,067,974	2,004,000	2,229,000	1,161,026	108.7%
Motor Vehicle Operation and Maintenance	484	27,300	27,300	26,816	5540.5%
Contractual Services	4,925,016	4,533,530	4,650,014	-275,002	-5.6%
Supplies and Materials	965,825	602,770	602,770	-363,055	-37.6%
Equipment – Additional	102,197	34,700	34,700	-67,497	-66.0%
Grants, Subsidies, and Contributions	500,000	922,667	922,667	422,667	84.5%
Fixed Charges	266,849	2,919,474	2,919,546	2,652,697	994.1%
Land and Structures	31,872	1,099,000	1,099,000	1,067,128	3348.2%
Academic Program Support – WDI		2,000,000	6,955,185	6,955,185	
UMCP Management Fee	305,830	519,855	548,627	242,797	79.4%
Total Operating Expenses	\$8,460,437	\$15,241,922	\$20,577,435	\$12,116,998	143.2%
Total Expenditures	\$15,603,005	\$26,440,130	\$32,349,980	\$16,746,975	107.3%
Revenue: State Support					
State Appropriations	\$8,634,272	\$16,430,568	\$21,881,816	\$13,247,544	153.4%
Share of Enrollment Funding Initiative	3,262,848	3,262,848	3,262,848		0.0%
Institutional Partners Classroom and Office Fees	720,000	675,000	675,000	-45,000	-6.3%

	<u>2016 Actual</u>	<u>2019 Working</u>	<u>2020 Allowance</u>	<u>2016-2020 Change</u>	<u>% Change</u>
Student Technology Fees	318,000	290,000	290,000	-28,000	-8.8%
Other Usage Revenue (Copier, Telecom, Postage, etc.)	511,648	195,900	195,900	-315,748	-61.7%
Total State Support Revenue	\$13,446,768	\$20,854,316	\$26,305,564	\$12,858,796	95.6%
Revenue: Non-State Support					
Student Activity Fees	\$825,762	\$1,300,000	\$1,300,000	\$474,238	57.4%
Student Facility Fees	410,000	92,000	92,000	-318,000	-77.6%
Conference Center Revenue	1,545,998	850,568	900,000	-645,998	-41.8%
Parking Revenue		985,000	1,001,653	1,001,653	
Total Non-State Support Revenue	\$2,781,760	\$3,227,568	\$3,293,653	\$511,893	18.4%
Fund Balance		\$2,358,246	\$2,750,763		
Total Revenues	\$16,228,528	\$26,440,130	\$32,349,980	\$16,121,452	99.3%

FTE: full-time equivalent

UMCP: University of Maryland, College Park Campus

WDI: Workforce Development Initiative

Source: University System of Maryland