

R30B21
University of Maryland, Baltimore Campus
University System of Maryland

Executive Summary

The University of Maryland, Baltimore Campus (UMB) is the State's public academic health and law university, conducts research, and provides clinical and public services.

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>% Change</u> <u>Prior Year</u>
General Funds	\$221,835	\$224,274	\$232,943	\$8,669	3.9%
Adjustments	0	2,119	11,510	9,391	
Adjusted General Fund	\$221,835	\$226,393	\$244,453	\$18,060	8.0%
Special Funds	9,939	10,393	10,832	439	4.2%
Adjustments	0	0	0	0	
Adjusted Special Fund	\$9,939	\$10,393	\$10,832	\$439	4.2%
Other Unrestricted Funds	419,285	444,880	449,153	4,273	1.0%
Adjustments	0	0	0	0	
Adjusted Other Unrestricted Fund	\$419,285	\$444,880	\$449,153	\$4,273	1.0%
Total Unrestricted Funds	651,059	679,547	692,927	13,380	2.0%
Adjustments	0	2,119	11,510	9,391	
Adjusted Total Unrestricted Funds	\$651,059	\$681,666	\$704,438	\$22,771	3.3%
Restricted Funds	545,422	574,879	575,276	397	0.1%
Adjustments	0	0	0	0	
Adjusted Restricted Fund	\$545,422	\$574,879	\$575,276	\$397	0.1%
Adjusted Grand Total	\$1,196,481	\$1,256,546	\$1,279,714	\$23,168	1.8%

Note: The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

- State funding for UMB in fiscal 2020 increases \$18.5 million, or 7.8%, over fiscal 2019.
- The general fund allowance includes a \$2.5 million grant as stipulated in Chapter 590 of 2018 to fund immunotherapy research and \$2.6 million to fund two workforce development initiatives (WDI), a \$0.1 million increase for WDIs over fiscal 2019.

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

For further information contact: Sara J. Baker

Phone: (410) 946-5530

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	4,948.19	5,123.80	5,123.80	0.00
Contractual FTEs	<u>209.38</u>	<u>225.90</u>	<u>225.90</u>	<u>0.00</u>
Total Personnel	5,157.57	5,349.70	5,349.70	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	67.12	1.31%
Positions and Percentage Vacant as of 12/31/18	195.62	3.82%

- The fiscal 2020 allowance does not provide for any new regular positions. However, the University System of Maryland institutions have personnel autonomy and may create new positions during the year. In fiscal 2019, UMB added 175.6 positions, of which 132.2 are non-State support positions, and 13.8 positions were contractual positions that were converted to regular positions. Of the 43.4 State-supported positions, 22.9 are related to enrollment growth, and the remaining 20.5 positions are to support Health Sciences Facility III, implementation of a new financial system, and faculty development.

Key Observations

- Total enrollment grew 1.1%, or 74 students, in fall 2018. The increase of 112 continuing graduate students is offset by enrollment declines in continuing undergraduates, transfers, and new graduate students.
- After declining for three years, federal research and development expenditures increased 7.2%, or \$14.9 million, totaling \$220.9 million in fiscal 2017.

Operating Budget Recommended Actions

1. See the University System of Maryland overview for systemwide recommendations.

R30B21
University of Maryland, Baltimore Campus
University System of Maryland

Operating Budget Analysis

Program Description

The University of Maryland, Baltimore Campus (UMB) is the State's public academic health and law university providing professional and graduate education, research, patient care, and public service. UMB is comprised of six professional schools and an interdisciplinary graduate school offering graduate and professional degrees in the fields of health, applied health, biomedical science and technology, social work, and law. UMB offers three baccalaureate programs in nursing, dental hygiene, and biomedical research and technology.

The institution aims to respond to the State's critical needs for health and human services professionals. While many of the programs are designed for full-time students, the School of Nursing, the School of Social Work, and the Medical Research and Technology programs have a significant number of part-time students. Additionally, the schools of Nursing, Pharmacy, and Social Work offer programs at the Universities at Shady Grove.

UMB also strives to provide public service to all citizens of the State, especially in the community surrounding its downtown Baltimore campus. UMB provides clinical services in dentistry, law, medicine, nursing, pharmacy, and social work and has two clinical partners – the University of Maryland Medical Center and the Veterans Administration Medical Center.

Carnegie Classification: Special Focus Four-year: Other Health Professions School

Fall 2018 Undergraduate Enrollment Headcount

Male	120
Female	789
Total	909

Fall 2018 Graduate Enrollment Headcount

Male	1,679
Female	4,189
Total	5,868

Fall 2018 New Students Headcount

First-time	0
Transfers/Others	248
Graduate	1,770
Total	2,018

Campus (Main Campus)

Acres	72
Buildings	64
Average Age	38
Oldest	1812 – Davidge Hall

Programs

Bachelor's	3
Master's	23
Doctoral (Research & Scholar)	14
Doctoral (Professional Practice)	6

Degrees Awarded (2017-2018)

Bachelor's	433
Master's	921
Doctoral (Research & Scholar)	81
Doctoral (Professional Practice)	786
Total Degrees	2,221

Proposed Fiscal 2020 In-state Tuition and Fees*

Undergraduate Tuition**	\$9,260
Mandatory Fees	\$1,953

* Contingent on Board of Regents approval.

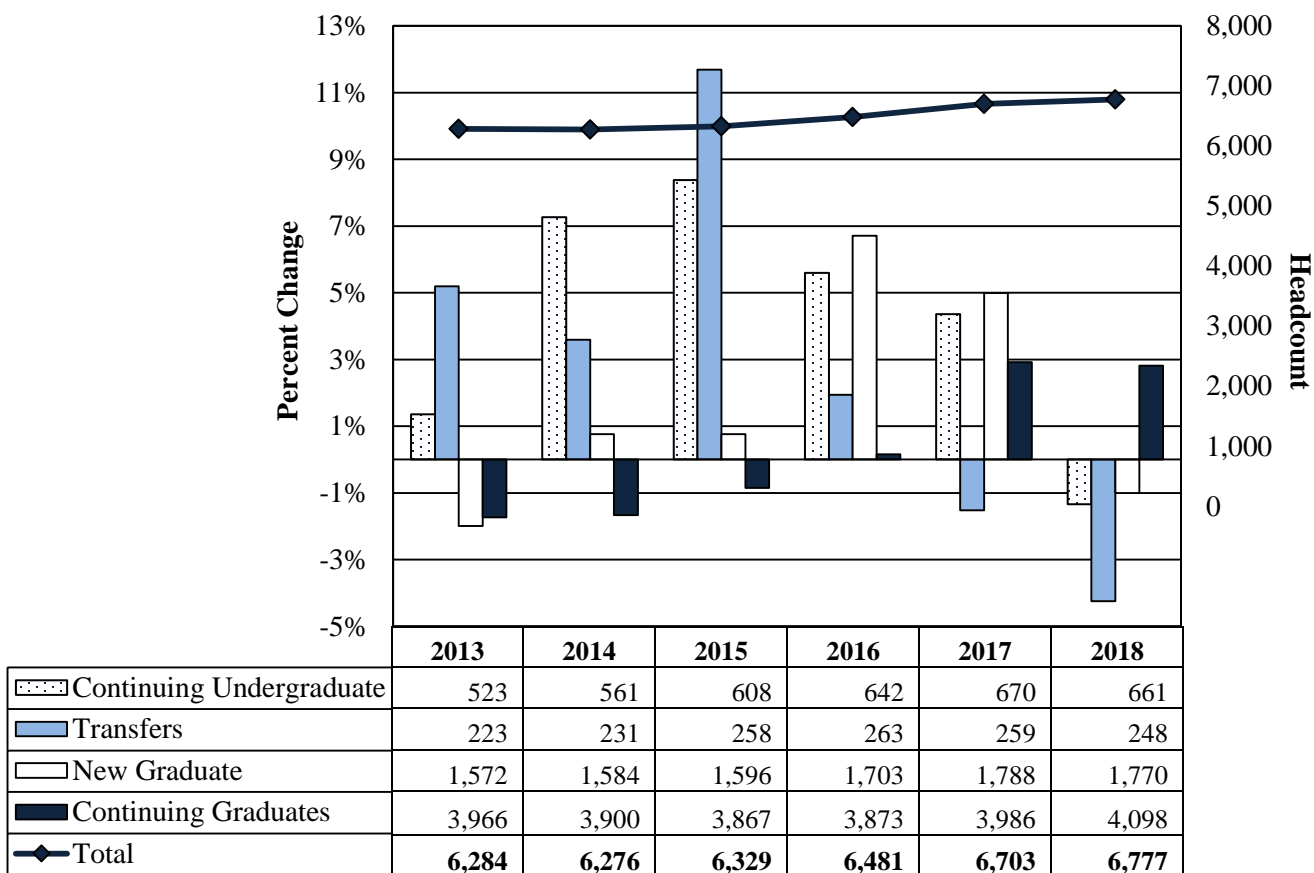
** Nursing Program

Performance Analysis

1. Fall Headcount Enrollment

Total enrollment grew 1.1%, or 74 students, in fall 2018, as shown in **Exhibit 1**. Continuing graduate students increased 2.8%, or 112 students, which was offset by enrollment declines in the other categories of students. Transfers students declined for a second year, decreasing 4.2%, or 11 students, in fall 2018. After increasing 29.8%, or 154 students, from fall 2012 to 2017, the number of continuing undergraduate students declined 1.3%, or 9 students, in fall 2018. Overall, since fall 2013, total enrollment grew 7.8%, or 493 students.

Exhibit 1
Percentage Change and Total Headcount Enrollment
Fall 2013-2018

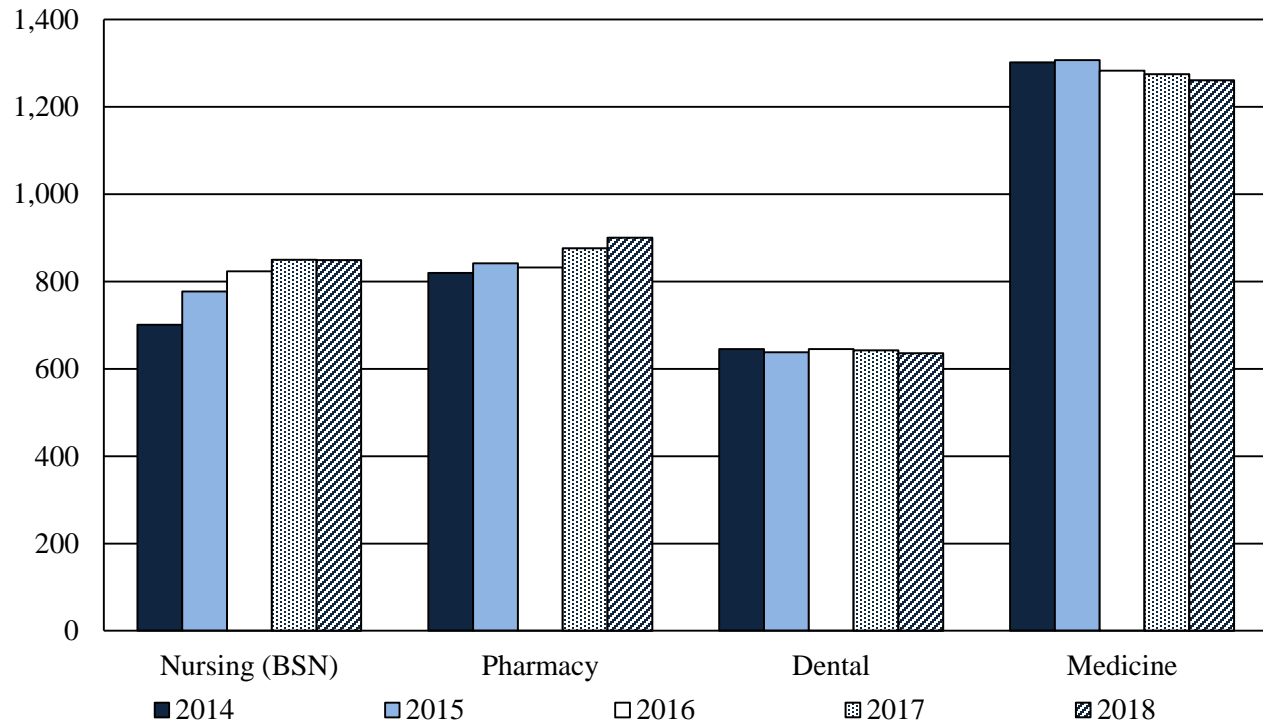


Source: University System of Maryland

2. Medical-related Professional Programs

As the State's public academic health university, UMB trains the majority of the State's physicians, nurses, dentists, and pharmacists. As shown in **Exhibit 2**, enrollment in the Bachelor's of Nursing program steadily increased 21.1%, or 148 students, from fall 2014 to 2018. During the same time period, enrollment in the medical program slightly declined 3.2%, or 41 students, while pharmacy enrollment grew 9.8%, or 80 students.

Exhibit 2
Fall Enrollment Medical Related Professional Program
Fall 2014-2018

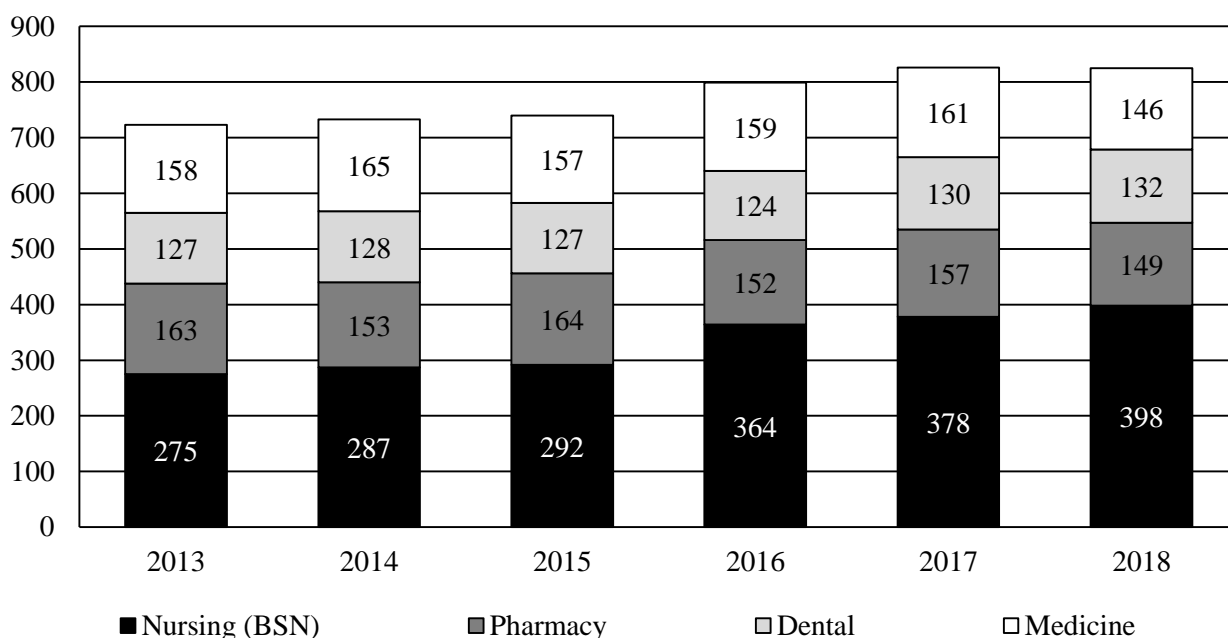


BSN: Bachelor's of Nursing

Source: University of Maryland, Baltimore Campus

Between fiscal 2013 and 2018, the number of medical-related professional graduates grew 14.1%, or 102 graduates, as shown in **Exhibit 3**. Nursing graduates steadily increased during this time period, growing 44.7%, or 275 graduates, while medicine and pharmacy graduates declined 9.3% (15 graduates) and 5.1% (8 graduates), respectively. The number of dental graduates remained steady, increasing 3.9%, or 5 graduates.

Exhibit 3
Medical Related Professional Graduates
Fiscal 2013-2018



BSN: Bachelor's of Nursing

Source: Governor's Budget Books

3. Affordability

Students with the highest level of debt tend to be those who pursue a graduate or professional degrees, such as law or medicine. According to the National Center for Education Statistics, in fiscal 2016, the percentage of national graduate completers with loans was 69% for law degree completers, 75% for other health science doctorates (includes chiropractic, dentistry, optometry, pharmacy, podiatry, and veterinary medicine), and 81% for medical doctorates completers. Furthermore, between fiscal 2000 and 2016, the average student loan debt for doctorate degrees completers increased by:

- 97% for medical doctorates from \$124,700 to \$246,000;
- 75% for other health science doctorates from \$115,500 to \$202,400; and
- 77% for law degrees from \$82,400 to \$145,000.

The debt that a student accumulates over the course of their education at UMB often influences career decisions, such as a medical student choosing a specialization rather than general practice due to the potential to earn a higher income and, therefore, more ability to pay off a student loan. As shown in **Exhibit 4**, depending on the program, the cost of attendance ranges from \$42,655 for a Master of Science in Nursing to \$85,107 for the dental program.

Exhibit 4
Cost of Attendance
Academic Year 2017-2018

	<u>Direct Cost</u> <u>Tuition and Fees</u>	<u>Indirect</u> <u>Cost</u>	<u>School</u> <u>Specific</u>	<u>Total Cost of</u> <u>Attendance</u>
Dental – DDS, Doctor of Dental Surgery	\$40,768	\$34,093	\$10,246	\$85,107
Medical – MD, Doctor of Medicine	35,547	30,005	2,216	67,768
Physical Therapy	27,998	34,588	550	63,136
Law – Juris Doctor	33,651	24,699	2,112	60,462
Pharm D – Doctor of Pharmacy	26,183	28,797	2,598	57,578
Social Work	15,884	37,316	1,399	54,599
Nursing – Clinical Nurse Leader	21,409	29,314	600	51,323
Nursing – Master of Science	13,102	28,953	600	42,655

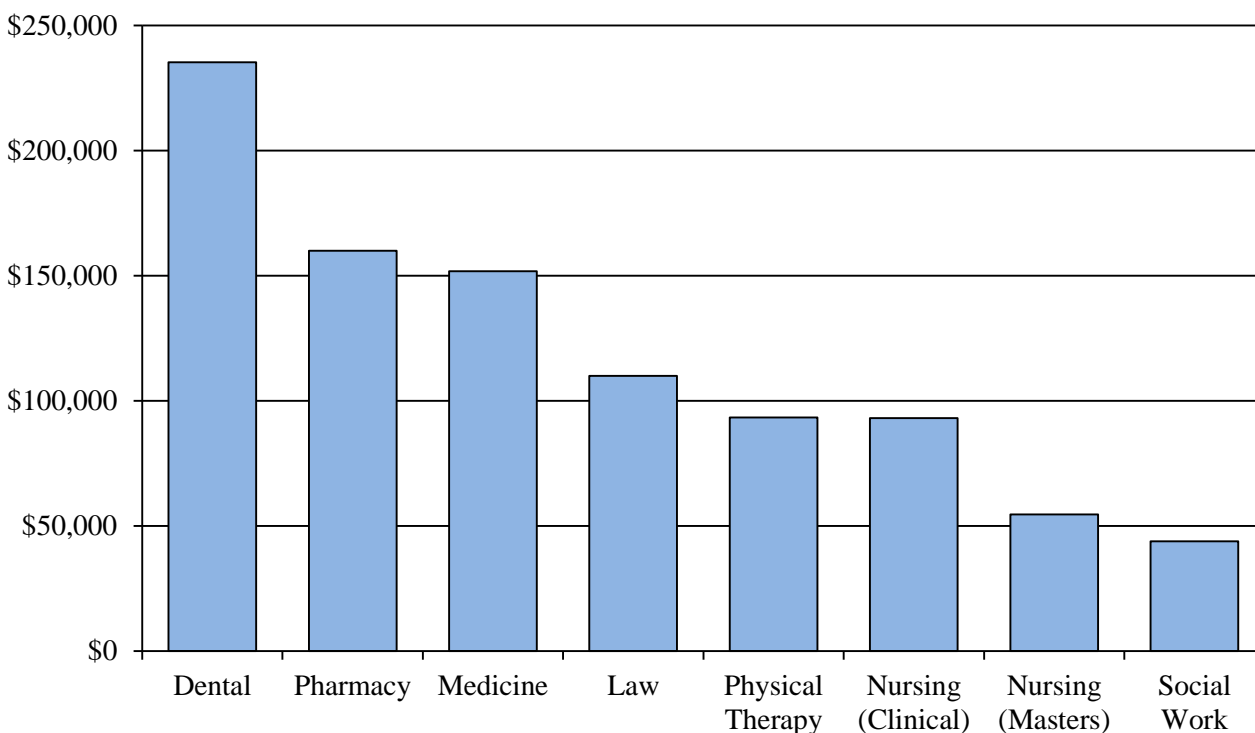
Note: School specific includes board exam fees, computer fees, malpractice insurance fees, instruments, and books and supplies. Indirect costs include living expenses, student loan fees (federal regulations require inclusion of this cost that, on average, adds 5% to the indirect cost), university health insurance, and transportation.

Source: University of Maryland, Baltimore Campus

Most of the UMB graduate and professional students demonstrate financial need, and UMB, as with other institutions, requires all students interested in any type of aid to complete the Free Application for Federal Student Aid, or FAFSA. While UMB does provide some graduate financial aid, \$27.5 million in fiscal 2018 (including grants funded through the University of Maryland Baltimore Foundation), 80% of a student's aid package consists of federal loans.

UMB provides budgeting services to students so that they are only borrowing what they need through its Financial Education and Wellness program. Students are strongly encouraged to use federal loans instead of private loans, which has proven to be successful. In fiscal 2018, 33 graduates took out a total of \$1.1 million in private loans, while 3,281 graduates used federal loans totaling \$122.5 million. Students who use federal loans have more repayment options such as the income-driven plans that are based on a percentage of discretionary income. In general, the borrower pays 10% of their discretionary income, which is adjusted annually, and any outstanding balance after 20 years for undergraduate loans and 25 years for graduate-related loans is forgiven. However, loans forgiven under these programs are considered taxable income. **Exhibit 5** shows the average loan debt (federal and private) by program with the May 2018 dental graduates having the highest average debt of \$235,313.

Exhibit 5
Average Loan Debt by Program
May 2018 Graduates



Source: University of Maryland, Baltimore Campus

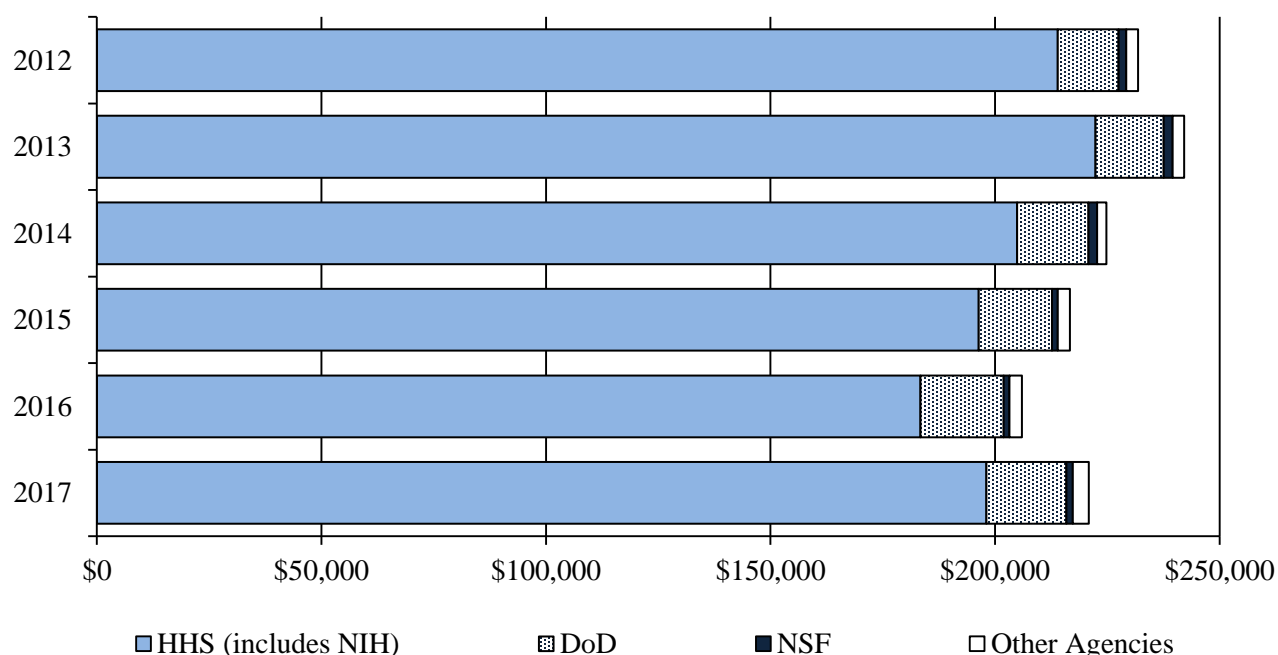
UMB believes that programs should remain accessible and that students should reflect the demographics of the State. To that end, UMB established affordability metrics to form the basis of a tuition setting and financial aid program. The initial phase of the project involved identifying the correlation among cost of attendance, financial aid awards and loans, retention and completion rates, exam pass rates, and lifetime professional earnings. Preliminary findings indicated that even with graduating with high levels of debt, programs are affordable to a majority of students.

Geography impacts debt accrual, earnings, and debt repayment in that lower salaries in underserved areas of the State make it unaffordable for graduates to work in these areas. UMB is considering several policy options to influence affordability such as targeting financial aid to make UMB more affordable to low-income students, increasing and decreasing tuition to control affordability, or advocating for or directly providing loan forgiveness to graduates that practice in underserved areas through programs such as the Janet L. Hoffman Loan Assistance Repayment (LARP) Program and LARP for physicians and physician assistants.

4. Federal Research and Development Expenditures

Research and development (R&D) is a core component of UMB's mission. After reaching the highest level of R&D spending of \$242.1 million in fiscal 2013, expenditures declined 14.9%, or \$36.1 million, by fiscal 2016, as shown in **Exhibit 6**. This was due to expenditures related to contracts from the U.S. Department of Health and Human Services (HHS), which includes the National Institutes of Health, declining by \$39.0 million. In fiscal 2017, federal R&D expenditures increased 7.2%, or \$14.9 million, which is due to HHS spending increasing by \$14.7 million. Overall, HHS expenditures account for almost 90% of total federal R&D expenditures. In terms of total R&D expenditures, which totaled \$220.9 million in fiscal 2017, UMB ranked 56 out of 902 institutions according to the National Science Foundation.

Exhibit 6
Federally Funded Research and Development Expenditures by Federal Agency
Fiscal 2012-2017
(\$ in Thousands)



DoD: Department of Defense
HHS: U.S. Department of Health and Human Services
NIH: National Institutes of Health
NSF: National Science Foundation

Source: National Science Foundation, National Center for Science and Engineering Statistics, Higher Education R&D Survey

Fiscal 2019 Working Budget

Education and General Expenditures

Since tuition and fee revenues in the allowance are based on enrollment projections, increases and decreases in enrollment can have a significant effect on an institution's revenues. Therefore, looking at the changes in expenditures by program area between fiscal 2018 and 2019, when institutions know their fall enrollment, provides a more accurate picture of funding priorities.

Exhibit 7 shows budget changes for unrestricted funds by program area for fiscal 2018 and 2019, which increase by \$29.5 million, or 5.2%, in fiscal 2019. The fiscal 2019 education and general expenditures and revenues are adjusted to reflect a one-time \$500 bonus and a 0.5% general salary increase totaling \$2.1 million. Spending increases include:

- \$15.5 million, or 16.9%, in institutional support related to spending less than budgeted in fiscal 2018 (\$4.4 million), budgeting for anticipated fund balance transfers to support programs or initiatives (\$4.5 million), the timing of when University of Maryland Medical System (UMMS) payments were credited (\$2.1 million), costs of implementing a new financial system (\$2.1 million), equipment purchases (\$1.1 million), and increases in other costs (\$0.6 million);
- \$7.3 million, or 3.4%, in instruction related to hiring more faculty and staff due to increases in enrollment and grant activity (\$5.0 million), travel costs related to recruitment (\$0.3 million), supplies and materials (\$1.0 million), and redistribution of funds from research to instruction due to the recategorization of programs (\$1.0 million);
- \$5.5 million, or 6.9%, in operations and maintenance of plant related to utilities (\$4.0 million), transfer to plant fund (\$0.7 million), debt service (\$0.2 million), equipment purchases (\$0.2 million), and increased rent (\$0.2 million);
- \$4.9 million, or 7.7%, in academic support due to a transfer to plant fund for future nursing renovation projects (\$1.3 million), other renovation projects (\$0.4 million), a new faculty development center initiative (\$0.3 million), year-to-year fluctuation in activity of the service centers (\$1.3 million), other operating expenditures (\$0.8 million), and student aid and other grants related to increase enrollment in the nursing program (\$0.2 million);
- \$1.0 million, or 26.6%, in student services related to the student counseling center and enrollment administration office (\$0.6 million), a one-time student health insurance credit in fiscal 2018 (\$0.2 million), and general operating expenditures (\$0.2 million); and
- \$0.6 million, or 12.9%, in public service due to expansion of community engagement activities.

Exhibit 7
Budget Changes for Unrestricted Funds by Program
Fiscal 2018-2019
(\$ in Thousands)

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Working</u>	<u>2018-2019</u> <u>Change</u>	<u>2018-2019</u> <u>% Change</u>
<u>Expenditures</u>				
Institutional Support	\$91,377	\$106,836	\$15,459	16.9%
Instruction	213,615	220,925	7,309	3.4%
Operation and Maintenance of Plant	79,308	84,773	5,465	6.9%
Academic Support	64,108	69,037	4,929	7.7%
Student Services	3,922	4,965	1,043	26.6%
Public Service	4,758	5,371	613	12.9%
Scholarships and Fellowships	15,933	16,217	284	1.8%
Research	93,285	85,596	-7,689	-8.2%
General Salary Increase/Bonus		2,119		
E&G Total	\$566,307	\$595,840	\$29,533	5.2%
Auxiliary Enterprises	\$30,977	\$29,039	-\$1,938	-6.3%
Hospitals	53,775	56,788	3,013	5.6%
Total Expenditures	\$651,059	\$681,666	\$30,608	4.7%
<u>Revenues</u>				
Tuition and Fees	\$140,631	\$145,839	\$5,209	3.7%
State Funds ¹	231,774	236,786	5,012	2.2%
Other	263,969	272,904	8,934	3.4%
Total E&G Revenues	\$636,374	\$655,529	\$19,155	3.0%
Auxiliary Enterprises	\$31,283	\$30,328	-\$955	-3.1%
Transfer (to)/from Fund Balance	-16,598	-4,190		
Available Unrestricted Revenues	\$651,059	\$681,666	\$30,608	4.7%

E&G: Education and General

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

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

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

Expenditures on research decline \$7.7 million, or 8.2%, primarily related to the fiscal 2018 budget, including the final campus commitment of \$10.0 million for Health Sciences Research Facility III and a redistribution of \$1.0 million to the instruction program area that is partly offset by a \$1.3 million increase in Designated Research Initiative Funds.

Proposed Budget

As shown in **Exhibit 8**, the general fund allowance for fiscal 2020 is 8.0%, or \$18.1 million, higher than in fiscal 2019 after adjusting for salary enhancements. The general funds for these salary enhancements are included in the Department of Budget and Management budget. The Higher Education Investment Fund (HEIF) increases 4.2%, or \$0.4 million, resulting in an overall growth in State funds of \$18.5 million, or 7.8%.

Exhibit 8
Proposed Budget
University of Maryland, Baltimore Campus
Fiscal 2018-2020
(\$ in Thousands)

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Working</u>	<u>2020</u> <u>Adjusted</u>	<u>2018-2019</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$221,835	\$226,393	\$244,453	\$18,060	8.0%
HEIF	9,939	10,393	10,832	439	4.2%
Total State Funds	\$231,774	\$236,786	\$255,285	\$18,499	7.8%
Other Unrestricted Funds	\$435,883	\$449,070	\$455,948	\$6,878	1.5%
Transfer to Fund Balance	-16,598	-4,190	-6,795		
Net Unrestricted Funds	\$651,059	\$681,666	\$704,438	\$22,771	3.3%
Restricted Funds	\$545,422	\$574,879	\$575,276	\$397	0.1%
Total Funds	\$1,196,481	\$1,256,546	\$1,279,714	\$23,168	1.8%

HEIF: Higher Education Investment Fund

Note: Fiscal 2019 reflects a one-time bonus and a general salary increase. Fiscal 2020 reflects annualization of the fiscal 2019 general salary increase and a general salary increase.

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

R30B21 – USM – University of Maryland, Baltimore Campus

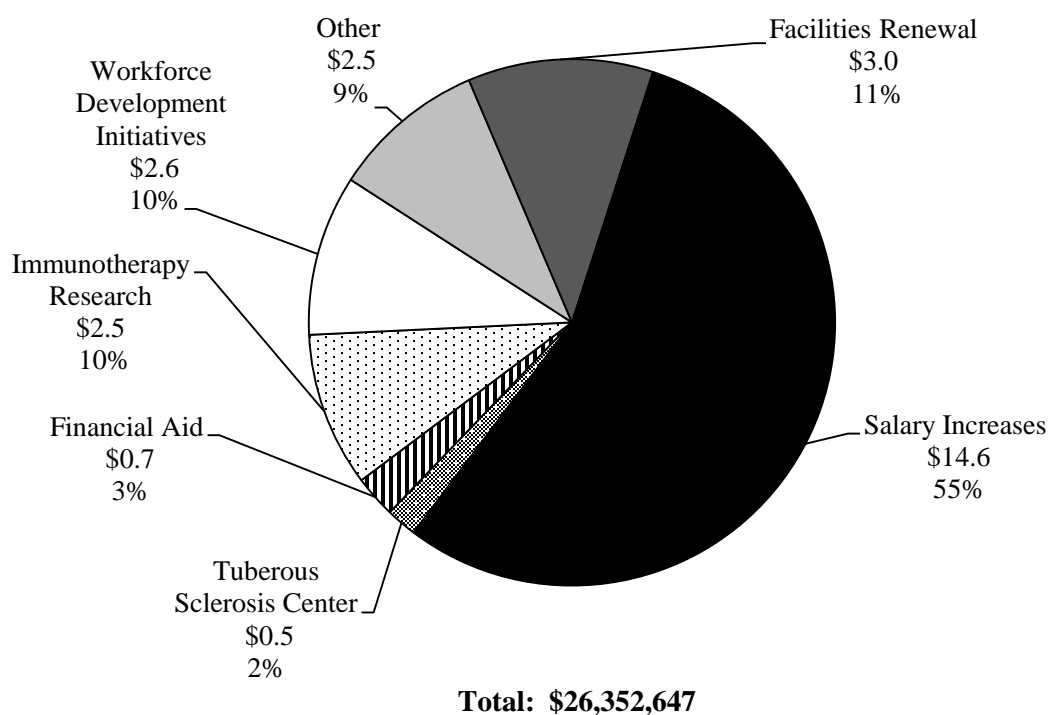
The fiscal 2020 State fund (general funds and the HEIF) allowance grows \$18.5 million:

- \$12.5 million for general salary increases;
- \$2.6 million for workforce development initiatives (WDI), of which \$1.8 million is to support a statewide Physician Assistant program, and \$0.8 million for the Maryland substance use and disorder internship program. Overall funding for WDI increases \$0.1 million compared to fiscal 2019;
- \$2.5 million for a one-time grant as stipulated in Chapter 590 of 2018 to fund immunotherapy research;
- \$0.5 million to establish a tuberous sclerosis center; and
- \$0.4 million for miscellaneous adjustments.

Other current unrestricted funds increase 1.5%, or \$6.9 million, which is primarily related to a \$6.2 million increase in tuition and fee revenues with the remaining revenues from other sources. Overall, when including a planned fund balance transfer of \$6.8 million, total unrestricted funds grow 3.3%, or \$22.8 million.

In fiscal 2020, current services costs, including salary increases and WDIs, increase \$26.4 million. As shown in **Exhibit 9**, general salary increases account for 55% of the total costs. Facilities renewal and other costs comprise 20% of the increase in expenditures. However, as previously mentioned, unrestricted funds only increase by \$22.8 million, resulting in a shortfall of \$3.6 million in revenues to cover costs. Therefore, if revenues in fiscal 2020 do not improve, UMB will need to either reduce the planned transfer to fund balance or reduce expenditures.

Exhibit 9
Breakdown of Spending Increases
Fiscal 2020
(\$ in Millions)



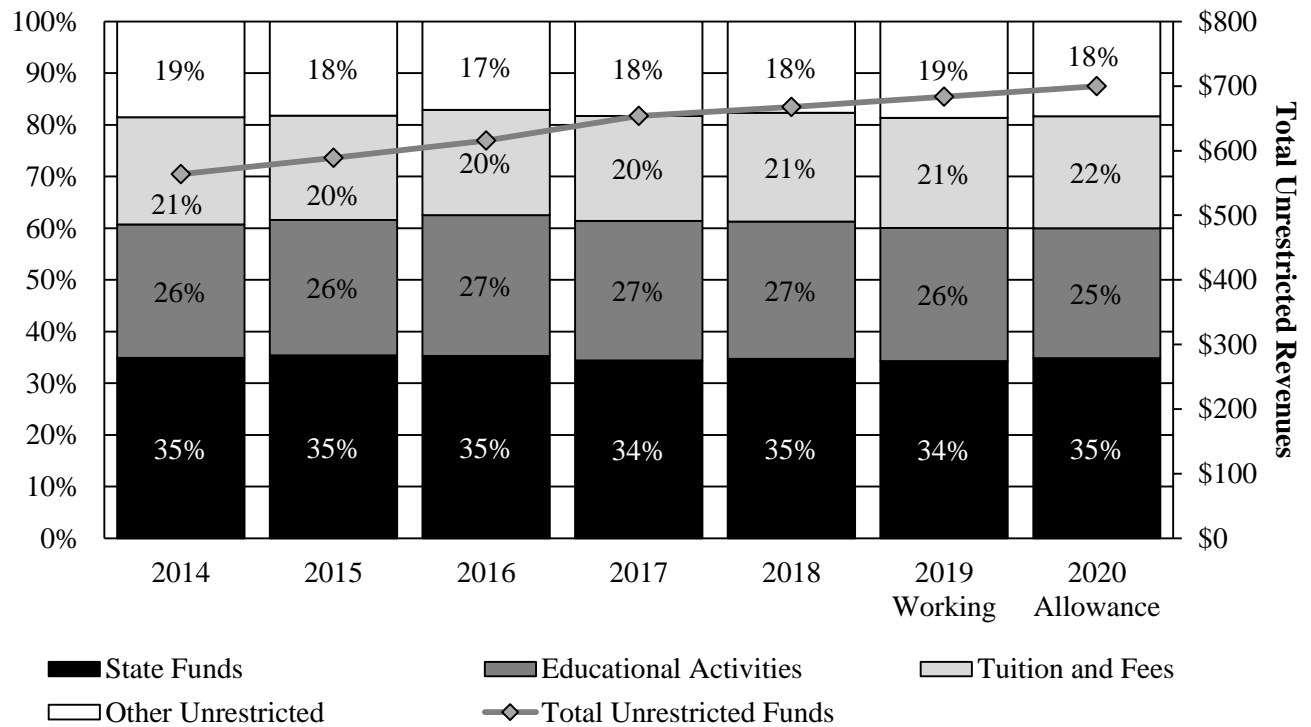
Note: General salary increase includes annualization of the fiscal 2019 salary increases and the fiscal 2020 general salary increase. Other includes miscellaneous adjustments, new program faculty, classroom technology upgrades, and online and traditional curriculum development.

Source: University System of Maryland; Department of Legislative Services

Revenue Sources

In the fiscal 2020 allowance, State funds (general funds and the HEIF) and tuition and fee revenues comprise 35.0% and 25.0%, respectively, of UMB's current unrestricted revenues, as shown in **Exhibit 10**. Educational activities, which include revenues from UMMS, comprise approximately a quarter of UMB's unrestricted revenues. Overall, between fiscal 2014 and 2020, unrestricted revenues grew 24.2%, or \$136.3 million, with State funds accounting for \$47.1 million of the increase and tuition and fee revenues for \$35.3 million.

Exhibit 10
Unrestricted Revenues by Fund Source
Fiscal 2014-2020
(\$ in Millions)



Source: Governor's Book Budgets

Issues

1. MPowering Update

MPowering is a formal alliance between the University of Maryland, College Park Campus (UMCP) and UMB that was approved by the Board of Regents in March 2012 and was formalized in Chapter 25 of 2016. The University of Maryland (UM) strategic partnership leverages the resources of UMCP and UMB to improve and enhance academic programs and experiences for students, research, technology transfer, and commercialization. A joint steering committee identifies academic and research programs that may benefit from alignment and collaboration between the campuses. In July 2018, a vice president for research was jointly appointed by UMCP and UMB, resulting in the research operations at both institutions now functioning under one administrative office. Accomplishments to date are listed below.

Joint Research and Commercialization

- Since 2012, 513 joint research proposals have been submitted, resulting in \$164 million in new grants and contracts awards.
- Seed grants have been awarded to 70 cross-disciplinary/cross-institutional new research projects, which could lead to external funding.
- Since 2011, 88 start-up companies have been created; one-third in the last two years.
- In fiscal 2018, UMCP's and UMB's university-created startups raised almost \$300 million in external funding.
- Since fiscal 2018 invention disclosures (notification that an invention has been created beginning the patenting process) increased 58% and the number of licenses by 107%.

The Center for Maryland Advanced Ventures at the University of Maryland (CMAV) at UMB was established by statute in 2016 and focuses on transferring technology developed at UM to the private sector. Initiatives currently being undertaken include:

- managing the Baltimore Fund with \$1.0 million provided specifically to provide grants and/or investments to university-created or sponsored companies that locate in the city. In fiscal 2018, funds were committed to 13 university-affiliated or sponsored technology entities, creating or retaining 200 jobs; and
- CMAV staffing the Maryland Momentum Fund (MMF), a \$10 million University System of Maryland (USM) fund investing in early-stage companies affiliated with USM. After reaching out to all USM institutions to solicit applications for funding, 115 companies representing

six USM institutions sought funding of which eight companies were approved – three from UMB, three from UMCP, and two from University of Maryland Baltimore County. In fiscal 2018, \$729,000 was invested in these companies, and with the help of the MMF director, these companies raised \$3.9 million for external investors.

Joint Academic Collaborations

- 600 UMCP students have participated in the MLAW Undergraduate Programs in Law that exposes students to ideas, mentors, and professional opportunities in law.
- 500 UMCP bioengineering students have partnered with UMB medical faculty to explore engineering solutions to health care challenges. In 2018, eight teams filed product invention disclosures.
- 100 UMB and UMCP students engaged in mentor faculty research in health sciences, law, and social work through the UM Scholars program.
- 80 Masters of Science in Law degrees have been awarded since the program began in September 2015.

The statute also established the University of Maryland Center for Economic and Entrepreneurship Development (UMCEED) at UMCP that focuses on advancing the education of students by developing degree and credential programs in virtual and augmented reality, neurosciences, biomedical devices, data analytics, and cybersecurity. In the first year of funding (fiscal 2018) UMCEED received \$2.0 million which was used to:

- support three new undergraduate majors in information sciences, neuroscience, and immersive media;
- expand capabilities in the Department of Computer Science; and
- support a joint program between UMB and UMCP through the Robert E. Fischell Institute for Biomedical Devices.

The statute also requires the Presidents of UMB and UMCP to recommend mechanisms that would permit the joint reporting of the UM campuses for national survey rankings, including reporting under the unified federal identification number. **The Presidents should comment on the progress on developing a mechanism that would permit the joint reporting of the UM campuses.**

Operating Budget Recommended Actions

1. See the University System of Maryland overview for systemwide recommendations.

Appendix 1
Current and Prior Year Budgets
USM – University of Maryland, Baltimore Campus
(\$ in Thousands)

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Other</u> <u>Unrestricted</u> <u>Fund</u>	<u>Total</u> <u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u>
Fiscal 2018							
Legislative Appropriation	\$224,486	\$9,939	\$0	\$407,031	\$641,456	\$483,412	\$1,124,868
Deficiency/ Withdrawn Appropriation	-1,548	0	0	0	-1,548	0	-1,548
Cost Containment	-1,387	0	0	0	-1,387	0	-1,387
Budget Amendments	285	0	0	34,513	34,798	67,128	101,926
Reversions and Cancellations	0	0	0	-22,260	-22,260	-5,118	-27,378
Actual	\$221,835	\$9,939	\$0	\$419,285	\$651,059	\$545,422	\$1,196,481
Fiscal 2019							
Legislative Appropriation	\$221,257	\$10,393	\$0	\$430,159	\$661,809	\$519,431	\$1,181,240
Budget Amendments	3,017	0	0	14,721	17,738	55,448	73,186
Appropriation	\$224,274	\$10,393	\$0	\$444,880	\$679,547	\$574,879	\$1,254,426

USM: University System of Maryland

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

Fiscal 2018

For fiscal 2018, the general fund appropriation for the University of Maryland, Baltimore Campus (UMB) decreased by \$2.7 million, which included withdraw of \$1.5 million related to health insurance and \$1.4 million in cost containment measures. A budget amendment transferred \$0.3 million from the Maryland Higher Education Commission for the WellMobile.

Other unrestricted funds increased \$12.3 million. Budget amendments added \$34.5 million including:

- \$19.5 million in indirect cost recovery;
- \$9.6 million in sales and services of educational activities related to increases in the revolving fund, nursing, and software licensing;
- \$2.3 million in other sources related to interest income and development funds;
- \$2.0 million in tuition and fee revenue related to additional enrollment in the School of Nursing and a change in the mix of students in the law and pharmacy programs; and
- \$1.6 million in auxiliary enterprises.

These increases are partially offset by a decreases in tuition and fee revenue due to a decline in enrollment (\$0.2 million), a decline in auxiliary enterprises (\$80,825), and an increase in the amount transferred to the fund balance (\$0.2 million). Cancellation of unrestricted funds totaled \$22.3 million due to expenditures slightly less than budgeted, including \$7.8 million in sales and services of educational activities, \$4.7 million in indirect costs, \$2.6 million related to MPowering activities, \$2.7 million in other expenditures, \$2.4 million related to utilities, and a \$1.6 million transfer from the fund balance to general fund. In addition, revenues from other sources were \$2.8 million lower than anticipated. These cancellations were partially offset by an additional \$2.3 million in federal and State indirect cost recovery.

Current restricted funds increased \$62.0 million. Budget amendments increased funds by \$67.1 million, including \$49.0 million in federal contracts and grants activity, \$12.5 million in other sources associated with the University of Maryland Medical System (UMMS) and Kernan Service contracts, and \$5.6 million in State and local and private grants and contracts. Cancellation of restricted funds amounted to \$5.1 million due to expenditures on grants and contracts being less than budgeted.

Fiscal 2019

To date, in fiscal 2019, UMB's general fund appropriation increased \$3.0 million due to a 2% general salary increase effective January 1, 2019. Other unrestricted funds have increased \$14.7 million including:

- \$10.6 million to align federal, State, and private grants and contract activity with current projections;
- \$2.5 million less being transferred to fund balance to fund costs associated with USM's workforce development initiative;
- \$1.3 million in sales of services of educational activities due to the reclassification of clinical laboratory fees;
- \$1.2 million in auxiliary enterprises primarily related to increase in parking rates; and
- \$0.8 million in other sources.

These increases were partly offset by \$1.7 million decline in tuition and fee revenue related to a change in the enrollment mix.

Current restricted funds increased \$55.4 million, of which \$51.4 million is related to aligning federal, State, and private grants and contracts activity with current projections and of which \$4.0 million is in other sources mainly associated with UMMS.

Appendix 2
Object/Fund Difference Report
University System of Maryland – University of Maryland, Baltimore Campus

<u>Object/Fund</u>	<u>FY 18 Actual</u>	<u>FY 19 Working Appropriation</u>	<u>FY 20 Allowance</u>	<u>FY 19 - FY 20 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	4,948.19	5,123.80	5,123.80	0.00	0%
02 Contractual	209.38	225.90	225.90	0.00	0%
Total Positions	5,157.57	5,349.70	5,349.70	0.00	0%
Objects					
01 Salaries and Wages	\$ 783,112,950	\$ 812,346,616	\$ 817,112,345	\$ 4,765,729	0.6%
02 Technical and Special Fees	4,740,496	4,618,632	4,643,256	24,624	0.5%
03 Communication	6,512,256	6,577,061	6,576,730	-331	0%
04 Travel	13,525,556	14,470,398	14,470,398	0	0%
06 Fuel and Utilities	18,844,934	22,864,783	22,864,783	0	0%
07 Motor Vehicles	3,547,496	3,601,835	3,601,182	-653	0%
08 Contractual Services	206,458,229	240,180,269	245,347,805	5,167,536	2.2%
09 Supplies and Materials	42,451,935	45,739,329	45,739,329	0	0%
10 Equipment – Replacement	1,055,964	1,136,741	1,136,741	0	0%
11 Equipment – Additional	17,509,870	18,341,161	18,341,161	0	0%
12 Grants, Subsidies, and Contributions	37,699,759	37,285,297	37,966,412	681,115	1.8%
13 Fixed Charges	34,336,105	33,475,191	33,614,282	139,091	0.4%
14 Land and Structures	26,685,364	13,789,161	16,789,161	3,000,000	21.8%
Total Objects	\$ 1,196,480,914	\$ 1,254,426,474	\$ 1,268,203,585	\$ 13,777,111	1.1%
Funds					
40 Unrestricted Fund	\$ 651,058,825	\$ 679,547,170	\$ 692,927,362	\$ 13,380,192	2.0%
43 Restricted Fund	545,422,089	574,879,304	575,276,223	396,919	0.1%
Total Funds	\$ 1,196,480,914	\$ 1,254,426,474	\$ 1,268,203,585	\$ 13,777,111	1.1%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

R30B21 – USM – University of Maryland, Baltimore Campus

Appendix 3
Fiscal Summary
University System of Maryland – University of Maryland, Baltimore Campus

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
01 Instruction	\$ 234,371,182	\$ 244,154,477	\$ 246,604,364	\$ 2,449,887	1.0%
02 Research	445,628,739	463,831,210	468,302,566	4,471,356	1.0%
03 Public Service	7,922,702	9,236,497	9,205,972	-30,525	-0.3%
04 Academic Support	64,364,215	69,305,095	69,547,967	242,872	0.4%
05 Student Services	3,922,053	4,965,340	5,007,342	42,002	0.8%
06 Institutional Support	91,376,996	106,836,208	103,116,805	-3,719,403	-3.5%
07 Operation And Maintenance of Plant	79,308,219	84,773,117	93,777,979	9,004,862	10.6%
08 Auxiliary Enterprises	30,977,197	29,038,925	29,064,660	25,735	0.1%
17 Scholarships And Fellowships	25,771,211	26,117,019	26,798,134	681,115	2.6%
18 Hospitals	212,838,400	216,168,586	216,777,796	609,210	0.3%
Total Expenditures	\$ 1,196,480,914	\$ 1,254,426,474	\$ 1,268,203,585	\$ 13,777,111	1.1%
Unrestricted Fund	\$ 651,058,825	\$ 679,547,170	\$ 692,927,362	\$ 13,380,192	2.0%
Restricted Fund	545,422,089	574,879,304	575,276,223	396,919	0.1%
Total Appropriations	\$ 1,196,480,914	\$ 1,254,426,474	\$ 1,268,203,585	\$ 13,777,111	1.1%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.