

RB.28
University of Baltimore
University System of Maryland

Operating Budget Data

(\$ in Thousands)

	FY 00	FY 01	FY 02		% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$21,666	\$23,476	\$25,281	\$1,806	7.7%
Other Unrestricted Funds	25,939	27,306	29,179	1,873	6.9%
Total Unrestricted Funds	47,605	50,782	54,460	3,678	7.2%
Restricted Funds	<u>5,170</u>	<u>5,579</u>	<u>5,809</u>	<u>230</u>	<u>4.1%</u>
Total Funds	\$52,774	\$56,361	\$60,269	\$3,908	6.9%

- The general fund allocation of the allowance places the University of Baltimore (UB) at 99% of its fiscal 2002 funding guideline.
- The university intends to use a portion of the increase to continue to enhance its information technology and distance learning programs and services.

Personnel Data

	FY 00	FY 01	FY 02	
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	477.27	492.27	529.27	37.00
Contractual FTEs	<u>152.85</u>	<u>152.97</u>	<u>137.83</u>	<u>(15.14)</u>
Total Personnel	630.12	645.24	667.10	21.86

Vacancy Data: Regular

Budgeted Turnover: FY 02	26.52	5.01%
Positions Vacant as of 12/31/00	24.77	5.03%

- Twenty-five of the 37 new positions are contractual conversions.
- There are ten new contractual positions.

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

For further information contact: Brent E. Johnson

Phone: (410) 946-5530

Analysis in Brief

Issues

1. Purchase of 1300 North Charles Street: UB anticipates final approval of this long-delayed purchase before the end of the fiscal year. **It is recommended that the President brief the committees on the current status of the purchase negotiation.**

Recommended Actions

1. Concur with Governor's allowance.

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Operating Budget Analysis

Program Description

The University of Baltimore (UB) emphasizes career-oriented educational programs in the study of law, business, public administration, and related professional applications of the liberal arts at the doctoral, masters, and advanced undergraduate levels. UB is located in the Mt. Vernon/Mt. Royal neighborhood of Baltimore and attracts students with professional objectives. The student body is a mix of full- and part-time, day and evening, and traditional and returning students, reflecting the racial and ethnic diversity of the metropolitan region. The undergraduate program is primarily upper division.

While both basic and applied research are encouraged and supported at UB, applications-oriented research is emphasized. For example, economic and policy analysis is provided as a public service by faculty at such centers as the Schaefer Center for Public Policy and the Jacob France Center for Business and Economic Studies; examination of values in professional settings is conducted by the Hoffberger Center for Professional Ethics; and analysis of Maryland and national legal issues is conducted by the law faculty.

Governor's Proposed Budget

The fiscal 2002 allowance for UB is \$60.3 million; the allowance increases by \$3.9 million dollars over the fiscal 2001 appropriation, representing a 6.9% increase. General funds in fiscal 2002 are \$25.3 million, representing an 7.7% increase over the fiscal 2001 appropriation. The increase in general funds accounts for 46.2% of the overall increase in fiscal 2002. The general fund allocation of the allowance places UB at 99.3% of their fiscal 2002 funding guideline. Restricted funds increase by \$230,000 in fiscal 2002. **Exhibit 1** illustrates the major changes in the fiscal 2002 allowance. **Exhibit 2** illustrates the allocation of the fiscal 2002 increases. Details are discussed below.

New Positions

The fiscal 2002 allowance includes thirty-seven new positions, twenty-five of which are contractual conversions. These conversions include twelve housekeeping positions under Plant Operations. Nine security officers are also included under Institutional Support and Auxiliary Enterprises. Other conversions include a statistical data analyst, a student services specialist, and several information technology (IT) positions.

UB is also requesting four additional assistant professors, a library associate for the law library, three research assistants for the Schaefer Center, a program specialist for the law admissions department, a UB police officer, and additional auxiliary positions.

Exhibit 1

**Governor's Proposed Budget
University of Baltimore
(\$ in Thousands)**

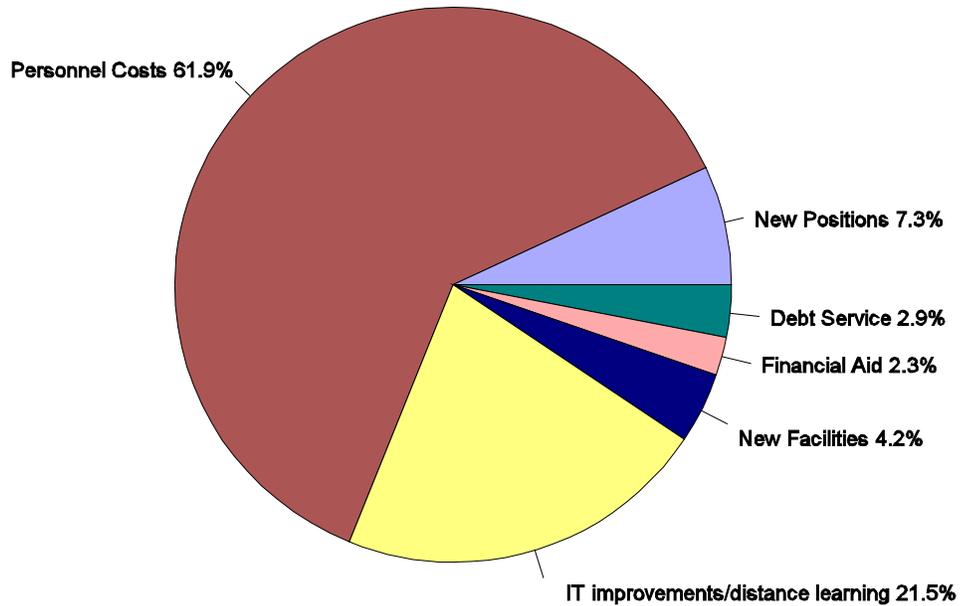
How Much It Grows:	General Funds	Other Unrestricted Funds	Total Unrestricted Fund	Restricted Fund	Total
2001 Working Appropriation	\$23,476	\$27,306	\$50,782	\$5,579	\$56,361
2002 Governor's Allowance	25,281	29,179	54,460	5,809	60,269
Amount Change	\$1,806	\$1,873	\$3,678	\$230	\$3,908
Percent Change	7.7%	6.9%	7.2%	4.1%	6.9%
Where It Goes:					
Personnel Expenses					
New positions, includes net impact of contractual conversions					\$300
Fringe benefits					690
Increase to maintain current services					686
General salary increase					596
Cost-of-living adjustment annualization					587
Program Enhancements					
IT minimum standards, including e-learning initiative					640
Distance education and library enhancements					250
New facilities annualization (1300 North Charles Street)					172
Increase financial aid					97
Other Changes					
Academic revenue bond debt service					119
Other adjustments					(229)
Total					\$3,908

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

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Exhibit 2

**University of Baltimore
Allocation of Fiscal 2002 Allowance Increase**



Source: University of Baltimore

Information Technology Enhancements

UB has focused its IT activities on enhancing its web-based course offerings and distance learning activities. UB currently offers on-line courses that supplement classroom courses and fully on-line academic courses. UB's IT activities are part of its strategy to build the technology infrastructure to project its programmatic offerings to students throughout the State such as its web-based MBA program. UB is also requesting to use a part of the allowance to meet the University System of Maryland Board of Regent's IT Access and Fluency policies to keep computer labs open 24 hours a day/seven days a week.

Tuition and Fees

Tuition and fee revenues for the University of Baltimore in fiscal 2002 are expected to be \$24.9 million. Tuition and fee revenues comprise 41.3% of UB's revenue in fiscal 2002. **Exhibit 3** illustrates the fiscal 2002 tuition and fee schedule for undergraduate and law school students. In-state undergraduate tuition and fees increase by 8%. Tuition and fees for in-state, full-time law students increase by 6.6%.

Exhibit 3

University of Baltimore Tuition and Fees for Fiscal 2001 and 2002 Undergraduate and Law Students

	<u>FY 2001</u>	<u>FY 2002</u>	<u>Amount Change</u>	<u>% Change</u>
Full-time undergraduate student				
In-state undergraduate tuition	\$3,542	\$3,684	\$142	4.0%
Out-of-state undergraduate tuition	11,320	11,774	454	4.0%
Auxiliary fees				
Auxiliary services fee	379	499	120	31.7%
Student services fee	219	291	72	32.9%
Student government association	30	30	0	0.0%
Total auxiliary fees	\$628	\$820	\$192	30.6%
Total in-state cost	\$4,170	\$4,504	\$334	8.0%
Total out-of-state cost	\$11,948	\$12,594	\$646	5.4%
Full-time law student				
In-state tuition	\$9,478	\$9,952	\$474	5.0%
Out-of-state tuition	16,914	17,760	846	5.0%
Total auxiliary fees	\$638	\$830	\$192	30.1%
Total in-state cost	\$10,116	\$10,782	\$666	6.6%
Total out-of-state cost	\$17,552	\$18,590	\$1,038	5.9%

Source: University System of Maryland

Performance Analysis: Managing for Results

Due to UB's focus on upper division programs and the large percentage of graduate students, its Managing for Results (MFR) goals are very career-oriented. Some of these goals include UB graduates: (1) being successful in their chosen careers; and (2) being valued by their employers. Another goal focuses on expanding access for qualified State residents to UB's academic programs and services regardless of geographic location, economic means, or other limiting circumstances. A sample of UB's MFR performance indicators supporting these themes and other institutional data are shown in **Exhibit 4**.

Exhibit 4

Program Measurement Data University of Baltimore Fiscal Years 1998 to 2002

	<u>Actual 1998</u>	<u>Actual 1999</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Est. 2002</u>	<u>Ann. Chg. 98-00</u>	<u>Ann. Chg. 00-02</u>
FTEs	2,974	3,035	3,048	3,125	3,169	1.2%	2.0%
% Maryland Residents (headcount)	90	89	88	89	89	-1.1%	0.6%
% Minority (headcount)	27	27	29	29	29	3.6%	0.0%
Number of students trained in targeted areas of need	n/a	19	42	57	65	n/a	24.4%
Number of minority students graduating each year	n/a	273	267	270	275	n/a	1.5%
Number of students participating in alternative schedules, modes of delivery, and off-campus locations	n/a	534	750	800	850	n/a	6.5%
% graduates who report enhanced career opportunities per UB experience	n/a	82	n/a	83	84	n/a	n/a
Number of Maryland-based and regional firms recruiting UB students	n/a	70	70	74	75	n/a	3.5%

Source: Governor's Budget Book

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The university reports an average growth of 1.2% in FTE students between fiscal 1998 and 2000. The headcount percentage of Maryland residents and minority enrollment has remained unchanged. The university also show a slight increase in the number of minority students graduating each year.

The percentage of graduates reporting enhanced career opportunities as a result of their UB experience is expected to be 84% in fiscal 2002, a slight increase over fiscal 2001. UB's fiscal 2004 target for this measure is 85%. The university includes new job offers, promotions, and salary increases as enhanced career opportunities. Another indicator of note measures the university's goal to expand access of its programs and services by presenting the number of students participating in alternative schedules (weekends, compressed semesters), mode of delivery (distance learning), and off-campus locations. The fiscal 2004 target number is 1,000. UB is anticipating 850 for fiscal 2002.

Issues

1. Purchase of 1300 North Charles Street Building

In fiscal 1999, UB began negotiations to purchase a building at 1300 North Charles Street, along with a parking lot behind the building. This property is next to the building which houses the Merrick School of Business. Plans are for the building to house classrooms, computer labs, and faculty offices to support the College of Liberal Art's School of Communications Design and Public Affairs. During the negotiations, the building and parking lot were purchased by a new owner. UB has since been involved in negotiations with the new owner. During the 2000 session, the legislature deleted \$172,379, representing a portion of the operational and personnel expenses for the unpurchased building because it appeared that the building would not be on-line until late in the fiscal year.

The fiscal 2002 allowance includes \$172,370 for operating expenses for 1300 North Charles Street. UB has since received a contract from the current owner which is being reviewed by the Attorney General's Office to comply with State procedures for a real estate transaction. UB is requesting \$215,000 in general obligation bond funding for planning funds for fiscal 2002 so it can begin the design phase of the project. UB is expecting the completion of the purchase transaction to occur before the end of the fiscal year.

The President should brief the committees on the current status of the purchase of 1300 North Charles Street and the projected time line for its acquisition.

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets

University of Baltimore

(\$ in Thousands)

	<u>General</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 2000					
Legislative Appropriation	\$22,047	\$25,420	\$47,467	\$4,839	\$52,306
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	(252)	1,300	1,048	670	1,718
Reversions and Cancellations	(130)	(781)	(911)	(339)	(\$1,250)
Actual Expenditures	\$21,665	\$25,939	\$47,604	\$5,170	\$52,774
Fiscal 2001					
Legislative Appropriation	\$23,476	\$26,586	\$50,062	\$5,579	\$55,641
Budget Amendments	0	720	720	0	720
Working Appropriation	\$23,476	\$27,306	\$50,782	\$5,579	\$56,361

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

Explanation of 2000 Budget Amendments and Cancellations

The fiscal 2000 budget amendments included a decrease in general funds due to the transfer of the Downtown Baltimore Center from the university and an increase in tuition and fees. Restricted funds increased due to increased contract and grant activity. Unrestricted cancellations are carry-over encumbered funds. Restricted fund cancellations are due to less support required for grants and contracts than budgeted.

**Object/Fund Difference Report
USM - University of Baltimore**

Object/Fund	FY00	FY01	FY02	FY01 - FY02	Percent
	Actual	Working Appropriation	Allowance	Amount Change	Change
Positions					
01 Regular	477.27	492.27	529.27	37.00	7.5%
02 Contractual	152.85	152.97	137.83	(15.14)	(9.9%)
Total Positions	630.12	645.24	667.10	21.86	3.4%
Objects					
01 Salaries and Wages	\$ 30,297,073	\$ 32,999,706	\$ 36,079,696	\$ 3,079,990	9.3%
02 Technical & Spec Fees	6,740,796	6,723,883	6,239,709	(484,174)	(7.2%)
03 Communication	481,071	495,328	503,578	8,250	1.7%
04 Travel	275,835	301,907	307,600	5,693	1.9%
06 Fuel & Utilities	951,965	1,006,345	1,054,566	48,221	4.8%
07 Motor Vehicles	35,109	150,692	31,892	(118,800)	(78.8%)
08 Contractual Services	3,948,239	4,054,534	4,618,027	563,493	13.9%
09 Supplies & Materials	1,377,886	1,382,212	1,475,678	93,466	6.8%
10 Equip - Replacement	512,515	408,444	445,635	37,191	9.1%
11 Equip - Additional	1,370,271	1,424,354	1,872,302	447,948	31.4%
12 Grants,Subsidies,Contr	2,327,583	2,443,299	2,541,171	97,872	4.0%
13 Fixed Charges	3,979,329	4,100,112	4,229,444	129,332	3.2%
14 Land & Structures	476,737	870,000	870,000	0	0%
Total Objects	\$ 52,774,409	\$ 56,360,816	\$ 60,269,298	\$ 3,908,482	6.9%
Funds					
40 Unrestricted Fund	\$ 47,604,792	\$ 50,782,011	\$ 54,460,493	\$ 3,678,482	7.2%
43 Restricted Fund	5,169,617	5,578,805	5,808,805	230,000	4.1%
Total Funds	\$ 52,774,409	\$ 56,360,816	\$ 60,269,298	\$ 3,908,482	6.9%

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.

Fiscal Summary
USM - University of Baltimore

Unit/Program	FY00	FY01	FY01	FY00 - FY01	FY02	FY01 - FY02
	Actual	Legislative Appropriation	Working Appropriation	% Change	Allowance	% Change
01 Instruction	\$ 19,470,572	\$ 20,561,978	\$ 20,632,089	6.0%	\$ 22,038,049	6.8%
02 Research	3,794,825	4,210,940	4,151,575	9.4%	4,331,813	4.3%
04 Academic Support	8,028,007	8,605,906	8,232,636	2.5%	9,237,946	12.2%
05 Student Services	3,580,845	3,501,964	3,927,794	9.7%	4,068,749	3.6%
06 Institutional Support	7,416,186	7,716,162	7,929,189	6.9%	8,495,129	7.1%
07 Operation and Maintenance of Plant	5,606,249	5,923,989	6,237,468	11.3%	6,537,941	4.8%
08 Auxiliary Enterprises	2,570,620	2,604,663	2,828,266	10.0%	3,041,000	7.5%
17 Scholarships And Fellowships	2,307,105	2,515,214	2,421,799	5.0%	2,518,671	4.0%
Total Expenditures	\$ 52,774,409	\$ 55,640,816	\$ 56,360,816	6.8%	\$ 60,269,298	6.9%
Unrestricted Fund	\$ 47,604,792	\$ 50,062,011	\$ 50,782,011	6.7%	\$ 54,460,493	7.2%
Restricted Fund	5,169,617	5,578,805	5,578,805	7.9%	5,808,805	4.1%
Total Appropriations	\$ 52,774,409	\$ 55,640,816	\$ 56,360,816	6.8%	\$ 60,269,298	6.9%