

R30B36
University System of Maryland Office

Operating Budget Data

(\$ in Thousands)

	FY 06	FY 07	FY 08	FY 07-08	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$13,710	\$14,447	\$19,364	\$4,917	34.0%
Other Unrestricted Funds	2,521	4,286	4,286	0	0.0%
Total Unrestricted Funds	16,231	18,732	23,649	4,917	26.2%
Restricted Funds	<u>3,392</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>	<u>0.0%</u>
Total Funds	\$19,623	\$22,232	\$27,149	\$4,917	22.1%

- The University System of Maryland Office (USMO) fiscal 2008 allowance increases \$4.9 million, or 22.1%, due to increases in general funds only. The primary reason for the increase is \$4.3 million that will be used for operational costs and debt service for the Shady Grove III building that will open for the fall 2007 semester.
- Health insurance costs decline due to one-time savings. Adjusting for these savings, USMO's allowance increases \$5.1 million, or 23.4% over fiscal 2007.

Personnel Data

	FY 06	FY 07	FY 08	FY 07-08
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	94.00	102.00	102.00	0.00
Contractual FTEs	<u>5.50</u>	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>
Total Personnel	99.50	106.00	106.00	0.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	3.52	3.45%
Positions Vacant as of 12/31/06	6.40	6.30%

- There are no new positions in the fiscal 2008 allowance.

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

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Analysis in Brief

Major Trends

Enrollment: Community College Transfers Continue to Be Strong, Regional Centers Weak: There were 8,048 transfer students from community colleges in fiscal 2006, exceeding the objective of 7,800. Enrollment at Shady Grove and Hagerstown in fiscal 2006 was 2,407, missing the target of 2,690 students.

Workforce Effort in Teacher Education: The number of Associate of Arts in Teaching agreements increased to seven in fiscal 2006, two more than in 2005. The number of professional development schools increased to 344 in fiscal 2006, an increase of 17 over fiscal 2005.

Issues

Fundraising Initiative: University System of Maryland (USM) institutions are in the midst of a fundraising campaign. Since fiscal 2005 USM institutions have raised \$586 million. Alumni donation rates of USM institutions are generally lower than their peers.

Progress in Facility Maintenance: The backlog in facility maintenance projects has decreased from \$1.7 billion to \$1.6 billion.

Funding Sources for Shady Grove and Hagerstown: General fund support for the USM regional higher education centers are in USMO's budget. However, both centers receive additional revenues from other sources.

Recommended Actions

1. Adopt narrative requesting a report on the revenues and expenditures of the Shady Grove and Hagerstown regional higher education centers.
2. Adopt narrative requiring the University System of Maryland Office submit the tuition and mandatory fee schedule with the allowance and upon final approval by the Board of Regents.

R30B36
University System of Maryland Office

Operating Budget Analysis

Program Description

The University System of Maryland Office (USMO) is the staff agency to the University System of Maryland (USM) Board of Regents. The office includes the chancellor; executive and administrative staff; and the central services of budget, accounting, auditing, information technology, capital planning, advancement, public and governmental relations; and other support to the regents.

The mission of USMO is to provide leadership, planning, and resource management to advance the quality and accessibility of USM services and to increase synergies among the USM institutions.

The goals of USMO are to:

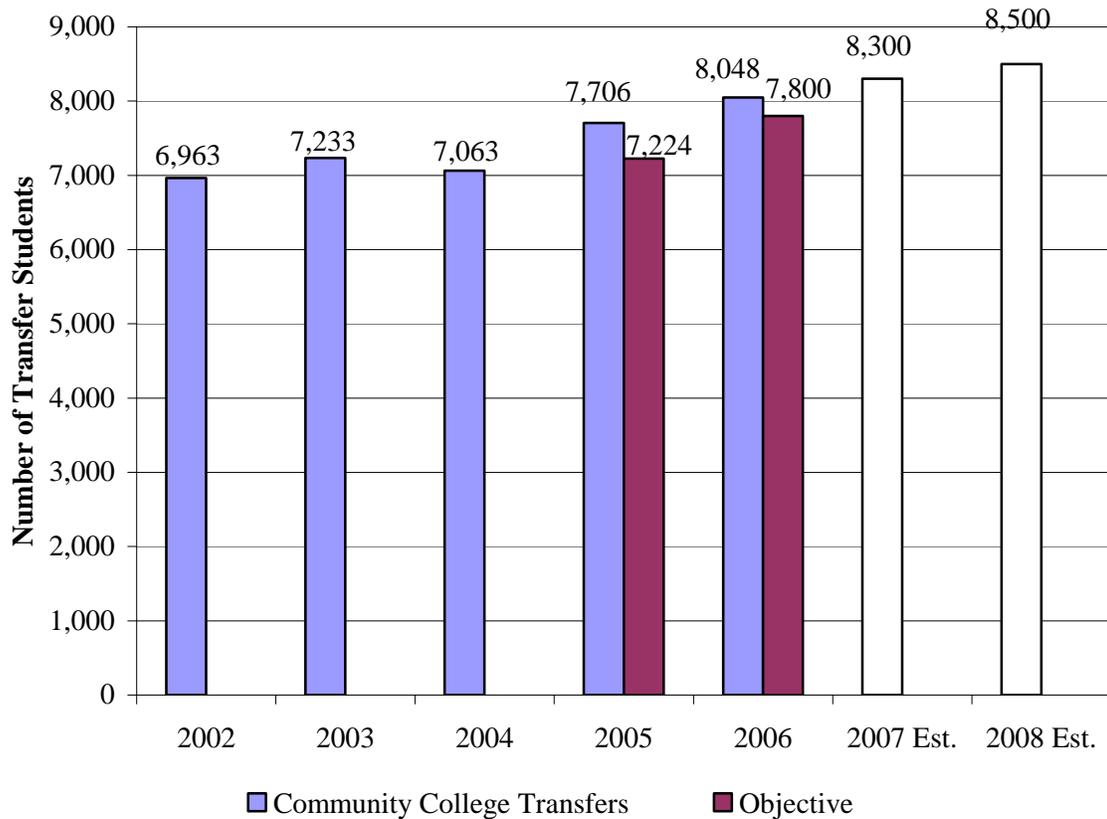
- promote access to USM institutions through cooperation;
- promote operational synergies;
- promote private support for USM;
- provide financial stewardship to maximize the effectiveness and efficiency of USM operations; and
- fulfill statutory responsibilities with the highest degree of quality.

Performance Analysis: Managing for Results

Enrollment: Community College Transfers Continue to Be Strong, Regional Centers Weak

USMO has a goal to promote access to USM institutions. One aspect of this relates to the number of community college students that transfer to USM institutions. The number of transfer students continues to increase, as shown in **Exhibit 1**. In fiscal 2006, 8,048 students transferred exceeding the objective of 7,800. USM has worked on many initiatives to help make the transition from a community college to a four-year institution smoother. One initiative included the USM/Maryland Association of Community Colleges Joint Leadership Council that was formed to foster communication and collaborate on transfer issues. Another initiative is the Associate of Arts in Teaching (AAT) programs that have begun to graduate students who then transfer to four-year institutions. Additionally, the use of an articulation system (ARTSYS) has increased significantly

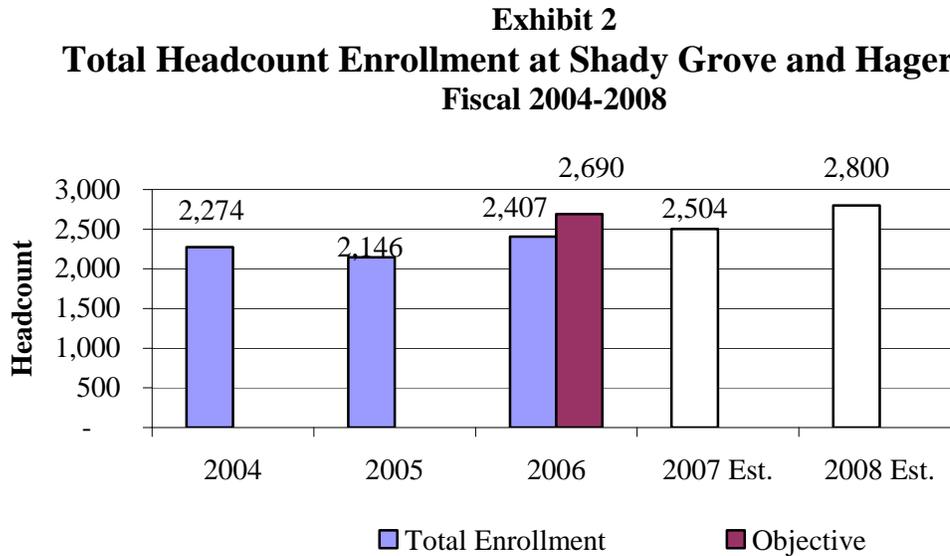
Exhibit 1
Transfer Students from Community Colleges to USM Institutions
Fiscal 2002-2008



Source: Governor's Budget Books, Fiscal 2008

since 2001. ARTSYS provides information to students and advisors on what classes will transfer to a particular four-year university. This aids community college students in the selection of classes to better prepare them for transferring. The impact of these programs is now being experienced with more community college students transferring.

Exhibit 2 shows the total headcount enrollment at the Shady Grove and Hagerstown regional higher education centers. This data includes only the fall headcount of undergraduate and graduate students. The enrollment at the Hagerstown center is included for the first time in the fiscal 2006 data, as fall 2005 was the first fall semester of operation at that center (the center actually opened in the spring 2005 semester). The exhibit shows that the total headcount in fiscal 2006 was 2,407. Of this number, 2,051 were students at Shady Grove and 356 were students at Hagerstown. Although this is an increase over fiscal 2005, it fell short of the estimated 2,690 students.



Source: Governor’s Budget Books, Fiscal 2008

USM reports that there are several reasons why enrollment fell short of projections. The primary reason is that University of Maryland University College (UMUC) is increasing the use of on-line forums for classes instead of the traditional in-class environment. There are more UMUC students at Shady Grove than any other USM institution. Therefore, this decline in UMUC students has impacted overall enrollment at the center. However, USM points out that even though these students may not be enrolled at Shady Grove, they are using facilities at Shady Grove such as the library and administrative support. USM reports that another reason for missing the target is that Shady Grove has reached capacity for evening classes. However, the third building at Shady Grove will be open for the fall 2007 semester. Currently, USM plans to bring 22 new programs to Shady Grove by fall 2008, and there are 21 other programs that are being considered. USM fully expects enrollment at the two centers to reach the target of 3,900 or greater by 2011.

The Chancellor should comment on the expected outlook for enrollment at the two centers.

Workforce Effort in Teacher Education

USM has a goal to work with the K-16 Leadership Council to address teacher shortages. One way that USM works towards this goal is to increase the number of AAT agreements each year. In fiscal 2006 there are two more agreements between community colleges and USM institutions than there were in fiscal 2005. There are currently seven agreements. These agreements make it easier for a graduate from a community college with an AAT degree to transfer to a four-year institution and complete a teaching degree. USM has also increased the number of professional development schools to 344 in fiscal 2006. This is 17 more than in fiscal 2005.

Governor’s Proposed Budget

The general funds in the allowance for fiscal 2008 total \$19.4 million. This is an increase of 34%, or \$4.9 million over fiscal 2007, as shown in **Exhibit 3**. However, a one-time savings in retiree health insurance will free \$0.2 million in total funds. When including the one-time health insurance savings, the total USMO budget increases \$5.1 million, or 23.4% over fiscal 2007. All of the increase will go toward current services costs. Specifically, \$4.3 million is for operating costs of the third building at the Shady Grove Regional Center, which will open for the fall 2007 semester. The remaining increase includes other current services costs such as salary increments, utilities, project management fees, health inflation, and retirement.

Exhibit 3
Governor’s Proposed Budget
University System of Maryland Office
 (\$ in Thousands)

	FY 06	FY 07	FY 08	FY 07-08	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$13,710	\$14,447	\$19,364	\$4,917	34.0%
Other Unrestricted Funds	2,521	4,286	4,286	0	0.0%
Total Unrestricted Funds	16,231	18,732	23,649	4,917	26.2%
Restricted Funds	3,392	3,500	3,500	0	0.0%
Retiree Health Adjustment *		<u>-226</u>		<u>226</u>	
Total Funds	\$19,623	\$22,007	\$27,149	\$5,143	23.4%

*The retiree health adjustment in fiscal 2007 amounts to an additional \$0.2 million that is available for expenditure in fiscal 2008.

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

The USMO budget includes \$0.4 million in general funds for teacher education. USMO plans to use \$113,000 for salaries and other operating costs for USMO personnel that are assigned to teacher education and K-16 activities. The remaining \$300,000 is distributed to USM institutions with teacher education programs. Most of these institutions will receive \$35,000 to support activities such as accreditation, professional development of teachers and faculty, course redesign (see the USM Overview analysis for more information), and to provide science, technology, engineering, and mathematics (STEM) enhancements to recruit students. This is the same level of funding as in fiscal 2007.

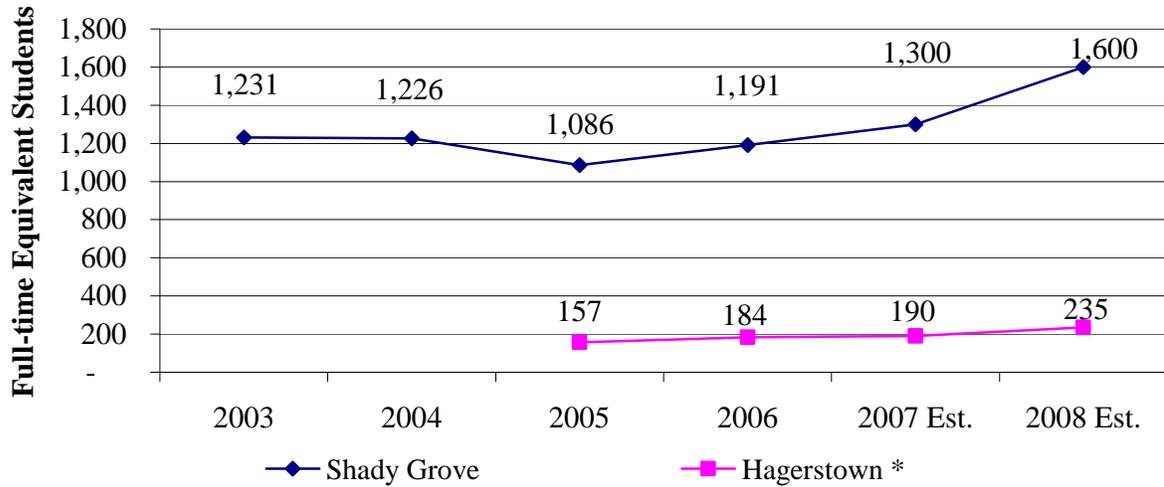
Funding for USM Regional Higher Education Centers

USMO administers two regional higher education centers – Hagerstown and Shady Grove. The Shady Grove center receives \$7.3 million in the fiscal 2008 allowance. This is \$4.5 million more than the fiscal 2007 working allowance, or a 157% increase. Of this increase \$4.3 million is attributed to operational costs of the new Shady Grove III building that is scheduled to open for the fall 2007 semester. This amount includes \$1.7 million in debt service for equipment. The remaining \$2.6 million is related to more traditional operating costs such as five facility operating positions, fuel and utilities, supplies, and other contractual services. It is important to note that the operational costs for this building were estimated in the fiscal 2006 *Capital Improvement Program* to be \$2.4 million for fiscal 2008. This building will allow the institution to enroll more students as well as provide more services to students including a library and bookstore. The new building will more than double the gross square feet of the facilities at Shady Grove. The remaining \$0.2 million increase for Shady Grove is related to salary increments, fringe benefits, and utility inflation.

Hagerstown is expected to receive \$2.04 million in the fiscal 2008 allowance. This is \$40,497 more than in fiscal 2007, or a 2% increase. This increase is due to salary increments, fringe benefits, and utility inflation.

Exhibit 4 shows the enrollment of the two centers in terms of full-time equivalent students (FTES) from fiscal 2003 to 2008. Hagerstown opened in the spring of 2005, so only one semester is included in the fiscal 2005 data. In fiscal 2006 and 2007 Hagerstown enrollment is stable. However, it is expected to increase to 235 FTES in fiscal 2008. Shady Grove enrollment has also been fairly stable. However, it is expected to increase to 1,600 FTES in fiscal 2008, largely due to the addition of 20 programs and the expanded capacity with the opening of the third building.

Exhibit 4
Regional Higher Education Center Full-time Equivalent Student
Fiscal 2003-2008



*Fiscal 2005 only represents the spring semester. Fiscal 2006 was the first full year of operation.

Source: University System of Maryland

Issues

1. Fundraising Initiative

In fiscal 2007 USM institutions received a total of \$3.3 million in general funds to support the fundraising campaign. These funds were provided to enable institutions to enhance their fundraising abilities. Many USM institutions have kicked off a new campaign. The campaign for most institutions started in fiscal 2005 and will end in 2011. **Exhibit 5** provides a summary of fundraising activity since fiscal 2005. Many institutions have not yet announced a fundraising target. University of Maryland, College Park (UMCP) has set a \$1 billion campaign goal, and it appears to be well on the way to achieving this goal. UMCP has raised \$307 million in just over two years. Salisbury has set a campaign goal of \$30 million. Thus far, they have raised \$22 million in just over two years. In total, USM institutions have raised \$586 million since fiscal 2005.

Exhibit 5
USM Institutional Fundraising
Fiscal 2005-2007
(\$ in Thousands)

	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>	<u>Fiscal 2007 *</u>	<u>Campaign Goal</u>	<u>Total Raised</u>
UMB	\$53,009	\$58,811	\$37,251	TBD	\$149,071
UMCP	123,881	131,940	51,086	\$1 Billion	\$306,907
BSU	470	263	943	TBD	\$1,676
TU	13,629	5,070	3,730	\$50 Million	\$22,429
UMES	3,476	1,004	314	\$14 Million	\$4,794
FSU	1,604	1,093	1,160	TBD	\$3,857
CSU	1,730	348	186	TBD	\$2,264
UB	6,849	5,370	1,352	TBD	\$13,571
SU	1,591	13,853	6,297	\$30 Million	\$21,741
UMUC	5,202	990	873	TBD	\$7,065
UMBC	13,310	14,095	16,254	\$100 Million	\$43,659
UMCES	361	210	2,114	TBD	\$2,685
UMBI	2,194	3,156	138	TBD	\$5,488
USMO	239	266	85	TBD	\$590
USM Total	\$227,545	\$236,469	\$121,781		\$585,795

*As of December 31, 2006

TBD: To Be Determined

Source: University System of Maryland

Most USM Institutions Have Lower Undergraduate Giving Rates Than Their Peers

Exhibit 6 shows the undergraduate alumni giving rate at most USM institutions as reported in the 2005 and 2006 *Dashboard Indicators* compiled by USM. The data represent two-year averages, *i.e.* the 2006 report shows the average of the 2003-2004 and 2004-2005 academic years. The undergraduate alumni giving rate at 7 out of 10 USM institutions was lower than their peers for the 2004-2005 period. Salisbury University (SU) and UMUC had giving rates equal to their peers and UB exceeded their peers by 2 percentage points. The exhibit also shows whether an institution has improved their alumni giving rate. The alumni giving rate at 7 of the USM institutions has decreased since the 2005 report. The largest decrease is Coppin State University (CSU), which declined from 17 to 7%. Two institutions remained the same, and University of Maryland Eastern Shore (UMES) improved by 5 percentage points. It is important to note the impact of the funds received in fiscal 2007 to enhance the fundraising abilities of the institutions is not shown in the exhibit as the exhibit includes prior year's actual data. However, the future impact of the funding should include improved alumni giving rates since some of the funds were used to train fundraising staff.

Exhibit 6 USM Undergraduate Alumni Giving Rate 2005-2006

	<u>2005 Institution Rate</u>	<u>2005 Peer Rate</u>	<u>2005 Difference</u>	<u>2006 Institution Rate</u>	<u>2006 Peer Rate</u>	<u>2006 Difference</u>
UMCP ¹	16%	16%	0	12%	16%	-4
BSU	9%	9%	0	5%	7%	-2
TU	7%	7%	0	7%	8%	-1
UMES	3%	15%	-12	8%	14%	-6
FSU	12%	13%	-1	10%	11%	-1
CSU	17%	13%	4	7%	11%	-4
UB	10%	n/a	n/a	9%	7%	2
SU	9%	12%	-3	9%	9%	0
UMUC ²	11%	9%	2	8%	8%	0
UMBC	7%	17%	-10	5%	16%	-11

¹ UMCP's peer group is composed of its aspirational peers.

² The 2005 data for UMUC is based on one year.

Note: Data reflect the two-year averages.

Source: University System of Maryland Dashboard Indicators 2005, 2006.

The Chancellor should comment on what USM institutions are doing to increase the alumni giving rate.

2. Progress in Facility Maintenance

In 1992 the Board of Regents adopted a policy on facility renewal that required USM institutions to spend 2% of the current replacement value of capital assets on facility renewal. After 14 years, the average systemwide spending for facility renewal is still less than 1% of the replacement value.

The Board of Regents adopted a new policy last year that is aimed at steadily moving towards the 2.0% goal in a more timely manner. The new policy stipulates that each institution will annually increase its operating expenditures by 0.2% (annual five-year average) of the replacement value of all capital assets until they reach the 2.0% goal. For institutions at which tuition represents less than 25.0% of the State-supported budget (University of Maryland Biotechnology Institute and University of Maryland Center Environmental Science), the increment will be 0.1%. USM estimates the backlog of renovation and renewal projects to be \$1.6 billion. USM is expecting the combination of operating funds and capital projects to reduce this backlog over time.

As shown in **Exhibit 8**, USM institutions receive \$32.8 million in the fiscal 2008 allowance to go towards facility renewal. This is 39.0% more than in fiscal 2007. The exhibit shows the distribution of these funds among the institutions. BSU receives the largest increase (256%) in facility renewal spending in fiscal 2008.

Exhibit 8
USM Facility Renewal Spending Increases
Fiscal 2006-2008

	<u>Total Facility Renewal \$ 2006</u>	<u>Total Facility Renewal \$ 2007</u>	<u>Total Facility Renewal \$ 2008</u>	<u>% Increase 2007-2008</u>
UMB	\$1,751,315	\$3,459,012	\$5,166,709	49%
UMCP	8,935,511	9,332,339	12,494,863	34%
BSU	238,670	220,000	782,252	256%
TU	878,600	1,821,794	2,738,988	50%
UMES	596,980	980,332	1,363,684	39%
FSU	815,000	1,096,336	1,377,672	26%
CSU	1,232,564	1,355,820	1,624,023	20%
UB	461,055	866,700	1,161,799	34%
SU	742,567	959,000	1,201,625	25%
UMUC	5,883,942	2,114,358	2,220,075	5%
UMBC	118,382	901,282	1,684,221	87%
UMCES	58,175	225,975	581,950	158%
UMBI	0	200,000	400,000	100%
USM Total	\$21,712,761	\$23,532,948	\$32,797,861	39%

Source: University System of Maryland

Exhibit 9 shows the progress of each institution toward to the 2.0% goal. The exhibit also shows the estimated number of years that it will take for each institution to reach 2% assuming they increase spending by 0.2% each year. On average, USM institutions are spending 0.7% of the replacement value on facility renewal. UMCP and BSU each are spending 1.0%, the highest of any USM institution. On average, it will take seven years to reach the policy's goal of 2.0% spending.

Exhibit 9
USM Institutional Facilities Renewal Spending
Fiscal 2004-2007

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Estimated # of Years to Reach 2%</u>
UMB	0.3%	0.7%	0.8%	0.7%	7
UMCP	0.8%	1.0%	0.9%	1.0%	5
BSU	0.5%	0.4%	0.8%	1.0%	5
TU	0.4%	1.3%	1.6%	0.7%	7
UMES	0.4%	0.4%	0.3%	0.5%	8
FSU	1.2%	1.1%	0.6%	0.9%	6
CSU	0.1%	0.2%	0.1%	0.7%	7
UB	0.4%	0.5%	0.5%	0.8%	6
SU	0.4%	0.4%	0.6%	0.8%	6
UMUC	0.4%	0.4%	0.5%	0.4%	8
UMBC	0.2%	0.2%	0.2%	0.3%	9
UMCES *	0.2%	0.2%	0.2%	0.4%	16
UMBI * ¹	0.0%	0.0%	0.1%	0.1%	19
USM Average *	0.5%	0.6%	0.6%	0.7%	7

*There is an exception to the policy for UMBI and UMCES. These two institutions are expected to increase the spending level by 0.1% annually. Therefore, they are not included in the USM average.

¹UMBI's buildings are just reaching 10 years old. Thus, the policy did not apply to them until recently. Therefore, the replacement value of the buildings is an estimate.

Note: All percentage values are percent of current replacement value of all capital assets of the institution. Estimated number of years to reach the 2.0% spending level is based on the fiscal 2007 spending level increasing by 0.2% annually.

Source: University System of Maryland

3. Funding Sources for Shady Grove and Hagerstown

The USM regional higher education centers are budgeted in USMO's budget. In fiscal 2007, this included \$2.8 million in general funds for Shady Grove and \$2.0 million for Hagerstown. This is the primary source of funding for Hagerstown. Hagerstown does charge local businesses that want to rent space, but revenue has been minimal. The general funds in USMO's operating budget for Shady Grove are used to support the facilities and the undergraduate day program. However, Shady Grove received additional revenues such that total revenues are expected to be \$5.2 million in fiscal 2007. The following are other revenue sources for Shady Grove:

- unrestricted revenues (including general funds) that were transferred from the home institution for enrollment growth;

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- conference center revenues;
- student fees – including activity, technology, and facility fees – that are collected at the home campuses and transferred to Shady Grove at the end of the year; and
- funds received from each home campus based on the actual use of classroom and office space at Shady Grove.

Thus, the total revenues and expenses for Shady Grove are not fully reflected in the USMO budget. In fiscal 2008, Shady Grove is receiving an increase in general fund revenues of \$4.5 million. **Therefore, DLS recommends that USMO submit a separate report of the total revenues and expenditures by program and by object for both Shady Grove and Hagerstown. The report would increase the transparency of the operating budgets of the two centers.**

Recommended Actions

1. Adopt the following narrative:

Report on the Operating Budgets of Shady Grove and Hagerstown: The operating budgets of the two University System of Maryland (USM) regional higher education centers are incorporated into the operating budget for the University System of Maryland Office (USMO). The operating budgets for Shady Grove and Hagerstown account for approximately 34% of the fiscal 2008 allowance for USMO. However, both centers receive revenues from other sources. The report should include details as to the revenues and expenditures for each USM regional center. Details should include State-supported and non-State-supported expenditures by program and by object to inform the committees as to the budgets of the regional centers. This information would increase the transparency of the operating budgets of Shady Grove and Hagerstown.

Information Request	Author	Due Date
Report on the operating budgets of the Shady Grove and Hagerstown regional higher education centers. The report should include prior year actual, working appropriation, and allowance.	USMO	With request and allowance

2. Adopt the following narrative:

Tuition and Mandatory Fee Schedule: The University System of Maryland Office (USMO) should submit a detailed tuition and mandatory fee schedule of USM institutions with the allowance. The schedule should include all tuition rates and all mandatory fee rates. The mandatory fees should include a breakdown of auxiliary fees. The schedule should be submitted regardless of whether it has been approved by the Board of Regents. However, if applicable, it should be noted in the schedule that the rates are pending approval by the Board of Regents. Additionally, the final tuition and mandatory fee schedule should be submitted after it has been approved by the Board of Regents.

Information Request	Author	Due Date
Tuition and Mandatory Fee Schedule for all USM institutions including the fiscal 2008 working appropriation and the fiscal 2009 allowance.	USMO	With allowance and upon approval by the USM Board of Regents

Current and Prior Year Budgets

Current and Prior Year Budgets University System of Maryland Office (\$ in Thousands)

	<u>General Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2006					
Legislative Appropriation	\$13,566	\$2,814	\$16,381	\$3,000	\$19,381
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	144	326	469	500	969
Reversions and Cancellations	0	-619	-619	-108	-727
Actual Expenditures	\$13,710	\$2,521	\$16,231	\$3,392	\$19,623
Fiscal 2007					
Legislative Appropriation	\$14,461	\$3,378	\$17,839	\$3,507	\$21,347
Budget Amendments	-15	908	893	-7	886
Working Appropriation	\$14,447	\$4,286	\$18,732	\$3,500	\$22,232

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

Fiscal 2006

For fiscal 2006, USMO received a net \$0.1 million in additional general funds through budget amendments. This amount included an increase of \$97,217 for State employee cost-of-living adjustment (COLA) and an increase of \$66,445 to reallocate the health insurance appropriation of the Department of Budget and Management. The net total also included a decrease in general funds of \$20,131 to realign health insurance expenditures with projections. Other unrestricted funds increased \$0.3 million through budget amendments. This amount included additional funds received from USM institutions to support an internal audit initiative and other miscellaneous activity.

Restricted funds increased a net \$0.5 million through budget amendment. This included an increase of \$1.0 million for federal grant and contract activity and a decrease of \$0.5 million in private grant and contract activity.

Cancellations of unrestricted funds totaled \$0.6 million due to economies of scale from a bulk purchasing of telecommunications equipment. This money will be transferred to fund balance for future purchases of communication equipment. Cancellations of restricted funds totaled \$0.1 million due to less than anticipated expenditures for grants and contracts.

Fiscal 2007

For fiscal 2007, USMO received a net decrease of \$14,598 in general funds through budget amendments. This amount included an increase of \$136,630 for State employee COLA and a decrease of \$151,228 to realign general funds to balance health cost savings.

Other unrestricted funds increased \$907,704 through budget amendment. Increases included \$649,704 in contributions from system institutions for the Board of Regents audit initiative, \$100,000 in overhead, and \$158,000 due to an increase in private grants, investment income, and federal grant and contract indirect cost recovery. Restricted funds decreased \$7,168 through budget amendment to realign the budget with actual expenditures.

**Object/Fund Difference Report
University System of Maryland Office**

<u>Object/Fund</u>	<u>FY06 Actual</u>	<u>FY07 Working Appropriation</u>	<u>FY08 Allowance</u>	<u>FY07-FY08 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	94.00	102.00	102.00	0	0%
02 Contractual	5.50	4.00	4.00	0	0%
Total Positions	99.50	106.00	106.00	0	0%
Objects					
01 Salaries and Wages	\$ 10,109,917	\$ 11,784,991	\$ 11,859,525	\$ 74,534	0.6%
02 Technical and Spec Fees	16,448	0	0	0	0.0%
03 Communication	616,914	593,089	591,575	-1,514	-0.3%
04 Travel	148,085	127,274	127,274	0	0%
07 Motor Vehicles	7,708	6,540	6,540	0	0%
08 Contractual Services	7,283,142	8,166,513	12,729,743	4,563,230	55.9%
09 Supplies and Materials	138,494	79,486	79,486	0	0%
11 Equip – Additional	101,900	57,620	57,620	0	0%
12 Grants, Subsidies, and Contributions	786,136	715,157	715,157	0	0%
13 Fixed Charges	298,307	273,658	209,536	-64,122	-23.4%
14 Land and Structures	116,131	428,134	772,900	344,766	80.5%
Total Objects	\$ 19,623,182	\$ 22,232,462	\$ 27,149,356	\$ 4,916,894	22.1%
Funds					
40 Unrestricted Fund	\$ 16,230,836	\$ 18,732,462	\$ 23,649,356	\$ 4,916,894	26.2%
43 Restricted Fund	3,392,346	3,500,000	3,500,000	0	0%
Total Funds	\$ 19,623,182	\$ 22,232,462	\$ 27,149,356	\$ 4,916,894	22.1%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

**Fiscal Summary
University System of Maryland Office**

<u>Program/Unit</u>	<u>FY06 Actual</u>	<u>FY07 Wrk Approp</u>	<u>FY08 Allowance</u>	<u>Change</u>	<u>FY07-FY08 % Change</u>
04 Academic Support	\$ 5,140,031	\$ 5,256,672	\$ 9,821,337	\$ 4,564,665	86.8%
06 Institutional Support	14,483,151	16,975,790	17,328,019	352,229	2.1%
Total Expenditures	\$ 19,623,182	\$ 22,232,462	\$ 27,149,356	\$ 4,916,894	22.1%
Unrestricted Fund	\$ 16,230,836	\$ 18,732,462	\$ 23,649,356	\$ 4,916,894	26.2%
Restricted Fund	3,392,346	3,500,000	3,500,000	0	0%
Total Appropriations	\$ 19,623,182	\$ 22,232,462	\$ 27,149,356	\$ 4,916,894	22.1%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.