

R30B34
University of Maryland Center for Environmental Science
University System of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$17,721	\$17,876	\$17,949	\$73	0.4%
Contingent & Back of Bill Reductions	0	0	-38	-38	
Adjusted General Fund	\$17,721	\$17,876	\$17,912	\$35	0.2%
Other Unrestricted Funds	3,899	6,518	6,260	-258	-4.0%
Contingent & Back of Bill Reductions	0	0	-275	-275	
Adjusted Other Unrestricted Fund	\$3,899	\$6,518	\$5,985	-\$533	-8.2%
Total Unrestricted Funds	21,620	24,394	24,209	-185	-0.8%
Contingent & Back of Bill Reductions	0	0	-313	-313	
Adjusted Total Unrestricted Funds	\$21,620	\$24,394	\$23,897	-\$498	-2.0%
Restricted Funds	14,909	19,707	18,788	-920	-4.7%
Adjusted Restricted Fund	\$14,909	\$19,707	\$18,788	-\$920	-4.7%
Adjusted Grand Total	\$36,529	\$44,102	\$42,684	-\$1,417	-3.2%

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board reductions. A portion of the reductions is to be transferred from fund balance. The actual allocations are to be developed by the Administration.

- General funds for the University of Maryland Center for Environmental Science (UMCES) increase \$73,034, or 0.4%, in the fiscal 2011 allowance. However, after adjusting for \$37,572 in health insurance savings, the underlying growth is \$35,462, or 0.2%, over fiscal 2010.
- Other unrestricted funds decrease \$0.5 million, or 8.2%, after adjusting the fiscal 2011 allowance to reflect furlough and health insurance savings.

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

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Phone: (410) 946-5530

Personnel Data

	<u>FY 09 Actual</u>	<u>FY 10 Working</u>	<u>FY 11 Allowance</u>	<u>FY 10-11 Change</u>
Regular Positions	259.39	255.64	255.64	0.00
Contractual FTEs	<u>37.00</u>	<u>37.00</u>	<u>37.00</u>	<u>0.00</u>
Total Personnel	296.39	292.64	292.64	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions		6.39	2.50%
Positions and Percentage Vacant as of 12/31/09		11.99	4.70%

- The fiscal 2011 allowance does not provide any new regular positions.

Analysis in Brief

Major Trends

Number of Chesapeake Bay Restoration Projects Increase: The number of projects increased 6.7% to 191 projects in fiscal 2009.

Research Expenditures Continue to Increase: While expenditures increased \$1.4 million to \$42.0 million in fiscal 2009, this fell short of the target by \$1.0 million.

Issues

Garnering Savings from Consolidation: While UMCES does not grant degrees, faculty members have graduate faculty status, allowing them to teach graduate courses and serve on graduate student committees at degree granting institutions. Therefore, merging or reorganizing UMCES with University System of Maryland academic institution(s) would not only achieve cost savings from administrative efficiencies but further increase access and interaction between students and faculty.

Record Spat-on-shell Production: After declining 50% in 2007 from a high of 350 million, spat-on-shell production reached a record high of 750 million in 2009.

Growing Interest in Science, Technology, Engineering, and Math through Environmental Inquiry: Part of UMCES' mission is to advance knowledge in environmental and natural sciences through teaching. Through its science, technology, engineering, and math-related programs, UMCES trained 450 K-12 teachers and had 11,000 K-12 students participate in its programs in fiscal 2009.

Recommended Actions

1. Add language that would reduce the current unrestricted (general) funds.

R30B34 – USM – University of Maryland Center for Environmental Science

R30B34
University of Maryland Center for Environmental Science
University System of Maryland

Operating Budget Analysis

Program Description

The University of Maryland Center for Environmental Science (UMCES) is a research institution for environmental and natural sciences studies. Its mission is to develop a comprehensive program of environmental research, education, and service. Research focuses on the watersheds, estuaries, and coastal areas of the State of Maryland and the greater Chesapeake Bay region, applying knowledge to help predict conditions in Maryland's ecology. Additionally, UMCES administers the Maryland Sea Grant College program. Funded by the National Oceanic and Atmospheric Administration, the program is a network of 30 university-based programs located in the coastal and Great Lakes regions.

UMCES includes three geographically distinct laboratories under a single administration.

- Appalachian Laboratory at Frostburg State University, founded in 1962 at the headwaters of the Chesapeake Bay watershed with research focusing on landscape and watershed ecology;
- Chesapeake Biological Laboratory at Solomon's Island, founded in 1925, conducts marine research and is home to UMCES' research fleet; and
- Horn Point Laboratory at Cambridge, founded in 1973, conducts research on biology, chemistry, physics, and ecology of the organisms and ecosystems from wetlands and estuarine water of the Chesapeake Bay.

Each of the laboratories serves as a regional center, offering natural science education programs to K-12 teachers and students. Environmental education programs also serve environmental interest groups and institutions within and beyond the University System of Maryland (USM) that are concerned with environmental research, education, and service.

While UMCES does not grant degrees, its faculty members contribute to graduate education by advising, teaching, and supervising the research of undergraduate and graduate students within USM degree-granting institutions. These activities further the institution's goals of providing quality research and graduate education and helping to build an educated workforce.

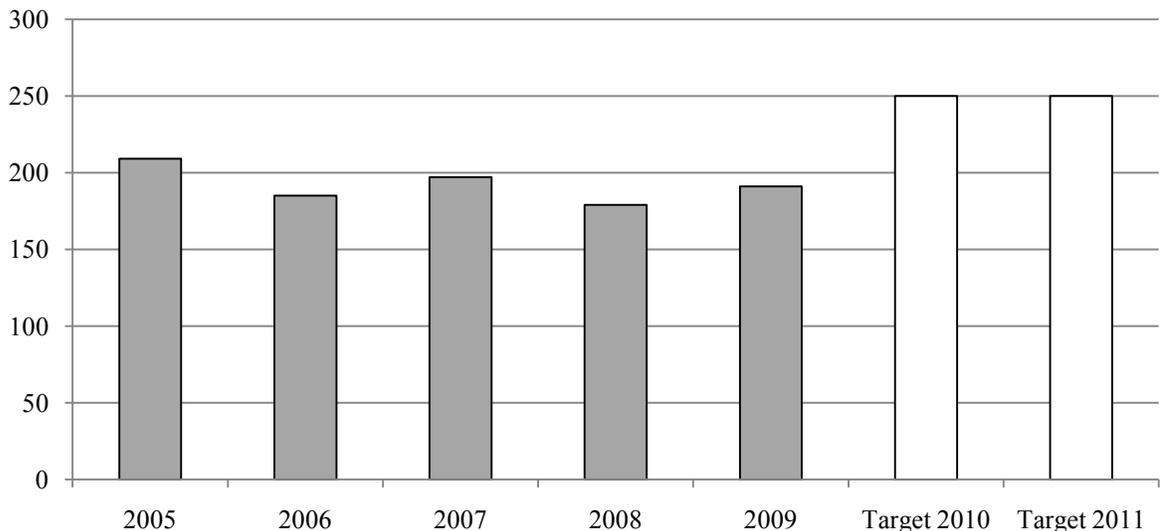
UMCES provides advisory services to local Chesapeake Bay industries and is the principal source of independent scientific information on environmental matters for Maryland's lawmakers, State agencies, and regional and national coastal management programs. UMCES seeks financial support for its services through contract and grant agreements and contributions from private sources.

Performance Measures

Number of Chesapeake Bay Restoration Projects Increase

UMCES tracks the number of Chesapeake Bay restoration projects it is involved with as a measure of a core component of its mission to apply scientific knowledge to the management of the Chesapeake Bay. Projects are those that focus on (1) the Bay; and (2) aspects of restoration ranging from research concerning the overall health of the Bay to a specific organism. Overall, since fiscal 2005, the number of projects has fluctuated from a high of 209 projects in fiscal 2005 to 179 in fiscal 2008, as shown in **Exhibit 1**. In fiscal 2009, the number of projects increased 6.7% to 191 projects.

Exhibit 1
Chesapeake Bay Restoration Projects
Fiscal 2005-2011

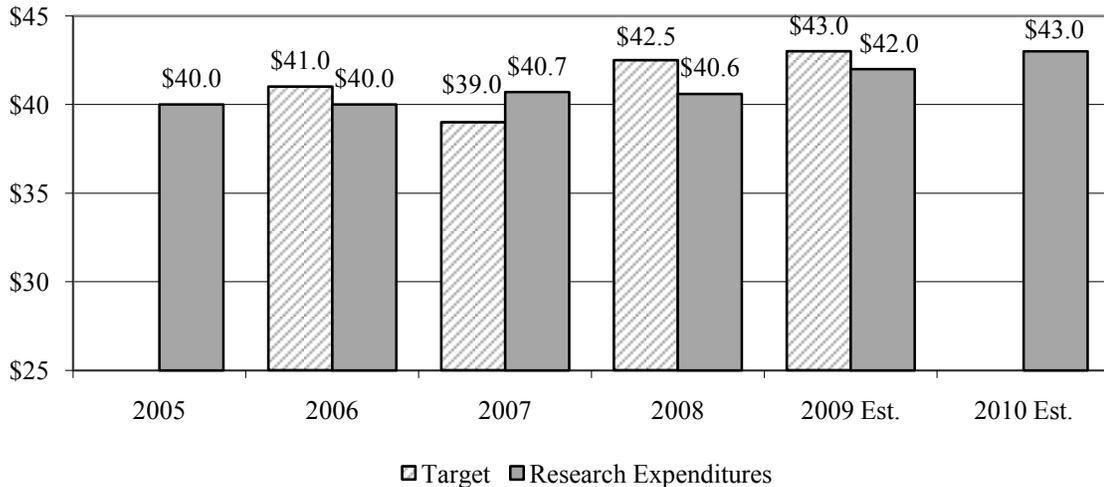


Source: Governor's Budget Books, Fiscal 2011

Research Expenditures Continue to Increase

Increasing extramural support from government and private sources is a goal of UMCES. As shown in **Exhibit 2**, research expenditures are projected to grow 3.4%, or \$1.4 million, to \$42.0 million in fiscal 2009, falling short of the target by \$1.0 million. Over the past four years, UMCES exceeded its target once, in fiscal 2007.

Exhibit 2
University of Maryland Center for Environmental Science
Research Expenditures
Fiscal 2005-2010
(\$ in Millions)



Source: Governor’s Budget Book, Fiscal 2011

Fiscal 2010 Actions

Impact of Cost Containment

The Board of Public Works (BPW) approved two cost containment measures resulting in a \$0.3 million reduction in UMCES’ State appropriations. The first cost containment measure, approved by BPW in July 2009, resulted in a \$0.2 million, or 1%, decrease in State appropriations. BPW approved a second cost containment measure in August 2009, resulting in a further decrease of \$0.1 million representing 0.9% of State appropriations. These actions resulting in eliminating 2 filled positions, reducing vacancies by 1.75 full-time equivalents (FTE), and decreasing operating expenditures.

Additionally, UMCES was requested to reduce current salary and wage spending by a total of \$0.3 million, \$8,993 in general funds and \$0.3 million in current unrestricted funds, as part of the statewide furlough plan. The President, in consultation with the Chancellor, developed a furlough plan in which employees who receive at least 50% of their annual salary from general funds are subject to furlough days. The numbers of furlough days, ranging from 3 to 10, are based on an employee’s annual salary. Graduate assistants, employees funded 100% from grants and contracts, contingent Category I employees, hourly employees, and H-1B visa employees are exempt from the furlough. UMCES was closed on December 24, 2009, and will also be closed on March 17, 2010.

UMCES will move \$0.3 million of unrestricted funds related to the furlough to the fund balance which will then be transferred via the Administration’s Budget Reconciliation and Financing Act (BRFA) of 2010 to the general fund. In addition, the BRFA of 2010 includes a \$65.0 million reduction of USM’s fund balance of which UMCES’ portion is \$0.9 million. After the transfer, UMCES will have a negative balance of \$0.6 million in the State-supported portion of its fund balance. It should be noted that UMCES expects to use \$43,622 of its fund balance in fiscal 2010, of which \$36,322 is to pay for debt service on the *Rachel Carson*, UMCES’ research vessel. After the reductions and transfers, the total ending balance in fiscal 2010 is estimated to be \$7.8 million.

Federal Stimulus Funds

UMCES was awarded four American Recovery and Reinvestment Act of 2009 grants totaling \$1.7 million. Three research grants totaling \$1.2 million focus on the fate of nitrogen in watersheds, measuring ocean acidification and implications, and monitoring bat populations. UMCES was also awarded a \$0.4 million capital grant to purchase equipment to measure stable isotopes from field samples.

Proposed Budget

The general fund allowance for UMCES in fiscal 2011 is \$35,462 above the fiscal 2010 level, an increase of 0.2% after adjusting for health insurance savings of \$37,572, as shown in **Exhibit 3**. Other unrestricted funds decline \$0.5 million, or 8.2%, from fiscal 2010 after adjusting for \$0.3 million of furlough and health insurance saving. This decline is due to conservatively estimating revenues from the sales and service of educational activities which have been declining over the past several years and interest income earned on the fund balance that has been drawn down due to fund balance reductions in fiscal 2009 and 2010.

Exhibit 3
Governor’s Proposed Budget
University of Maryland Center for Environmental Science
(\$ in Thousands)

	FY 09	FY 10	FY 11	FY 10-11	% Change
	<u>Actual</u>	<u>Working</u>	<u>Adjusted</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$17,721	\$17,876	\$17,912	\$35	0.2%
Other Unrestricted Funds	3,899	6,518	5,985	-533	-8.2%
Total Unrestricted Funds	21,620	24,394	23,897	-498	-2.0%
Restricted Funds	14,909	19,707	18,788	-920	-4.7%
Total Funds	\$36,529	\$44,102	\$42,684	-\$1,417	-3.2%

Source: Governor's Budget Book, Fiscal 2011

UMCES’ State-supported budget by program is shown in **Exhibit 4**. Research increases 1.3%, or \$0.2 million, mainly due to higher fringe benefits. A decline of 1.8%, or \$56,913, in institutional support is attributed to a reduction in equipment purchases and contractual services which was partially offset by higher fringe benefits. Plant decreases 0.5%, or \$23,820, primarily due to funding utilities at the fiscal 2009 level.

Exhibit 4
State-supported Budget Changes by Program
Fiscal 2009-2011
(\$ in Thousands)

	<u>2009</u>	<u>Working 2010</u>	<u>% Change 2009-10</u>	<u>Adjusted 2011</u>	<u>\$ Change 2010-11</u>	<u>% Change 2010-11</u>
<u>Expenditures</u>						
Research	\$11,284	\$12,112	7.3%	\$12,266	\$154	1.3%
Plant	4,630	5,248	13.4%	5,224	-24	-0.5%
Institutional support	2,658	3,084	16.1%	3,027	-57	-1.8%
Public service	34	35	3.2%	35	0	0.0%
Pending Reductions				-313	-313	
Total	\$18,605	\$20,480	10.1%	\$20,240	-\$240	-1.2%
<u>Revenues</u>						
General Funds	\$17,721	\$17,876	0.9%	\$17,912	\$35	0.2%
Other Unrestricted Funds ¹	1,159	1,763	52.1%	2,292	529	30.0%
Transfer(to)/from Fund Balance	-276	840		36	-804	
Total	\$18,605	\$20,480	10.1%	\$20,240	-\$240	-1.2%

¹ Other State support is a component of unrestricted revenue. Other unrestricted revenue considered non-state-support includes designated research initiative fund and self-supporting activities.

Note: Fiscal 2011 revenues are reduced by \$37,572 in general funds and \$0.3 million in other unrestricted funds which will be transferred from the fund balance to reflect across-the-board reductions.

Source: University of Maryland Center for Environmental Science

Fiscal 2011 Cost Containment

In addition to the \$11.7 million cash transfer from USM’s fund balance related to the furlough, of which UMCES’ portion is \$0.3 million, the BRFA of 2010 includes \$40.0 million reduction of the fund balance of which UMCES’ share is \$0.7 million. After the transfer, UMCES’ negative balance in the State-supported portion of its fund balance increases to \$1.3 million. It should be noted, UMCES plans to use \$36,022 of its fund balance for debt service payment on the

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Rachel Carson in fiscal 2011. After the reductions and transfers, the total ending balance in fiscal 2011 is estimated to be \$7.1 million.

For fiscal 2011, language in the BRFA of 2010 does not allow for bonuses related to individual performance, merit increases, or cost-of-living adjustments (COLA), but allows for salary increased necessary for the retention of faculty members.

Issues

1. Garnering Savings from Consolidation

UMCES, USM's independent research institute, was originally established in 1925 as the Chesapeake Biological Laboratory at Solomons and is the oldest permanent State-supported marine laboratory in continuous operation on the East Coast. In 1941, it became, by statute, the Department of Research and Education and was transferred by statute in 1961 to the University of Maryland as the Natural Resources Institute. In 1975, the Center for Environmental and Estuarine Studies (CEES) was created by statute and included the Natural Resource Institute. In 1988, USM was created with CEES as an independent center which became UMCES in 1997.

While UMCES does not grant degrees, faculty contribute to the education and training of graduate and undergraduate students attending USM degree-granting institutions. Approximately 150 graduate students are pursuing master's and doctoral degrees under the direction of UMCES faculty members. Faculty members participate and teach many courses in the following graduate programs:

- Marine, Estuarine, Environmental Sciences (MEES) graduate program, a multi-campus graduate program, in which nearly one-third of the students are based at one of the UMCES laboratories. Degrees are awarded through the University of Maryland, College Park, the University of Maryland Baltimore County, University of Maryland Eastern Shore, and University of Maryland, Baltimore (UMB). The director of MEES holds a half-time research appointment with UMCES.
- Graduate Program in Toxicology, a systemwide program with students pursuing a master's or doctoral degree from UMB based at the Chesapeake Biological Laboratory.
- Wildlife/Fisheries Biology or Applied Ecology and Conservation Biology at Frostburg State University allows students pursuing a master's degree to study at the Appalachian Laboratory.

While faculty generally do not teach undergraduate courses, UMCES offers opportunities for undergraduate students to spend the summer assisting researchers. Additionally, upon hiring, a faculty member receives graduate faculty status, which allows faculty to teach graduate courses and serve on graduate student committees at degree-granting USM institutions.

Savings from Merging Functions

Cost savings from administrative efficiencies would be achieved by merging or reorganizing UMCES as a whole or the three research laboratories with USM academic institution(s). Overall, of UMCES' total of 127.28 filled State-supported FTE positions 38.7%, or 49.2 FTE, are exempt (nonfaculty) positions, which include executives, professional, and administrative personnel, as shown in **Exhibit 5**. Cost savings would be achieved through the elimination of duplicative and unnecessary, exempt nonfaculty positions and associated administrative costs.

Exhibit 5
Total State-supported Filled Full-time Equivalent
Exempt and Nonexempt Positions
Fiscal 2010

	<u>Filled FTE</u>	<u>% of Filled</u>	<u>Vacant Positions</u>	<u>Total Positions</u>	<u>% of Total</u>
Exempt	49.2	38.7%	3.2	52.4	37.9%
Nonexempt	38.35	30.1%	3.79	42.14	30.5%
Faculty	39.73	31.2%	4.1	43.83	31.7%
Total	127.28		11.09	138.37	

FTE: full-time equivalent

Source: University of Maryland Center for Environmental Science

UMCES would benefit from relocating or consolidating functions with one or more USM institutions, transferring either UMCES as a whole entity or the three laboratories to the institution(s) whose mission best aligns with that particular program or center. Benefits to UMCES, USM, and students include:

- increasing efficiencies through the elimination of duplicative administrative functions;
- minimizing the impact of budgetary reductions (as part of a larger institution, the effect of a budgetary reduction would be lessened since a decrease would be allocated among all programs and colleges);
- maximizing the potential for collaborative research;
- increasing faculty access to resources which may provide an advantage when competing for grants and contracts; and
- increasing undergraduate and graduate students' access to faculty, providing opportunities for students to gain knowledge from experienced research faculty either from class or work on research projects.

The successful reallocation of the University of Maryland Biotechnology Institute's (UMBI) resources to five USM institutions proves that administrative efficiencies and the associated cost savings can be achieved through consolidation of services. The reorganization of UMBI resulted in at least \$2.8 million in savings attributable to the elimination of duplicative administrative services,

although the savings are being reallocated in the Governor's fiscal 2011 allowance. It should be noted, the President of UMCES also holds the title of USM Vice Chancellor of Sustainability; therefore, the position and salary of the President should be transferred to the USM Office.

The Department of Legislative Services (DLS) recommends that UMCES, either as a whole or by individual laboratories, be relocated to other USM institution(s) whose mission most closely aligns with UMCES or its component laboratories. DLS also recommends reducing UMCES' current unrestricted funds (general funds) by \$2,000,000 reflecting the anticipated six-month savings from the elimination of duplicative or unnecessary State-supported nonfaculty positions due to the merging and consolidation of the institution or laboratories. Furthermore, DLS recommends the President's position and salary be transferred to the USM Office.

2. Record Spat-on-shell Production

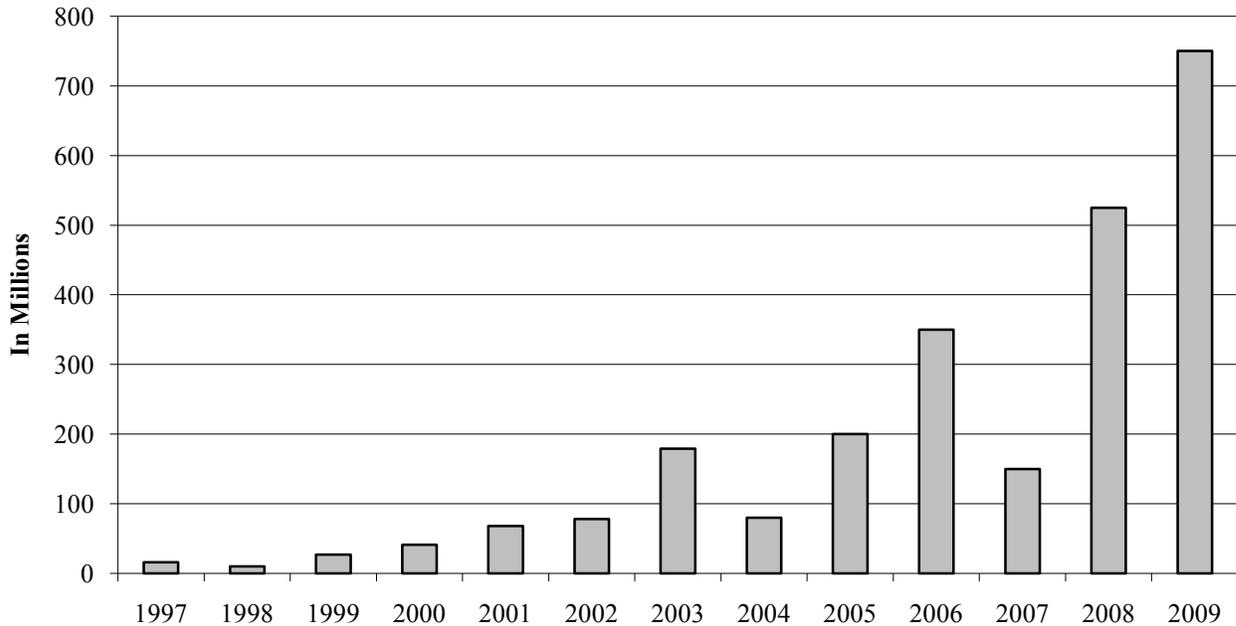
The oyster hatchery facility is located at the UMCES Horn Point Laboratory. The program, a cooperative research and educational effort between UMCES and the Sea Grant Extension Program, brings together various specialists, experts, and students to apply scientific knowledge to the management of the Chesapeake Bay. Emphasis on the plight of the bay's oysters heightened interest in oyster hatcheries as a viable resource to help with oyster restoration.

The process of producing oysters involves several steps. First, broodstock are harvested and conditioned by gradually increasing the water temperature until the oysters are ready to spawn. Water from the Choptank River is used so oysters feed on natural algal cells found in the river. Larvae are placed in tanks and fed cultured algae until they reach the setting stage. At this point, they are set on oyster shells which are collected and cleaned by the hatchery program. At this time, the oyster is called spat-on-shell. It takes several weeks for the spat to harden and be ready for planting in the bay or its tributaries. Overall, it takes two to four years for an oyster to reach a harvestable size. Since 2000, over 1.5 billion oysters have been planted on 60 oyster bars.

After declining 50% in 2007 from a high of 350 million, spat-on-shell production reached a record high of 750 million in 2009, as shown in **Exhibit 6**. UMCES attributes the continued increase to experienced and highly trained personnel who know how to maximize production and to systems in the hatchery that are now fully operational. Furthermore, steps have been taken to minimize the negative impact of poor water quality, the reason for the decline of spat production in 2007.

The hatchery process of any organism results in a certain mortality level. For the oyster hatchery, the mortality rate is approximately 30% during the nursery period. Data on the mortality rate resulting from planting the spat has not been gathered, as this is a labor intensive exercise. UMCES plans to gather this data as part of the new pier project. The mortality rate is expected to decrease since the pier will decrease the handling necessary to plant the spat.

**Exhibit 6
Spat-on-shell Production
Calendar 1997-2009**



Source: University of Maryland Center for Environmental Science

Funding for the hatchery operations comes from two main sources: the Maryland Department of Natural Resources (DNR) and the National Oceanic and Atmospheric Administration (NOAA) from which some of the funds come through the Oyster Restoration Partnership. The five-year average funding from these agencies, from fiscal 2005 to 2009, totaled \$747,350: \$491,000 from DNR and \$256,350 from NOAA. UMCES occasionally receives smaller awards to support spat production from Maryland Environmental Services and the United States Army.

The President should provide an update on the new State-funded pier and the impact it will have on the production of oysters.

3. Growing Interest in Science, Technology, Engineering, and Math through Environmental Inquiry

Part of UMCES' mission is to advance knowledge in environmental and natural sciences through teaching. Through its science, technology, engineering, and math (STEM) -related education programs, UMCES trained 450 K-12 teachers and had 11,000 K-12 students participate in its

programs in fiscal 2009. The Horn Point Environmental Center focuses on working with regional middle school students and teachers. The laboratory hosts 1 of the 11 Centers for Ocean Science Education Excellence (COSEE) supported by the National Science Foundation. The Appalachian Laboratory received funding, as part of the National Science Foundation Innovative Technology Experiences for Students and Teachers Program, for an Inquiring with Geographic Information System (GIS) Project.

The goal at Horn Point Environmental Center is to form a partnership with the Maryland State Department of Education (MSDE) to create a STEM Center for students and teachers based on environmental research. Currently, teacher professional development opportunities are available allowing 6th to 12th grade teachers to experience summer long research or attend a one week long science-based workshop. The goal is to build a teacher's knowledge in STEM subjects that can be applied in the classroom. Students are provided opportunities to engage in hands-on science projects that build on the concepts taught in STEM disciplines.

UMCES has worked with the Dorchester County public schools to provide teacher professional development opportunities for middle and high school teachers. This included workshops featuring various aspects of environmental research conducted at the laboratory. Also, student learning activities are offered to middle school students. UMCES is currently working with Wicomico County public schools to offer similar programs for their middle school STEM program, and Talbot County public schools wrote UMCES into its STEM proposal to MSDE.

COSEE Coastal Trends is working with MSDE to develop educational materials that can be used in the classroom and is currently developing an Ocean Science course. Through a grant program, MSDE implemented an elective Ocean Science course at the high school level in Worcester and Somerset counties. Queen Anne's County public schools partnered with COSEE to develop a course for all incoming freshmen. The course uses inquiry-based, hands-on activities to stimulate interest in ocean science, develop critical thinking skills, and increase science literacy. In summer 2009, an implementation institute was offered for teachers planning to teach the course in the 2009-2010 school year. These teachers will provide feedback for the final course revision in summer 2010.

The Appalachian Laboratory Environmental Science Program works with 7th through 12th grade teachers to integrate GIS into existing courses promoting interest in information technology careers and enhancing workforce skills. The Mapping Our Streams project, a collaboration with DNR, helps teachers in the Chesapeake Bay watershed guide students in using GIS in field based watershed investigations to analyze human impacts on a local stream site.

The President should comment on the status of environmental education programs being developed in collaboration with Maryland public schools.

Recommended Actions

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

, provided it is the intent of the General Assembly that the University of Maryland Center for Environmental Science (UMCES), either as a whole or by individual laboratories, be relocated to the appropriate University System of Maryland academic institution(s) to be effective by June 30, 2011. It is also the intent, that as part of the relocation, the position and salary of UMCES' president be transferred to the University System of Maryland Office.

Further provided that the appropriation herein for the UMCES shall be reduced by \$2,000,000.

Explanation: The language expresses the intent of the General Assembly that UMCES or its component laboratories, be relocated to the appropriate University System of Maryland academic institution(s) whose mission most closely aligns with UMCES, or laboratories, effective June 30, 2011. Additionally, the position and salary of the President is to be transferred to the University System of Maryland Office as part of the reorganization. The language reduces UMCES general fund appropriations by \$2,000,000 which is the anticipated six-month savings from the elimination of duplicative or unnecessary State-supported exempt nonfaculty positions and associated administrative costs due to the relocation of UMCES or laboratories.

Current and Prior Year Budgets

Current and Prior Year Budgets							
University of Maryland Center for Environment Science							
(\$ in Thousands)							
	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2009							
Legislative Appropriation	\$17,977	\$0	\$0	\$5,652	\$23,629	\$19,221	\$42,850
Deficiency Appropriation	0	0	0	0	0	1,359	1,359
Budget Amendments	234	0	0	1,210	1,444	500	1,944
Cost Containment	-489	0	0	0	-489	0	-489
Reversions and Cancellations	0	0	0	-2,963	-2,963	-6,170	-9,133
Actual Expenditures	\$17,722	\$0	\$0	\$3,899	\$21,621	\$14,910	\$36,531
Fiscal 2010							
Legislative Appropriation	\$18,296	\$0	\$0	\$6,260	\$24,556	\$19,707	\$44,263
Cost Containment	-179	0	0	-249	-428	0	-428
Budget Amendments	-241	0	0	507	266	0	266
Working Appropriation	\$17,876	\$0	\$0	\$6,518	\$24,394	\$19,707	\$44,101

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

Fiscal 2009

For fiscal 2009, general funds for UMCES declined \$0.3 million through budget amendments. This included \$0.2 million increase for State employee COLA and a decrease of \$0.5 million for cost containment resulted in not filling vacant positions. Other unrestricted funds increased by \$1.2 million through budget amendments from federal and State contract and grant activity.

Restricted funds increased \$1.9 million, which included a \$1.4 million deficiency appropriation for expenditures associated with contracts and grants activity and a budget amendment for \$0.5 million in federal and State contracts and grants activity.

Cancellations of unrestricted funds totaled \$3.0 million due to lower than anticipated expenditures for federal contracts and grants and not filling faculty positions due to a hiring freeze and a longer recruitment period. Cancellations of restricted funds totaled \$6.2 million due to an over statement of expenditures of grants and contracts due to budgeted amounts reflecting the total multi-year grant awards and not the projected expenditures for the year.

Fiscal 2010

For fiscal 2010, general funds declined by a total of \$0.4 million, which included \$0.2 million for cost containment measures and \$0.2 million from a USM reallocation of general funds among USM institutions. Other unrestricted funds increased \$0.3 million due to increases of \$0.5 million in federal and State grants and contracts, \$7,300 transfer from the fund balance, and a decrease of \$0.2 million in cost containment measure related to furlough savings.

Audit Findings

Audit Period for Last Audit:	June 12, 2006-December 2, 2008
Issue Date:	April 2009
Number of Findings:	2
Number of Repeat Findings:	0
% of Repeat Findings:	%
Rating: (if applicable)	n/a

Finding 1: Credit limits for corporate purchasing cards were not adequately evaluated.

Finding 2: Certain critical control procedures were not adequately documented.

*Bold denotes item repeated in full or part from preceding audit report.

Object/Fund Difference Report
USM – University of Maryland Center for Environmental Science

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	259.39	255.64	255.64	0	0%
02 Contractual	37.00	37.00	37.00	0	0%
Total Positions	296.39	292.64	292.64	0	0%
Objects					
01 Salaries and Wages	\$ 23,139,174	\$ 25,642,281	\$ 25,561,597	-\$ 80,684	-0.3%
02 Technical and Spec. Fees	445,556	330,000	330,000	0	0%
03 Communication	281,339	370,879	353,285	-17,594	-4.7%
04 Travel	759,049	761,572	742,020	-19,552	-2.6%
06 Fuel and Utilities	2,040,774	2,152,339	2,098,011	-54,328	-2.5%
07 Motor Vehicles	341,006	709,134	1,413,798	704,664	99.4%
08 Contractual Services	6,180,965	8,847,463	8,316,608	-530,855	-6.0%
09 Supplies and Materials	1,677,193	1,947,958	1,875,458	-72,500	-3.7%
11 Equipment – Additional	429,545	1,195,249	1,162,500	-32,749	-2.7%
12 Grants, Subsidies, and Contributions	89,343	31,250	31,250	0	0%
13 Fixed Charges	1,130,046	1,280,460	279,608	-1,000,852	-78.2%
14 Land and Structures	14,773	832,925	832,925	0	0%
Total Objects	\$ 36,528,763	\$ 44,101,510	\$ 42,997,060	-\$ 1,104,450	-2.5%
Funds					
40 Unrestricted Fund	\$ 21,619,633	\$ 24,394,257	\$ 24,209,312	-\$ 184,945	-0.8%
43 Restricted Fund	14,909,130	19,707,253	18,787,748	-919,505	-4.7%
Total Funds	\$ 36,528,763	\$ 44,101,510	\$ 42,997,060	-\$ 1,104,450	-2.5%

Note: The fiscal 2010 appropriation does not include deficiencies.