

R30B26
Frostburg State University
 University System of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Working</u>	<u>FY 14</u> <u>Allowance</u>	<u>FY 13-14</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$31,768	\$30,513	\$34,166	\$3,654	12.0%
Contingent & Back of Bill Reductions	0	0	-51	-51	
Adjusted General Fund	\$31,768	\$30,513	\$34,115	\$3,603	11.8%
Special Funds	1,703	3,047	2,413	-634	-20.8%
Adjusted Special Fund	\$1,703	\$3,047	\$2,413	-\$634	-20.8%
Other Unrestricted Funds	55,486	56,890	58,808	1,918	3.4%
Adjusted Other Unrestricted Fund	\$55,486	\$56,890	\$58,808	\$1,918	3.4%
Total Unrestricted Funds	88,957	90,449	95,387	4,938	5.5%
Contingent & Back of Bill Reductions	0	0	-51	-51	
Adjusted Total Unrestricted Funds	\$88,957	\$90,449	\$95,336	\$4,887	5.4%
Restricted Funds	11,962	12,051	12,051	0	
Adjusted Restricted Fund	\$11,962	\$12,051	\$12,051	\$0	0.0%
Adjusted Grand Total	\$100,919	\$102,500	\$107,387	\$4,887	4.8%

- General funds increase \$3.6 million, or 11.8%, in fiscal 2014 after adjusting for the \$51,138 across-the-board reduction. However, when accounting for \$1.6 million in Budget Restoration Funds created during the 2012 special session, the general fund increases 6.3%, or \$2.0 million.
- The Higher Education Investment Fund increases 67.3%, or \$1.0 million. The overall growth in State funds is 8.9%, or \$3.0 million, above fiscal 2013.

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 12</u> <u>Actual</u>	<u>FY 13</u> <u>Working</u>	<u>FY 14</u> <u>Allowance</u>	<u>FY 13-14</u> <u>Change</u>
Regular Positions	731.00	731.00	731.00	0.00
Contractual FTEs	<u>151.90</u>	<u>152.30</u>	<u>158.90</u>	<u>6.60</u>
Total Personnel	882.90	883.30	889.90	6.60

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	39.18	5.36%
Positions and Percentage Vacant as of 12/31/12	39.00	5.30%

- While the fiscal 2014 allowance does not provide any new regular positions, it does include 6.6 new contractual full-time equivalents of which 4.1 are related to the opening of a new facility and 2.5 are science, technology, engineering, and mathematics (STEM) faculty related to the University System of Maryland’s initiatives.

Analysis in Brief

Major Trends

Second- and Third-year Retention Rates: The second- and third-year retention rates for the 2006 cohort dropped to the lowest level since the 1990 cohort but improved with subsequent cohorts due to the implementation of programs designed to increase retention.

Four- and Six-year Graduation Rates: Frostburg State University's (FSU) four-year graduation rate falls below the averages of its peers and the State. The six-year rate, which peaked at 51.0% in fiscal 2007, declined to 48.0% in fiscal 2010 but is only slightly below the State average of 48.9%.

Undergraduate Degree Production: After exceeding or meeting the average of its peers for four years, degree production at FSU declined to 17.0 degrees per 100 students and fell below its peers in 2010. The downward trend reversed in 2011 when degree production increased by 1.4 degrees.

Education and Related Expenditure Per Degree: Even though FSU's expenditures per degree increased by \$7,365 per degree from 2005 to 2009, it was still below that of its peers.

Issues

Affordability: Thirty-six percent of FSU's students receive Pell awards, and these students received 51.6% of institutional aid in fiscal 2012. In order to help finance their college education, of the 1,811 Pell-eligible students in fiscal 2012, 122 used the federal parent loans to finance their education with loans averaging \$5,484.

Developmental Math Redesign: After identifying the lack of preparation in mathematics as a barrier to degree completion, FSU redesigned its developmental math course. The redesigned course was fully implemented in fall 2011 and resulted in the pass rate of those students increasing from an historical rate of 59% to 76%.

Growing a Sustainable Identity: Over the past few years, FSU has been making sustainability a central part of its identity and educational mission through various programs and initiatives. In fall 2010, FSU began offering a minor in Sustainability Studies, and the Sustainable Energy Research Facility was dedicated in October 2012.

Recommended Actions

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

R30B26
Frostburg State University
University System of Maryland

Operating Budget Analysis

Program Description

Frostburg State University (FSU) is a mid-size, comprehensive university. It is the only four-year institution within the University System of Maryland (USM) located west of the Baltimore-Washington corridor and serves as the premier educational and cultural center for Western Maryland. As such, it is largely a residential campus drawing students from all counties in Maryland as well as neighboring states and foreign countries. Approximately half of FSU's students are from Allegany, Frederick, Garrett, and Washington counties.

FSU offers an array of high-quality and affordable undergraduate and graduate degrees, emphasizing academic programs in education, business, applied science and technology, and creative and performing arts, with selected programs in the humanities and social sciences. It also offers students opportunities to engage in regional volunteerism, service learning activities, undergraduate research, and internships.

FSU promotes regional development through a variety of initiatives. For example, the university provides technical and business expertise, and space is made available for business incubation with an emphasis on engaging faculty and students with business to ensure the collaborative nature of all ventures.

Carnegie Classification: Master's L: Master's Colleges and Universities (larger programs)

Fall 2012 Undergraduate Enrollment Headcount		Fall 2012 Graduate Enrollment Headcount	
Male	2,368	Male	309
Female	2,263	Female	481
Total	4,631 (164 at Hagerstown)	Total	790 (167 at Hagerstown)

Fall 2012 New Students Headcount		Campus (Main Campus)	
First-time	819	Acres	260.5
Transfers/Others	468	Buildings	47
Graduate	192	Average Age	38 years
Total	1,479	Oldest	1902 Old Main

Programs		Degrees Awarded (2011-2012)	
Bachelor's	46	Bachelor's	892
Master's	9	Master's	175
Doctoral	1		
		Total Degrees	1,067

Proposed Fiscal 2014 In-state Tuition and Fees*

Undergraduate Tuition	\$5,630
Mandatory Fees	\$2,098

*Contingent on Board of Regents approval.

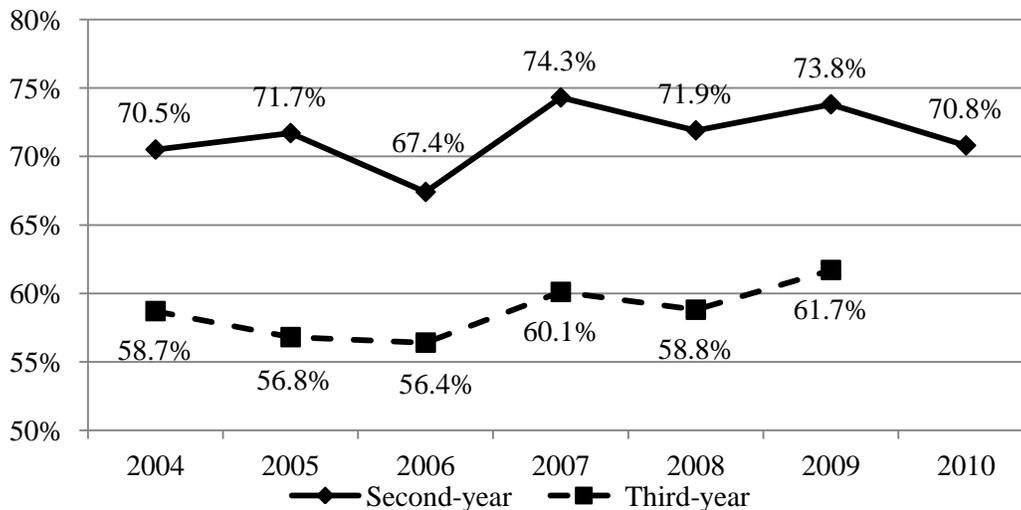
Performance Measures

1. Second- and Third-year Retention Rates

Student persistence, or retention, provides a measure of student progress and an indication of an institution’s performance. The higher the retention rate, the more likely students will persist and graduate. While the second- and third-year retention rates have fluctuated over the past six cohorts, as shown in **Exhibit 1**, the rates for the 2006 cohort dropped to the lowest level since the 1990 cohort. FSU attributes this to various factors including a lower entering student profile, a decline in the persistence of male students, and a high attrition rate among undeclared students. The second- and third-year rates have since improved with the subsequent cohorts. This reflects the implementation of various programs designed to increase retention, such as the Advising Center that assists students seeking new majors and serves as a resource for incoming transfer and other students who have yet to declare a major, and the expansion of the Learning Community to all incoming freshmen. The second-year rate for the 2010 cohort declined 3 percentage points, which is partly due to not only a high attrition rate of undeclared students but also to economic pressures that resulted in students leaving FSU.

After reaching a low point of 56.4% with the 2006 cohort, the third-year rate increased to 61.7% with the 2009 cohort. However, given that third-year rates tend to mirror the second-year trends, it is expected the third-year rate will decline with the 2010 cohort.

Exhibit 1
Second- and Third-year Retention Rates
2004-2010 Cohort



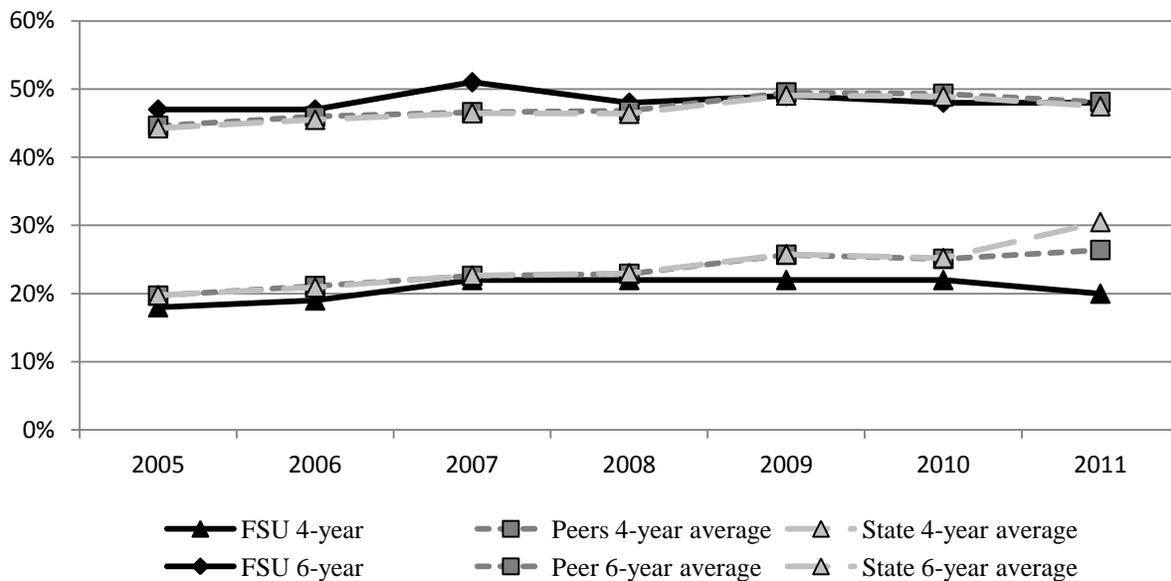
Source: Maryland Higher Education Commission

2. Four- and Six-year Graduation Rates

Exhibit 2 compares the four- and six-year graduation rates of FSU to the average of its peer institutions and the State’s public four-year institutions. Peer institutions are those used to benchmark FSU’s performance in USM’s 2012 *Dashboard Indicators*. In regards to the four-year rate, FSU consistently falls slightly below the average of its peers and the State. While the rate remained at 22% from fiscal 2007 to 2010, it declined to 20.0% in fiscal 2011. Meanwhile, that of its peers and the State increased by 1.3 and 5.3 percentage points, respectively. Prior to fiscal 2009, FSU’s six-year rate exceeded that of its peers and the State, but after peaking at 51.0% in fiscal 2007, the rate declined to 48.0% in fiscal 2010. While FSU was able to maintain this rate in fiscal 2011, the rate of its peers and the State declined, resulting in FSU slightly exceeding the State average.

It should be noted while the national data used for this exhibit allows for comparisons across institutions there are some limitations such as not accounting for transfer students. When accounting for these students FSU’s four year graduation rate for the 2005 cohort is 21.3% and the six-year rate is 53.0%.

Exhibit 2
Four- and Six-year Graduation Rates
Fiscal 2005-2011



FSU: Frostburg State University

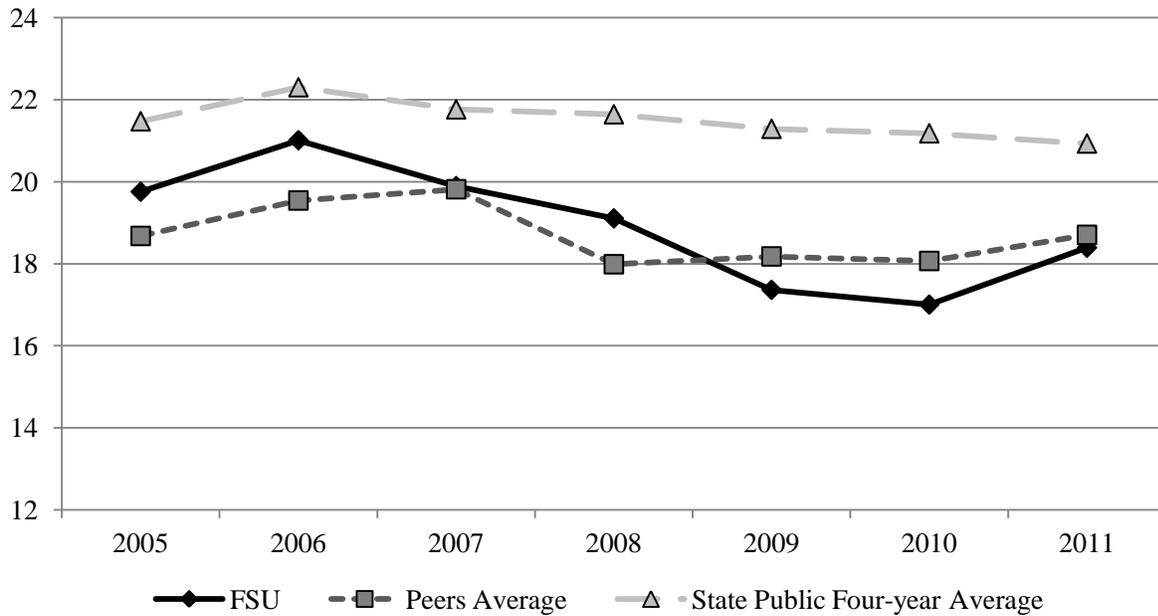
Note: Rates reflect the progress of the cohort of first-time, full-time degree seeking undergraduate students; does not include transfers in or out of the institution.

Source: Integrated Postsecondary Education System; Department of Legislative Services

3. Undergraduate Degree Production

Ultimately, how well an institution meets its mission is measured by the number of undergraduate degrees awarded. Trends in the number of undergraduate degrees awarded per 100 undergraduate full-time equivalent students show if an institution is being more or less productive in graduating students. Overall, FSU and the average of its peers consistently fell below the State average as shown in **Exhibit 3**. After reaching a high point of 21.0 degrees in fiscal 2006, degree production fell to the lowest level of 17.0 in fiscal 2010. This downward trend reversed in fiscal 2011 when degree production increased by 1.4 degrees to 18.4, slightly below that of its peers.

Exhibit 3
Undergraduate Degrees Per 100 Full-time Equivalent Student
Fiscal 2005-2011



FSU: Frostburg State University

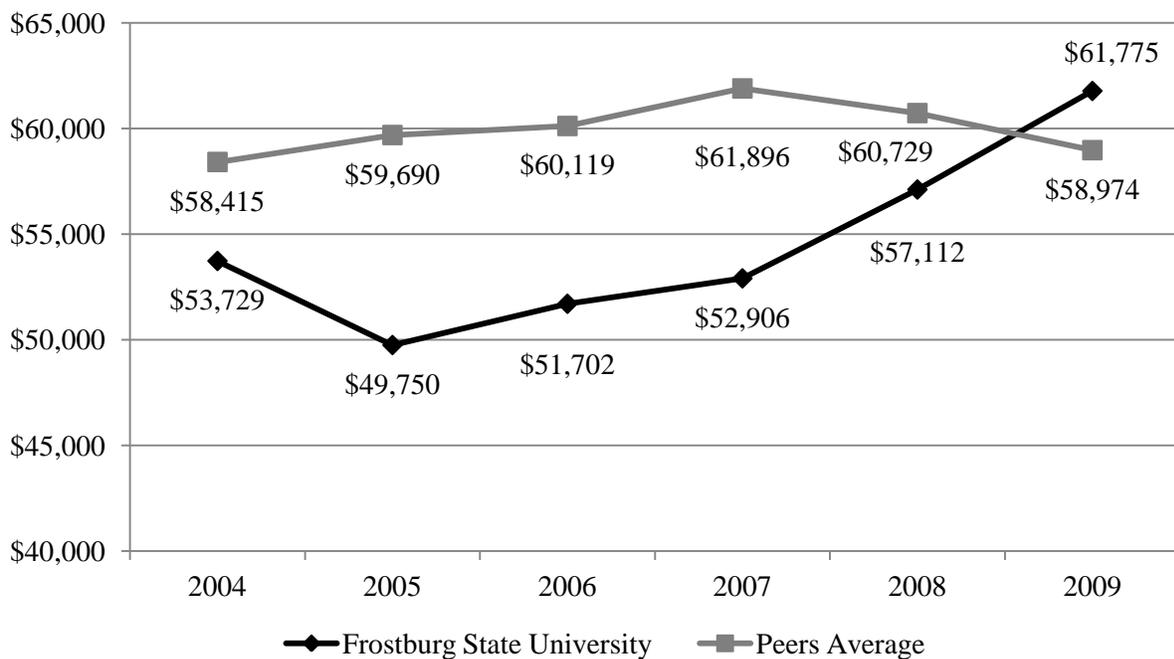
Source: Integrated Postsecondary Education Data System; Department of Legislative Services

4. Education and Related Expenditure Per Degree

Education and related (E&R) expenditures per degree is another means by which to measure the performance of an institution. This measure shows, over time, if an institution is

becoming more or less productive in using its resources to produce degrees. Despite a continual increase in its expenditures per degree from fiscal 2005 to 2009, FSU’s ratio remained below the average of its peers, as shown in **Exhibit 4**. There was a significant jump in FSU’s expenditures per degree starting in fiscal 2008 in which costs increased, on average, 8.1% compared to 3.1% in the prior two years. This coincided with the decline in degree production noted in Exhibit 3. A continual decline in the peers’ average, coupled with FSU’s sustained increase, resulted in FSU exceeding its peers by \$2,801 in 2009.

Exhibit 4
Educational and Related Expenditures Per Degree Completed
Academic Year 2004-2009



Note: Education and related expenditures includes direct spending on instruction, student services; and education share of spending on academic and institutional support, and operations and maintenance. All dollar amounts are reported in 2009 dollars.

Source: Delta Project, Trends in College Spending Online

While progress has recently been made in improving student performance, it took a student in the 2008-2009 academic year an average of 4.68 years to graduate even though the average number of credits earned totaled 128, according to *Complete College America*. The President should comment on factors contributing to FSU’s performance and those efforts, programs, and/or initiatives that have been or will be implemented to help ensure student success.

Proposed Budget

The general fund allowance for fiscal 2014 is 11.8%, or \$3.6 million, higher than in fiscal 2013 after adjusting for the across-the-board reduction of \$51,138, as shown in **Exhibit 5**. When accounting for the \$1.6 million in Budget Restoration Funds created during the First Special Session of 2012, the general fund increases 6.3%, or \$2.0 million. The Higher Education Investment Fund (HEIF) increases \$1.0 million, or 67.3%, in the fiscal 2014 allowance resulting in an overall growth in State funds of 8.8%, or \$3.0 million. Other unrestricted funds increase \$1.9 million, or 3.4%, primarily due to tuition and fee revenues growing \$1.1 million.

Exhibit 5
Proposed Budget
Frostburg State University
(\$ in Thousands)

	FY 12 <u>Actual</u>	FY 13 <u>Working</u>	FY 14 <u>Adjusted</u>	FY 13-14 <u>Change</u>	% Change <u>Prior Year</u>
General Funds	\$31,768	\$30,513	\$34,115	\$3,603	11.8%
HEIF	1,703	1,442	2,413	\$971	67.3%
BRF		1,605	0	-\$1,605	
Total State Funds	33,471	33,559	36,528	2,969	8.8%
Other Unrestricted Funds	55,486	56,890	58,808	1,918	3.4%
Total Unrestricted Funds	88,957	90,449	95,336	4,887	5.4%
Restricted Funds	11,962	12,051	12,051	0	0.0%
Total Funds	\$100,919	\$102,500	\$107,387	\$4,887	4.8%

BRF: Budget Restoration Funds

HEIF: Higher Education Investment Funds

Note: Fiscal 2014 general funds are adjusted by \$51,138 to reflect the across-the-board reduction. Numbers may not sum to total due to rounding.

Source: Governor's Budget Book, Fiscal 2014; Department of Legislative Services

The fiscal 2014 allowance provides an additional \$4.5 million, excluding auxiliary enterprises, in current unrestricted funds for expenses related to current services costs (CSC) and for program enhancements to fund initiatives. Personnel expenditures, which include the annualization of the fiscal 2013 cost-of-living adjustment (COLA) and merit total \$2.1 million. Other expenditure increases include the opening of the Center for Communications and Information Technology (\$2.1 million); facilities renewal (\$0.4 million); financial aid (\$0.2 million); and debt service (\$60,235).

The allowance also includes \$0.5 million to fund various program initiatives including:

- \$0.2 million to hire science, technology, engineering, and mathematics (STEM) faculty, and purchase laboratory equipment and specialized computing capability for Engineering, Biology, and Chemistry programs;
- \$0.2 million for achievement gap/completion to increase financial aid and implement an early warning system; and
- \$0.1 million for academic transformation to fully implement two courses and start the redesign of four courses.

CSC and program initiatives total \$5.5 million, exceeding the increase in unrestricted funds by \$1.0 million. Therefore, FSU will have to internally reallocate funds to cover these expenditures. Additionally, \$0.2 million will be transferred from the fund balance to help fund program initiatives, which is part of the overall \$10.0 million in fund balance transfer USM is contributing to fund the initiatives.

The President should comment on what program areas may be affected by the reallocation of funds to meet this shortfall and the potential impact on students.

Budget changes by program area in the allowance are shown in **Exhibit 6**. This data includes unrestricted funds only, the majority of which consist of general funds, HEIF, and tuition and fee revenues. In fiscal 2013, operation and maintenance of plant grew 19.6% due to a mild winter in fiscal 2012 that resulted in snow removal and utilities expenses being lower than budgeted, coupled with increases in debt service payments and fringe benefit costs. Expenditures on academic support declined 3.1%, or \$0.3 million, due to one-time expenditures in fiscal 2012 that included the purchase of additional software and equipment for academic computing and the costs associated with a firm to help search for a Dean for the College of Education. Also, in fiscal 2013, expenditures for public service declined \$0.2 million, or 76.6%, because the matching requirements of grants and contract awards were not known in time to be included in the budget estimate, and auxiliary enterprises decreased \$2.0 million in fiscal 2013 due to higher expenses related to facility projects in fiscal 2012.

In fiscal 2014, expenditures for all program areas increase due to a rise in personnel expenditures relating to the annualization of the fiscal 2013 COLA, merit and fringe benefits. Operations and maintenance of plant increase 19.2%, or \$2.6 million, primarily due to the opening of a new facility. Increases in instruction of \$1.0 million, or 3.4%, are related to the costs associated with programmatic initiatives including STEM, completion, and academic transformation.

Exhibit 6
FSU Budget Changes for Unrestricted Funds by Program
Fiscal 2012-2014
(\$ in Thousands)

	<u>Actual</u> <u>2012</u>	<u>Working</u> <u>2013</u>	<u>% Change</u> <u>2012-13</u>	<u>Adjusted</u> <u>2014</u>	<u>Change</u> <u>2013-14</u>	<u>% Change</u> <u>2013-14</u>
Expenditures						
Instruction	\$28,355	\$29,632	4.5%	\$30,633	\$1,001	3.4%
Research	41	0	-100.0%	0	0	
Public Service	297	61	-79.6%	61	0	0.0%
Academic Support	8,924	8,648	-3.1%	9,100	452	5.2%
Student Services	4,597	4,574	-0.5%	4,803	229	5.0%
Institutional Support	10,305	10,598	2.8%	10,653	55	0.5%
Operation and Maintenance of Plant	11,324	13,541	19.6%	16,147	2,606	19.2%
Scholarships and Fellowships	5,854	6,167	5.4%	6,494	327	5.3%
Education and General Total	\$69,697	\$73,222	5.1%	\$77,891	\$4,669	6.4%
Auxiliary Enterprises	\$19,259	\$17,227	-10.6%	\$17,445	\$218	1.3%
Grand Total	\$88,957	\$90,449	1.7%	\$95,336	\$4,887	5.4%
Revenues						
Tuition and Fees	\$32,878	\$33,507	1.9%	\$34,630	\$1,122	3.3%
General Funds	31,768	30,513	-4.0%	34,115	3,603	11.8%
Higher Education Investment Fund	1,703	1,442	-15.3%	2,413	971	67.3%
Budget Restoration Fund		1,605		0	-1,605	
Other Unrestricted Funds	1,737	1,767	1.7%	1,892	125	7.1%
Subtotal	\$68,086	\$68,833	1.1%	\$73,050	\$4,217	6.1%
Auxiliary Enterprises	\$21,416	\$21,726	1.5%	\$22,072	\$346	1.6%
Transfer (to)/from Fund Balance	-545	-110		214	324	
Grand Total	\$88,957	\$90,449	1.7%	\$95,336	\$4,887	5.4%

FSU: Frostburg State University

Note: Fiscal 2014 expenditures and general funds are adjusted by \$51,138 to reflect an across-the-board reduction.

Source: Governor's Budget Books, Fiscal 2014.

Issues

1. Affordability

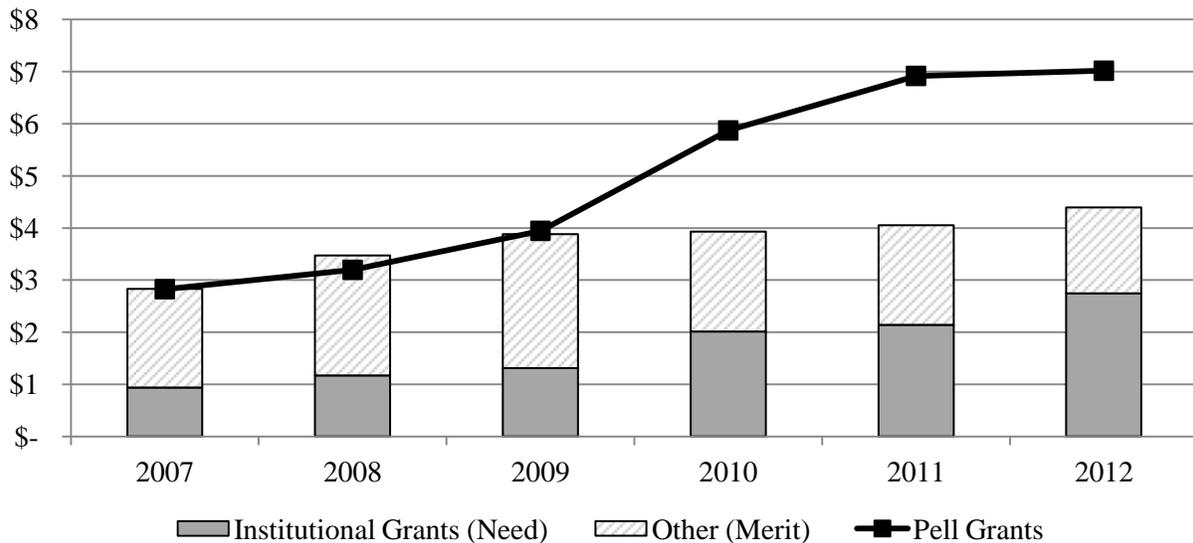
Financial aid is an important component in helping many students succeed in earning a degree. Lack of financial support frequently contributes to a student's decision to stop or drop out of college. Generally, by combining various types of aid – federal, State, and institutional – students are able to effectively lower the cost of college. According to the National Center for Education Statistics *College Navigator*, the total cost for a Maryland student attending FSU in fiscal 2011 was \$17,948 (based on tuition, mandatory fees, books and supplies, other expenses, and the weighted average of room and board). However, when accounting for the average amount of federal, State, and institutional aid, and federal loans the average net cost of attendance was \$11,114, a 38.1% reduction in the net cost of attendance.

Institutional Aid

Thirty-six percent of FSU's students receive Pell awards which are given to those that could not otherwise afford college and have an expected family contribution (EFC) of less than a specified amount, which was \$5,273 in 2012. EFC is an indicator of the amount a family is required to contribute to pay for a student's college education; therefore, the lower the EFC, the greater the financial need.

The first year that the downturn in the economy impacted students' financial situation is seen in fiscal 2010 when Pell expenditures rose 48.3%, or \$5.8 million, as shown in **Exhibit 7**. In terms of institutional aid, prior to fiscal 2010, approximately 33.0% of aid went towards need-based aid. Starting in fiscal 2010, there was a notable shift in expenditures with need-based aid accounting 51.2% of the total expenditures. This is consistent with the Board of Regents' recommendation to increase the portion of aid allocated to need-based aid. In fiscal 2012, need-based aid totaled \$2.7 million, or 62.4% of the total expenditures on institutional aid. Overall, the amount spent on institutional aid increased 55.3%, or \$1.6 million, between fiscal 2007 and 2012.

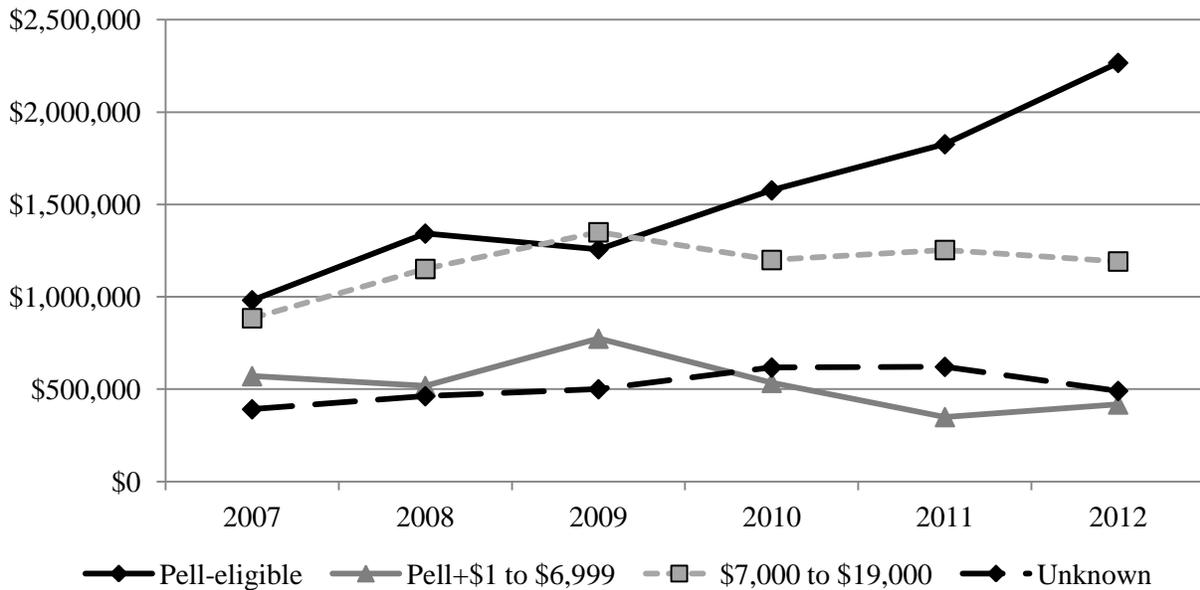
Exhibit 7
Total Institutional Aid and Pell Grant Expenditures
Fiscal 2007-2012
(\$ in Millions)



Source: University System of Maryland

As the expenditures on need-based aid grew, there was a corresponding increase in the amount of institutional aid awarded to Pell-eligible students, as shown in **Exhibit 8**. In fiscal 2012, Pell-eligible students received 51.6% of institutional aid – a significant increase from fiscal 2007 when 34.7% received aid. In fiscal 2010 the impact of the recession can again be seen with an additional \$0.3 million, awarded to Pell-eligible students, resulting in these students receiving 40.1% of the total institutional aid. Conversely, awards going to those in the category of EFC just above Pell eligibility declined 46.0%, or \$0.4 million, between fiscal 2009 and 2012.

Exhibit 8
Total Expenditures on Institutional Aid by Expected Family Contribution
Fiscal 2007-2012



Source: University System of Maryland

However, Financial Aid Does Not Cover All Costs

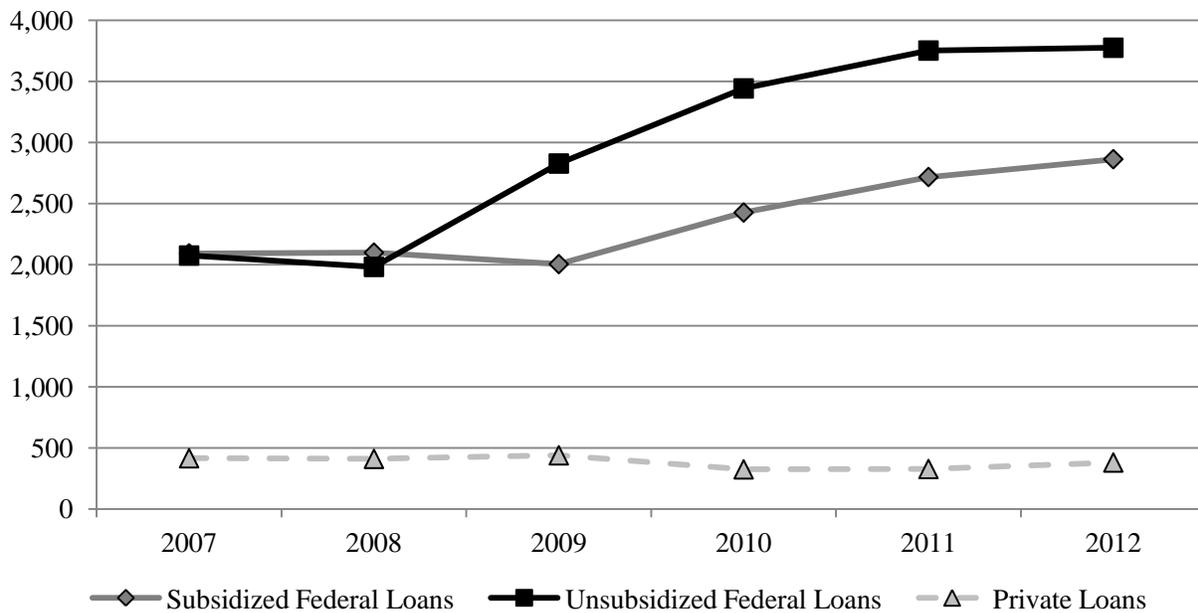
In addition to financial aid, students may take out loans to pay for their education. There are three types of loans:

- federal subsidized loans are based on financial need with the government paying the interest while the student is enrolled in school;
- federal unsubsidized loans are generally for those who do not demonstrate financial need with the interest added to the balance of the loan while the student is enrolled in school; and
- private sources.

Over the past four years, the number of federal unsubsidized and subsidized loans increased 62.7%, as illustrated in **Exhibit 9**. Prior to that, from fiscal 2007 to 2009, the number of subsidized loans declined 4.2% due to a drop in the number of Perkins loans, from 321 in

fiscal 2007 to 111 in fiscal 2009. The Perkins loan is a revolving account; as students pay back loans to the university, those funds are used to provide new loans for the next cohort of students. A decline in payments in fiscal 2008 resulted in FSU only having \$0.1 million available for loans in fiscal 2009, compared to \$0.3 million in fiscal 2008. The decline in loan payments can be attributed to the elimination of the Federal Family Educational Loan program in 2009, and borrowers were no longer able to consolidate multiple federal loans into one loan.

Exhibit 9
Total Number of Loans
Fiscal 2007-2012



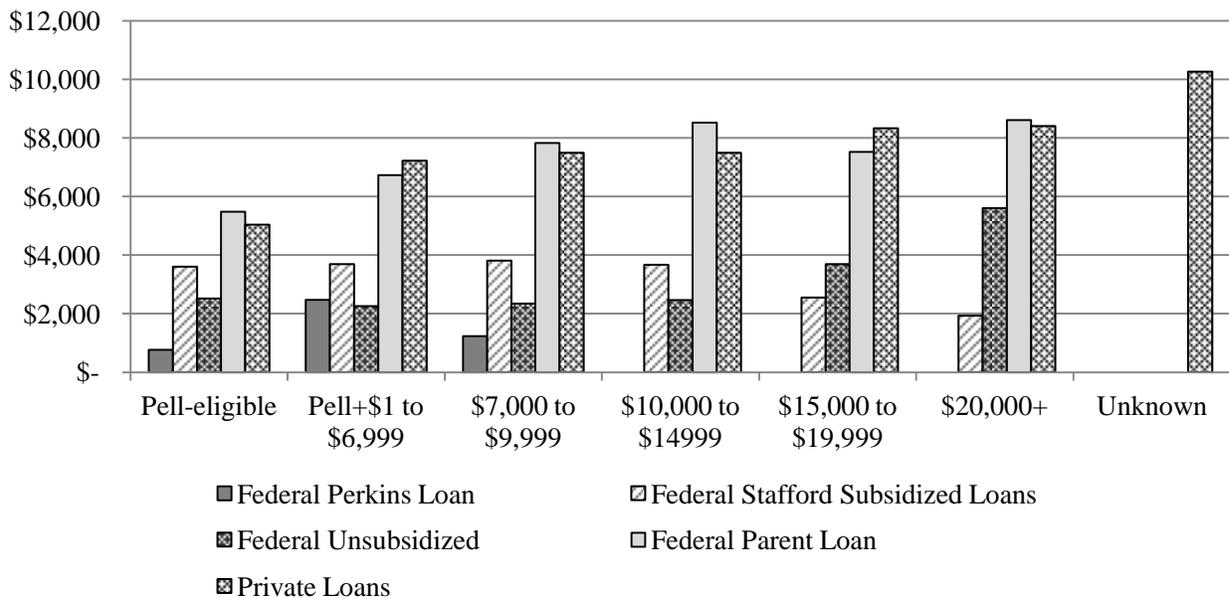
Source: University System of Maryland

The number of federal unsubsidized loans jumped 89.4% from fiscal 2008 to 2011 due to more than a doubling of the number of Stafford loans. This can be attributed to a change in the federal loan limits. In fiscal 2008, the annual loan limit increased \$2,000 for dependent undergraduate students and an additional \$1,000 for independent students. Additionally, this suggests, with the economic downturn, that families with higher incomes are filing the Free Application for Federal Student Aid (FAFSA) to receive unsubsidized federal loans rather than take out a typically more expensive private loan.

While the students with the greatest financial need typically receive Pell awards and institutional aid, it is still not enough to cover the costs of college. As shown in **Exhibit 10**,

students in all EFC categories take out various types of loans to finance their education. In fiscal 2012, of the 1,811 Pell-eligible students, 122 used the federal parent loan program to finance their education with loans averaging \$5,484. In general, federal parent loans and private loans progressively increase at higher EFC categories. Those in the unknown category, students who did not file a FAFSA, took out the highest average private loan of \$10,264.

Exhibit 10
Mean Loan Amount by Type and Expected Family Contribution
Fiscal 2012



Source: University System of Maryland

2. Developmental Math Redesign

After identifying the lack of preparation in mathematics as a barrier to degree completion, FSU, with funding from the Lumina Foundation, redesigned its developmental math course – intermediate algebra (Developmental Math Courses (DVMT 100)), which is a prerequisite course for college algebra. Enrollment in DVMT 100 averaged approximately 356 students per academic year and has a historical failure rate of 41%. The goals in redesigning DVMT 100 were to improve the course pass rate; establish uniformity across sections; and improve student performance in subsequent math courses.

Traditionally, DVMT 100 was taught using one of two class formats – traditional or computer enhanced, with faculty relying on trained student peer instructors. The redesigned

course incorporated both methods into one standardized format with students attending a large lecture taught by a Master Instructor once a week and a computer lab twice a week. This is supplemented with smaller computer mediated sections four times a week in which assistance is provided by trained undergraduate learning assistants. Additionally, weekly homework deadlines were incorporated into the course in order to keep students on track, and practice tests were used to monitor student progress.

The redesigned course was piloted in spring 2011 and fully implemented in fall 2011. The pass rate of those students in the redesigned courses increased from a historical rate of 59.0% to 76.0% in spring 2012, as shown in **Exhibit 11**. Furthermore, the performance of those students who passed DVMT 100 and continued to the next level of math exceeded those who were not required to take the course. The pass rate in Math 102 and 106 for the DVMT 100 students was 50.5% and 67.5%, respectively, while the rate for the other students was 46.8% for Math 102 and 59.5% for Math 106.

Exhibit 11
Results of Fully Implemented Course Redesign
Spring 2012

	<u># Passed</u>	<u># Failed</u>	<u>Pass Rate</u>
<u>DVMT 100</u>			
Spring 2011 (pilot)	28	27	50.9%
Fall 2011 (fully implemented)	157	40	79.7%
Spring 2012	76	24	76.0%
<u>Math 102</u>			
DVMT Students	47	46	50.5%
Other Students	29	33	46.8%
<u>Math 106</u>			
DVMT Students	52	25	67.5%
Other Students	25	17	59.5%

DVMT: Developmental Math Courses

Source: Frostburg State University

Given the demonstrable success of the redesign of developmental math, the President should comment on other course redesign efforts currently being undertaken and on other initiatives to help increase student performance and outcomes.

3. Growing a Sustainable Identity

Over the past few years, FSU has been making sustainability a central part of its identity and educational mission through various programs and initiatives. It has been incorporated into the institutional culture through the sustainability initiative Learning Green, Living Green that engages students, faculty, staff, and community members to develop and coordinate programs and projects that create sustainable solutions to environmental, social, and economic needs. Last fall, FSU was ranked number 66 out of 98 institutions in the Sierra Club’s magazine’s sixth annual ranking of the nation’s “Coolest Schools,” recognizing those colleges helping solve climate problems and making significant efforts to operate sustainably.

As part of its ongoing efforts to become a more sustainable campus dedicated to educating students about environmental issues, FSU began offering a minor in Sustainability Studies in fall 2010. The minor, housed in the College of Liberal Arts and Sciences, focuses on helping students find solutions to real world problems by examining the environmental, economic, and social issues related to sustainability. The sustainability minor largely uses existing courses from a number of departments and incorporates two courses created for the minor: an introductory-level course to introduce students to sustainability and a capstone course. Currently, eight students are enrolled in the minor.

In terms of expanding research in the area of sustainability, the Sustainable Energy Research Facility (SERF) was dedicated in October 2012. The facility, largely funded with grants from the U.S. Department of Energy, is an entirely self-sufficient, “off-grid” building generating electricity by solar and wind power and using a solar heating system for water and space heating. SERF is designed as a demonstration and test site for technologies that allow buildings to go off-grid. The building houses FSU’s Renewable Energy Center, where faculty and students conduct extended research, education, and community outreach programs on renewable energy applications developed by faculty and their project partners.

The President should comment on current and planned academic and research efforts relating to sustainability.

Recommended Actions

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

Current and Prior Year Budgets

Current and Prior Year Budgets Frostburg State University (\$ in Thousands)

Fiscal 2011	General	Special	Federal	Other	Total	Restricted	Total
	Fund	Fund	Fund	Unrestricted	Unrestricted	Fund	
Legislative							
Appropriation	\$31,626	\$0	\$0	\$53,054	\$84,680	\$9,110	\$93,790
Deficiency							
Appropriation	0	0	0	0	0	1,000	1,000
Budget							
Amendments	0	1,226	0	5,811	7,037	2,892	9,929
Reversions and							
Cancellations	0	0	0	-3,561	-3,561	-643	-4,204
Actual							
Expenditures	\$31,626	\$1,226	\$0	\$55,305	\$88,156	\$12,359	\$100,515
Fiscal 2012							
Legislative							
Appropriation	\$31,158	\$1,703	\$0	\$55,886	\$88,747	\$11,469	\$100,215
Deficiency							
Appropriation	0	0	0	0	0	0	0
Budget							
Amendments	610	0	0	2,388	2,999	1,395	4,394
Reversions and							
Cancellations	0	0	0	-2,788	-2,788	-902	-3,690
Actual							
Expenditures	\$31,768	\$1,703	\$0	\$55,486	\$88,957	\$11,962	\$100,919
Fiscal 2013							
Legislative							
Appropriation	\$30,513	\$2,687	\$0	\$57,576	\$90,775	\$12,864	\$103,639
Budget							
Amendments	0	360	0	-686	326	-813	-1,139
Working							
Appropriation	\$30,513	\$3,047	\$0	\$56,890	\$90,449	\$12,051	\$102,500

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

Fiscal 2011

For fiscal 2011, special funds comprised of HEIF for Frostburg State University increased \$1.2 million through a budget amendment as authorized in the fiscal 2011 budget bill. Other unrestricted funds increased by \$5.8 million through a budget amendment. Increases included:

- \$2.5 million from the sales and services of auxiliary enterprises;
- \$2.1 million from tuition and fee revenues due to higher than expected enrollment;
- \$1.2 million from private gifts;
- \$0.4 million from miscellaneous income; and
- \$9,000 from the sales and services of educational activities.

There was a decrease of \$0.4 million in interest income.

Cancellations of unrestricted funds amounted to \$3.6 million due to lower than anticipated expenditures for fuel and utilities and scholarships and fellowships. Closure of the Student Union for half a year resulted in a decline in revenues and expenditures, expenses for communications decreased due to an increasing use of on-line communications, and summer school expenditures declined due to offering more on-line courses.

Restricted funds increased \$3.9 million through a \$1.0 million deficiency appropriation related to an increase in Pell grant awards and \$2.9 million through budget amendments, which included \$2.6 million in federal and State grants and contracts activity, \$0.5 million in Pell grant awards and \$10,000 in miscellaneous income. There was \$0.3 million decrease in private grants and contracts.

Cancellations of restricted funds totaled \$0.6 million due to lower than anticipated expenditures of Pell grant awards and AmeriCorps site match.

Fiscal 2012

For fiscal 2012, general funds for FSU increased \$0.6 million through budget amendments which included \$0.5 million for the \$750 State employee bonus and \$0.1 million to realign health insurance expenditures with current projections. Other unrestricted funds increased by \$2.4 million through a budget amendment. Increases included:

R30B26 – USM – Frostburg State University

- \$2.1 million from the sales and services of auxiliary enterprises;
- \$0.3 million from tuition and fee revenues due to higher than expected enrollment; and
- \$50,000 from the sales and services of educational activities.

Decreases include \$8,000 in the sales and services of educational activities and \$65,401 in interest income.

Cancellations of unrestricted funds amounted to \$2.8 million due primarily to lower than anticipated expenditures for fuel and utilities (\$1.1 million), conferences (\$0.2 million), and food services (\$0.2 million); reduction in bookstore expenditures related to increased purchases of used books and renting of books (\$0.7 million); decrease in communication expenses due to an increased use of on-line communications (\$0.3 million); and departments cutting back on supplies (\$0.3 million).

Restricted funds increased \$1.4 million through budget amendments primarily due to increases of \$1.5 million in federal and State contract and grant activity and \$33,116 from miscellaneous income. There was a decrease of \$163,000 in private grant and contract activity.

Cancellations of restricted funds totaled \$0.9 million primarily due to the discontinuation of two financial aid programs – Academic Competitiveness (\$0.4 million) and the National Science and Mathematics Access to Retain Talent grants (\$0.2 million). The remaining \$0.3 million is due to lower than anticipated grant expenditures.

Fiscal 2013

For fiscal 2013, the special fund appropriation, which includes \$1.2 million in Budget Restoration Funds created during the 2012 Special Session, increases \$0.4 million through a budget amendment related to a half year 2% COLA. Other unrestricted funds decrease \$0.7 million by budget amendment: \$0.3 million in tuition and fee revenues due to aligning the budget with actual enrollment; \$0.2 million in interest income; and \$0.2 million in the sales and services of auxiliary enterprise and educational activities revenues.

Restricted funds decrease \$0.8 million primarily due to a \$0.9 million decrease in federal grants and contracts related to the elimination of two federal grants – the Academic Competitiveness and SMART (National Science and Mathematics Access to Retain Talent) grants. A decrease of \$0.1 million in private grants and contracts is offset by an increase of \$0.2 million in State grants and contracts.

**FSU Full-time Equivalent Personnel by Budget Program
Fiscal 2006, 2012, and 2013**

	Fiscal 2006		Fiscal 2012		Fiscal 2013		Change in Share of Total FY 06-13
	<u>FTEs</u>	<u>% of Total FTEs</u>	<u>FTEs</u>	<u>% of Total FTEs</u>	<u>FTEs</u>	<u>% of Total FTEs</u>	
Instruction	231	38.1%	251	36.3%	249	36.1%	-2.0%
Public Service	14	2.3%	22	3.2%	23	3.3%	1.0%
Academic Support	66	10.9%	70	10.1%	77	11.2%	0.3%
Student Services	39	6.4%	53	7.7%	52	7.5%	1.1%
Institutional Support	107	17.6%	110	15.9%	109	15.8%	-1.8%
Operations and Maintenance of Plant	77	12.7%	85	12.3%	86	12.5%	-0.2%
Auxiliary	73	12.0%	101	14.6%	94	13.6%	1.6%
Total	607		692		690		

Notes: Data are for filled positions only.
All data is self-reported and unaudited.

Source: Frostburg State University

**Object/Fund Difference Report
Frostburg State University**

<u>Object/Fund</u>	<u>FY 12 Actual</u>	<u>FY 13 Working Appropriation</u>	<u>FY 14 Allowance</u>	<u>FY 13-FY 14 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	731.00	731.00	731.00	0.00	0%
02 Contractual	151.90	152.30	158.90	6.60	4.3%
Total Positions	882.90	883.30	889.90	6.60	0.7%
Objects					
01 Salaries and Wages	\$ 53,472,842	\$ 53,400,000	\$ 55,498,251	\$ 2,098,251	3.9%
02 Technical and Spec. Fees	7,062,671	6,953,414	7,290,537	337,123	4.8%
03 Communication	341,507	835,081	839,181	4,100	0.5%
04 Travel	1,242,215	877,532	877,532	0	0%
06 Fuel and Utilities	3,047,162	4,190,638	4,278,388	87,750	2.1%
07 Motor Vehicles	668,427	277,315	277,315	0	0%
08 Contractual Services	8,322,487	8,489,099	8,601,095	111,996	1.3%
09 Supplies and Materials	3,489,839	5,961,700	5,404,284	-557,416	-9.3%
10 Equipment – Replacement	402,399	468,915	577,915	109,000	23.2%
11 Equipment – Additional	1,078,825	1,143,044	1,237,044	94,000	8.2%
12 Grants, Subsidies, and Contributions	13,169,758	13,518,333	13,845,222	326,889	2.4%
13 Fixed Charges	4,553,452	5,479,929	7,401,319	1,921,390	35.1%
14 Land and Structures	4,067,642	905,000	1,310,000	405,000	44.8%
Total Objects	\$ 100,919,226	\$ 102,500,000	\$ 107,438,083	\$ 4,938,083	4.8%
Funds					
40 Unrestricted Fund	\$ 88,956,853	\$ 90,449,000	\$ 95,387,083	\$ 4,938,083	5.5%
43 Restricted Fund	11,962,373	12,051,000	12,051,000	0	0%
Total Funds	\$ 100,919,226	\$ 102,500,000	\$ 107,438,083	\$ 4,938,083	4.8%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.

**Fiscal Summary
Frostburg State University**

<u>Program/Unit</u>	<u>FY 12 Actual</u>	<u>FY 13 Wrk Approp</u>	<u>FY 14 Allowance</u>	<u>Change</u>	<u>FY 13-FY 14 % Change</u>
01 Instruction	\$ 28,409,661	\$ 29,706,057	\$ 30,729,305	\$ 1,023,248	3.4%
02 Research	372,737	100,000	100,000	0	0%
03 Public Service	4,032,858	4,008,500	4,008,500	0	0%
04 Academic Support	8,939,241	8,663,142	9,121,948	458,806	5.3%
05 Student Services	4,633,117	4,607,309	4,840,883	233,574	5.1%
06 Institutional Support	10,307,607	10,614,287	10,678,710	64,423	0.6%
07 Operation And Maintenance Of Plant	11,324,276	13,550,042	16,163,190	2,613,148	19.3%
08 Auxiliary Enterprises	19,283,046	17,272,449	17,490,444	217,995	1.3%
17 Scholarships And Fellowships	13,616,683	13,978,214	14,305,103	326,889	2.3%
Total Expenditures	\$ 100,919,226	\$ 102,500,000	\$ 107,438,083	\$ 4,938,083	4.8%
Unrestricted Fund	\$ 88,956,853	\$ 90,449,000	\$ 95,387,083	\$ 4,938,083	5.5%
Restricted Fund	11,962,373	12,051,000	12,051,000	0	0%
Total Appropriations	\$ 100,919,226	\$ 102,500,000	\$ 107,438,083	\$ 4,938,083	4.8%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.