
Higher Education Fiscal 2016 Budget Overview

**Department of Legislative Services
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Analysis of the FY 2016 Maryland Executive Budget, 2015

Higher Education – Fiscal 2016 Budget Overview

**Higher Education
Fiscal 2016 Budget Overview**

**State Funding Changes for Higher Education
(\$ in Thousands)**

	<u>2015 Working¹</u>	<u>2015 Adjusted²</u>	<u>2016 Allowance</u>	<u>2016 Adjusted³</u>	<u>2015 Adj. – 2016 Adj. Change</u>	<u>% Change</u>
Public Four-year Institutions						
University System of Maryland (USM)	\$1,258,140	\$1,211,511	\$1,323,514	\$1,227,006	\$15,496	1.3%
Morgan State University	86,896	84,198	90,363	85,011	814	1.0%
St. Mary’s College of Maryland	21,353	21,291	23,504	23,504	2,214	10.4%
Subtotal – Public Four-year	\$1,366,389	\$1,316,999	\$1,437,382	\$1,335,522	\$18,523	1.4%
Other Higher Education						
Maryland Higher Education Commission ⁴						
Administration	\$6,136	\$4,024	\$3,947	\$3,881	-\$143	-3.6%
Financial Aid	106,452	106,452	104,798	104,798	-1,654	-1.6%
Educational Grants	7,860	7,860	6,360	6,360	-1,500	-19.1%
Non-USM RHEC	2,550	1,950	2,150	2,150	200	10.3%
Independent Institutions	44,422	41,422	47,884	41,422	0	0.0%
Aid to Community Colleges	297,326	290,526	307,313	294,267	3,741	1.3%
Baltimore City Community College	41,753	40,212	41,817	41,817	1,605	4.0%
Subtotal – Other Higher Education	\$506,498	\$492,446	\$514,268	\$494,695	\$2,249	0.5%
Total Higher Education	\$1,872,887	\$1,809,444	\$1,951,650	\$1,830,217	\$20,772	1.1%

COLA: cost-of-living adjustment

RHEC: regional higher education center

¹ The 2015 Working is the 2015 appropriation and all budget amendments.

² The 2015 Adjusted is the 2015 Working with all Board of Public Works actions from July 2014 and January 2015 and deficiencies.

³ The 2016 Adjusted is the 2016 Allowance with all back of the bill and contingent reductions.

⁴ The Maryland Higher Education Commission (MHEC) has 2% across-the-board general fund reductions in 2015 and 2016 that amount to one-third of its administration budget. It is likely that this funding cut will have to be distributed to other programs, but how that will occur has not been determined yet by MHEC or the Department of Budget and Management.

Note: State funds include general funds, Higher Education Investment Funds, and special funds supporting educational grants, financial aid programs, reimbursable funds supporting financial aid programs, and the Maryland Fire and Rescue Institute. The fiscal 2016 allowance for USM institutions is adjusted to reflect across-the-board reductions: allocation of the \$25.5 million 2% reduction, as specified in the budget bill, was based on each institution’s share of USM’s total State appropriations; \$29.4 million related to the fiscal 2015 COLA was allocated by annualizing each institution’s half-year fiscal 2015 COLA; and allocation of \$41.7 million attributed to increments was based on each institution’s portion of fiscal 2016 salary increments as estimated by the Department of Legislative Services.

Source: Governor’s Budget Books, Fiscal 2016; HB 70 – Budget Bill; HB 72 – Budget Reconciliation and Financing Act of 2015

2015 and 2016 Actions

State support for higher education grows \$20.8 million in fiscal 2016, or 1.1%, after accounting for budget reductions contingent on legislation totaling \$19.5 million across all of higher education in fiscal 2016. There is only one deficiency appropriation – a negative deficiency for St. Mary’s College of Maryland (SMCM) to align fiscal 2015 expenditures with revenues because of a decline in enrollment. There are three across-the-board reductions in fiscal 2016: the removal of the fiscal 2015 cost-of-living adjustment (COLA) and its annualization in fiscal 2016; the removal of salary increments in fiscal 2016; and a 2% across-the-board reduction in general fund support to all State agencies and universities. These actions are fully explained in the analysis of the Department of Budget and Management (DBM) – Personnel. Beyond removing the fiscal 2015 COLA, the fiscal 2016 allowance does not provide for any COLA either directly in agency budgets or the budget of DBM.

Like the prior year, the respective funding formulas for SMCM and Baltimore City Community College (BCCC) are not affected by actions contingent on legislation and are fully funded at the fiscal 2016 levels, although BCCC does so through its hold harmless clause. On the other hand, the Senator John A. Cade Funding Formula (Cade formula) for locally operated community colleges and Sellinger formula for aid to independent institutions are reduced by \$13.0 million and \$6.4 million, respectively, by the Governor’s Budget Reconciliation and Financing Act (BRFA) of 2015. The out-year formulas for both programs, as well as BCCC and SMCM, will be restricted to grow no more than 1 percentage point below the increase in the general fund under the BRFA. This action, however, does not prevent the Governor from proposing additional funding in future years, it just limits mandated growth in spending.

The University System of Maryland (USM) receives the biggest dollar increase of \$15.5 million, or 1.3%. That increase will support current services costs and various personnel costs, such as salaries and fringe benefits. Given ongoing fiscal constraints, there are no new large-scale enhancement programs.

The fiscal 2016 allowance ends the practice of appropriating funds intended to offset greater tuition increases than those for which the institutions planned, which had been 3.0% for in-state undergraduate students at most public four-year institutions. In fiscal 2015, the final year of this program, about \$10.0 million was budgeted to control tuition growth at USM and Morgan State University (MSU). As will be discussed later, subsequent cost containment necessitated some institutions to increase tuition midyear to balance budgets. SMCM receives the largest percentage growth at 10.4%. Due to recent legislation, SMCM received \$1.1 million in Higher Education Investment Funds (HEIF) to continue freezing resident undergraduate tuition at the fiscal 2013 rate in fiscal 2014 and received an additional \$1.5 million institutional grant in fiscal 2015. This additional funding rolls forward into SMCM’s inflation-based formula in fiscal 2016, which explains why SMCM’s year-over-year increase of 10.4% can occur during a tight fiscal situation.

Most other areas of the higher education budget increase slightly. Funding for the State’s locally operated community colleges grows \$3.7 million due to retirement costs. Support for the community colleges through the Cade formula declines by \$0.7 million through a contingent reduction in the BRFA. Like the prior two years, this allowance does not include any deficiency appropriation

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for the Health and State Manpower Grant Programs, a miscellaneous community college grant with an accrued liability of over \$2.7 million. General funds for BCCC increase \$1.6 million, or 4.0%, in fiscal 2016 due to BCCC receiving cost containment in fiscal 2015, but not being a part of such actions in fiscal 2016. This is partly because BCCC did not receive COLA funding to begin with in fiscal 2015. English for Speakers of Other Languages funding is also flat for BCCC. Finally, the BRFA of 2015 is proposing a transfer of \$4.0 million from BCCC fund balance and \$1.7 million from the Maryland Higher Education Commission's (MHEC) Health Personnel Shortage Incentive Grant Program fund balance back to the State's general fund. These transfers will be discussed further in the BCCC and MHEC budget analyses.

All of the year-over-year decreases in the higher education budget are within the programs of the MHEC budget. Financial aid declines \$1.7 million, or 1.6%, but almost all of that is due to the conclusion of the Distinguished Scholars Program. No transfer of funding from the Need-based Student Financial Assistance fund is planned for in the allowance. MHEC administration declines greatly during fiscal 2015 due to the 2.0% general fund reduction of about \$2.1 million that will be applied to MHEC in fiscal 2015 and 2016. Given the magnitude of this cut, which is about one-third of the operating cost of MHEC's administration, it is not clear at this point in time how the cut will be absorbed. It is possible that this reduction could be spread among other MHEC programs. Finally, MHEC's Regional Higher Education Center funding was reduced by cost containment in 2015 and does not return to the original fiscal 2015 funding level in fiscal 2016. Educational grants decrease \$1.5 million because the stabilization grant for SMCM has been transferred to that institution.

Funding for the State's four-year public higher education institutions from fiscal 2012 to the 2016 allowance is shown in **Exhibit 1**. Total funding increases \$16.6 million, or 1.3%. One year ago, the allowance grew 8.0%, or \$96.3 million. Based on proportional allocations of the fiscal 2016 across-the-board reductions to USM institutions made by the Department of Legislative Services (DLS), which have not yet been provided by DBM or USM, the biggest increases go to Towson University (TU), Coppin State University (CSU), and SMCM, all of which grow about \$2.2 million. The University of Maryland, College Park (UMCP) and the University of Baltimore both decrease by \$1.5 million and \$0.2 million, respectively.

Exhibit 1
State Support for Public Universities
Fiscal 2012-2016
(\$ in Thousands)

<u>Institution</u>	<u>Actual 2012</u>	<u>Actual 2013</u>	<u>Actual 2014</u>	<u>Adjusted Working 2015</u>	<u>Adjusted Allowance 2016</u>	<u>% Change 2012-15</u>	<u>\$ Change 2015-16</u>	<u>% Change 2015-16</u>
Univ. of Maryland, Baltimore	\$185,040	\$186,372	\$196,668	\$208,459	\$209,958	4.1%	\$1,499	0.7%
Univ. of Maryland, College Park	377,297	371,390	401,234	424,794	424,448	4.0%	-346	-0.1%
Bowie State University	35,829	36,151	38,527	40,573	41,292	4.2%	720	1.8%
Towson University	90,924	91,765	96,567	102,987	105,240	4.2%	2,253	2.2%
Univ. of Maryland Eastern Shore	31,190	31,000	33,380	35,046	35,963	4.0%	917	2.6%
Frostburg State University	33,471	33,610	35,472	37,381	38,145	3.8%	764	2.0%
Coppin State University	37,943	38,157	40,736	42,320	44,514	3.7%	2,194	5.2%
University of Baltimore	30,321	30,607	32,059	33,434	33,262	3.3%	-172	-0.5%
Salisbury University	39,597	40,332	41,823	44,897	46,546	4.3%	1,650	3.7%
Univ. of Maryland Univ. College	32,759	34,145	35,704	38,694	39,355	5.7%	662	1.7%
Univ. of Maryland Baltimore County	95,570	96,765	101,694	108,123	109,604	4.2%	1,481	1.4%
Univ. of Maryland Center for Environ. Science	19,299	19,661	20,690	21,564	22,097	3.8%	534	2.5%
University System of Maryland Office	15,417	19,355	21,299	22,059	23,527	12.7%	1,468	6.7%
Morgan State University	73,002	73,998	79,154	84,198	85,011	4.9%	814	1.0%
St. Mary's College of Maryland	17,962	18,383	19,843	21,291	23,504	5.8%	2,214	10.4%
Total	\$1,115,622	\$1,121,692	\$1,194,848	\$1,265,818	\$1,282,467	4.3%	\$16,649	1.3%

Note: The exhibit reflects the across-the-board reductions assumed in fiscal 2016. The fiscal 2015 working appropriation includes deficiencies and cost containment actions approved by the Board of Public Works. Figures exclude funding for cooperative agricultural and extension programs and the Maryland Fire and Rescue Institute.

Source: SB 170 – Budget Bill; Governor’s Budget Books, Fiscal 2012-2016

Higher Education Investment Fund Underattains

The HEIF receives 6% of corporate income tax revenues, recently estimated at \$59.5 million in fiscal 2015. **Exhibit 2** shows an accounting of the HEIF since its creation in the special session of 2007 through the fiscal 2016 allowance.

Exhibit 2
Higher Education Investment Fund
Revenues, Expenditures, and Balances
Fiscal 2009-2016
(\$ in Millions)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Working</u>	<u>2016</u> <u>Allowance</u>
Opening Balance	\$16.0	\$2.2	\$5.6	\$10.0	\$4.9	\$12.0	\$0.3	\$0.0
Revenue	47.0	45.7	46.6	53.2	57.1	58.7	59.5	63.7
Actual/Appropriation	60.8	42.3	42.1	58.4	50.0	70.4	60.7	63.7
Closing Balance	\$2.2	\$5.6	\$10.0	\$4.9	\$12.0	\$0.3	-\$1.2¹	\$0.3
Tuition Stabilization Account			0.1	0.2	0.3	0.3	0.3	0.3

¹ Current projections leave a shortfall of \$1.2 million in fiscal 2015. The Higher Education Investment Fund (HEIF) may not close the year with a negative balance, so there may be a HEIF reduction for institutions later in fiscal 2015.

Note: Fiscal 2014 includes the HEIF cost containment totaling \$12 million distributed across the University System of Maryland and Morgan State University. A transfer of \$3 million in HEIF revenues from fiscal 2015 to 2014 to align expenditures with revenues is reflected in both years, resulting in a \$300,000 balance at the end of fiscal 2015.

Source: General Accounting Division, Comptroller’s Office; Department of Legislative Services; HB 70 – Budget Bill

Starting with an initial appropriation of \$16.0 million in fiscal 2009, a fund balance began to accumulate in the HEIF from the beginning. As the economy began to improve, corporate tax revenues started to exceed projections. In fiscal 2013, there was a significant write-up of revenues, and according to the General Accounting Division, the opening balance for fiscal 2014 was projected to be \$17.2 million. However, revenue underattainment reduced the fund balance to \$11.7 million. In addition, fiscal 2014 revenues underattained by about \$10.0 million. Consequently, the HEIF was reduced by about \$15.0 million in fiscal 2014.

The latest Board of Revenue Estimates’ (BRE) projections from December 2014 show a shortfall of \$1.2 million in fiscal 2015, about one-tenth the shortfall of a year ago. DBM will wait until BRE’s next round of forecasting in March 2015 before deciding on a midyear reduction to HEIF support. A year ago the cut was distributed proportionally across USM and MSU. DBM has stated it will not use the Tuition Stabilization Account funds to balance any HEIF shortfall in fiscal 2015.

Exhibit 3 shows the forecast for the HEIF attainment from estimates made in December 2013 and December 2014. Historically, the corporate income tax, the basis for the HEIF, has been more volatile than the personal income tax. Overall, expected revenue from fiscal 2015 to 2020 is lower in each year than was forecasted one year ago. In March 2015, the Board of Revenue Estimates will provide an update on State revenues including the HEIF.

Exhibit 3
Higher Education Investment Fund Forecast
Fiscal 2014-2020
(\$ in Millions)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
December 2012	\$65.4	\$67.4	\$69.4	\$71.5	\$73.7		
December 2013	55.5	60.7	63.7	67.9	69.8	\$72.8	
December 2014		59.5	63.7	66.6	68.9	71.2	\$74.0
Difference – 2014 to 2013		-\$1.2	\$0.0	-\$1.3	-\$0.9	-\$1.6	

Source: Board of Revenue Estimates; Department of Legislative Services

Created by Chapters 192 and 193 of 2010, the Tuition Stabilization Fund within the HEIF is intended to increase the predictability of tuition increases at State institutions by accumulating a reserve of funds to offset significant tuition increases, as were seen in 2003 and 2006 in Maryland. Per the statute, \$100,000 has been transferred into the fund in years of increasing corporate tax revenues since fiscal 2011. No transfers occurred in fiscal 2014, and none is anticipated in fiscal 2015. The bill also set a goal that tuition increases not exceed the three-year rolling average increase in median family income. Despite tuition buydown initiatives, tuition increases have exceeded the income figure every year since the enactment of the legislation. The most recent three-year average actual median family income increase from the Census Bureau shows a decline of 1.6%, compared to the average tuition increase of 3.0% imposed in fall 2014.

Maryland Continues to Fare Well in National Comparisons

Maryland's support for public higher education compares well nationally, as shown in **Exhibit 4**. *Grapevine*, a higher education information resource based at Illinois State University and jointly maintained by the State Higher Education Executive officers, recently updated its nationwide statistics on state support for higher education. Using *Grapevine's* figures, Maryland's spending between fiscal 2014 and 2015 increased 6.7% compared to an increase of 5.2% nationally. Also shown are Maryland's competitor states, two of which increased spending at a greater rate than Maryland in fiscal 2014, compared to three in fiscal 2013.

Exhibit 4
Higher Education Spending
Maryland vs. Competitor States

	<u>Fiscal 2014-2015</u>	<u>State Support Without ARRA Fiscal 2010-2015</u>	<u>State Support With ARRA Fiscal 2010-2015</u>
Maryland	6.7%	14.6%	14.6%
California	10.9%	16.0%	15.6%
Massachusetts	9.0%	49.5%	21.0%
Minnesota	3.7%	1.2%	-7.7%
New Jersey	4.0%	3.0%	-0.6%
New York	3.5%	9.6%	6.3%
North Carolina	3.0%	3.1%	-0.7%
Ohio	1.4%	6.9%	-6.3%
Pennsylvania	0.9%	-11.4%	-15.7%
Virginia	1.7%	4.9%	0.5%
Washington	0.6%	0.5%	-5.5%
Nationwide	5.2%	9.6%	3.4%

ARRA: American Recovery and Reinvestment Act of 2009

Source: *Grapevine*, www.grapevine.ilstu.edu

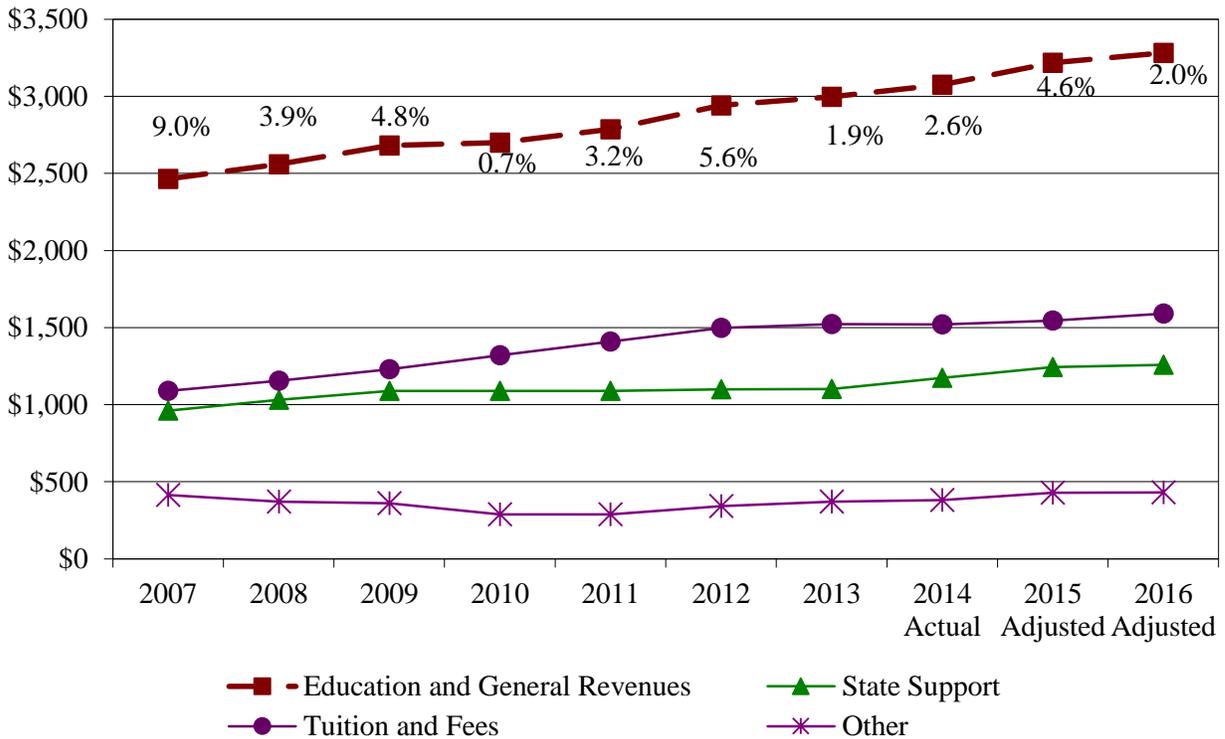
The five-year change in spending can be measured with or without federal American Recovery and Reinvestment Act of 2009 (ARRA) funding, which included funding for states to hold K-12 and higher education spending harmless. Maryland did not use ARRA funding for higher education, but many other states did. Due to the large boost in spending that ARRA provided, as well as the decline in spending across many states during the recent recession, most states have not surpassed 2009 spending levels. Over the past five years, Maryland, as well as four competitor states, show positive growth when including ARRA funding. The very large rebounds in California and Massachusetts are due to those states growing from the very bottom of the recession, whereas Maryland's higher education sector was not as severely impacted, so the growth appears more moderate. This, however, is a reflection of the stability in education funding in Maryland versus other states.

The State's tuition rates also compare favorably to other states. Nationally, Maryland's average tuition and fee rate at public four-year institutions in fall 2013 was the twenty-seventh most expensive in the country, the same rank as the previous year and a decline from seventh most expensive in fall 2004, according to the College Board.

Education and General Revenues

Exhibit 5 shows total Education and General (E&G) revenues at public senior higher education institutions from fiscal 2007 through the 2016 allowance. E&G funding is comprised of tuition and fee revenues, State funds, and other education-related revenues. Auxiliary income from sources such as dining halls and athletics is excluded as well as hospital spending, which only impacts the University of Maryland, Baltimore (UMB). Also excluded are agricultural and cooperative extension programs at the State’s two land grant institutions, UMCP and the University of Maryland Eastern Shore (UMES), and funding for the Maryland Fire and Rescue Institute at UMCP.

Exhibit 5
Education and General Revenues¹
Fiscal 2007-2016
(\$ in Millions)



¹ Education and General revenues represent tuition and fees, State support (general funds and Higher Education Investment Funds), grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary enterprise revenue. Figures exclude funding for cooperative and agricultural extension programs and the Maryland Fire and Rescue Institute. For the University of Maryland, Baltimore, hospital expenditures are excluded.

Note: Percents represent year-over-year change in Education and General Revenues.

Source: Governor’s Budget Books, Fiscal 2016; Department of Legislative Services

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E&G revenues have consistently grown over the entire period with growth rates ranging from a high of 9.0% in fiscal 2007 to a low of 0.7% in 2010. Revenues increase 2.0% in the allowance, although the allowance has often understated institution revenues in the past. For example, the fiscal 2015 allowance budgeted an increase of 3.5%, but the working appropriation shows that it has grown 4.6%, driven mainly by higher-than-budgeted sales of educational services. Full-time equivalent student (FTES) enrollment is projected to grow 0.4% in the fiscal 2016 allowance. Enrollment trends are discussed further in the first issue of this analysis.

State support (general funds and HEIF) was mostly flat between fiscal 2009 and 2013, with a slight increase since fiscal 2013. The allowance represents the fourth year of increasing State support, although most growth occurs in fiscal 2014 and 2015. Tuition and fee revenues have grown consistently due to a combination of increased enrollment and tuition increases, although revenues have flattened out. Even during the in-state undergraduate tuition freeze from fiscal 2007 through 2010, fees and rates for out-of-state, graduate, and SMCM students continued to grow. Tuition and fee revenue surpassed State support in fiscal 2004 and has outpaced State support ever since. Trends in E&G revenues, by college, may be seen in **Appendices 1 through 3**.

Tuition Rates at Public Four-year Colleges

The change in in-state and out-of-state tuition rates from fall 2006 and fall 2014 are shown in **Exhibit 6**. Normally, estimates for the next fall's tuition (fall 2015) would be available at this time of the year, but fiscal uncertainty has delayed tuition setting for the first time in many years. Fiscal 2016 will be the first year since fiscal 2006 where there is not funding set aside for a tuition freeze or buydown. While in-state undergraduate tuition growth was frozen from fiscal 2007 through 2010, it averaged only 3% from fiscal 2011 through 2014. In the spring semester of 2015, an unplanned tuition increase at four USM institutions effectively marked the end of the tuition buydown period. How much tuition grows going forward is up to the respective governing boards of the four-year institutions, which set tuition rates.

Chapters 192 and 193 of 2010, the legislation that created the Tuition Stabilization Trust Account, also allow for periodic adjustments to align tuition rates with market demand and peer institutions. For the past four years, Salisbury University (SU) purposefully increased tuition at a higher rate to more closely align with tuition rates charged by peer institutions. This practice will end after fiscal 2015, and SU expects to match the general USM increase in tuition. SMCM, which previously was not covered by that legislation (but is now covered as a result of Chapter 1 of the first special session of 2012), has reduced tuition by 8.6% in fall 2014 and will freeze tuition going into fall 2015. The college is able to do this due to an additional \$1.5 million grant rolled into the base of its formula in fiscal 2016.

Changes in tuition rates over the entire period since fall 2006 averaged 2.1% annually for most institutions, as fall 2006 was the first year of the tuition freezes in fiscal 2007 through 2010. SU and SMCM are the only colleges to have increased at a different rate. SMCM, which was not a part of the original tuition freeze, grew at a rate of 3.7% over the period before its tuition reduction is applied.

**Exhibit 6
Tuition Rates at Public Four-year Institutions**

	<u>Fall 2006</u>	<u>Fall 2011</u>	<u>Fall 2012</u>	<u>Fall 2013</u>	<u>Fall 2014</u>	<u>% Change 2014-15</u>	<u>Avg. Change 2006-15</u>
In-state Full-time Undergraduate Students							
Univ. of MD, College Park	\$6,566	\$6,966	\$7,175	\$7,390	\$7,612	3.0%	2.1%
Bowie State University	4,286	4,547	4,683	4,824	4,969	3.0%	2.1%
Towson University	5,180	5,496	5,660	5,830	6,004	3.0%	2.1%
Univ. of MD Eastern Shore	4,112	4,362	4,493	4,628	4,767	3.0%	2.1%
Frostburg State University	5,000	5,304	5,464	5,630	5,800	3.0%	2.1%
Coppin State University	3,527	3,742	3,854	3,970	4,089	3.0%	2.1%
University of Baltimore	5,325	5,648	5,818	5,992	6,172	3.0%	2.1%
Salisbury University	4,814	5,260	5,576	5,912	6,268	6.0%	3.8%
Univ. of MD Univ. College*	5,520	5,856	6,024	6,192	6,384	3.1%	2.1%
Univ. of MD Baltimore County	6,484	6,879	7,085	7,298	7,518	3.0%	2.1%
Morgan State University	4,280	4,540	4,676	4,816	4,960	3.0%	2.1%
Average (simple)**	5,009	5,327	5,501	5,680	5,868	3.3%	2.3%
St. Mary's College of Maryland	9,498	12,005	12,245	12,245	11,195	-8.6%	2.4%
Out-of-state Full-time Undergraduate Students							
Univ. of MD, College Park	\$20,005	\$24,337	\$25,554	\$26,576	\$27,905	5.0%	4.9%
Bowie State University	13,805	15,088	15,239	15,391	15,545	1.0%	1.7%
Towson University	14,538	17,008	17,282	17,508	17,682	1.0%	2.8%
Univ. of MD Eastern Shore	10,679	12,143	12,629	13,134	13,791	5.0%	3.7%
Frostburg State University	14,050	15,196	15,652	16,278	17,092	5.0%	2.8%
Coppin State University	10,550	8,233	8,645	8,904	9,350	5.0%	-1.7%
University of Baltimore	17,411	15,600	16,380	16,550	17,046	3.0%	-0.3%
Salisbury University	12,708	13,606	13,922	14,258	14,614	2.5%	2.0%
Univ. of MD Univ. College*	10,656	11,976	11,976	11,976	11,976	0.0%	1.7%
Univ. of MD Baltimore County	15,216	17,282	18,146	18,872	19,816	5.0%	3.8%
Morgan State University	12,040	13,746	14,020	14,230	14,444	1.5%	2.6%
Average (simple)**	13,787	14,929	15,404	15,789	16,296	3.2%	2.4%
St. Mary's College of Maryland	19,340	24,082	25,045	26,045	26,045	0.0%	4.3%

* Based on 24 credit hours.

** Does not include St. Mary's College of Maryland.

Source: University System of Maryland Schedule of Tuition and Mandatory Fees; Morgan State University; St. Mary's College of Maryland

Exhibit 6 shows only tuition, but students and families must also pay mandatory fees to support activities or services, as well as room and board charges if they live on campus. **Exhibit 7** also shows each college’s full cost for full-time, on-campus students. SMCM is the highest at \$25,549 and CSU is the lowest at \$15,218, which are the same schools as the past two years in those positions. Comparable rates from fall 2008 show that costs have grown the most, by 35.8%, at SU. However, SU is only the fifth most expensive of the 10 colleges shown in the exhibit. Different meal and room plans greatly alter the total charges, which could change the rankings. This exhibit assumes, when possible, a shared double suite and the standard meal plan.

Exhibit 7
Tuition, Fees, and Room and Board Rates at Public Four-year Institutions
In-state Full-time Undergraduate Students
Fall 2008 and 2014

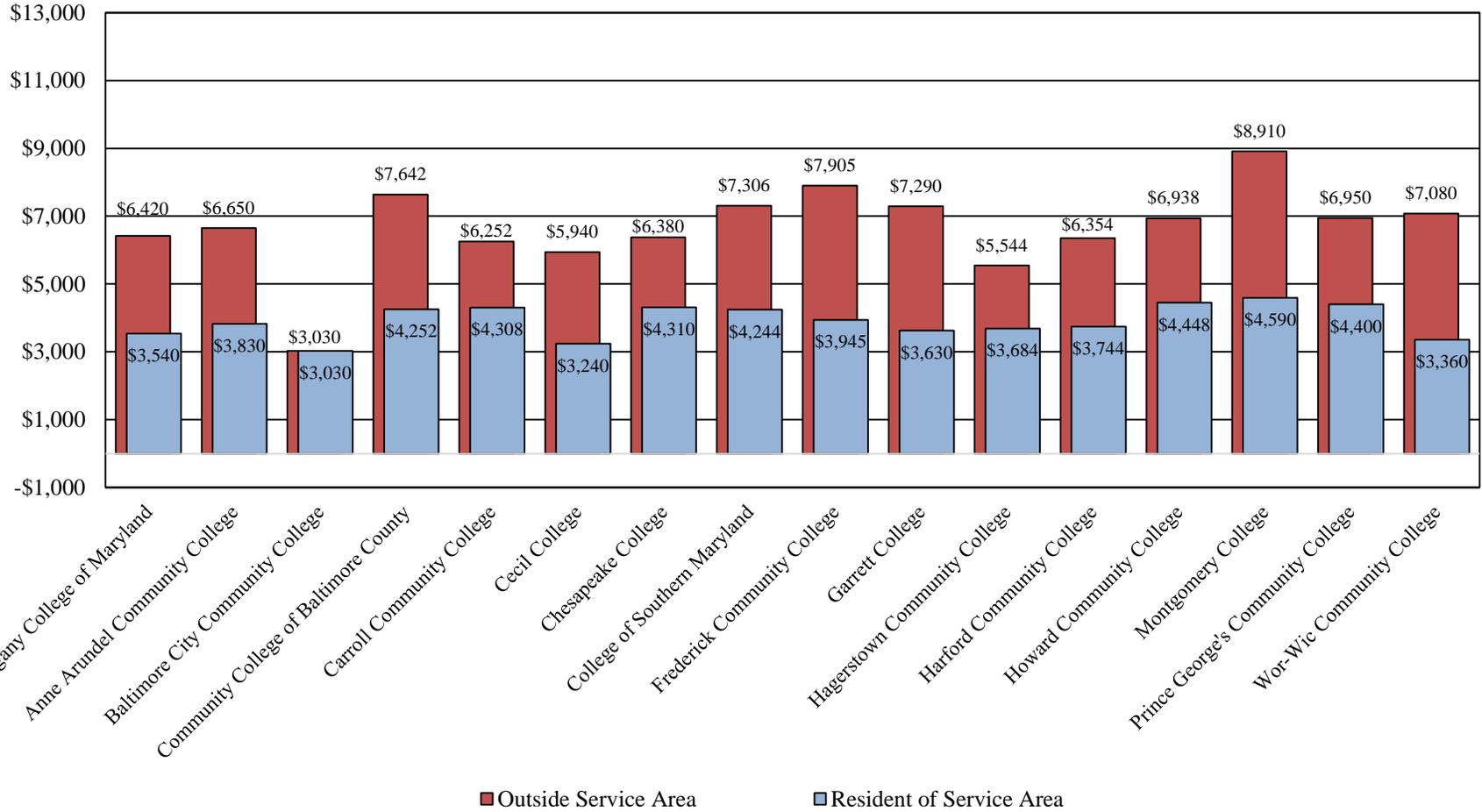
	Fall 2008	Fall 2014			Total Charge	\$ Change 2008-14	% Change 2008-14
	Total Charge	Tuition	Mandatory Fees	Room and Board			
St. Mary’s College of Maryland	\$21,844	\$11,195	\$2,629	\$11,725	\$25,549	\$3,705	17.0%
UM Baltimore County	17,113	7,612	1,804	10,633	20,049	2,936	17.2%
UM College Park	17,500	7,518	2,881	9,744	20,143	2,643	15.1%
Towson University	14,120	6,268	2,288	10,620	19,176	5,056	35.8%
Salisbury University	15,620	6,004	2,586	10,936	19,526	3,906	25.0%
Morgan State University	13,246	5,800	2,182	7,744	15,726	2,480	18.7%
UM Eastern Shore	12,415	4,969	2,312	8,579	15,860	3,445	27.7%
Bowie State University	14,248	4,960	2,462	9,232	16,654	2,406	16.9%
Frostburg State University	12,922	4,767	2,520	8,994	16,281	3,359	26.0%
Coppin State University	12,279	4,089	2,043	9,086	15,218	2,939	23.9%

UM: University of Maryland

Source: St. Mary’s College of Maryland; University System of Maryland Schedule of Tuition and Mandatory Fees; Governor’s Budget Books

Exhibit 8 shows tuition and fee rates for Maryland community colleges in fall 2014. Unlike four-year institutions, community colleges generally charge three tuition rates: one for students in the county or service area, another rate for all other Maryland residents, and a final rate for out-of-state students. BCCC is unique in that, as a State institution, it has no service area and charges one rate for all Maryland residents.

**Exhibit 8
Tuition Rates at Community Colleges**



Source: Maryland Association of Community Colleges

Overall, for the more price-sensitive population that community colleges serve, there is considerable variation in tuition charges. For example, BCCC is only two-thirds the price of the most expensive service area college, Montgomery College, and only one-third the price for out-of-service area residents as Montgomery College. This may be an issue if a student wants to pursue a particular program at a community college elsewhere in the State than where the student is a resident. It may, in fact, be less expensive to attend a traditional four-year institution.

How Do Maryland Institutions Compare Nationally?

Exhibits 9 and 10 compare UMCP to the top 19 public doctoral universities in the “Top National Universities” ranking by *U.S. News and World Report*. The universities are ordered by most to least expensive in-state tuition and fees for fall 2014. Each school’s overall *U.S. News and World Report* ranking is also shown. UMCP ranks as the seventeenth most expensive school for in-state students, down from the twelfth most expensive school for in-state students in 2008, and fifth in 2004. For out-of-state students, UMCP ranks fifteenth most expensive among the universities ranked, compared to fifteenth in 2008 and thirteenth in 2004. Although the tuition freeze and buydown did not serve out-of-state students, UMCP remains less expensive for out-of-state students than many of the top public schools in the nation, making UMCP a relatively better deal for non-Marylanders.

Similarly, **Exhibits 11 and 12** compare TU and SU to the top 17 public schools within *U.S. News and World Report*’s “Top Northern Regional University” category along with each school’s overall ranking. When ranked by 2014 in-state tuition, it is interesting that the schools in this exhibit perfectly group by state: New Jersey has the most expensive schools, followed by Maryland, then the State University of New York, and then the City University of New York. In out-of-state tuition, TU is the sixth most expensive, while SU’s out-of-state tuition is substantially lower than TU. Overall, the in-state tuition is comparable to UMCP, but the out-of-state tuition rates are substantially lower for the comprehensive four-year institutions. In growth of tuition, SU’s in-state rate is about 15 percentage points higher than its Maryland peers due to a goal of raising tuition to be commensurate with its peers; it is now equal to TU.

Exhibit 9
University of Maryland, College Park Tuition and Mandatory Fees as
Compared to the Top Public Doctoral Universities in the
2014 U.S. News and World Report Ranking
In-state Undergraduate Full-time Tuition and Mandatory Fees

<u>Ranking</u>	<u>Institution</u>	<u>2004</u>	<u>2008</u>	<u>2014</u>	<u>% Change 2008-2014</u>	<u>\$ Change 2004-2014</u>	<u>% Change 2004-2014</u>
33	College of William and Mary (VA)	\$7,096	\$10,246	\$17,656	\$7,410	\$10,560	148.8%
48	Pennsylvania State Univ. – Univ. Park	10,856	13,706	17,502	3,796	6,646	61.2%
42	Univ. of Illinois – Urbana Champaign	7,966	12,240	15,020	2,780	7,054	88.6%
42	Univ. of California – Irvine	6,313	8,046	14,757	6,711	8,444	133.8%
38	Univ. of California – Davis	6,936	8,635	13,896	5,261	6,960	100.3%
40	Univ. of California – Santa Barbara	6,495	8,386	13,860	5,474	7,365	113.4%
29	Univ. of Michigan – Ann Arbor	8,202	11,037	13,486	2,449	5,284	64.4%
37	Univ. of California – San Diego	6,224	8,062	13,456	5,394	7,232	116.2%
23	Univ. of California – Los Angeles	6,028	7,551	13,029	5,478	7,001	116.1%
23	Univ. of Virginia	6,553	9,505	12,998	3,493	6,445	98.4%
20	Univ. of California – Berkeley	5,956	7,656	12,972	5,316	7,016	117.8%
48	Univ. of Washington	5,286	6,802	12,394	5,592	7,108	134.5%
35	Georgia Institute of Technology	4,278	6,040	11,394	5,354	7,116	166.3%
47	Univ. of Wisconsin – Madison	5,866	7,568	10,410	2,842	4,544	77.5%
54	The Ohio State University	7,542	8,679	10,037	1,358	2,495	33.1%
53	Univ. of Texas – Austin	6,588	8,090	9,798	1,708	3,210	48.7%
62	Univ. of Maryland, College Park	7,410	8,005	9,427	1,422	2,017	27.2%
30	Univ. of North Carolina – Chapel Hill	4,450	5,397	8,346	2,949	3,896	87.6%
48	Univ. of Florida	2,955	3,790	6,313	2,523	3,358	113.6%
	Unweighted Average	\$6,414	\$8,376	\$12,595	\$4,220	\$6,181	100.8%

Note: Among public four-year institutions, the University of Maryland, College Park is ranked 18.

Source: The Chronicle of Higher Education website database, <http://chronicle.com/premium/stats/tuition/>; U.S. News and World Report – America’s Best Colleges 2014

Exhibit 10
Out-of-state Undergraduate Full-time Tuition and Mandatory Fees

<u>Ranking</u>	<u>Institution</u>	<u>2004</u>	<u>2008</u>	<u>2014</u>	<u>% Change 2008-2014</u>	<u>\$ Change 2004-2014</u>	<u>% Change 2004-2014</u>
23	Univ. of Virginia	\$22,831	\$29,798	\$42,184	\$12,386	\$19,353	84.8%
29	Univ. of Michigan – Ann Arbor	26,028	33,069	41,906	8,837	15,878	61.0%
33	College of William and Mary	21,795	29,116	39,360	10,244	17,565	80.6%
42	Univ. of California – Irvine	23,269	28,654	37,635	8,981	14,366	61.7%
38	Univ. of California – Davis	23,892	29,243	36,774	7,531	12,882	53.9%
40	Univ. of California – Santa Barbara	23,451	28,994	36,738	7,744	13,287	56.7%
37	Univ. of California – San Diego	23,180	28,670	36,334	7,664	13,154	56.7%
23	Univ. of California – Los Angeles	22,984	28,162	35,907	7,745	12,923	56.2%
20	Univ. of California – Berkeley	22,912	28,264	35,850	7,586	12,938	56.5%
53	Univ. of Texas – Austin	14,434	26,672	34,722	8,050	20,288	140.6%
48	Univ. of Washington	17,916	23,219	33,513	10,294	15,597	87.1%
30	Univ. of North Carolina – Chapel Hill	17,548	22,295	33,428	11,133	15,880	90.5%
35	Georgia Institute of Technology	17,558	25,182	30,698	5,516	13,140	74.8%
48	Pennsylvania State Univ. – Univ. Park	20,784	24,940	30,452	5,512	9,668	46.5%
62	Univ. of Maryland, College Park	18,710	23,076	29,720	6,644	11,010	58.8%
42	Univ. of Illinois – Urbana Champaign	20,886	26,024	29,646	3,622	8,760	41.9%
48	Univ. of Florida	15,827	20,640	28,590	7,950	12,763	80.6%
47	Univ. of Wisconsin – Madison	19,866	21,818	26,660	4,842	6,794	34.2%
54	The Ohio State University	15,827	21,918	26,537	4,619	10,710	67.7%
	Unweighted Average	\$20,771	\$26,546	\$34,451	\$7,905	\$13,680	68.0%

Note: Among public four-year institutions, the University of Maryland, College Park is ranked 18.

Source: The Chronicle of Higher Education website database, <http://chronicle.com/premium/stats/tuition>; *U.S. News and World Report – America's Best Colleges 2014*

Exhibit 11
Towson University and Salisbury University Tuition and Mandatory Fees as Compared to the
Top Northern Public Regional Universities in the
2014 U.S. News and World Report Ranking
In-state Undergraduate Full-time Tuition and Mandatory Fees

<u>Ranking</u>	<u>Institution</u>	<u>2004</u>	<u>2008</u>	<u>2014</u>	<u>\$</u> <u>Change</u> <u>2008-2014</u>	<u>\$</u> <u>Change</u> <u>2004-2014</u>	<u>%</u> <u>Change</u> <u>2004-2014</u>
3	College of New Jersey	\$8,988	\$12,308	\$15,024	\$2,716	\$6,036	67.2%
28	Rutgers – Camden (NJ)	8,209	11,358	13,683	2,325	5,474	66.7%
28	Ramapo College of New Jersey	8,081	10,765	13,388	2,623	5,307	65.7%
19	Rowan Univ. (NJ)	7,970	10,908	12,616	1,708	4,646	58.3%
50	Montclair State University	7,026	9,429	11,540	2,111	4,514	64.2%
60	Towson Univ.	6,672	7,314	8,590	1,276	1,918	28.7%
65	Salisbury Univ.	5,976	6,492	8,560	2,068	2,584	43.2%
14	SUNY Col. Arts and Sci. – Geneseo	5,435	5,658	7,774	2,116	2,339	43.0%
41	SUNY – Fredonia	5,389	5,588	7,741	2,153	2,352	43.6%
56	SUNY – Oswego	5,235	5,531	7,581	2,050	2,346	44.8%
41	SUNY College – Oneonta	5,332	5,485	7,568	2,083	2,236	41.9%
60	College at Brockport – SUNY	5,263	5,444	7,562	2,118	2,299	43.7%
25	SUNY Col. Arts and Sci. – New Paltz	5,220	5,419	7,418	1,999	2,198	42.1%
25	CUNY – Baruch College	4,300	4,370	6,561	2,191	2,261	52.6%
31	CUNY – Queens College	4,357	4,427	6,548	2,121	2,191	50.3%
50	CUNY – Hunter College	4,329	4,399	6,470	2,071	2,141	49.5%
	Unweighted Average	\$6,224	\$7,275	\$9,353	\$2,078	\$3,130	49.1%

CUNY: City University of New York
SUNY: State University of New York

Note: Regional Universities offer a full range of undergraduate programs and some master’s programs but few doctoral programs.

Source: The Chronicle of Higher Education website database, <http://chronicle.com/premium/stats/tuition>; U.S. News and World Report – America’s Best Colleges 2014

Exhibit 12
Out-of-state Undergraduate Full-time Tuition and Mandatory Fees

<u>Ranking</u>	<u>Institution</u>	<u>2004</u>	<u>2008</u>	<u>2014</u>	<u>% Change 2008-2014</u>	<u>\$ Change 2004-2014</u>	<u>% Change 2004-2014</u>
28	Rutgers – Camden (NJ)	\$15,239	\$21,306	\$27,978	\$6,672	\$12,739	83.6%
3	College of New Jersey	13,929	20,415	25,637	5,222	11,708	84.1%
28	Ramapo College of New Jersey	12,633	17,476	22,038	4,562	9,405	74.4%
19	Rowan Univ. (NJ)	13,798	18,016	20,570	2,554	6,772	49.1%
60	Towson Univ.	15,352	17,860	20,268	2,408	4,916	32.0%
50	Montclair State University	11,167	17,207	20,254	3,047	9,087	81.4%
14	SUNY Col. Arts and Sci. – Geneseo	11,695	11,918	17,424	5,506	5,729	49.0%
41	SUNY – Fredonia	11,649	11,848	17,391	5,543	5,742	49.3%
56	SUNY – Oswego	11,495	11,791	17,231	5,440	5,736	49.9%
41	SUNY College – Oneonta	11,592	11,745	17,218	5,473	5,626	48.5%
60	College at Brockport – SUNY	11,523	11,704	17,212	5,508	5,689	49.4%
25	SUNY Col. Arts and Sci. – New Paltz	11,480	11,679	17,068	5,389	5,588	48.7%
65	Salisbury Univ.	13,554	14,794	16,906	2,112	3,352	24.7%
25	CUNY – Baruch College	11,100	11,170	16,581	5,411	5,481	49.4%
31	CUNY – Queens College	11,157	11,227	16,568	5,341	5,411	48.5%
50	CUNY – Hunter College	11,129	11,199	16,490	5,291	5,361	48.2%
	Unweighted Average	\$12,595	\$14,639	\$19,383	\$4,744	\$6,788	53.8%

CUNY: City University of New York
SUNY: State University of New York

Note: Regional Universities offer a full range of undergraduate programs and some master’s programs but few doctoral programs.

Source: The Chronicle of Higher Education website database, <http://chronicle.com/premium/stats/tuition>; *U.S. News and World Report – America’s Best Colleges 2014*

Higher Education – Fiscal 2016 Budget Overview

Maryland's top ranked public historically black colleges and universities (HBCU) ranked in *U.S. News and World Report's* "Historically Black Colleges and Universities" are shown in **Exhibits 13** and **14**. In Exhibit 13, the top 18 public universities are ordered from most to least expensive fall 2014 in-state tuition and fee rates and by fall 2014 out-of-state rates in Exhibit 14. Each college's overall *U.S. News and World Report* ranking is also shown. The State's universities are average to high for tuition, with MSU ranking fifth, Bowie State University (BSU) seventh, and UMES eighth. While BSU and MSU differ by less than \$100 for in-state students, BSU is over \$1,000 more than MSU for out-of-state students. In terms of rate increases from fall 2004 to 2014, however, Maryland's HBCUs had, by far, the slowest tuition growth due to Maryland's tuition freezes and buydowns. The next slowest HBCU tuition growth states were Mississippi and South Carolina.

Exhibit 13

**Morgan State University and University of Maryland Eastern Shore Tuition and Mandatory Fees as Compared to the Top Historically Black Institutions in the 2014 *U.S. News and World Report* Ranking and Several Peers
In-state Undergraduate Full-time Tuition and Mandatory Fees**

<u>Ranking</u>	<u>Institution</u>	<u>2004</u>	<u>2008</u>	<u>2014</u>	<u>\$ Change 2008-2014</u>	<u>\$ Change 2004-2014</u>	<u>% Change 2004-2014</u>
30	South Carolina State University	\$6,170	\$7,806	\$10,088	\$2,282	\$3,918	63.5%
21	Lincoln State University (Pennsylvania)	*	8,240	10,030	1,790		
23	Alabama A&M University	4,420	4,930	8,944	4,014	4,524	102.4%
32	Virginia State University	4,544	5,903	8,002	2,099	3,458	76.1%
15	Morgan State University	5,718	6,438	7,378	940	1,660	29.0%
13	Delaware State University	4,726	6,481	7,336	855	2,610	55.2%
25	Bowie State University	5,218	5,939	7,299	1,360	2,081	39.9%
23	University of Maryland Eastern Shore	5,558	6,042	7,287	1,245	1,729	31.1%
21	Tennessee State University	4,008	5,102	7,224	2,122	3,216	80.2%
19	Jackson State University (Mississippi)	3,841	4,634	6,602	1,968	2,761	71.9%
27	Alcorn State University (Mississippi)	3,732	4,448	6,192	1,744	2,460	65.9%
28	Albany State University (Georgia)	2,896	3,710	6,140	2,430	3,244	112.0%
8	Florida A&M University	3,064	3,572	5,785	2,213	2,721	88.8%
10	North Carolina A&T State University	3,066	3,593	5,642	2,049	2,576	84.0%
15	Winston-Salem State University	2,675	3,389	5,584	2,195	2,909	108.7%
11	North Carolina Central University	3,041	3,751	5,525	1,774	2,484	81.7%
28	Fayetteville State University	2,521	3,021	4,686	1,665	2,165	85.9%
20	Elizabeth City State University	2,474	2,914	4,462	1,548	1,988	80.4%
	Unweighted Average	\$3,981	\$4,995	\$6,900	\$1,905	\$2,736	73.9%

*Data not available.

Source: The Chronicle of Higher Education website database, <http://chronicle.com/premium/stats/tuition>; *U.S. News and World Report – America’s Best Colleges 2014*

Exhibit 14
Out-of-state Undergraduate Full-time Tuition and Mandatory Fees

<u>Ranking</u>	<u>Institution</u>	<u>2004</u>	<u>2008</u>	<u>2014</u>	<u>\$</u> <u>Change</u> <u>2008-2014</u>	<u>\$</u> <u>Change</u> <u>2004-2014</u>	<u>%</u> <u>Change</u> <u>2004-2014</u>
21	Tennessee State University	\$12,496	\$15,994	\$20,580	\$4,586	\$8,084	64.7%
30	South Carolina State University	12,978	15,298	19,856	4,558	6,878	53.0%
28	Albany State University (GA)	10,438	13,002	18,646	5,644	8,208	78.6%
10	North Carolina A&T State University	12,508	13,035	18,488	5,453	5,980	47.8%
25	Bowie State University	13,583	15,629	17,875	2,246	4,292	31.6%
8	Florida A&M University	14,614	15,513	17,725	2,212	3,111	21.3%
32	Virginia State University	9,142	14,018	17,258	3,240	8,116	88.8%
11	North Carolina Central University	12,485	13,495	16,970	3,475	4,485	35.9%
15	Morgan State University	12,958	14,928	16,862	1,934	3,904	30.1%
23	Alabama A&M University	8,320	9,220	16,444	7,224	8,124	97.6%
23	University of Maryland Eastern Shore	11,421	12,830	16,311	3,481	4,890	42.8%
28	Fayetteville State University	12,429	13,483	16,294	2,811	3,865	31.1%
19	Jackson State University (MS)	8,570	10,970	16,174	5,204	7,604	88.7%
20	Elizabeth City State University	10,813	11,928	16,136	4,208	5,323	49.2%
13	Delaware State University	6,954	13,742	15,692	1,950	8,738	125.7%
27	Alcorn State University (MS)	8,463	10,692	15,433	4,741	6,970	82.4%
15	Winston-Salem State University	11,015	12,029	15,114	3,085	4,099	37.2%
21	Lincoln State University (PA)	*	12,846	14,706	1,860		
	Unweighted Average	\$11,129	\$13,258	\$17,031	\$3,773	\$6,039	59.2%

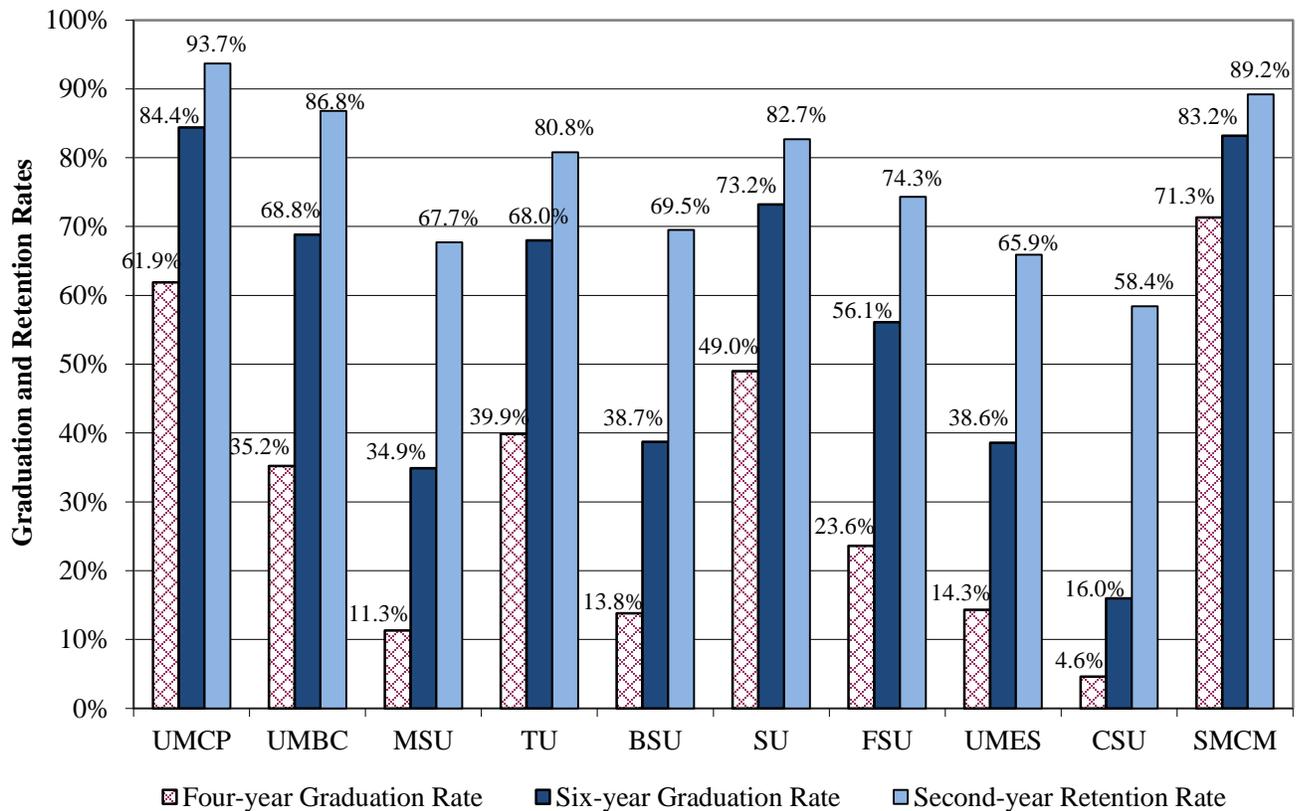
*Data not available.

Source: The Chronicle of Higher Education website database, <http://chronicle.com/premium/stats/tuition>; *U.S. News and World Report – America’s Best Colleges 2014*

Productivity Measures

Retention rates, shown in **Exhibit 15**, foreshadow graduation rates. That is, colleges with high retention rates tend to also have high graduation rates. UMCP and SMCM have the highest second-year retention rates at over 90.0%, while CSU has the lowest at 58.4%. While no institution is currently at a high point in its own retention rates, the overall State rate increased slightly from 82.5% to 82.8% in the 2012 cohort. Meanwhile, the gap between CSU’s retention rate and the six-year average graduation rate for the State has increased to over 5 percentage points. In other words, CSU has fallen behind the State’s average graduation rate after only one year.

Exhibit 15
Second-year Retention and Four- and Six-year Graduation Rates
First-time Full-time Students
2007 Cohort



BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 MSU: Morgan State University
 SMCM: St. Mary’s College of Maryland

SU: Salisbury University
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park
 UMES: University of Maryland Eastern Shore
 TU: Towson University

Source: Maryland Higher Education Commission *Retention and Graduation Rates at Maryland Public Four-year Institutions*, December 2014

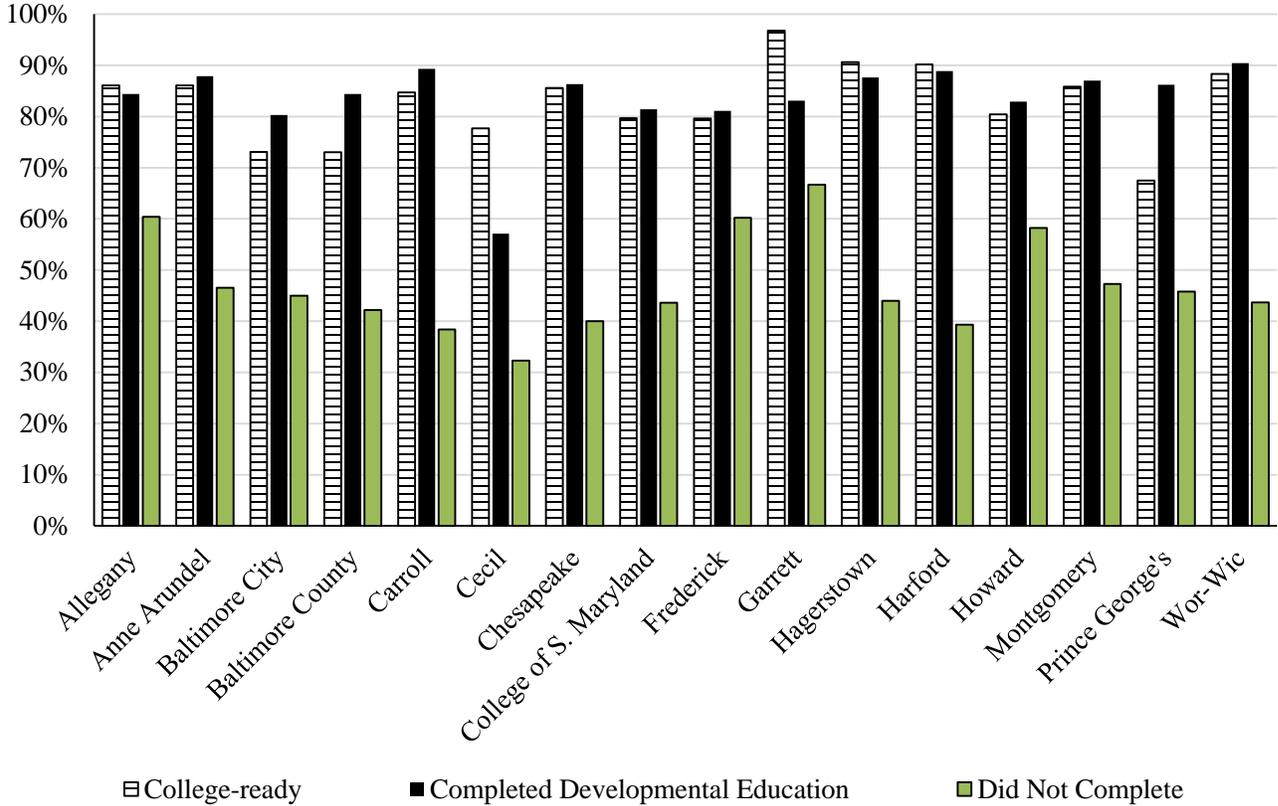
Higher Education – Fiscal 2016 Budget Overview

Maryland's graduation and retention rates are high compared to other states, and the State's six-year graduation rate increased from 55.4% for the 1993 cohort to 63.8% for the 2007 cohort, the most recent actual data available. The 2.2 percentage point increase in the 2007 cohort's rate is the largest single year improvement since at least 1990 and partly makes up for a decline of 3.1 percentage points from cohorts 2004 to 2006. Prior to that dip, the graduation rate had increased for 11 consecutive years. Since the State average peaked for the 2003 cohort, only four schools have since increased their graduation rates, while six schools have declined. The 2007 cohort has extremes: CSU's 16% graduation rate is the lowest posted by any Maryland four-year institution since at least the 1990 cohort, while over the same time period, UMCP's 84.4% graduation rate for the 2007 cohort is the second highest ever posted.

There is wide variability between colleges in terms of on-time, or four-year, graduation rates for full-time students, which is often significantly lower than the six-year graduation. The overall State four-year graduation rate hit a record high of 40.6% with the 2009 cohort, due to recent improvements of 5.0 percentage points or more at the State's two largest campuses, UMCP and TU. While CSU's rate of 5.5% is the lowest, it did improve 0.9 percentage points. Graduation rates and other indicators of four-year outcomes are shown in **Appendix 5 through 7**.

Students enrolling at community colleges often have different goals than those at traditional four-year institutions. Community college students tend to have higher developmental education needs, and obtaining an associate's degree may not be the top priority. With these differences, it is difficult to directly compare the outcomes between the two segments. For community college students, successful persist rates are used to measure student performance from the fall 2008 cohort; newer data from MHEC and the Maryland Association of Community Colleges was not available. A successful persister is a student who attempts at least 18 credits in his or her first two years, and who, after four years, is still enrolled, has graduated, or has transferred. **Exhibit 16** shows three subgroups of persisters, those who are college-ready, developmental education completers (students who test into developmental education and complete it within four years), and developmental noncompleters. The success rate across colleges is interesting because at many institutions there are similar outcomes for college-ready and developmental completers. The Community College of Baltimore County and Prince George's Community College stand out because developmental completers at those institutions are 10 and 20 percentage points, respectively, more likely to succeed than college-ready students. On the other hand, some community colleges have notable success with developmental noncompleters, particularly the colleges in Western Maryland (Allegany, Hagerstown, and Garrett), which all have such students succeeding at least 15 percentage points above the State average.

Exhibit 16
Persister Rate by Type of Student
Fall 2008 Cohort

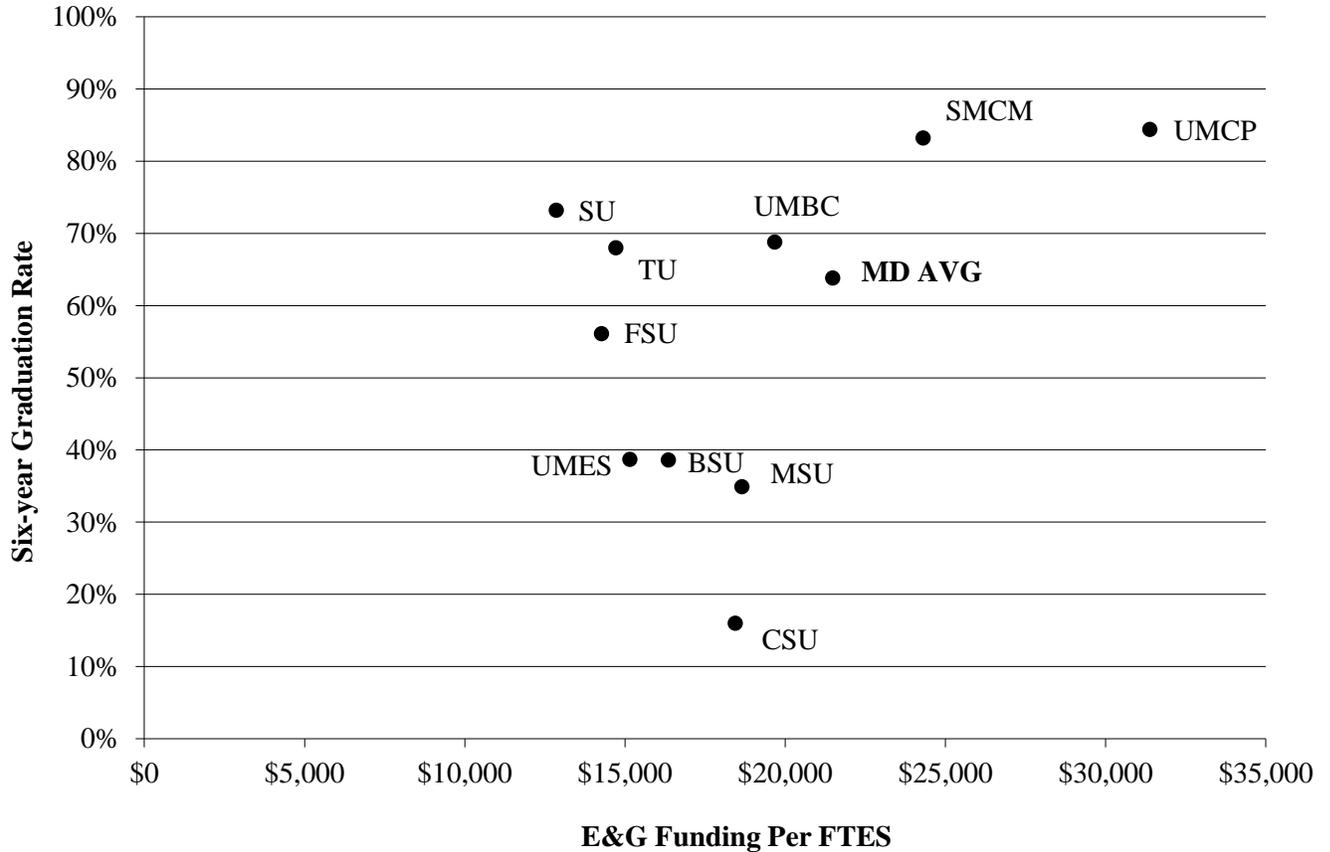


Source: Maryland Association of Community Colleges

Productivity on a Per Student Basis

Another way to analyze college success is to examine what is produced for the State’s investment. **Exhibit 17** compares the six-year graduation rate of the 2007 cohort (graduating in fiscal 2013) with each college’s E&G revenue per FTES in fiscal 2013. The colleges in the upper left quadrant of the exhibit are those that achieve higher than average graduation rates while receiving less than average revenue per FTES and are considered more efficient. For the 2007 cohort, SU and TU are again the State’s most efficient institutions by this measure. SU, in particular, has a graduation rate of 73.2% while receiving the least revenue per FTES statewide, \$12,850. SU and TU have consistently been the State’s most efficient for many years. At the other end, CSU receives 40% more funding than SU, but CSU students graduate at less than a quarter of the rate of SU. In the upper right quadrant, SMCM and UMCP, which have the highest graduation and retention rates, also have the highest E&G revenue per FTES.

**Exhibit 17
E&G Revenues Per FTES and Six-year Graduation Rates
Fiscal 2013**



BSU: Bowie State University
 CSU: Coppin State University
 E&G: Education and General
 FSU: Frostburg State University
 FTES: full-time equivalent student
 MSU: Morgan State University

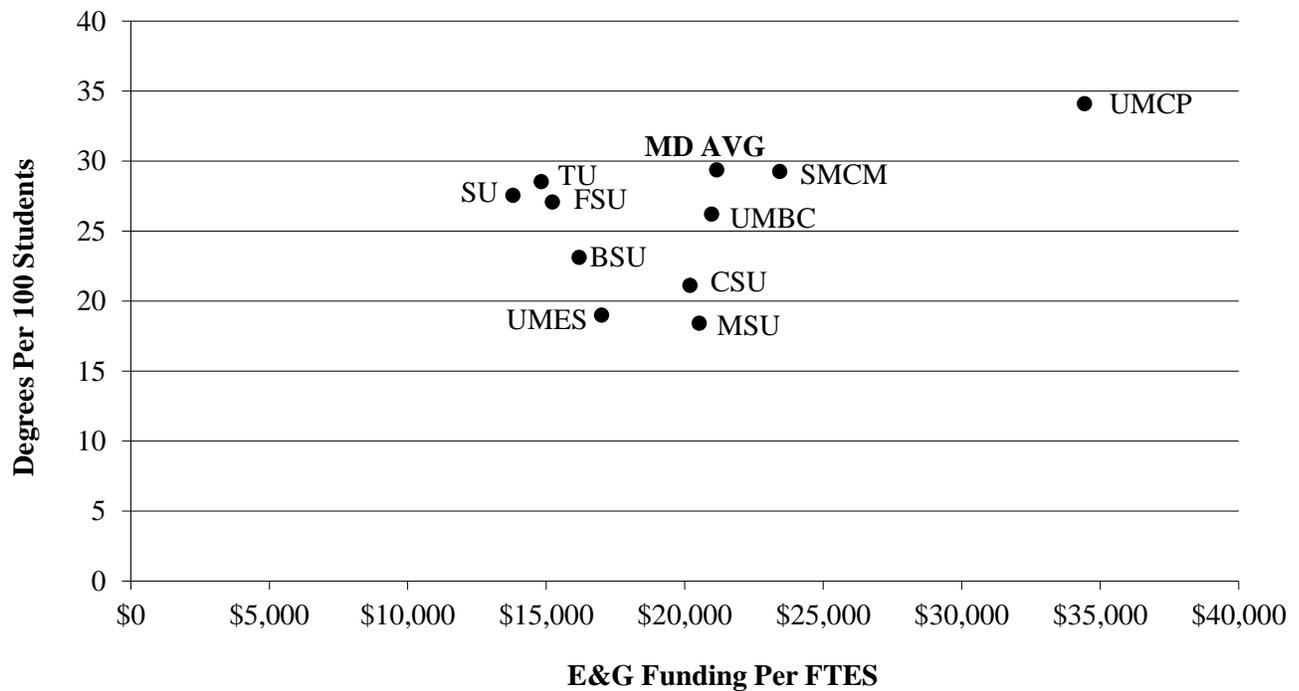
SMCM: St. Mary’s College of Maryland
 SU: Salisbury University
 TU: Towson University
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park
 UMES: University of Maryland Eastern Shore

Note: The University of Maryland, Baltimore; the University of Maryland University College (UMUC); and the University of Baltimore are not included. UMUC had an E&G per FTES funding level of \$14,846 in fiscal 2011 but is not displayed because the Maryland Higher Education Commission does not report a six-year graduation rate for the institution. UMUC recently began to track success rates of students comparable to those reported for the other institutions in this exhibit, beginning with the fall 2006 cohort, but the data is not yet available.

Source: Maryland Higher Education Commission; Governor’s Budget Books, Fiscal 2015

Exhibit 18 shows each college’s E&G revenues per FTES this time graphed against degrees awarded per 100 FTES in fiscal 2014, the most recent actual available. By this measure, SU and TU are again the most efficient, along with Frostburg State University (FSU). MSU was the least efficient, awarding 18.4 degrees per 100 FTES with E&G revenues of \$20,509 per FTES. At the other end of the spectrum is UMCP. Although it awards the most degrees per 100 FTES in the State, 34.1, it does so while spending nearly two-thirds more than the State average. This is partly due to its resource-intensive mission to serve as a high productivity research institution and flagship campus for the State.

Exhibit 18
E&G Revenues Per FTES and Degrees Awarded Per 100 FTES
Fiscal 2014



BSU: Bowie State University
 CSU: Coppin State University
 E&G: Education and General
 FSU: Frostburg State University
 FTES: full-time equivalent student
 MSU: Morgan State University

SMCM: St. Mary’s College of Maryland
 SU: Salisbury University
 TU: Towson University
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park
 UMES: University of Maryland Eastern Shore

Note: The University of Maryland, Baltimore and the University of Baltimore are not included.

Source: Department of Legislative Services; Governor’s Budget Books, Fiscal 2016

Issues

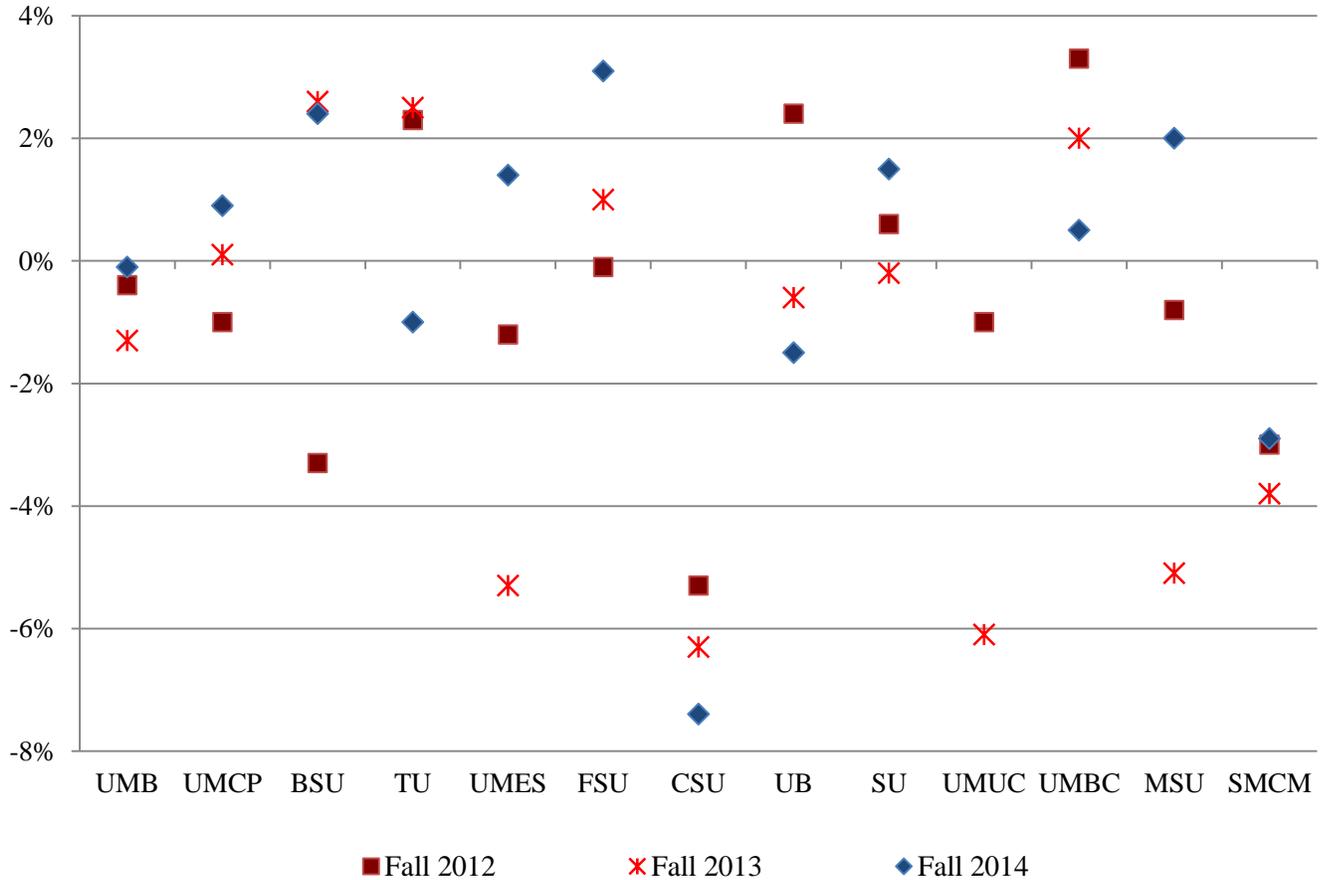
1. Higher Education Enrollments Decline Again?

Following two years of historic declines in headcount enrollment, fall 2014 enrollment increased by 3,007 students, or 0.8%. This includes public two- and four-year and independent institutions. Whether enrollments increased depends on how the University of Maryland University College's (UMUC) online overseas students are counted (discussed further below). The current enrollment of 360,043 is still over 13,300 students, or 3.6%, below the peak of 373,359 in fall 2011. The back-to-back declines in fall 2012 and 2013 had been the first occurrence of consecutive years of declining enrollment in at least 30 years in Maryland. Although individual institutions have fluctuated year to year, the overall headcount had grown steadily from fall 1996 to 2011. The slight overall gain in 2014 was not evenly distributed across segments. While all public four-year institutions grew 5.6%, independent institutions declined 1.6%, and community colleges declined 3.7%. The decline among independent institutions is misleading because the decline reflects the closure of the National Labor College (NLC) after the spring 2014 semester. With NLC removed, the decline is only 0.6%. Unless otherwise stated, the data reported here are headcount enrollments, as opposed to FTES enrollments.

Exhibit 19 shows the enrollment changes at the State's public four-year institutions. The campus-by-campus changes range from an increase of 3.1% at FSU to a decline of 7.4% at CSU, the third year that CSU has experienced the largest enrollment decline among the four-year institutions. The data in this report excludes UMUC's fall 2014 enrollment because the institution changed how it reports online enrollments to MHEC. While UMUC saw its enrollment decline by -1.0% in 2012 and -6.1% in 2013, it reports growth of 21.8% in fall 2014 by counting all of its European-based online students as stateside enrollments now due to consolidation of the school's administration. This makes year-over-year comparisons very difficult. For example, among the growth of 7,620 part-time students in fall 2014, 7,494, or 98.2%, are from UMUC. If all of those part-time students are backed out of UMUC, its adjusted fall 2014 growth rate would be only 2.5%, and the public four-year segment's growth rate would be only 1.0%. With that change, the State would actually be experiencing a decline of 4,500 headcount students for an overall decline of 1.3%. Thus, whether the State is experiencing an unprecedented third year of enrollment declines is up to how UMUC is counted.

Similar data for the public two-year institutions is show in **Exhibit 20**. Overall enrollment decreased 7.9%, or 11,449. Over the past three fall terms, eight colleges saw declines in all three years, while seven saw declines in two of the three years. Unfortunately, from fall 2013 to fall 2014, seven campuses saw their rates of enrollment decline increase. Curiously, Howard Community College has posted three years of growth in opening enrollments, possibly due to its new Health Sciences Center. While the declines are geographically dispersed, the Eastern Shore's Wor-Wic (-9.0%) and Chesapeake College (-5.3%) have been hit hard. The largest decline this past fall occurred at Anne Arundel Community College (AACC), which lost 9.3% of its students. Since fall 2012, it has lost about 2,700 students, or 15.0% of its enrollment. The single largest year-to-year decline occurred at BCCC in fall 2012, when it lost 1,606 students, or 22.7% of its total enrollment. While the decline for BCCC stabilized in fall 2013, it grew again in fall 2014. With the exception of CSU, the changes at the community colleges are of a greater magnitude when compared to the public four-year institutions.

Exhibit 19
Percent Change in Headcount Enrollments, Public Four-year Institutions
Fall 2012 to Fall 2014



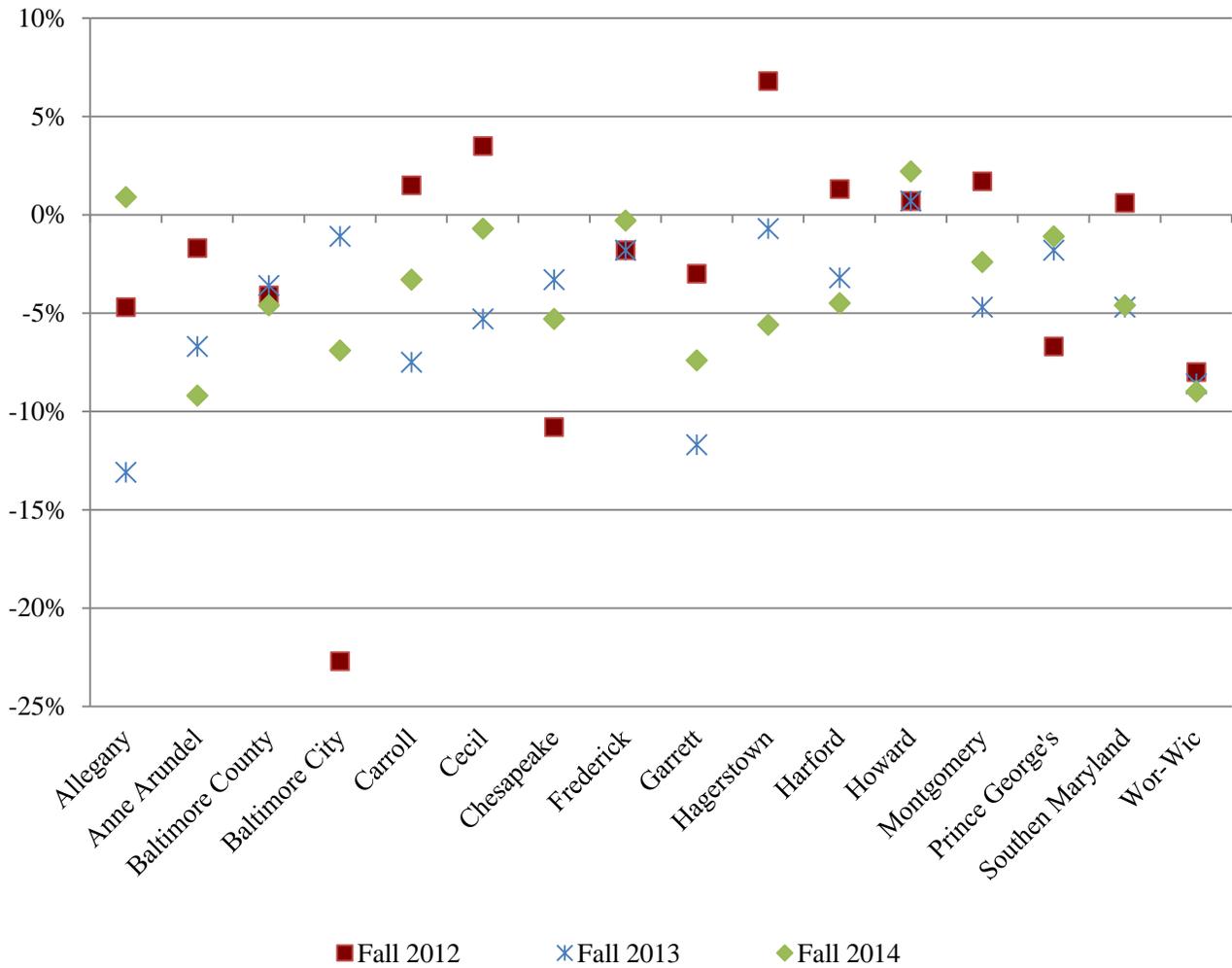
BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 MSU: Morgan State University
 SMCM: St. Mary’s College of Maryland
 SU: Salisbury University
 TU: Towson University

UB: University of Baltimore
 UMB: University of Maryland, Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park
 UMES: University of Maryland Eastern Shore
 UMUC: University of Maryland University College

Note: University of Maryland University College fall 2014 not shown.

Source: Maryland Higher Education Commission *Opening Fall Enrollments, 2014*

Exhibit 20
Percent Change in Headcount Enrollments, Community Colleges
Fall 2012 to Fall 2014



Source: Maryland Higher Education Commission *Opening Fall Enrollments, 2013 and 2014*

Causes of the Decline

Declining enrollment is not unique to Maryland and appears to be occurring at the same rate nationwide. In fact, assuming the removal of UMUC's new part-time enrollments, Maryland's 1.3% decline in headcount perfectly matches the national decline as reported by the National Student Clearinghouse for fall 2014. Additionally, Maryland's community college enrollment decline of 3.7% closely matches the Clearinghouse's national rate of a 3.5% decline. However, Maryland's independents lag the national average of headcount growth of 1.6%. College enrollments, especially of part-time students, are partially correlated to the unemployment rate, which has slowly recovered in Maryland since the most recent economic recession. This past fall, if UMUC's enrollment is removed again, part-time headcount enrollment in Maryland fell 2.3%.

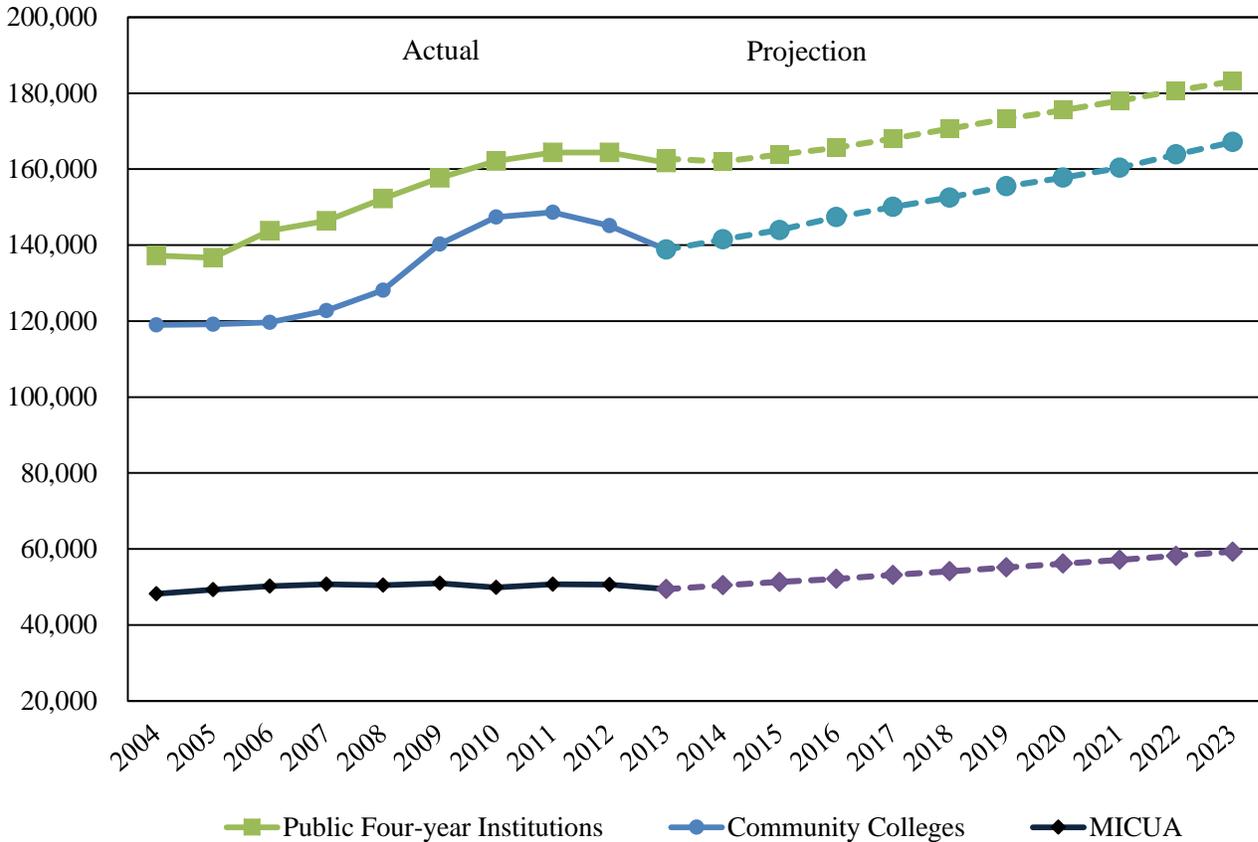
First-time, full-time (FT/FT) enrollment, the traditional demographic of straight-from-high-school students, declined 3.4% in fall 2014, the fifth consecutive year of FT/FT decline. While public four-year institutions actually increased FT/FT enrollment by 2.2%, community colleges fell by 7.0%, and independent institutions fell 6.3%. Overall, FT/FT enrollment has dropped 14.8% since its peak of 41,246 in fall 2009. This is troubling because Maryland State Department of Education (MSDE) data suggests high school graduates have been flat in number from 2008 to 2013, and the college-going rate has likewise been unchanged. MHEC suggests that Maryland may be increasingly losing high school graduates to other states. Meeting the State's 55% degree completion goal by 2025 will be difficult if Maryland's high school graduates are leaving the State in greater numbers.

Fiscal 2015 Enrollment and Beyond

The fiscal 2016 allowance was calculated assuming a 0.4% increase in FTES enrollment at public four-year institutions, which combines full-time and part-time students into one figure. FTES enrollments declined 0.5% in fiscal 2013 and 1.0% in 2014. The working budget for fiscal 2015 reports a further decline of 0.6%, after a budgeted increase one year ago of 0.2%. Both MHEC and DBM routinely assume slight increases in the allowance budget year.

Exhibit 21 shows actual headcount enrollments by sector alongside MHEC's headcount enrollment projections through fall 2023. The Maryland Independent College and University Association (MICUA) provided its members' enrollment projections through fiscal 2019 and the DLS-estimated growth after that year. MHEC's projection method missed the continuing decline in fall 2014 community college enrollments but sees growth in the long run. If this holds, community colleges will break their previous headcount enrollment record in fiscal 2011 in fiscal 2018, the same time when public four-years will surpass their high, also set in fiscal 2011. MICUA institutions will likely hit this goal in fiscal 2019. Overall, this means Maryland is in the middle of working through a six-year dip in enrollment. Building back up to the previous high will likely require institutions to look at enrolling more nontraditional students, given the shifting preferences of FT/FT students.

**Exhibit 21
Headcount Enrollment by Segment
Fall 2004 – Fall 2023**



MICUA: Maryland Independent College and University Association

Note: Does not reflect University of Maryland University College European online students.

Source: Maryland Higher Education Commission; Maryland Independent College and University Association; Department of Legislative Services

The Secretary should comment on how Maryland can remain competitive with FT/FT students and what nontraditional student demographics the State should look to enrolling in the short term.

2. Maryland Longitudinal Data System Fully Operational, But Much Work Remains

The Maryland Longitudinal Data System (MLDS) Center was established by the Maryland General Assembly (Chapter 190 of 2010) to collect statewide data on students and the workforce. It is

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longitudinal because it collects data points on the same research subjects over long periods of time which enables MLDS to show detailed changes in education and workforce outcomes. To accomplish this task, MLDS works directly with:

- MSDE;
- MHEC;
- the Department of Labor, Licensing, and Regulation (DLLR); and
- various other sources to a lesser extent.

Maryland originally received funding from the federal Statewide Longitudinal Data System (SLDS) Grant Program which began in fiscal 2006. Maryland received three rounds of federal SLDS funding in fiscal 2006 (\$5.7 million), fiscal 2009 (\$6.0 million), and fiscal 2012 (\$4.0 million) for a total of \$15.7 million of federal support. In total, 47 states and the District of Columbia received SLDS grants, including all of Maryland’s neighboring states. The State provides operating funding for the center. However, a deficiency in the budget bill reduces the fiscal 2015 appropriation by \$304,153 to account for personnel turnover and reduced expenditures. This is due to the fact that MLDS currently has 15 authorized positions, but as of January 2015, only 9 are filled by full-time workers and an additional 3 by contractors. The 3 vacant positions are the partner positions shared between MLDS and MSDE, MHEC, and DLLR, respectively.

By statute, MLDS must produce an annual report on the status of the entire center and a report on the dual enrollment of high school students at institutions of higher education in Maryland.

The first dual enrollment report was turned in during December 2013 and the second in December 2014. Both reports, however, were severely limited. The first report had information for only fall 2012 enrollments, which meant it could establish a baseline for change since the 2013 College and Career Readiness and College Completion Act (CCRCCA), but could not yet show the effects of the legislation. It reported that “it is expected that [the necessary] data will be available for the 2014 report.” In December 2014, the center reported that the data necessary to fulfill the dual enrollment report is not available and “it is expected that these data will be available for the 2015 report.” While the second report was able to compare the pre-CCRCCA 2012 enrollment to the post-CCRCCA enrollment of 2013, it is still unable to answer complex research questions due to a backlog in loading datasets. MLDS suggests that, in the future, it could address questions such as the number of dual enrollees by type of high school, the courses taken by these students, and the outcomes of these students in higher education. The dual enrollment issue will be covered in greater detail in the next issue in this analysis.

One of the primary goals of MLDS is to provide web-based data dashboards and research studies. Although MLDS technically met its statutory deadline of December 31, 2014, to become fully developed and operational, the second annual report from December 2014 acknowledges that “delays during system development prevented the center from achieving the research and analysis output originally desired.”

Virginia, which also, for comparison, began the longitudinal data system (LDS) development process with SLDS grants, has made available a report on expected wage growth specific to that state's college graduates. The 2014 annual MLDS report did review the research agenda for Maryland but provides no timeline for when reports may be expected or what the reports might cover. Currently, the MLDS website has no original content publicly available except for the dual enrollment reports mentioned above. Instead, the website redirects users to DLLR dashboards or MHEC reports and links that purport to connect to available data dashboards and the MLDS research agenda that do not work. It is important for Maryland to stay abreast of the LDS movement. The Data Quality Campaign, a nonprofit organization, credits Maryland with achieving 8 of 10 actions necessary to "Ensure Effective Data Use." Maryland's remaining actions include "implementing a system to provide timely access to information" and providing professional development for educators to understand and use longitudinal data. Regional competitor states are as follows: Virginia has achieved 9, Pennsylvania 5, and New Jersey 7 such actions.

Part of this delay stems from the painstaking work of matching up massive datasets, ensuring data security and privacy, and being comfortable in interpreting the results of research. For example, one lingering concern is how to deal with students who share Social Security numbers or how to work with school systems that are uncomfortable with sharing the amount of detailed data that MLDS requests.

The Secretary and Chancellor should report on progress toward adopting standards for assessing the accuracy of information made available to the public and when the MLDS website may have content available to either legislators or the general public.

3. Dual Enrollment of High School Students

Partially related to the enrollment concerns noted above, one of the main goals of the General Assembly's CCRCCA is to increase the availability and accessibility of college-level courses to high school students. The CCRCCA, enacted as Chapter 533 of 2013, altered the tuition payment schedule and requirements for a student who is dually enrolled in courses in both a public high school and a public institution of higher education. This should both increase college access by introducing college courses to more high school students, but also increase college readiness and completion by getting students through college-level coursework and ideally earning college credit before graduating from high school.

Beginning with the fall 2013 semester, public institutions of higher education may no longer charge tuition to high school students. Instead, each local school system must pay the institution a percentage of the institution's tuition based on how many courses the student takes, and the local school system may charge the student a fee to partially cover these costs. However, the local school system may not charge a fee to students who are eligible to receive free and reduced-price meals (FRPM), and a student's ability to pay must be taken into account when setting any fees.

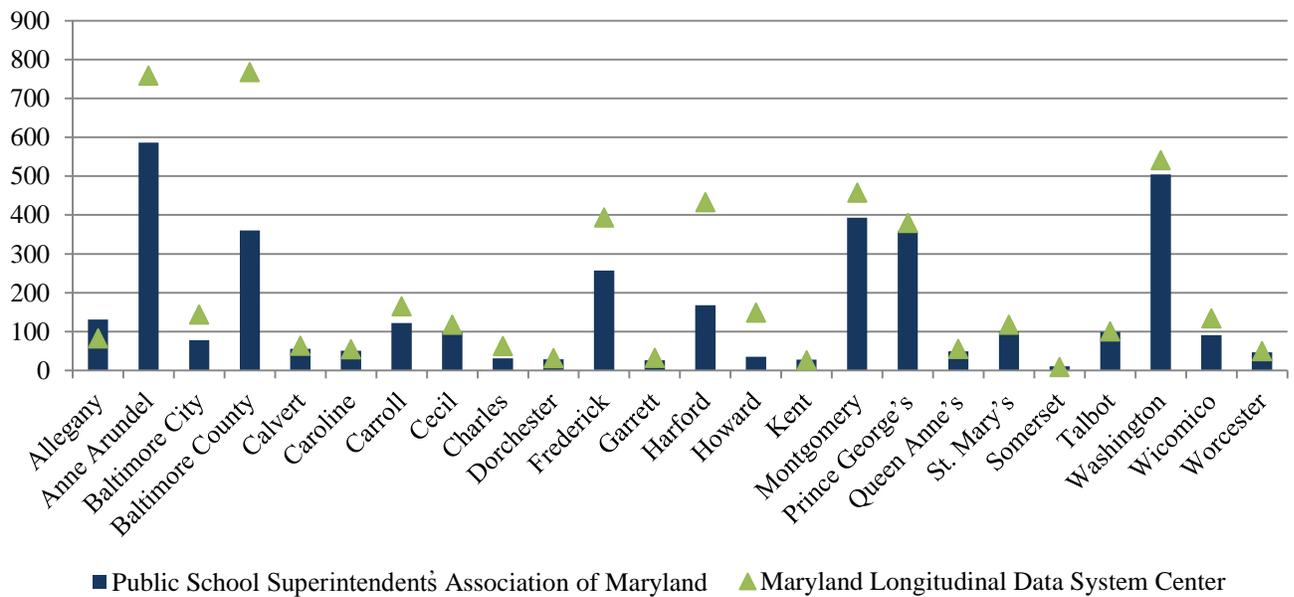
The Maryland Association of Community Colleges reports that all colleges have reached memoranda of understanding with their respective local education agencies and that five school systems are charging students less than authorized by the CCRCCA as a method of encouraging enrollment. Many community colleges are acting as the billing agent for the local school system and collecting fees

from the parents of dually enrolled students directly, with the appropriate adjustments being made for the school system to pay for FRPM students while maintaining the confidentiality of students’ FRPM status. Similar actions have occurred at the four-years, although dual enrollment at those institutions is much lower. The Attorney General’s Office has been assisting with the interpretation of the CCRCCA relating to several clarifications. For example, the Attorney General’s bill review letter concluded that the dual enrollment provisions of the Act do not apply to summer sessions but do apply to winter sessions, as they fall during the traditional academic year.

As noted previously, the second annual MLDS report in December 2014 on dual enrollment only made available data from fall 2013 and 2012. This is the first time MLDS has reported on the change in dual enrollments from pre-CCRCCA fall 2012 to post-CCRCCA 2013.

Exhibit 22 highlights the difficulty in measuring dual enrollment with certainty. Fall 2013 data from the MLDS report in December 2014 is compared to another source of data, the Public School Superintendents’ Association of Maryland (PSSAM), which provided the same time period data to DLS in December 2013. Overall, MLDS reports about 5,300 headcount enrollees, while PSSAM reported only about 3,700. Data from PSSAM indicates dually enrolled students signed up for 23,292 college credits, or an average of 6.3 credits attempted per student, whereas MLDS reported 26,990 credit hours for an average of 4.7 credit hours. The MLDS figure is equivalent to about 2,250 FTES, nearly the size of CSU. Some discrepancies in county enrollment appear particularly large, such as Baltimore and Harford counties. In the past, MLDS reports some of the difference may be attributed to private or home school students, but at this time it is not clear if that accounts for all of the variation.

Exhibit 22
High School Student Dual Enrollment and Participation by County
Fall 2013



Source: Public School Superintendents’ Association of Maryland; Maryland Longitudinal Data System Center

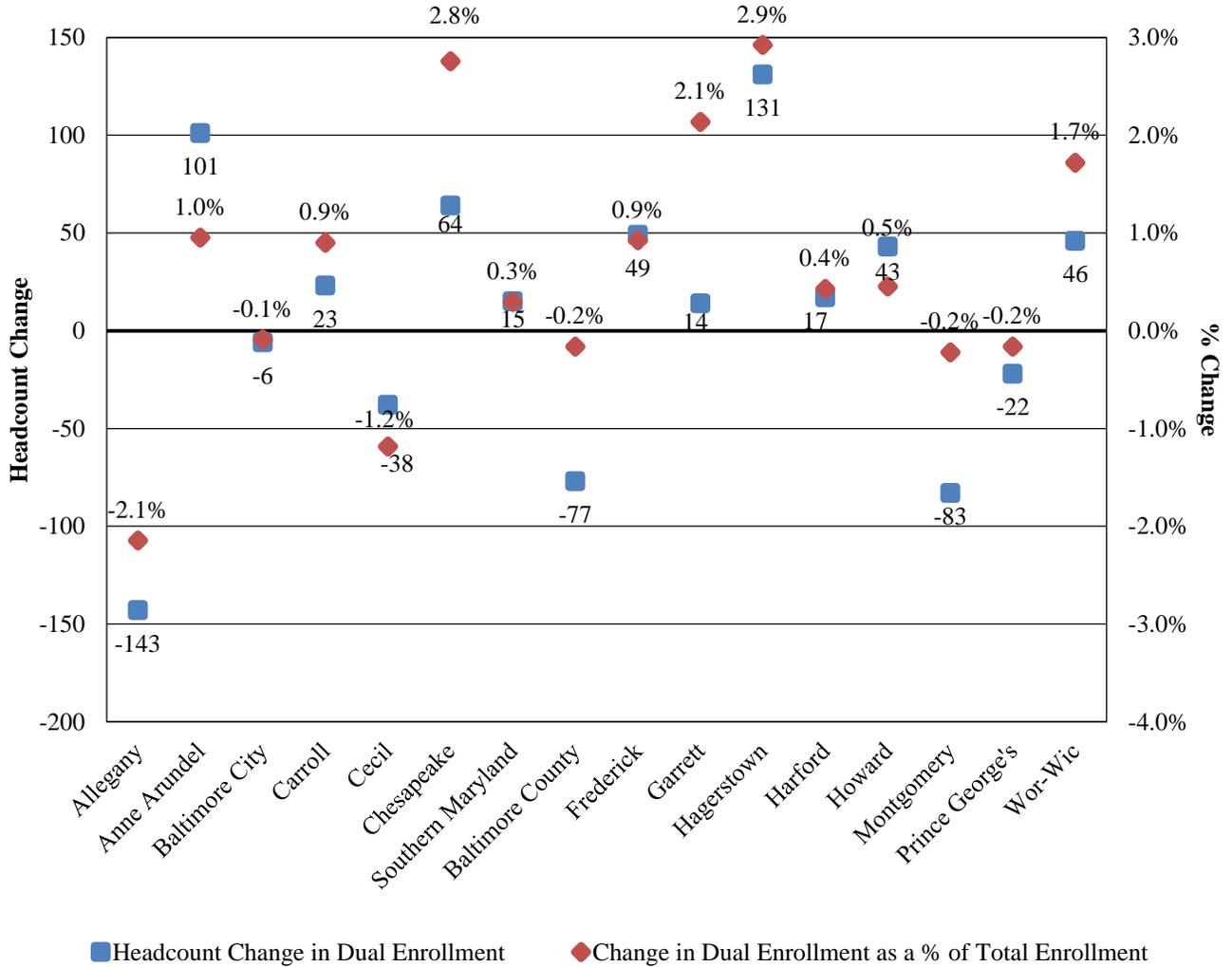
The Secretary should comment on progress toward standardizing definitions across State and local agencies to avoid confusion in data reporting and public presentations.

Using MLDS data, 97.1% of dual enrollment students enrolled in a community college as opposed to a public or independent four-year institution. This high rate of preference for two-year institutions is verified by the fall 2012 data from MLDS. As in the fall 2012 data, white students are only about 43.0% of the general high school student body, but account for about 70.0% of dual enrollment. Similarly, female students are about half of high school enrollments, but 60.0% of dual enrollments, which is similar to the broad trends in higher education enrollments. In the first year after CCRCCA implementation, there has not been any significant change in expanding dual enrollment to minority students or male students.

In **Exhibit 23**, MLDS data shows the change in dual enrollment from fall 2012 to 2013 by community college. As noted in the first issue of this paper, nearly all community colleges are experiencing moderate enrollment declines, so dual enrollment represents an opportunity to halt this trend. However, Exhibit 23 shows very mixed results: six colleges see declining dual enrollment, four grow by no more than about 20 students, and the remaining six grow by 40 or more. What may be troubling is that the four largest local education agencies all recorded declines in dual enrollment after CCRCCA went into effect. This calls into question whether the largest local education agencies see any benefit in dual enrollment versus competing programs. For example, MLDS notes that Advanced Placement (AP) courses were 10 times more popular, by headcount enrollment, in fall 2013 than dual enrollment (5,700 to 58,000). Considering that AP classes have been in place for decades and that Maryland was recently recognized by the College Board, for the seventh year running, as having the most successful AP course outcomes in the country, it may be difficult to lure students away from AP to dual enrollment. However, this also raises the question of whether AP and dual enrollment should be competing for the same types of students and how they can co-exist successfully.

Another reason the decline in some jurisdictions is discouraging is due to the dedicated State funding for creating the Early College Innovation (ECI) Fund in fiscal 2014 to support efforts to increase access to postsecondary education while in high school. Instead of students deciding to dually enroll on a course-by-course basis, early and middle college programs are designed to provide students with both a high school degree and a postsecondary credential, usually 60 college credits or an associate's degree, upon high school graduation. Six partnerships between local school systems and institutions of higher education will receive a total of \$2 million for programs that target students seeking science, technology, engineering, and math (STEM) courses of study or STEM-related career and technical education. One of these grant recipients, the Academy of Health Sciences at Prince George's Community College, which is operated in partnership with the Prince George's County Public School System, will award its students both a high school diploma and an Associate of Arts degree upon completion. However, dual enrollment at Prince George's Community College declined from 367 to 345 and Montgomery College, another funded institution, saw enrollment decline from 550 to 467. No ECI funding is budgeted in fiscal 2016.

Exhibit 23
Change in Dual Enrollment by Headcount
Fall 2012 – Fall 2013



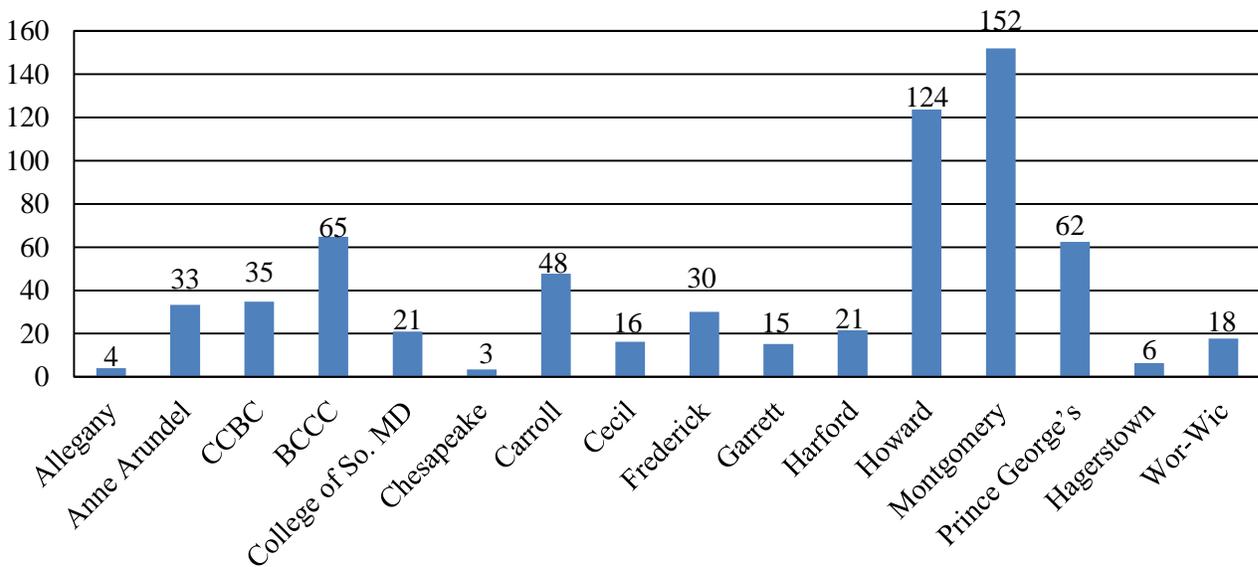
Source: Public School Superintendents' Association of Maryland; Maryland Longitudinal Data System Center

The Secretary and State Superintendent of Schools should comment on how dual enrollment can compete with other programs like AP for enrollment and why the four largest local education agencies saw declines in headcount dual enrollment participation after CCRCCA went into effect.

The Secretary and State Superintendent should also comment on how, in the future, the State can evaluate whether dual enrollment is successful in Maryland.

Exhibit 24 shows the number of AP credits attempted for every dual enrollment credit attempted by community college service area. This exhibit made a number of assumptions due to the current limitations on data gathering. For example, this assumes all dual enrollment students come from the service area of the community college to which they are enrolling. MLDS reports that some colleges, like Allegany, receive significant portions of their dual enrollment from elsewhere, while other counties' high school students may choose to enroll at a community college offering particular coursework or which may be more convenient to access. This is known to occur to some extent for Prince George's County students, some of whom enroll at Howard Community College and AACC. Therefore, Exhibit 24 may undercount Prince George's dual enrollments and over count those at Howard Community College and AACC. Overall, Montgomery College and Howard Community College have the highest rates, each one with over 100 AP credits attempted for every dual enrollment credit. The three regional colleges (Chesapeake, Southern Maryland, and Wor-Wic) are generally lower in this chart, indicating a lower rate of AP test taking, higher dual enrollment participation, or both. This seems to be true for most of the more rural counties versus the Baltimore metropolitan area and the I-95 corridor counties. In the future, MLDS will be able to undertake more precise analyses, such as how many of these attempted credits are attained, how many are transferred to an institution, and which method, or combination of methods, yields the most successful student outcomes.

Exhibit 24
AP Credits Attempted per Dual Enrollment Credit Attempted by
Public High School Enrollment in Service Area



AP: Advanced Placement

Note: Dual enrollments from the fall 2013 semester were doubled to be compared to the 2013-2014 AP testing cycle in Maryland. AP credits were aggregated using the credit equivalency rubric from the University of Maryland Baltimore County. For simplification, this chart assumes all dual enrollments come from the community college's service area.

Source: Maryland Longitudinal Data System, Maryland State Department of Education, Department of Legislative Services

4. Performance-based Funding for Maryland

Testing Performance-based Funding Model

In 2012, MHEC was tasked by the budget committees with proposing a performance-based funding (PBF) framework and metrics to allocate State funds based on institutional and student performance and was subsequently requested during the 2013 session to further refine the model. In September 2013, after two years of study, MHEC approved a framework to incorporate PBF into the annual appropriations for public higher education institutions. MHEC endorsed a model that uses a within-base fund approach for community colleges and public four-year institutions, meaning that a certain percentage of the State appropriation will be designated for PBF and allocated based on an institution's performance, but was silent as to what percentage of the State appropriation would be subject to PBF and the impact of the model on individual institutions. The 2014 *Joint Chairmen's Report* (JCR) requested MHEC to test the PBF model using actual data to show the model's impact.

PBF Framework

The framework for the four-year institutions is comprised of three distinct categories: degree completion; student progression; and mission metrics. The first two categories are mandatory with each institution being measured on a total of six metrics based on a three-year rolling average. Degree completion measures the percent increase in the number of bachelor's degrees awarded. The student progression metric measures the percentage increase in students who earn critical credit milestones that typically delineate sophomore (30 credits), junior (60 credits), and senior status (over 90 credits). Extra weight will be given to those students receiving a Pell grant award in recognition of the fact that, in general, more institutional effort is required to retain and graduate these students.

The mission metrics category recognizes institutions have different missions and fulfill varying purposes for the State. Institutions select four of the eight mission metrics subject to MHEC approval which include:

- reducing the graduation rate gap between certain ethnicities and genders;
- increasing the number of students transferring from a community college with at least 12 credits;
- increasing the number of students who successfully complete remedial math and one credit-bearing math course in the subsequent semester;
- increasing the number of bachelor's degrees awarded in STEM programs and to nontraditionally aged students (those over 25 years old);
- increasing the number of graduate degrees; and
- increasing the share of extramural research and development expenditures.

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PBF funds will be allocated among the three set of metrics: at least 20% for degree completion, 25% for student progression, and up to 55% for mission metrics. If an institution fails to maintain or improve on the student progression or degree completion metric, the funds will remain in the respective category and be redistributed to the successful institutions. However, if an institution fails to maintain or improve on a mission metric, those funds will be added to the funds for degree completion.

The framework for the two-year institutions is simpler as it is comprised of six mandatory metrics more closely aligned with community college outcomes. For example, it requires English and math throughput rates and includes certificates in the measured outcomes. Student progression remains the most important factor and is realigned to the 60 credits necessary for an associate degree. As with four-years, extra weight is given to Pell-eligible students. There is no mission metrics category for community colleges, as most institutions serve a similar open admissions mission to serve local workforce needs and mostly part-time students. The two-years' metrics are weighted 30.0% for student progression, 20.0% for certificates and degrees awarded, and 12.5% each for generating transfer students, STEM degrees, and English and math throughput rates.

Preliminary Findings

In October 2014, MHEC submitted a report detailing the preliminary test results of the model over a five-year time period from fiscal 2007 to 2012. For testing purposes, 10% of base funding was used to test the theory that larger risks and rewards lead to improvements and make it easier to identify advantages and disadvantages of the model. MHEC's findings include:

- Substantial swings from year to year in the amount PBF institutions can earn from relatively small changes in performance scores.
- Large institutions would find it difficult to obtain funds due to the use of an adjustment coefficient which had the unintended result of penalizing institutions with high enrollment and/or large appropriations.
- The model would provide too much uncertainty in developing budgets resulting in institutions not being able to make long-term commitments.

MHEC concluded the model needs further refinement before implementation, specifically:

- determining the appropriate percentage of State appropriations to be allocated for PBF;
- re-evaluating the adjustment coefficient; and
- continuing to determine how to best integrate UMB into the model.

For the community colleges, a 10% base funding assumption was also used. Findings include:

- The three largest community colleges lose considerably in the current model (over five years, only one institution had a positive year).

- BCCC, an institution serving one of the neediest populations in the State, loses at least \$2.7 million in funding in every year of the model.
- At a regional level, Western Maryland and the Eastern Shore would gain State funding at the expense of Baltimore City and Central Maryland.
- The two definite winners of the model, Garrett and Carroll community colleges, benefit from slightly above average student success and smaller enrollment size.

Other Concerns

MHEC designed a “one size fits all” methodology resulting in a complicated model that does not provide an opportunity for all institutions to benefit from excelling at their different missions. While MHEC tried to account for differences by using an adjustment coefficient, the underlying assumption is flawed, which assumed the State takes institutional differences into account when allocating funds. This is not the case in Maryland in which institutions are funded through incremental changes to the base appropriations. To address this issue, many states customized their model using different metrics and/or weights based upon the mission of the institution.

The use of percentages creates problems such as defining what variable to include in the calculation and lends itself to institutions “gaming the system.” Therefore, percentages are not a reliable measure. Yet despite acknowledging percentages could disadvantage larger institutions, MHEC still based performance on percentage increases rather than numbers.

Furthermore, it was not easy to discern what the overall impact would be on the institutions. The report included the impact on each institution for only the mandatory categories. Since MHEC does not know which of the four mission metrics an institution would select, the model was tested for all metrics. As presented, all funds designated for mission metrics were fully allocated, thereby assuming all institutions maintained or improved on their metrics. However, the model is designed so that if an institution does not improve, those funds would be reallocated to the mandatory metrics.

Other Approaches to Consider

While the ultimate goal of PBF is to provide incentives to institutions for meeting State goals, there are many way in which this can be achieved. Maryland employed limited forms of PBF, such as holding USM institutions accountable for the use of enhancement funding provided in fiscal 2014. If after two years those initiatives or programs receiving these funds improve an institution’s outcomes, then they will continue to receive the funds. (This is discussed further in the USM Overview analysis.) In addition, Chapters 563 and 564 of 2013 require SMCM to achieve specific benchmarks in order to retain additional enhancement funding permanently. Given the State’s cautious steps to holding institutions more accountable and given the limitations of MHEC’s model, other approaches should be considered, in particular, performance contracts or agreements, in which the state and institution negotiate an agreement on benchmarks and goals. Since 1999, Kansas has tied the awarding of new state funds to performance agreements and in Colorado, beginning in 2016-2017, and each year thereafter when state funding for higher education is at or above \$706 million, 25% of the amount over \$650 million will be allocated based on agreed-upon performance metrics.

Federal Government Proposes PBF

In December 2014, the U.S. Department of Education released a draft of its college ratings framework in an effort to strengthen performance of institutions in promoting access, ensuring affordability, and improving student outcomes. Ultimately, the administration will consider how to use the data in allocating federal student aid where it will do the most good, implying institutions that do not perform could lose federal financial funds. This has caused much controversy especially from those institutions who serve low-income and minority populations whose students typically do not perform at the same level as other students.

The department is planning on including four- and two-year institutions that primarily award bachelor's and associate degrees and/or certificates in the ratings system. The proposed framework includes 11 metrics that will be used to rate institutions as high- or low-performing and those falling in the middle. Proposed metrics fall under one of three categories:

- access (*i.e.*, percent Pell, Expected Family Contribution gap, family income quintiles, and first-generation college status);
- affordability (*i.e.*, average net price and net price by quintile); and
- performance (*i.e.*, completion and transfer rates, labor market success, graduate school attendance, and loan performance outcomes).

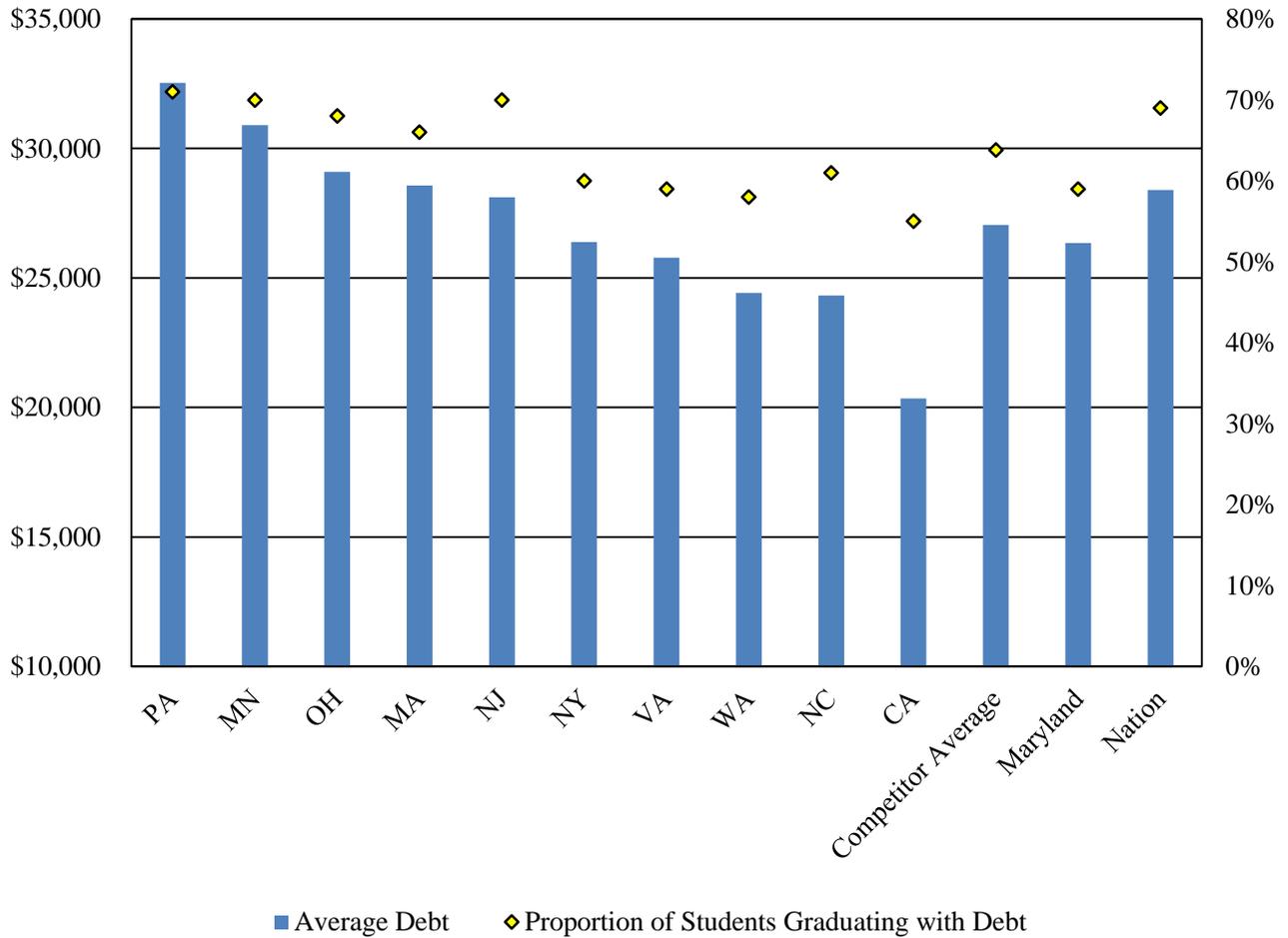
The department is currently seeking comment on the framework including best ways to measure some metrics, such as family income quintiles, and plans to publish the first iteration of the college ratings in “advance of the opening of the 2015-2016 school year.”

The Secretary and representatives from the two- and four-year institutions should comment on if further efforts should be taken to refine MHEC's model; suggest other models that would award institutions for excelling in their missions; and on the possibility of Maryland entering into performance contracts or agreements with institutions.

5. Student Debt Loads at Maryland Institutions

According to the Project on Student Debt (PSD), 69% of the nationwide undergraduate class of 2013 graduated with debt, and the average debt load was \$28,400. As shown in **Exhibit 25**, the most recent Maryland data from the same source shows 59% of Maryland students graduated with debt, with the average debt load being \$26,350. However, when compared to the simple average of Maryland's 10 competitor states, Maryland students end up with slightly more debt, but fewer graduate with debt. Overall, Maryland ranks twenty-eighth for the proportion graduating with debt and twenty-sixth for the amount of debt. Virginia has nearly identical numbers to Maryland, but Pennsylvania ranks third in both categories.

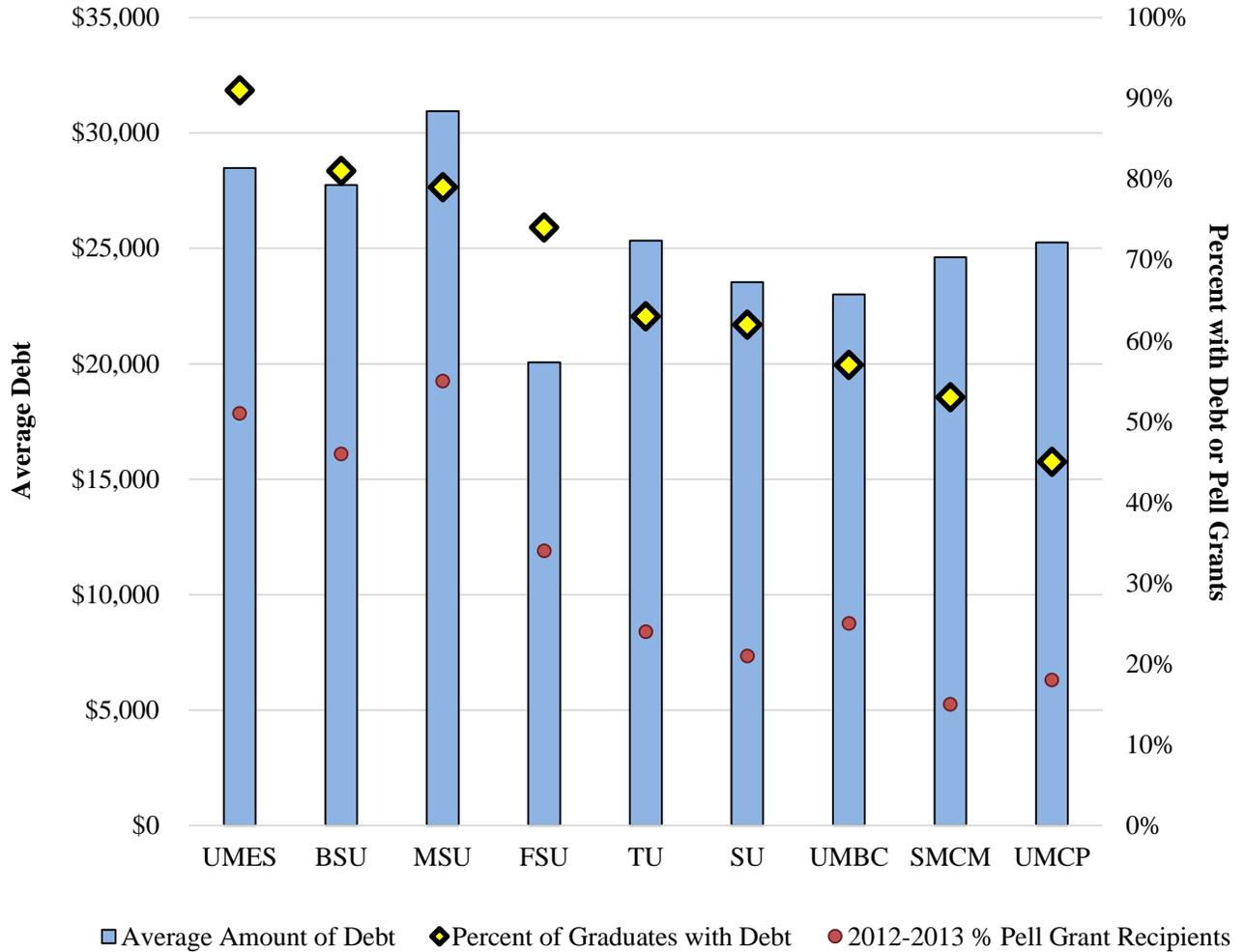
Exhibit 25
Student Loan Debt in Maryland and Competitor States
Class of 2013



Source: Project on Student Debt

Loan debt by institution varies greatly, as shown in **Exhibit 26**, for those institutions that responded to the annual PSD survey. The average graduate from MSU has \$31,000 in debt, compared to about \$20,000 at FSU. UMB, which is not shown in this exhibit, has tremendously expensive graduate programs. For example, almost all dental students graduate with over \$200,000 in debt from just that graduate program. Exhibit 26 also shows the proportion of students with debt. It is interesting that the three most expensive public four-year institutions also have the lowest percentage of students graduating with debt: SMCM, UMBC, and UMCP. Finally, this exhibit shows that the institutions with more Pell eligible students are also where students are more likely to graduate with debt, which would seem to be the inverse of the intent of the Pell program. However, given very low increases in the maximum Pell grant, in recent years, this may be an unavoidable outcome.

**Exhibit 26
Undergraduate Student Loan Debt by Public Four-year Institution
Class of 2013**



BSU: Bowie State University
 FSU: Frostburg State University
 MSU: Morgan State University
 SMCM: St. Mary's College of Maryland
 SU: Salisbury State University

TU: Towson University
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park
 UMES: University of Maryland Eastern Shore

Source: Project on Student Debt

USM has a stated policy goal that low-income undergraduate students have 25% less debt than high-income students. In USM's most recent financial aid report, entering FT/FT Pell students from fall 2004 to fall 2007 did graduate with approximately 25% debt than their peers, \$36,407 versus \$26,744. This suggests that universities are effectively using financial aid to meet USM's policy. However, transfer Pell students from Maryland community colleges have roughly the same debt at their non-Pell peers at graduation, but it should be noted that all community college transfer students who graduated did so with significantly less debt than FT/FT students, about \$22,500 compared to \$36,500. Meeting the financial needs of transfer low-income students will be a growing challenge for all public universities, and it is important that the debt at graduation not unduly burden young adults. While FT/FT Pell students who did not graduate also had about one-quarter less debt than their peers, the noncompleter transfer Pell students' debt burden was 20 to 40 percentage points higher than their non-Pell peers. The Federal Reserve, among other organizations, has raised concerns over the lifetime effects of starting adulthood beneath a high debt burden and the effects this has on consumer behavior and household formation in the future.

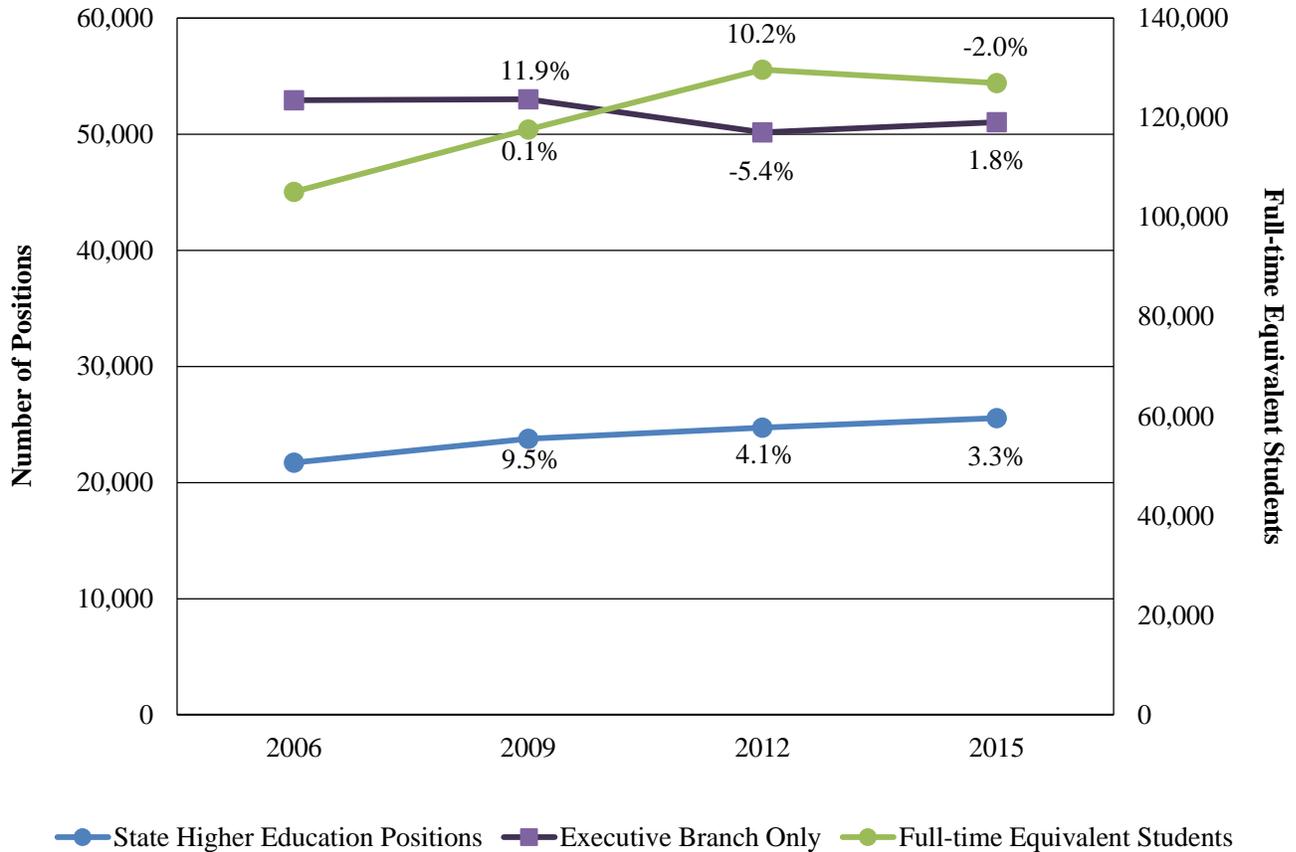
The Secretary should comment on how institutions may be held accountable for the high debt loads of their graduates. The Chancellor should comment on how USM will continue to meet its goal of ensuring that low-income students graduate with less debt.

6. Review of Personnel at Maryland Four-year Institutions

Personnel numbers across State government have been the subject of annual budget analyses, but they tend to draw more attention during fiscally challenging times. **Exhibit 27** shows DBM's authorized position count data for all of higher education, all other State employees, and Executive Branch employees alone. It also shows change in FTES and reflects changes made to personnel by the Board of Public Works (BPW) through December 2014. Percentage changes are also shown for the latter years. Overall, higher education positions have grown 17.6%, while the Executive Branch, excluding higher education, has declined 3.5%. At the same time, FTES grew rapidly from fiscal 2006 to 2012 but declined slightly in 2015.

The rapid growth in higher education positions, even after student enrollment declined, may be misleading for two reasons. First, public four-year institutions are unique in that they can create and abolish employee positions as long as they have funding to do so. Outside the budget process, most Executive Branch positions must be reviewed by BPW. However, higher education is generally free to create or abolish positions at any time if there is funding to hire an additional instructor or administrator. Because there is no particular reason to abolish vacant positions, empty positions are likely building up in the overall higher education position count reported by DBM. Higher education personnel information, as it is constantly changing, is not captured well by the regular human resources system used by DBM, and is not likely to improve with the rollout of the new Statewide Personnel System. Because of this, DLS conducts an annual two-part survey of all public four-year institutions, as well as the University System of Maryland Office and the University of Maryland Center for Environmental Science. This survey captures individual filled position data, such as salary, budget program, Equal Employment Opportunity Code, and Fair Labor Standards Act classification. All of this data is self-reported by the universities and is not audited by DLS. Furthermore, job classifications may differ from school to school, so while this survey data is useful in showing general trends over time, it may not be appropriate for use in direct campus to campus comparisons.

Exhibit 27
State Personnel and Students
Fiscal 2006, 2009, 2012, and 2015



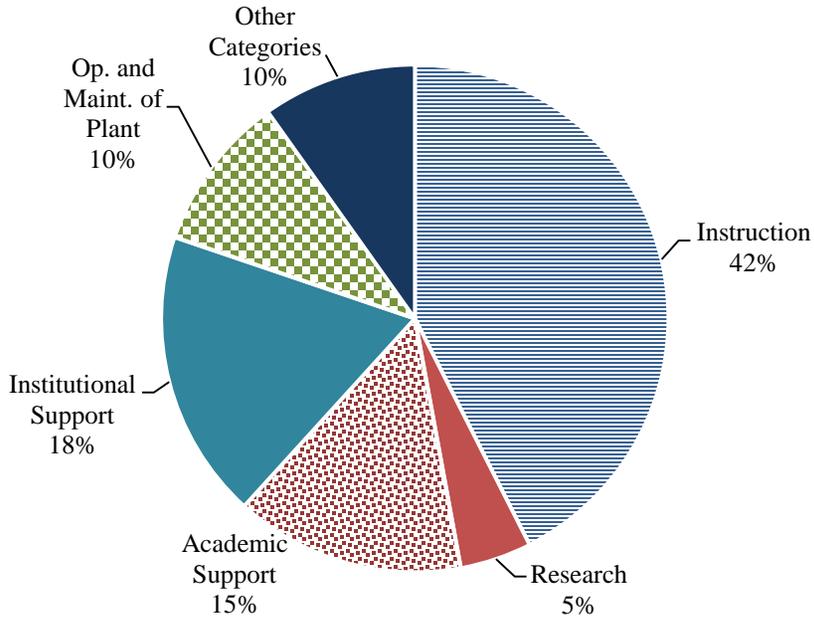
Note: Positions and students are full-time equivalents. Percents shown are changes from the prior year in the chart. Judicial and legislative positions are not shown.

Source: Department of Budget and Management; Department of Legislative Services

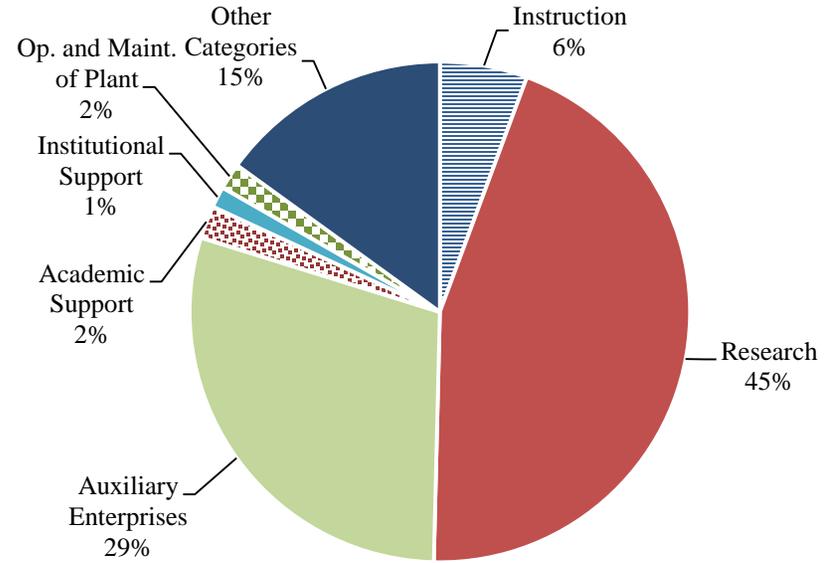
The second reason Exhibit 27 may be misleading is that many positions within higher education are not funded by the State. Consider **Exhibit 28**, which shows State-funded and non-State funded positions in the fall 2014 DLS survey. On the State side, the single largest category, nearly 43.0%, is made up of instructors, followed by Institutional Support at 18.4% and Academic Support at 14.7%. Meanwhile, on the non-State side, the largest categories, by far, are Research at 44.7% and Auxiliary Enterprises at 29.4%. These positions are funded primarily by current restricted revenue, in other words, funding for a specific purpose. For example, if a professor receives a research grant, the professor may change status in the personnel system to report that he or she is paid part-time for the State position and part-time for the externally funded position through the grant. On the other side of the coin, unrestricted funding includes general State support, tuition and fees, and some other smaller sources.

Exhibit 28
Types of Higher Education Personnel by State Support and Budget Code
Fall 2014

State-supported Positions

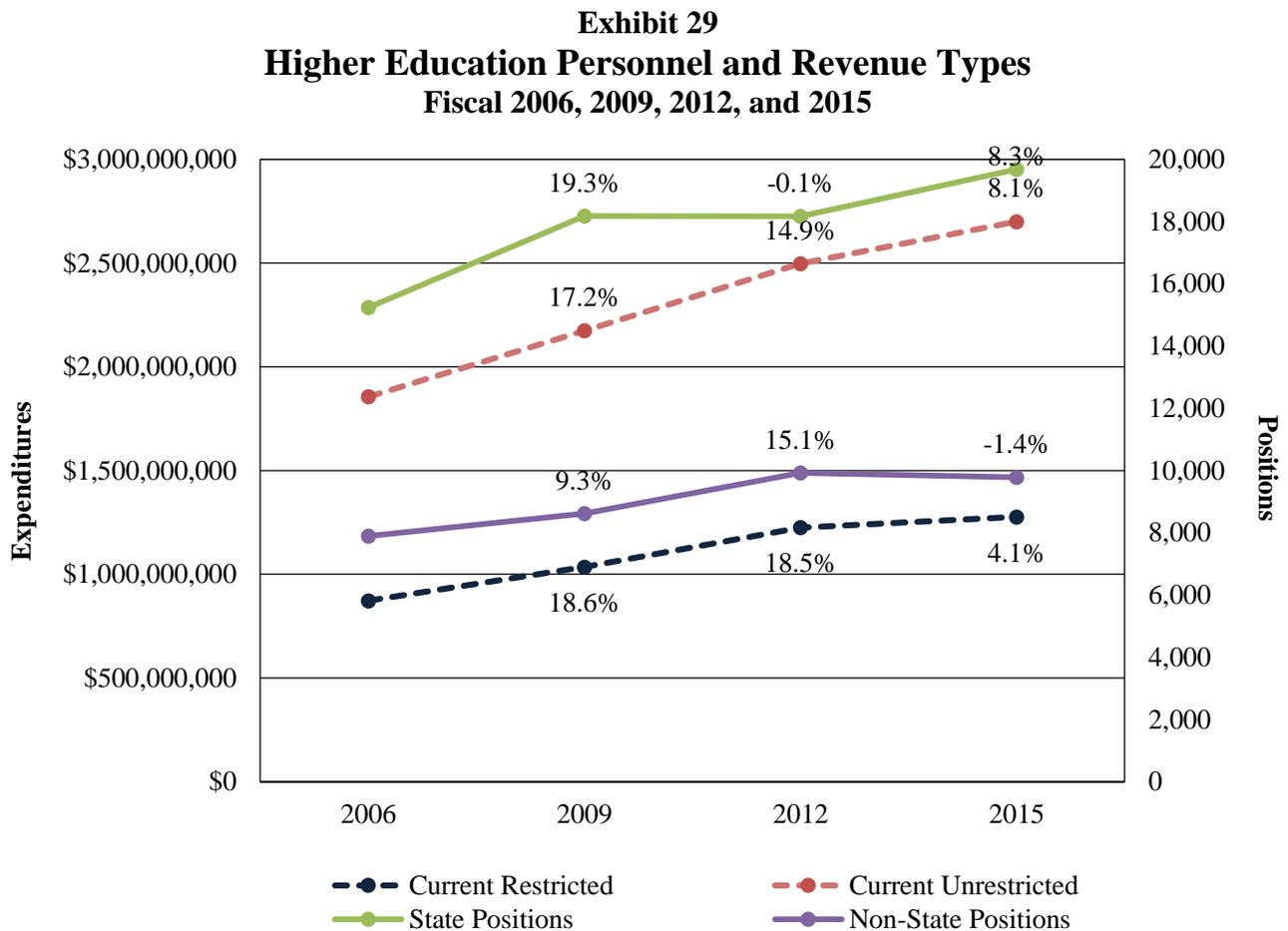


Non-State-supported Positions



Source: Department of Legislative Services; Department of Budget and Management

Returning to the question of what is driving higher education personnel growth, **Exhibit 29** plots unrestricted and restricted higher education revenues against the growth in State and non-State positions as reported to DLS over the same years as Exhibit 27. Both revenue sources and their respective positions do appear to follow a similar shape. In fiscal 2015, growth in State-supported positions slightly edged out growth in unrestricted funding, but growth in restricted positions actually lag growth in restricted funding and even declined in fiscal 2015 despite modest growth in restricted funding. Overall, State positions grow 29% over this period versus 24% for non-State positions. These figures differ from Exhibit 27 because Exhibit 29 uses full-time equivalent employees, while Exhibit 28 uses unique salary positions. This shows the trend of more university employees, over 10 years, entering into split positions between State and non-State sources of funding.



Note: Percents show the change from the prior years.

Source: Department of Legislative Services

The Chancellor and MSU and SMCM presidents should comment on whether, based upon current trends, universities have sufficient or overstated personnel capacity to meet current services' needs.

7. Feasibility of Expanding Achieving Collegiate Excellence and Success Program

The passage of the College and Career Readiness and College Completion Act of 2013 signaled the General Assembly's commitment to prepare students for college and careers in high school and included creating pathways for two- and four-year college completion. The State's changing student demographics will provide a challenge to achieving the goal of increasing college access and completion. The recently launched Achieving Collegiate Excellence and Success (ACES) program can serve as a model program for increasing access to those typically underrepresented students in higher education. Therefore, language in the 2014 JCR requested a report regarding the feasibility of expanding the ACES statewide.

ACES, a collaborative program between Montgomery County Public Schools (MCPS), Montgomery College (MC), and the Universities at Shady Grove (USG) was launched in fall 2013. The program provides a seamless pathway from high school to college completion, targeting underrepresented students including African Americans, Hispanics, low-income, and first-generation students with the goal of earning a bachelor's degree. Key elements of ACES are based on the recommendations of the Task Force to Study College Readiness for Disadvantaged and Capable Students that issued a report in 2000 to develop strategies to provide opportunities for these students to matriculate and graduate from institutions of higher education. Several of the task force's recommendations formed the basis of ACES, including:

- building college awareness through college visits, parents meetings, and addressing personal and social barriers that might prevent a student from progressing;
- providing academic enrichment throughout the academic year including academic interventions, preparation for college admission tests, and tutoring for targeted classes;
- coaching and support using a case management approach through the last two years of high school; and
- providing assistance with college applications, financial aid applications, and scholarships.

The ACES program starts in high school with MCPS identifying students in grades 9 and 10 who will receive interventions and support to keep them on track for college including developing an electronic portfolio, participating in a summer program, and building college awareness. Students apply to ACES in the spring of their sophomore year for the MC portion of the program and if accepted are assigned an academic coach during grades 11 and 12. Coaching and support through MC and USG will continue for those students who choose to attend those institutions.

In the first year of the ACES program, 10 high schools participated – Montgomery Blair, Clarksburg, Einstein, Gaithersburg, Kennedy, Northwood, Rockville, Seneca Valley, Watkins Mill, and Wheaton. Overall, 990 students participated in the program: 573 seniors and 417 juniors, of whom 402 are African American and 350 Hispanic. Additionally, 52.8% of the students would be first-generation students.

Higher Education – Fiscal 2016 Budget Overview

ACES is not the only program in Maryland designed to increase access to higher education but, in general, the scope of other programs is not as comprehensive as ACES. In 2014, MSDE was awarded a six-year \$13 million GEAR UP grant from the U.S. Department of Education. The program is designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education, which aligns well with the ACES program. The program targets a cohort of seventh grade students with support services, such as tutoring in math and English, after school programs, and summer academies that will follow the students through high school. In addition, the program will provide college awareness activities and opportunities for students and families. This project involves three school systems: Baltimore City, Dorchester County, and Wicomico County.

The report concludes that in order for the ACES model to work in Maryland, it will require full interaction among secondary and postsecondary segments, including a commitment of resources. Recommendations for implementing it statewide include:

- State funding of approximately \$5.3 million to meet the initial needs of implementing a program;
- assign MHEC the responsibility for distributing any available funding to higher education institutions that would hire and supervise coaches, assistants, and programs held in conjunction with the high schools; and
- define the detailed elements necessary to obtain a match (all participants, *e.g.*, local schools and higher education institutions, will be required to provide an in-kind contribution) from MHEC such as identifying the responsible higher education institution, approving the memorandum of understanding with the collaborating high school, and identifying the funds committed by the local education agencies and the higher education institutions.

The State Superintendent of Schools, the Chancellor, and the Maryland Association of Community Colleges should address the feasibility of implementing the ACES program throughout the State and, in light of the current budget situation, what activities could or will be undertaken with little or no funding.

Recommended Actions

1. Adopt the following narrative:

Institutional Aid, Pell, and Loan Data by Expected Family Contribution Category: In order to more fully understand all types of aid available to students, the committees request that data be submitted for each community college, public four-year institution, and independent institution on institutional aid, Pell grants, and student loans. Data should include, by expected family contribution (EFC), the number of loans and average loan size of federal subsidized and unsubsidized loans, and loans from private sources as reported to the Maryland Higher Education Commission (MHEC). Additionally, data should be provided on Pell grants, including the number and average award size by EFC. Finally, data should include the number of institutional aid awards and average award size by EFC for institutional grants, institutional athletic scholarships, and other institutional scholarships. The data in the response should differentiate between need-based aid and merit scholarships. Data should also include the number of institutional aid awards and average award size by EFC for tuition waivers/remissions of fees to employees and dependents and students. Waiver information for students should be reported by each type of waiver in State law. This report should cover fiscal 2015 data received by MHEC from State institutions and is to be submitted in an electronic format (Excel file).

Information Request	Author	Due Date
Report on financial aid categories by EFC	MHEC	December 15, 2015

2. Adopt the following narrative:

Instructional Faculty Workload Report: The committees request that the University System of Maryland (USM), Morgan State University (MSU), and St. Mary's College of Maryland (SMCM) continue to provide annual instructional workload reports for tenured and tenure-track faculty. By focusing on these faculty, the committees gain a sense of the teaching activities for the regular core faculty. However, there are other types of instructional faculty at institutions such as full- and part-time nontenured/nontenure track faculty including adjunct faculty, instructors, and lecturers. Focusing on only tenured/tenure-track faculty provides an incomplete picture of how students are taught. Therefore, the report should also include the instructional workload when all types of faculty are considered. Additional information may be included at the institution's discretion. Furthermore, USM's report should include the percent of faculty meeting or exceeding teaching standards for tenured and tenure-track faculty for the University of Maryland, Baltimore.

Information Request	Authors	Due Date
Annual report on faculty workload	USM MSU SMCM	December 15, 2015

Trends in Education and General Revenues¹
Public Four-year Institutions
(\$ in Thousands)

<u>Institution</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Adjusted 2015</u>	<u>Adjusted 2016</u>	<u>Annual % 2011-14</u>	<u>% Change 2014-15</u>
Univ. of Maryland, Baltimore	\$453,625	\$449,709	\$477,265	\$477,302	\$511,044	\$513,059	5.1%	0.4%
Univ. of Maryland, College Park	920,514	989,548	1,012,101	1,079,312	1,111,601	1,133,376	6.3%	2.0%
Bowie State University	65,237	68,676	68,367	71,786	76,095	78,306	5.7%	2.9%
Towson University	255,622	262,891	263,694	277,370	288,238	296,672	5.6%	2.9%
Univ. of Maryland Eastern Shore	56,283	66,940	66,598	67,475	70,382	72,294	11.6%	2.7%
Frostburg State University	68,018	67,541	67,942	70,044	73,611	76,290	4.1%	3.6%
Coppin State University	55,265	55,519	53,458	53,611	58,321	60,388	3.6%	3.5%
University of Baltimore	92,045	94,792	96,408	98,445	103,259	104,839	6.0%	1.5%
Salisbury University	91,416	97,561	103,627	108,617	112,996	118,113	8.4%	4.5%
Univ. of Maryland Univ. College	337,837	376,928	362,122	333,189	344,218	350,490	7.0%	1.8%
Univ. of Maryland Baltimore County	202,509	206,523	219,027	235,291	246,801	253,109	5.2%	2.6%
Univ. of Maryland Ctr. for Env. Science	22,144	24,676	27,622	26,625	27,956	29,243	8.2%	4.6%
Morgan State University	119,251	130,011	135,394	133,616	143,255	146,823	6.2%	2.5%
St. Mary's College of Maryland	46,597	49,772	43,343	42,437	49,689	48,842	3.0%	-1.7%
Total	\$2,786,363	\$2,941,086	\$2,996,967	\$3,075,122	\$3,217,466	\$3,281,842	6.0%	2.0%

¹ Education and General revenues represent tuition and fees, State funds (general and Higher Education Investment Funds), grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary program enterprise revenue. For the University of Maryland, Baltimore, hospital expenditures are excluded from Education and General revenue. Agricultural and cooperative extension programs are excluded.

Note: 2015 Adjusted reflects cost containment actions approved by the Board of Public Works in July 2014 and January 2015. 2016 Adjusted reflects across-the-board reductions included in the Governor's fiscal 2016 budget plan and proportional allocations of the reductions to the University System of Maryland institutions by the Department of Legislative Services. Numbers may not sum to total due to rounding.

Source: Maryland State Budget, Fiscal 2010-2016

Education and General Revenues¹
Per Full-time Equivalent Student
Public Four-year Institutions

<u>Institution</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Adjusted 2015</u>	<u>Adjusted 2016</u>	<u>Annual % Change 2010-15</u>	<u>% Change 2015-16</u>
Univ. of Maryland, Baltimore	\$69,071	\$70,439	\$69,143	\$73,223	\$74,161	\$81,623	\$82,618	5.7%	1.2%
Univ. of Maryland, College Park	29,540	29,193	31,431	32,303	34,425	35,233	35,895	6.1%	1.9%
Bowie State University	14,231	14,388	15,316	15,870	16,179	17,150	17,648	6.4%	2.9%
Towson University	13,917	14,305	14,680	14,531	14,815	15,373	15,589	3.4%	1.4%
Univ. of Maryland Eastern Shore ²	12,731	13,748	16,068	16,122	17,001	17,100	16,939	10.3%	-0.9%
Frostburg State University	14,038	14,371	14,657	14,857	15,217	16,146	16,657	4.8%	3.2%
Coppin State University	16,586	18,354	19,111	19,278	20,185	21,778	22,144	9.5%	1.7%
University of Baltimore	20,286	21,541	21,422	20,118	22,182	23,147	23,210	4.5%	0.3%
Salisbury University	11,955	12,041	12,441	13,181	13,786	14,332	14,981	6.2%	4.5%
Univ. of Maryland Univ. College	13,623	15,294	14,846	15,090	14,020	15,213	15,491	3.8%	1.8%
Univ. of Maryland Baltimore County	20,744	19,287	19,178	19,764	20,958	21,674	22,228	1.5%	2.6%
Morgan State University	18,021	17,107	18,183	19,740	20,509	21,972	22,324	6.8%	1.6%
St. Mary's College of Maryland	20,782	22,753	24,874	22,102	23,420	28,200	28,119	10.7%	-0.3%
Average	\$19,182	\$19,377	\$20,033	\$20,458	\$23,851	\$25,116	\$25,499	9.4%	1.5%

¹ Education and General revenues represent tuition and fees, general funds, grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary program enterprise revenue. For the University of Maryland, Baltimore, hospital expenditures are excluded from Education and General revenue. Agricultural and cooperative extension programs are also excluded.

Note: 2015 Adjusted reflects cost containment actions approved by the Board of Public Works in July 2014 and January 2015. 2016 Adjusted reflects across-the-board reductions included in the Governor's fiscal 2016 budget plan and proportional allocations of the reductions to the University System of Maryland institutions by the Department of Legislative Services. Numbers may not sum to total due to rounding.

Source: Department of Budget and Management; Department of Legislative Services

**Fiscal 2016 Revenues Per Full-time Equivalent Student
By Revenue Source
Public Four-year Institutions**

<u>Institution</u>	<u>E&G Revenues</u>	<u>State Funds</u>	<u>Tuition and Fees</u>	<u>FTES</u>	<u>E&G Revenues Per FTES</u>	<u>State Funds Per FTES</u>	<u>Tuition and Fees Per FTES</u>	<u>ST as % of E&G</u>	<u>T&F as % of E&G</u>
Univ. of Maryland, Baltimore	\$513,059,329	\$209,957,721	\$119,870,873	6,210	\$82,618	\$33,810	\$19,303	41%	23%
Univ. of Maryland, College Park	1,133,376,491	424,447,924	519,441,424	31,575	35,895	13,443	16,451	37%	46%
Bowie State University	78,305,533	41,292,470	36,810,699	4,437	17,648	9,306	8,296	53%	47%
Towson University	296,672,218	105,240,029	183,339,866	19,031	15,589	5,530	9,634	35%	62%
Univ. of Maryland Eastern Shore	72,293,633	35,962,604	34,913,460	4,268	16,939	8,426	8,180	50%	48%
Frostburg State University	76,289,639	38,144,617	37,041,242	4,580	16,657	8,329	8,088	50%	49%
Coppin State University	60,387,896	44,514,143	16,538,253	2,727	22,144	16,323	6,065	74%	27%
University of Baltimore	104,838,767	33,261,691	71,020,250	4,517	23,210	7,364	15,723	32%	68%
Salisbury University	118,112,945	46,546,493	71,939,944	7,884	14,981	5,904	9,125	39%	61%
Univ. of Maryland Univ. College	350,489,633	39,355,371	296,887,793	22,626	15,491	1,739	13,122	11%	85%
Univ. of Maryland Baltimore County	253,108,556	109,604,061	122,572,828	11,387	22,228	9,625	10,764	43%	48%
Morgan State University	146,822,598	85,011,419	56,106,433	6,577	22,324	12,926	8,531	58%	38%
St. Mary's College of Maryland	48,841,895	23,504,174	24,781,701	1,737	28,119	13,531	14,267	48%	51%
Total	\$3,252,599,134	\$1,236,842,718	\$1,591,264,766	127,556	\$25,499	\$11,250	\$11,350	38%	49%

E&G: Education and General
 FTES: full-time equivalent student
 ST: State
 T&F: tuition and fees

Note: State funds reflect across-the-board reductions to spending included in the Governor's fiscal 2016 budget plan and proportional allocations of the reductions to the University System of Maryland institutions by the Department of Legislative Services.

Source: Maryland State Budget, Fiscal 2008-2016

54 Analysis of the FY 2016 Maryland Executive Budget, 2015

Higher Education – Fiscal 2016 Budget Overview

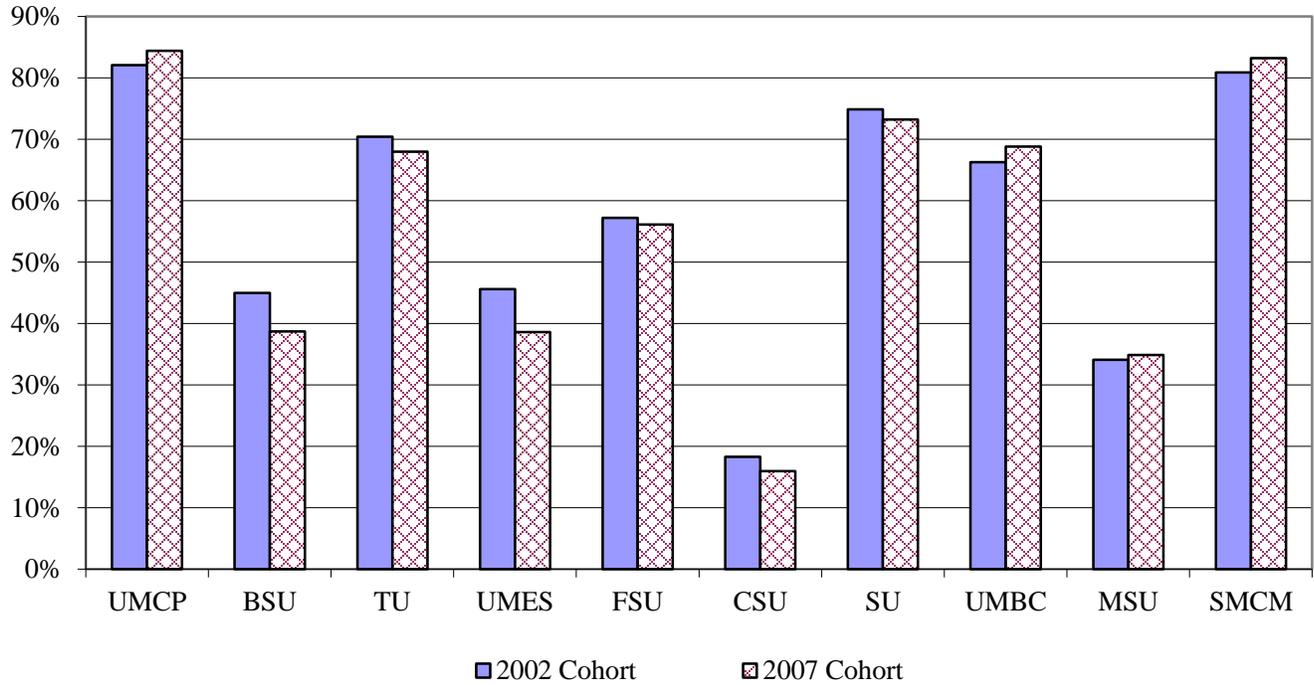
Appendix 3

Higher Education Enrollment Trends
Full-time Equivalent Student
Public Four-year Institutions

<u>Institution</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Working Allowance</u> <u>2015</u>	<u>2016</u>	<u>Annual %</u> <u>2010-15</u>	<u>% Change</u> <u>2015-16</u>
Univ. of Maryland, Baltimore	5,767	5,974	6,381	6,440	6,504	6,518	6,436	6,261	6,210	-0.5%	-0.8%
Univ. of Maryland, College Park	30,179	30,728	31,328	31,532	31,483	31,331	31,353	31,550	31,575	0.2%	0.1%
Bowie State University	4,317	4,496	4,532	4,534	4,484	4,308	4,437	4,437	4,437	-0.5%	0.0%
Towson University	16,104	17,275	17,590	17,869	17,908	18,147	18,722	18,750	19,031	1.6%	1.5%
Univ. of Maryland Eastern Shore	3,448	3,821	3,981	4,094	4,166	4,131	3,969	4,116	4,268	0.8%	3.7%
Frostburg State University	4,265	4,434	4,646	4,733	4,608	4,573	4,603	4,559	4,580	-0.5%	0.5%
Coppin State University	3,000	3,175	3,159	3,011	2,905	2,773	2,656	2,678	2,727	-4.0%	1.8%
University of Baltimore	3,725	3,985	4,273	4,273	4,425	4,792	4,438	4,461	4,517	1.1%	1.3%
Salisbury University	6,828	7,219	7,423	7,592	7,842	7,862	7,879	7,884	7,884	1.5%	0.0%
Univ. of Maryland Univ. College	17,055	18,381	20,602	22,089	25,390	23,997	23,766	22,626	22,626	2.4%	0.0%
Univ. of Maryland Baltimore County	9,411	9,749	10,232	10,500	10,769	11,082	11,227	11,387	11,387	2.7%	0.0%
Morgan State University	6,136	6,287	6,631	6,971	7,150	6,859	6,515	6,520	6,577	-0.4%	0.9%
St. Mary's College of Maryland	2,036	2,095	2,190	2,048	2,001	1,961	1,812	1,762	1,737	-5.3%	-1.4%
Total	112,271	117,619	122,968	125,686	129,635	128,334	127,813	126,991	127,556	0.8%	0.4%

Source: Governor's Budget Books, Fiscal 2010-2016

Six-year Graduation Rate for First-time, Full-time Students

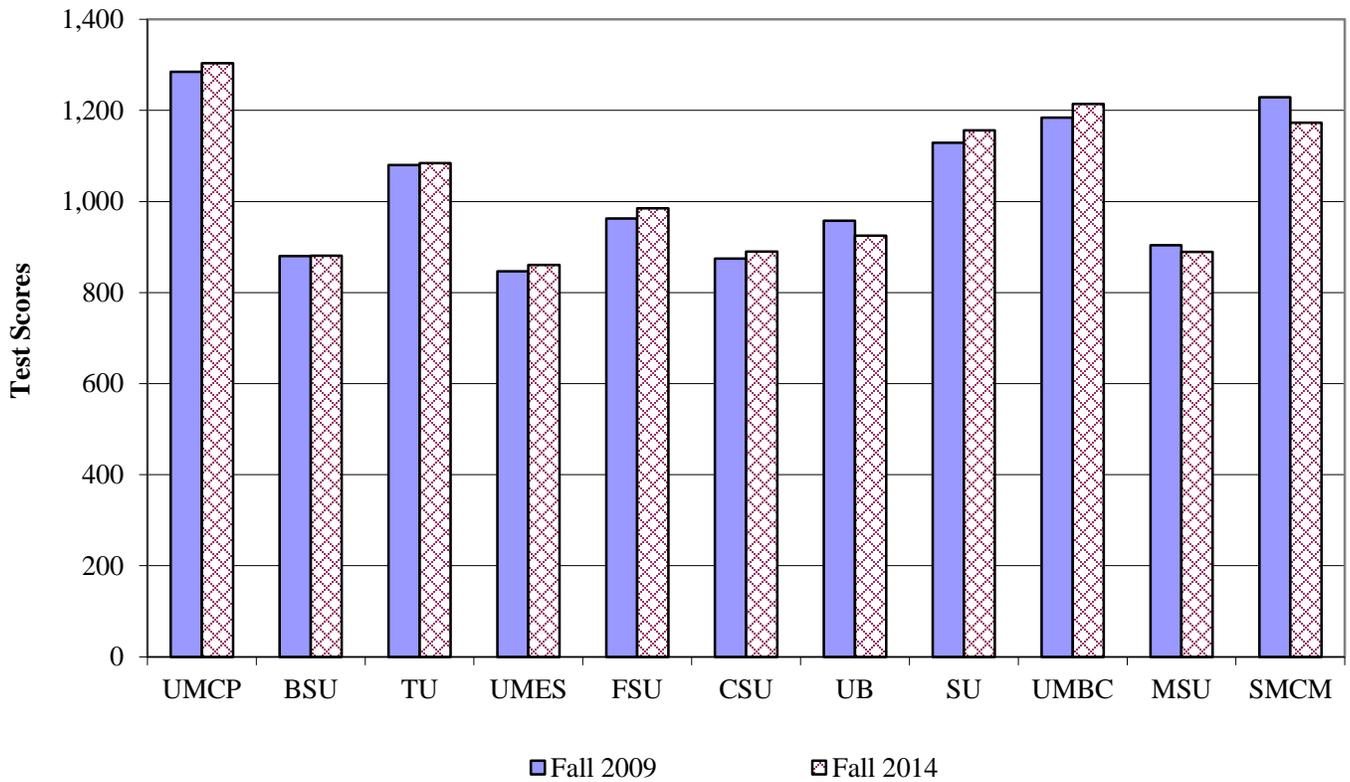


	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Univ. of Maryland, College Park (UMCP)	82.1	82.7	82.6	82.3	81.9	84.4
Bowie State University (BSU)	45.0	43.2	41.0	43.8	37.1	38.7
Towson University (TU)	70.4	75.1	72.6	68.3	69.9	68.0
Univ. of Maryland Eastern Shore (UMES)	45.6	38.7	37.3	36.0	37.0	38.6
Frostburg State University (FSU)	57.2	60.4	56.3	53.0	52.4	56.1
Coppin State University (CSU)	18.3	17.5	18.3	18.0	19.7	16.0
Salisbury University (SU)	74.9	72.3	76.6	71.6	73.1	73.2
Univ. of Maryland Baltimore County (UMBC)	66.3	67.9	67.1	64.7	67.8	68.8
Morgan State University (MSU)	34.1	34.8	33.8	30.7	30.7	34.9
St. Mary’s College of Maryland (SMCM)	80.9	85.5	82.1	82.4	79.4	83.2
All Students Average	64.3	64.7	64.1	63.3	61.6	63.8

Note: The data shows the percentage of students who graduated from any Maryland campus within six years after starting in the year and at the institution indicated.

Source: Maryland Higher Education Commission

Scholastic Aptitude Test Scores of First-year Students

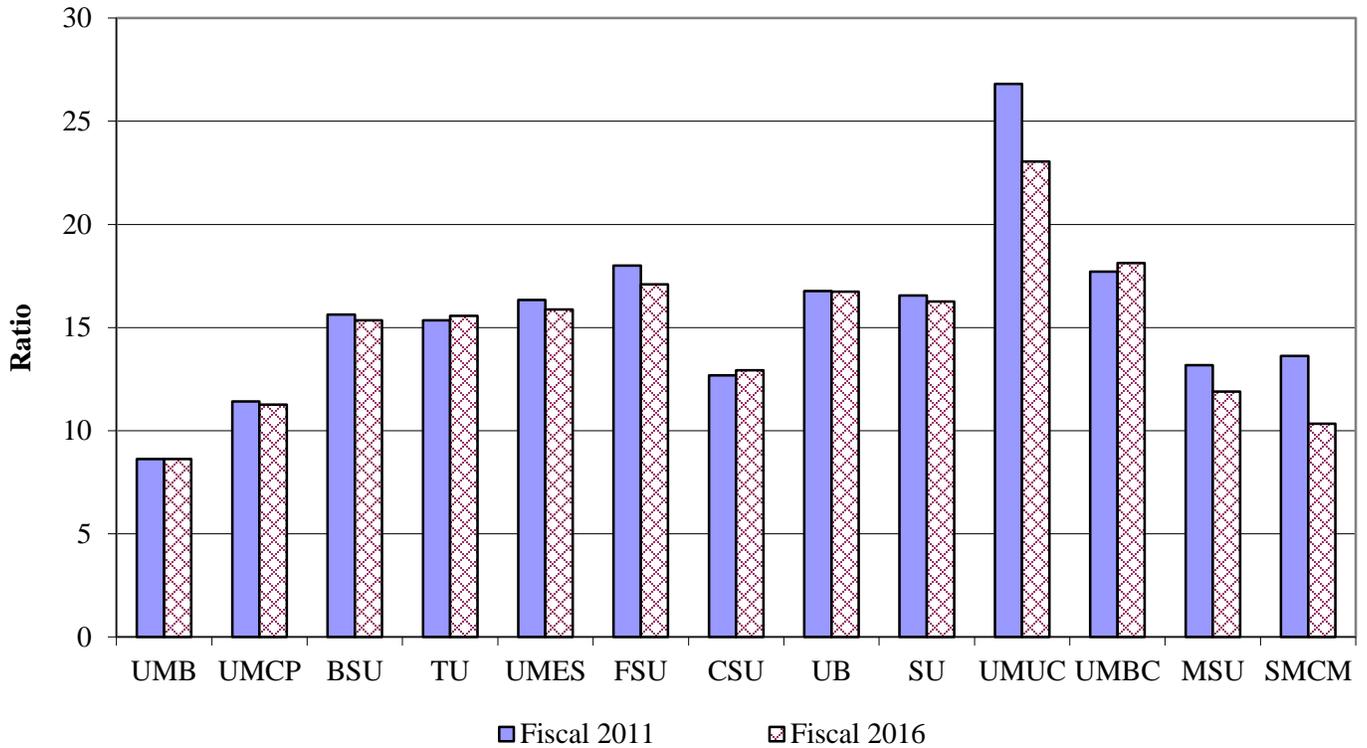


	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Univ. of Maryland, College Park (UMCP)	1,285	1,283	1,287	1,289	1,299	1,304
Bowie State University (BSU)	880	892	888	899	890	881
Towson University (TU)	1,080	1,081	1,087	1,087	1,088	1,084
Univ. of Maryland Eastern Shore (UMES)	847	857	879	880	881	861
Frostburg State University (FSU)	963	982	985	985	980	985
Coppin State University (CSU)	875	861	874	882	877	890
University of Baltimore (UB)	958	948	953	953	944	925
Salisbury University (SU)	1,129	1,138	1,147	1,155	1,160	1,156
Univ. of Maryland Baltimore County (UMBC)	1,184	1,204	1,206	1,223	1,218	1,214
Morgan State University (MSU)	904	904	909	895	905	889
St. Mary’s College of Maryland (SMCM)	1,229	1,213	1,208	1,209	1,187	1,173
Average (unweighted)	1,030	1,033	1,038	1,042	1,039	1,033

Note: Reflects verbal (maximum 800) and math (maximum 800) scores only.

Source: Maryland Higher Education Commission

Student-to-faculty Ratio



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Univ. of Maryland, Baltimore (UMB)	8.9	8.6	9.0	8.7	8.7	8.6
Univ. of Maryland, College Park (UMCP)	11.2	11.4	11.5	11.0	11.2	11.3
Bowie State University (BSU)	15.8	15.6	15.4	15.4	15.4	15.4
Towson University (TU)	15.3	15.3	15.5	15.4	15.3	15.6
Univ. of Maryland Eastern Shore (UMES)	17.1	16.3	15.9	15.0	15.3	15.9
Frostburg State University (FSU)	20.9	18.0	17.7	17.8	17.0	17.1
Coppin State University (CSU)	15.2	12.7	12.7	12.1	12.7	12.9
University of Baltimore (UB)	20.3	16.8	17.9	15.9	16.3	16.7
Salisbury University (SU)	16.6	16.5	17.4	16.4	16.3	16.3
Univ. of Maryland Univ. College (UMUC)	25.3	26.8	22.9	23.5	22.8	23.0
Univ. of Maryland Baltimore County (UMBC)	17.6	17.7	18.2	17.2	18.1	18.1
Morgan State University (MSU)	13.5	13.2	12.4	11.8	11.8	11.9
St. Mary’s College of Maryland (SMCM)	13.3	13.6	13.3	10.2	10.4	10.3

Note: Full-time equivalent.

Source: Department of Budget and Management