University System of Maryland
Fiscal 2017 Budget Overview

Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland

February 2016

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R30B00
University System of Maryland
Fiscal 2017 Budget Overview

Operating Budget Data

($ in Thousands)

	FY 15 Actual	FY 16 Working	FY 17 Allowance	FY 16-17 Change	% Change Prior Year
General Funds	$1,149,621	$1,187,453	$1,239,525	$52,072	4.4%
Deficiencies and Reductions	0	16,465	-$3,651		
Adjusted General Funds	**$1,149,621**	**$1,203,918**	**$1,235,874**	**$31,955**	**2.7%**
Special Funds	$53,813	$56,605	$61,605	$5,000	8.8%
Deficiencies and Reductions					
Adjusted Special Funds	**$53,813**	**$56,605**	**$61,605**	**$5,000**	**8.8%**
Other Unrestricted Funds	$2,600,460	$2,695,200	$2,747,093	$51,892	1.9%
Deficiencies and Reductions					
Adjusted Other Unrestricted Funds	**$2,600,460**	**$2,695,200**	**$2,747,093**	**$51,892**	**1.9%**
Total Unrestricted Funds	$3,803,894	$3,939,258	$4,048,223	$108,964	2.8%
Deficiencies and Reductions	0	16,465	-3,651	-20,117	
Adjusted Total Unrestricted Funds	**$3,803,894**	**$3,955,724**	**$4,044,571**	**$88,848**	**2.2%**
Restricted Funds	$1,149,361	$1,209,245	$1,228,360	$19,115	1.6%
Deficiencies and Reductions					
Adjusted Restricted Funds	**$1,149,361**	**$1,209,245**	**$1,228,360**	**$19,115**	**1.6%**
Adjusted Grand Total	**$4,953,255**	**$5,164,969**	**$5,272,932**	**$107,963**	**2.1%**

- There is a $16.5 million deficiency appropriation for fiscal 2016 providing general funds to cover increased costs in health insurance that are attributable to how rates for health insurance expenditures were calculated.

- General funds increase $32.0 million, or 2.7%, in fiscal 2017 after accounting for the deficiency in fiscal 2016 and the across-the-board health insurance reduction in fiscal 2017.

- Higher Education Investment Funds increase 8.8%, or $5.0 million, resulting in an overall growth in State funds of 2.9%, or $37.0 million, over fiscal 2016. The fiscal 2017 allowance also includes funding for increments budgeted in the Department of Budget and Management totaling $38.3 million. If this is also taken into account, State funds increase 6.0%, or $75.2 million.

Personnel Data

	FY 15 Actual	FY 16 Working	FY 17 Allowance	FY 16-17 Change
Regular Positions	23,531.06	23,635.80	23,635.80	0.00
Contractual FTEs	6,224.90	5,895.54	5,955.24	59.70
Total Personnel	**29,755.96**	**29,531.34**	**29,591.04**	**59.70**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	593.18	2.51%
Positions and Percentage Vacant as of 12/31/15	1,246.41	5.30%

- This fiscal 2017 allowance provides for an additional 59.7 contractual positions, but no new regular positions; however, the University System of Maryland (USM) has personnel autonomy and may create new positions during the fiscal year. For example, in fiscal 2016 to date, USM has 104.74 positions above those included in the legislative appropriation.

Analysis in Brief

Major Trends

Enrollment: Undergraduate enrollment at USM institutions grew 2.1%, or 2,570 students, in fall 2015 mainly due to continuing and transfer students increasing 6.1% and 15.0% respectively at University of Maryland University College (UMUC); however, when UMUC is excluded, enrollment only grew 0.4%.

Student Performance: The second-year retention rate of the 2012 cohort improved at six institutions. Strides were made in improving the retention of students beyond the second year, with the third-year rate increasing, on average, 3.3 percentage points. USM revised the calculation of the six-year graduation rate by defining the cohort to all new students enrolled by fiscal year. The fiscal 2009 cohort rate is higher at some institutions, particularly Bowie State University, the University of Maryland Eastern Shore (UMES), Coppin State University, and the University of Baltimore, which have a higher portion of transfer and part-time students who tend to graduate at higher rates than first-time, full-time students.

Undergraduate Degree Production: Undergraduate degree production increased 24.9% from 19,950 in fiscal 2010 to 24,910 in fiscal 2015. The average time to degree slightly declined from 4.9 years in fiscal 2014 to 4.8 years in fiscal 2015, due to University of Maryland Baltimore County's time decreasing from 4.5 to 4.1 years while all other institutions experienced an increase.

Instructional Productivity: When only considering the workload of tenured/tenure-track faculty, two of the seven comprehensive institutions and one of the two research institutions met or exceeded the Board of Regents (BOR) standard in fiscal 2015. However, when accounting for other responsibilities assigned to tenured/tenure-track faculty, all institutions exceeded the standard.

Issues

Status of UMES Health-related Programs: Over the past year, UMES voluntarily withdrew its Physician Assistant program from the accreditation process. The Pharmacy program, while fully accredited, was found to have unsatisfactory facilities, thereby jeopardizing the program's continued accreditation.

Effectiveness and Efficiency 2.0: In 2015, BOR approved the next generation of the effectiveness and efficiency (E&E) initiative with the implementation of E&E 2.0, which will focus on enhancing student success, continuing innovation in teaching and learning, reengineering administrative processes, and reducing costs.

Data Analytics: A primary focus of the academic portion of E&E 2.0 is to improve campus' access to and analyses of data from academic and student services sources that can be used to improve student outcomes also known as analytics. USM recently signed a membership agreement for all campuses to

become a part of the Predictive Analytics Reporting (PAR) Framework, which will evaluate campuses closing the achievement gap programs to determine which are successful.

Status of Enhancement Funded Programs: The fiscal 2014 budget included $13 million of State funds to support various programs and initiatives at USM institutions. It is the General Assembly's intent that only those programs that met or showed progress toward meeting submitted metrics in fiscal 2016 would continue to receive State funding for an additional two years.

Updates

Rethinking the Fund Split: Fund splits, which are used to calculate the State's portion of increases in personnel costs for State-supported positions, were developed in 1991 and have not been revised. This has resulted in questions being raised over the years regarding what portion of the personnel costs should be funded by the State.

Status of Implementing Sexual Misconduct Policies: Language in the 2015 *Joint Chairmen's Report* required USM to submit a report on the status of implementing its sexual misconduct policies including if institutions have an amnesty policy and, if so, how is it implemented, how the institutions plan to implement a climate survey, and a list of all Memoranda of Understanding applicable to the issue of sexual misconduct.

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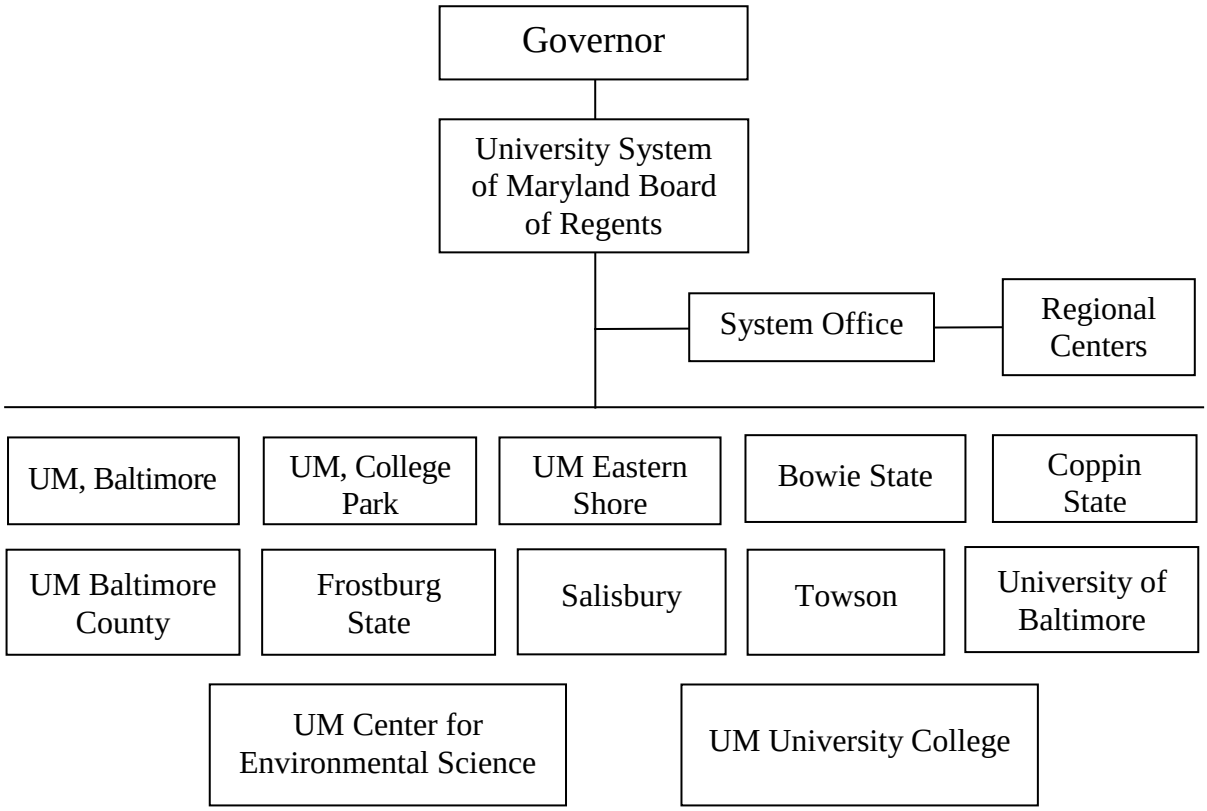
Operating Budget Analysis

Program Description

Title 12 of the Education Article establishes the University System of Maryland (USM) to "foster the development of a consolidated system of public higher education, to improve the quality of education, to extend its benefits, and to encourage the economical use of the State's resources." USM consists of 11 degree-granting institutions, a research center, and the system office, which operates two regional higher education centers. **Exhibit 1** illustrates the structure of the system.

Exhibit 1
University System of Maryland



UM: University of Maryland

Source: Department of Legislative Services

The Board of Regents (BOR) is the governing body of USM. The board consists of 17 members, including a full-time student and the State Secretary of Agriculture (*ex officio*). Except for the Agriculture Secretary, each member is appointed by the Governor with the advice and consent of the Senate. The board appoints the Chancellor, who serves as the Chief Executive Officer of the system and the Chief of Staff to the board. The Chancellor and staff coordinate system planning; advise the board of systemwide policy; coordinate and arbitrate among system institutions; and provide technical, legal, and financial assistance.

The board reviews, modifies, and approves a system strategic plan developed by the Chancellor in consultation with institution presidents. The board is charged with assuring that programs offered by the institutions are not unproductive or unreasonably duplicative. Other board activities include reviewing and approving new programs, reviewing existing programs, setting minimum admission standards, and determining guidelines for tuition and fees. The board monitors the progress of each system institution toward its approved goals and holds each president accountable for the progress toward the goals. Furthermore, the board may delegate any of its responsibilities to the Chancellor.

USM goals, consistent with the State Plan for Higher Education, are to:

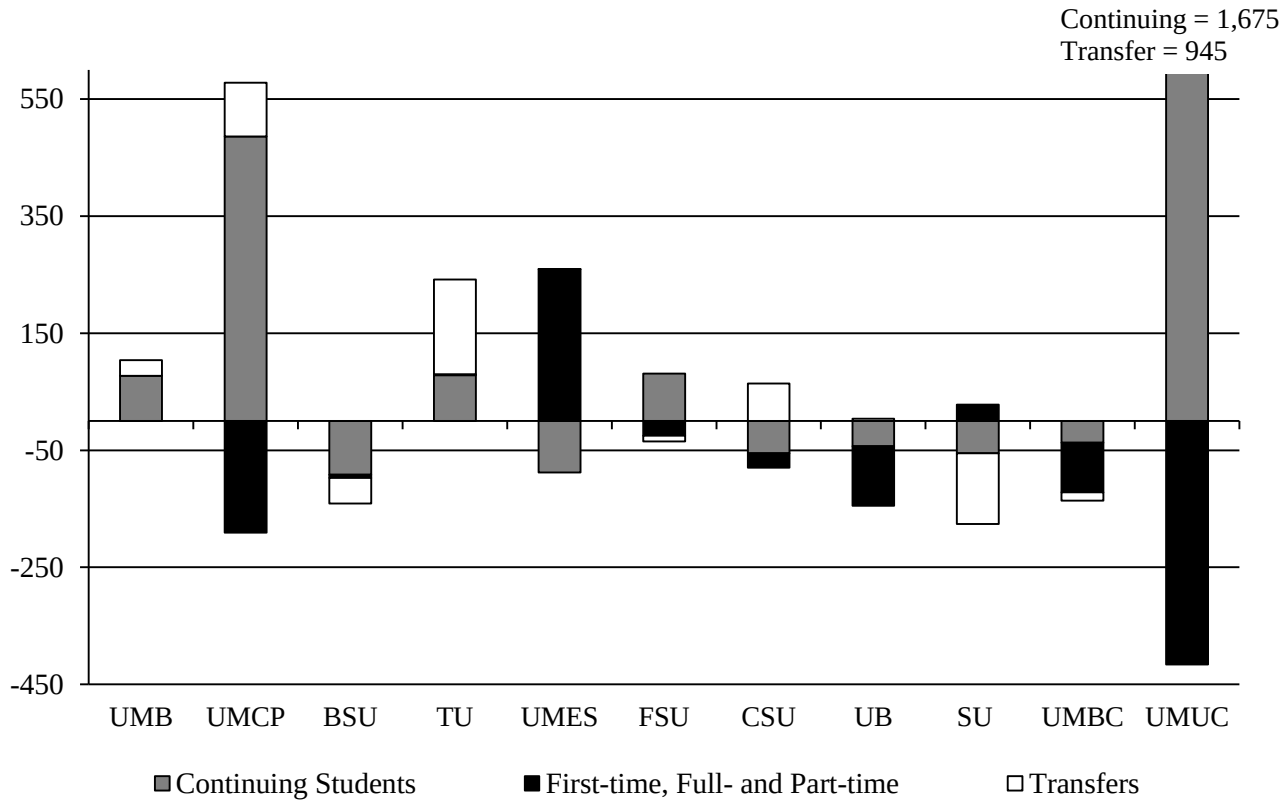
- create and maintain a well-educated workforce;
- promote economic development;
- increase access for economically disadvantaged and minority students; and
- achieve and sustain national eminence in providing quality education, research, and public service.

Performance Analysis

1. Enrollment

Undergraduate enrollment at USM institutions grew 2.1%, or 2,570 students, in fall 2015 mainly due to continuing and transfer students increasing 6.1% and 15.0% respectively at University of Maryland University College (UMUC). When excluding UMUC, enrollment grew 0.4%, with five institutions experiencing an overall decline in enrollment ranging from 4.0% at University of Baltimore (UB) to 1.2% at University of Maryland Baltimore County (UMBC), as shown in **Exhibit 2**. The number of transfers and continuing students increased 7.2% and 2.2%, respectively, while first-time, full-time (FT/FT) and part-time students declined by 4.1%. Transfer students to Salisbury University (SU) dropped 12.1%, while Bowie State University (BSU) and UMBC saw enrollment decline across all groups of students. After two years of decline, graduate enrollment increased 0.1% in fall 2015, resulting in an overall enrollment growth of 1.5%. **The Chancellor should comment on how the system and USM institutions are addressing changing enrollment patterns, particularly the decline in FT/FT students.**

Exhibit 2
Change in Fall 2014 and 2015 Undergraduate Headcount Enrollment



BSU: Bowie State University
CSU: Coppin State University
FSU: Frostburg State University
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

Source: University System of Maryland

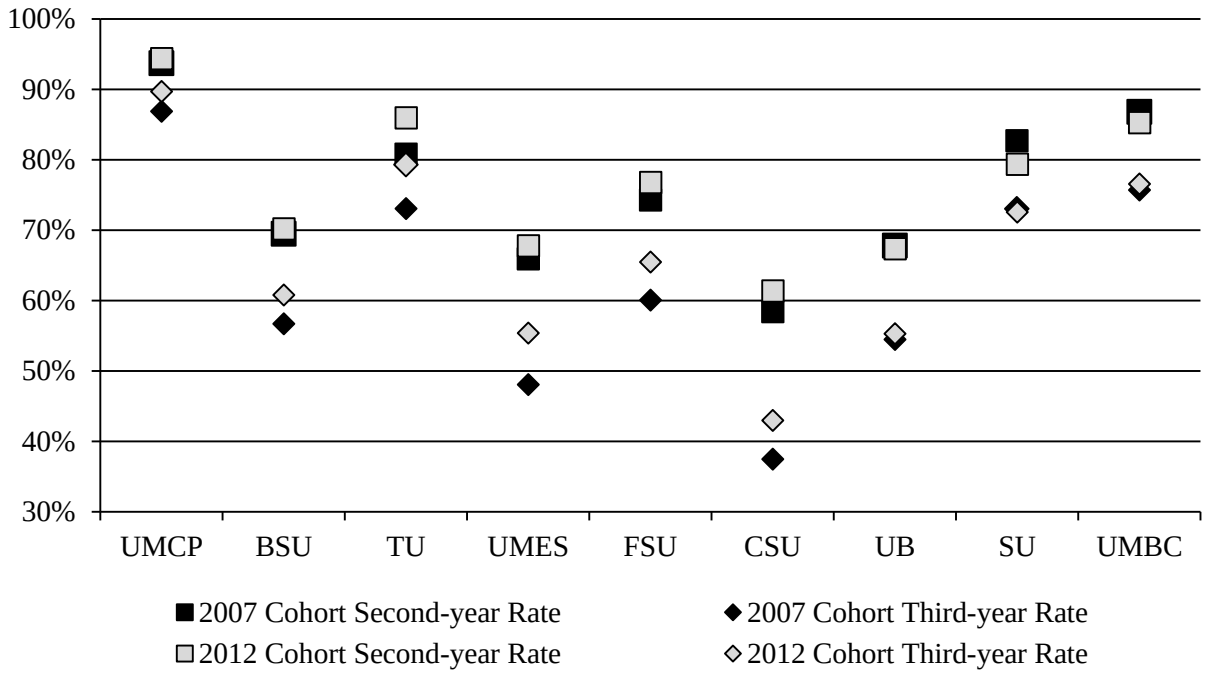
2. Student Performance

Retention Rates

Student persistence, or retention, provides insight into student progression, showing if students are on track to graduate in a timely manner. Higher rates indicate that students are moving faster through the pipeline, freeing space for more students, and leading to increased degree production.

Improving retention of students is a key component of the efforts of USM to double the number of undergraduate degrees awarded by 2020, one of the four key goals of the USM strategic plan. **Exhibit 3** shows the second- and third-year retention rates for the 2007 and 2012 FT/FT cohorts by institution, excluding the University of Maryland, Baltimore (UMB). The second-year rate for the 2012 cohort improved at six institutions with the rate declining at SU (3.3 percentage points), UMBC (1.5 percentage points), and UB (0.4 percentage points). Towson University (TU) experienced the greatest improvement with the rate increasing 5.2 percentage points from 80.8% to 86.0%. Institutions also made strides in improving the retention of students beyond the second year, with the third-year rate increasing, on average, 3.3 percentage points. Only SU experienced a decline of 0.4 percentage points. The University of Maryland Eastern Shore (UMES) showed the most improvement with its third-year rate increasing 7.3 percentage points, from 48.1% to 55.4%.

Exhibit 3
Undergraduate Second- and Third-year Retention Rates
First-time, Full-time 2007 and 2012 cohort



BSU: Bowie State University
CSU: Coppin State University
FSU: Frostburg State University
SU: Salisbury University
TU: Towson University
UB: University of Baltimore
UMBC: University of Maryland Baltimore County
UMCP: University of Maryland, College Park
UMES: University of Maryland Eastern Shore

Note: University of Baltimore enrolled freshmen for the first time in 2007.

Source: Maryland Higher Education Commission

Graduation Rates

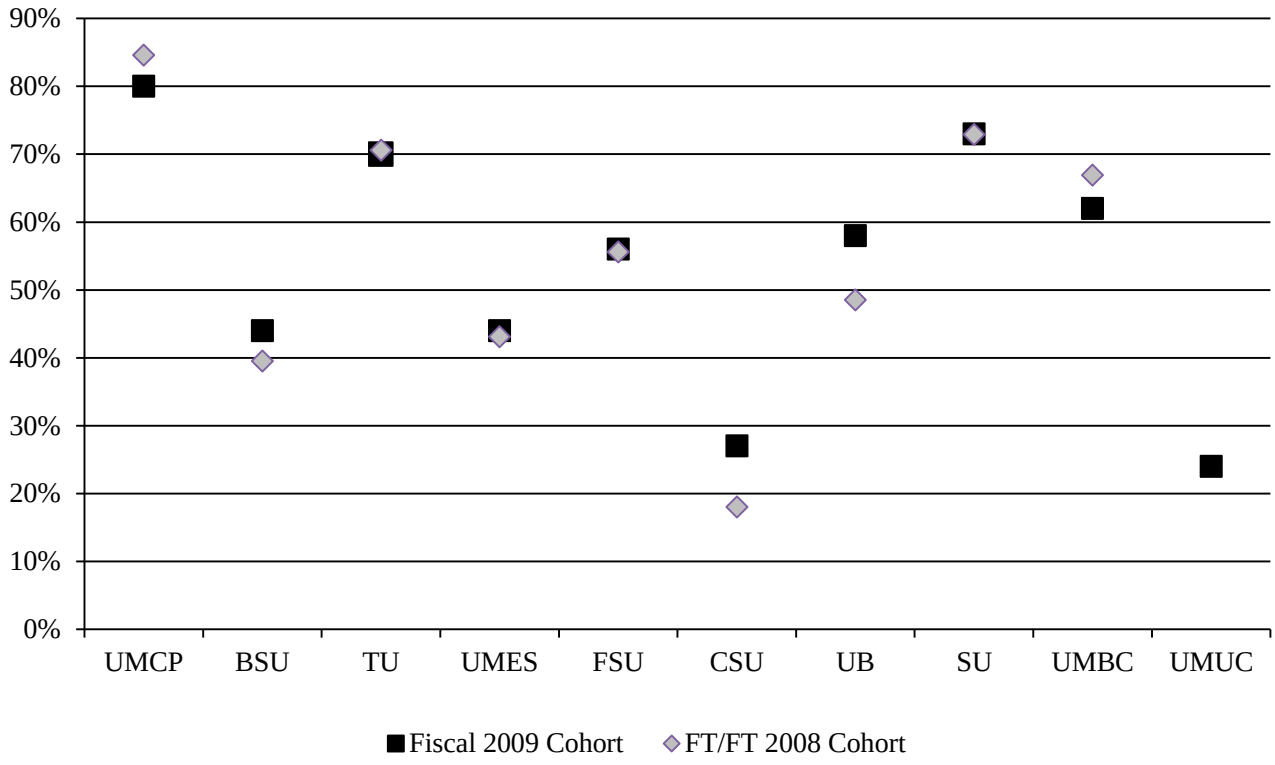
Traditional graduation measures such as those used by the Maryland Higher Education Commission (MHEC) and the federal government only track the completions of the "traditional" FT/FT student – those enrolled at an institution at the start of the academic year and are continuously enrolled as a full-time student until completion. However, in general, for USM institutions, this only captures the progress of about a third of the students, providing only a partial picture of how an institution is performing. USM revised the performance measure to include the six-year graduation rates of all new degree-seeking students by fiscal year, which includes: FT/FT; part-time; transfers; and those who enroll in spring, stopped-out, or changed enrollment status. In addition, using a fiscal year cohort allows for a calculation of the UMUC six-year graduation rate, which has been excluded from the traditional measure due to its unique student population that is mainly adult, nontraditional students.

Exhibit 4 compares the six-year graduation rate of the 2008 FT/FT and fiscal 2009 cohorts, the latter including the more expansive calculation of all new degree-seeking students. Overall, the fiscal 2009 cohort rate is higher at some institutions, particularly BSU, UMES, Coppin State University (CSU) and UB, which have a higher proportion of transfer and part-time students who tend to graduate at higher rates than FT/FT students. The lower rates at University of Maryland, College Park (UMCP) and UMBC can be attributed to transfers not performing as well as FT/FT students at UMCP, and while transfers do as well as FT/FT students at UMBC, students who transfer out are not enrolling at USM institutions and, therefore, lower the graduation rate as calculated by USM.

The UMUC six-year fiscal 2009 cohort graduation rate of 24% is the lowest of all the institutions and is more comparable to the two-year graduation rates of Maryland community college transfer students at the other institutions. This is to be expected given that transfer students comprised 20% of UMUC's undergraduate enrollment in fall 2015. Furthermore, 77.0%, or 27,982, of UMUC undergraduate students in fall 2015 were part-time students who take longer to graduate.

The two- and four-year graduation rates for the fiscal 2007 and 2011 cohorts of Maryland community college transfer students, which are equivalent to the four- and six-year rates at four-year institutions, are shown in **Exhibit 5**. In general, graduation rates of transfer students tend to be lower than that of other students since a majority of transfers tend to be part-time students and, therefore, take longer to graduate. Overall, UMES and CSU experienced the largest improvement between the two cohorts with the two- and four-year rates increasing 15 and 21 percentage points, respectively, at both institutions. At BSU, the two- and four-year rate declined by 3 and 1 percentage points, respectively.

Exhibit 4
Comparison of Six-year Graduation Rates
First-time, Full-time 2008 and Fiscal 2009 Cohorts



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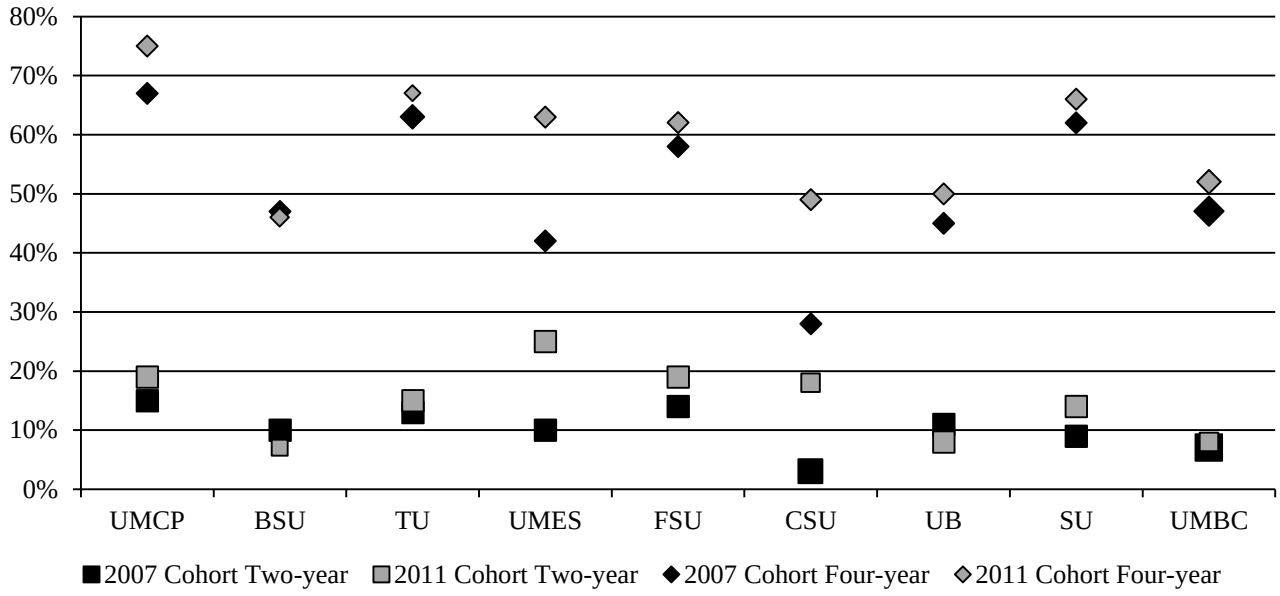
FSU: Frostburg State University
SU: Salisbury University
FT/FT: first-time, full-time
TU: Towson University
UB: University of Baltimore
UMBC: University of Maryland Baltimore County
UMCP: University of Maryland, College Park
UMES: University of Maryland Eastern Shore
UMUC: University of Maryland University College

Note: Rates for the FT/FT cohort includes those who graduated from the institution or those that transferred and graduated from any Maryland public four-year institution. Fiscal year cohorts include all degree-seeking students (*e.g.*, FT/FT, part-time, transfers, and spring admits) who enrolled in the fiscal year.

Source: Maryland Higher Education Commission; University System of Maryland

Exhibit 5
Two- and Four-year Graduation Rates of Maryland Community College Transfers
2007 and 2011 Cohorts



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Note: Graduation rates include those students who transferred in and then transferred and earned a degree at another University System of Maryland institution.

Source: University System of Maryland, *Transfer Students to the University System of Maryland: Patterns of Enrollment and Success*

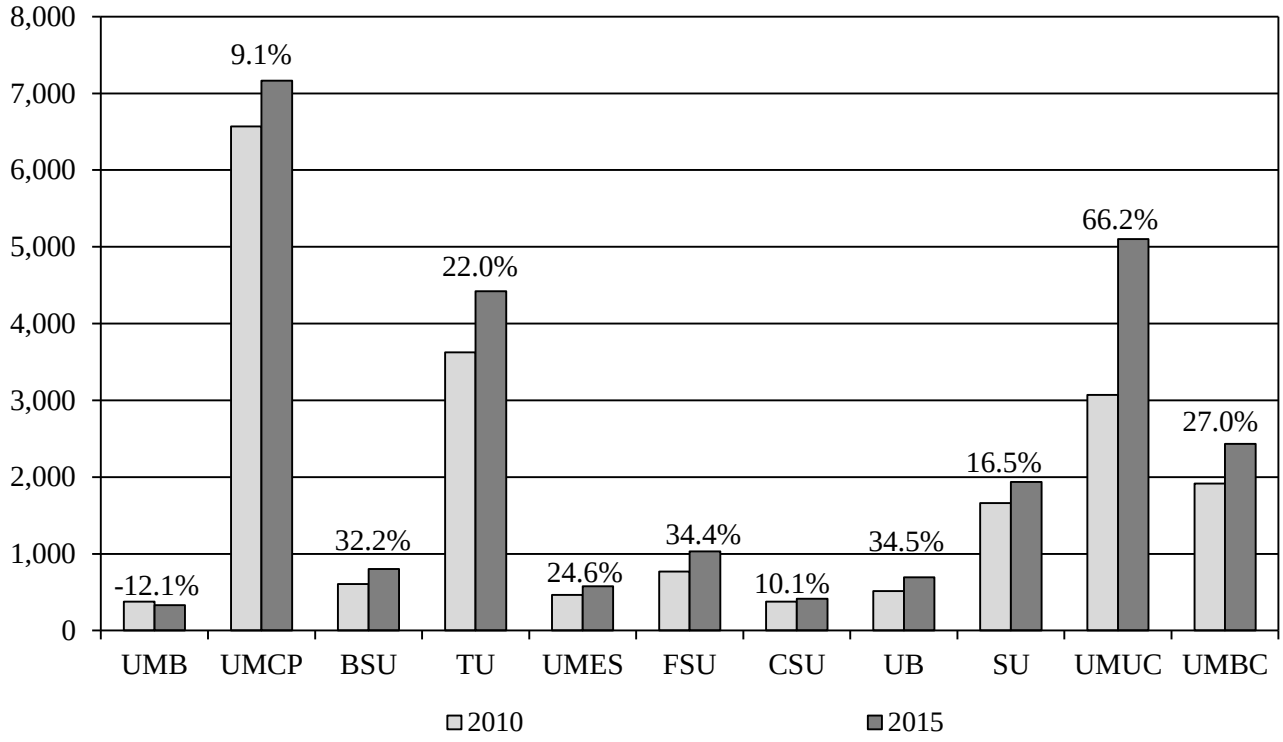
3. Undergraduate Degree Production

In order to produce a well-educated workforce and meet the State's completion goal, USM will need to increase the number of undergraduate degrees awarded. USM plans to increase annual degree production by approximately 8,800 degrees by 2020. **Exhibit 6** compares the number of undergraduate degrees conferred by institutions between fiscal 2010 (the base year) to 2015. Overall, degree production increased 24.9% from 19,950 in fiscal 2010 to 24,910 in fiscal 2015. The highest growth

rates occurred at UMUC, UB, Frostburg State University (FSU), and BSU. In terms of the highest number of degrees, UMUC and TU awarded an additional 2,032 and 797 degrees, respectively. While the rate of growth in degrees conferred slowed from 6.4% in fiscal 2012 to 2.9% and 2.1%, respectively, in fiscal 2013 and 2014, the rate increased 5.0% in fiscal 2015.

At UMB, the 12.1% decline in the number of degrees is attributed to a transition from an accelerated undergraduate nursing program to a master's level program for entry-level students with a prior bachelor's degree in a non-nursing field; a reduction in the number of bachelor's degrees is offset by an increase in master's degrees.

Exhibit 6
Total Undergraduate Degrees Awarded and Percent Change
Fiscal 2010 and 2015



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UMUC: University of Maryland University College

Source: University System of Maryland

Time to Degree

Completion rates are greatly influenced by time – the longer it takes a student to graduate, the more likely (s)he will dropout as other priorities compete with classes. Longer completions times translate into increased cost, not only for the student, but for the institution and State as well. A major goal of the BOR original Effectiveness and Efficiency (E&E) initiative was to improve the time to degree, which is dependent on the efficiency and productivity of the faculty, quality of advising, and appropriateness of course offerings. USM annually reports progress on this measure in its faculty workload report, which in the past was presented in terms of the average number of semesters to a degree and was based on cohorts of FT/FT students entering in fall of a particular year. For 2015, the measure was revised to be more inclusive to include all students: FT/FT, transfers, part-time, students whose enrollment status changed, and those who stopped-out. Rather than looking at how many students in a cohort graduated in six years, the new methodology takes all students who graduated in a particular year and looks back to when they first enrolled at an institution whether it be 4 or 15 years. This provides a more accurate picture of how an institution is performing. As shown in **Exhibit 7**, the average time to degree for USM slightly improved from 4.9 years in fiscal 2014 to 4.8 years in 2015, which is due to the UMBC time decreasing from 4.5 to 4.1 years while most other institutions saw an increase in the time to degree.

Exhibit 7
Average Undergraduate Time to Degree in Years
Fiscal 2014-2015

	2014	2015
University of Maryland, College Park	4.3	4.4
Bowie State University	4.8	4.9
Towson University	4.0	4.1
University of Maryland Eastern Shore	4.1	4.2
Frostburg State University	3.7	4.2
Coppin State University	5.8	5.8
University of Baltimore	4.1	4.5
Salisbury University	3.9	4.0
University of Maryland Baltimore County	4.5	4.1
All University System of Maryland	**4.9**	**4.8**

Note: Averages are weighted. The University of Maryland University College and the University of Maryland, Baltimore are excluded from the Board of Regents' faculty workload policy.

Source: University System of Maryland's *Faculty Workload Report, 2015*

4. Instructional Productivity

Annual language in the *Joint Chairmen's Report* (JCR) requires USM to submit a report on the instructional workload of faculty. BOR sets standards of expectations of instructional workload for tenured/tenure-track faculty, which have not changed since fiscal 2005. The average target course units (equivalent to teaching a three-hour course) per full-time faculty member is 5.5 and 7.5 course units at research and comprehensive institutions, respectively.

As shown in **Exhibit 8**, when only considering the workload of tenured/tenure-track faculty only two (CSU and UMES) of the seven comprehensive institutions and one (UMBC) of the two research institutions met or exceeded the BOR standard in fiscal 2015. The average course units for comprehensive institutions decline from 7.2 in fiscal 2014 to 7.0 in fiscal 2015 while for research institutions the average remained at 5.7 course units. When all core instructional faculty (*i.e.*, tenured/tenure-track and full-time nontenured instructional faculty) are considered only CSU exceeded the standard among comprehensive institutions, while UMBC is above the target for research institutions and UMCP below it.

Exhibit 8
Average Course Units Taught by Full-time Equivalent
Tenured/Tenure-track and All Core Instructional Faculty
Fiscal 2011, 2014, and 2015

	2011		2014		2015	
	Tenure	**Core**	**Tenure**	**Core**	**Tenure**	**Core**
Bowie State University	8.2	7.6	7.6	7.8	7.2	7.3
Coppin State University	8.1	10.5	7.8	8.5	7.5	8.1
Frostburg State University	7.5	7.5	7.5	7.3	7.4	7.4
Salisbury University	7.6	7.6	7.2	7.3	6.9	7.1
Towson University	7.1	7.3	6.7	7.2	6.5	7.1
University of Baltimore	6.8	7.6	7	7.3	6.4	6.9
Univ. of Maryland Eastern Shore	7.7	9.3	7.7	7.4	7.6	7.2
Standard	7.5	7.5	7.5	7.5	7.5	7.5
Comprehensive Average	**7.5**	**7.9**	**7.2**	**7.4**	**7.0**	**7.1**
Univ. of Maryland Baltimore County	6.6	6.5	6.5	6.9	7.1	7.2
Univ. of Maryland, College Park	5.9	5.8	5.5	5.6	5.3	5.4
Standard	5.5	5.5	5.5	5.5	5.5	5.5
Research Average	**6.0**	**6.0**	**5.7**	**5.9**	**5.7**	**5.8**

Note: Calculations for Salisbury University, Towson University, and the University of Baltimore omit the schools of business and law because accreditation standards requires law faculty to teach four course units and business faculty to teach six course units.

Source: University System of Maryland's annual *Report on the Instructional Workload of USM Faculty*

The previous exhibit presented information for one measure that can be used when looking at instructional activity and effectiveness of faculty. Another measure, which is shown in **Exhibit 9**, is the production of semester credit hours, which are the sum of the course hours of all students taking a class. For example, a three credit course with 10 students produces 30 semester credit hours. This measure also provides an indication of how well institutions are managing faculty and maintaining class size.

Exhibit 9

Average Semester Credit Hours Generated by Tenured/Tenure-track and All Core Instructional Faculty

Fiscal 2011, 2014, and 2015

	2011		2014		2015		Change 2011-2015	
	Tenure	Core	Tenure	Core	Tenure	Core	Tenure	Core
BSU	461	506	547	573	402	422	-59	-84
CSU	343	382	299	298	316	311	-27	-71
FSU	503	498	505	477	480	476	-23	-22
SU	557	560	561	565	530	528	-27	-32
TU	425	449	406	427	423	442	-2	-7
UB	381	496	410	407	375	402	-6	-94
UMES	896	789	742	701	684	615	-212	-174
UMBC	371	474	357	473	346	465	-25	-9
UMCP	500	572	445	547	420	521	-80	-51

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Note: Excludes faculty on sabbatical and those exempted as a result of illness or death, and adjustments are also made for instruction-related activity and external funding. Calculations for SU, TU, and UB are adjusted to omit the schools of business and law.

Source: University System of Maryland's annual *Report on* the *Instructional Workload of USM Faculty November 2008-2014*

When data from faculty workload and semester hours generated are considered together, it provides a better picture of instructional productivity at each campus. For example, while faculty at CSU continually teach more course units than faculty at other comprehensive institutions, as previously

shown in Exhibit 8, they also produce the least number of credit hours per semester, indicating faculty teach more classes with fewer students.

The Chancellor should comment on how the system office and the BOR will utilize the additional faculty workload data in decision making about the allocation of resources.

Fiscal 2016 Actions

Proposed Deficiency

A fiscal 2016 deficiency would provide the USM Office with $16.5 million in general funds that will be allocated among the institutions to cover an increase in health insurance costs that is attributable to how the State calculates retiree health insurance. Currently, the retiree health insurance surcharge is based on a percentage of the regular employee health insurance cost. For higher education, the State looks at the health costs for an employee based on the retirement plan they participate in – the employee or teacher plans or an optional retirement plan. For employees enrolled in the employee or teacher plans the percentage used to calculate retiree health insurance is the same used by other State agencies, which in the fiscal 2017 allowance is 62%. For those participating in an optional plan the percentage used is half the rate of the employee plan because spouses are not included, and has averaged around 30%.

Over the past few years the mix at USM institutions has changed with more new hires opting to participate in the employee plan. This coupled with more employees moving to more expensive health insurance plans has resulted in health insurance being underbudgeted since at least fiscal 2013 when, according to USM, it had a total shortfall of $17.2 million (this includes State and non-State supported positions). In fiscal 2014, the total shortfall was $3.9 million and $14.0 million in fiscal 2015. The fiscal 2017 allowance adjusts the rate to reflect the change in the mix and more accurately project health insurance expenditures.

The estimated allocation of the deficiency among the institutions is shown in **Exhibit 10**. It should be noted that CSU is expected to end the year with a savings in health insurance costs; any health insurance savings realized by CSU will be reallocated to other institutions that have shortfalls in their health insurance budgets. When calculating the amount of the deficiency, the Department of Budget and Management (DBM) included a 3% increase in health insurance expenditures for half the year totaling $3.2 million, assuming costs would increase January 1 due to open enrollment now being based on a calendar year. However, DBM had anticipated this increase and included it in the rates used to develop the fiscal 2016 allowance. **Consequently, the January 1 increase is already reflected in USM's fiscal 2016 budget, and therefore, the Department of Legislative Services (DLS) recommends reducing the fiscal 2016 deficiency by $3.2 million. This action will be taken in the USM Office budget analysis since that is where the deficiency is budgeted.**

Exhibit 10
Estimated Allocation of Fiscal 2016 Deficiency Among Institutions

Institution	Estimated Allocation
University of Maryland, Baltimore	$1,767,349
University of Maryland, College Park	6,796,462
Bowie State University	105,181
Towson University	3,156,703
University of Maryland Eastern Shore	1,042,162
Frostburg State University	815,431
Coppin State University*	-308,163
University of Baltimore	377,944
Salisbury University	491,325
University of Maryland, University College	793,992
University of Maryland, Baltimore County	1,128,877
University of Maryland, Center for Environmental Science	118,956
University System of Maryland Office	179,228
Total	**$16,465,447**

*Any savings will be allocated among those institutions that have a shortfall in health insurance.

Source: Department of Budget and Management

Cost Containment

Cost containment measures in fiscal 2016 reduced the USM appropriations by 2% or $25.5 million. As shown in **Exhibit 11**, a majority of the reduction was met by the elimination of 175.1 positions, of which 136.6 were vacant, totaling $11.5 million. The remaining $13.9 million of the reduction was met through decreasing spending on facilities renewal, academic initiatives, and general operating expenditures such as travel, equipment, and supplies.

Exhibit 11
2% Reduction by Institution
Fiscal 2016

Institution	Position Reduction	Salary and Wages	Operations	Total
University of Maryland, Baltimore	83.0	$4,200,000	$188,158	$4,388,158
University of Maryland, College Park	36.5	4,149,451	5,692,406	9,841,857
Bowie State University	4.0	323,245	525,787	849,032
Towson University	8.0	628,215	1,577,439	2,205,654
University of Maryland Eastern Shore	3.0	227,265	552,647	779,912
Frostburg State University	5.0	280,805	509,852	790,657
Coppin State University	23.0	908,827	0	908,827
University of Baltimore	5.0	384,522	328,069	712,591
Salisbury University	0.0	0	973,748	973,748
University of Maryland, University College	0.0	0	803,105	803,105
University of Maryland, Baltimore County	6.6	370,005	1,907,477	2,277,482
University of Maryland, Center for Environmental Science	1.0	70,850	378,655	449,505
University System of Maryland Office	0.0	0	476,472	476,472
Total	**175.1**	**$11,543,185**	**$13,913,815**	**$25,457,000**

Source: University System of Maryland

Other Actions

The Budget and Reconciliation and Financing Act of 2015 allowed USM to increase salaries in order to retain faculty and operationally critical staff. USM developed policies and procedures similar to those implemented in prior years to increase salaries to retain faculty and staff. A total of 70 personnel were classified as operationally critical; 21 staff and 49 faculty received salary raises totaling $1.1 million, as shown in **Exhibit 12**; 64.0% of these funds came from State-supported sources. Of the 21 staff deemed critical, most are administrators and managers in the financial, information technology (IT), and health care fields. A significant portion, 57.1% of the faculty and 52.4% of the staff, receiving salary increases were at UMCP and UMBC, respectively.

Exhibit 12
Positions and Salary Increased to Retain Personnel
July 1 to November 15, 2015

Institution	Faculty	Staff	Total	Total Amount of Increases
University of Maryland, Baltimore	11	1	12	$346,118
University of Maryland College Park	28	8	36	517,908
Bowie State University	2	0	2	29,688
University of Maryland Eastern Shore	0	1	1	4,579
University of Maryland Baltimore County	8	11	19	175,024
Total	**49**	**21**	**70**	**$1,073,317**

Source: University System of Maryland

Proposed Budget

As shown in **Exhibit 13**, the general fund allowance for fiscal 2017 is 2.7%, or $32.0 million, higher than fiscal 2016 after adjusting for the fiscal 2016 deficiency and the across-the-board employee health insurance reduction based on a revised estimate of the amount of funding needed in the fiscal 2017 allowance. The Higher Education Investment Fund (HEIF) increases 8.8%, or $5.0 million, over fiscal 2016. This results in an overall growth in State funds of 2.9%, or $37.0 million, to $1.3 billion. However, when including $38.2 million for increments included in the DBM budget, State funding increases 6.0%, or $75.2 million. Other current unrestricted funds increase 1.9%, or $51.9 million, over fiscal 2016. This is due to $20.6 million increase in tuition and fee revenues partly due to a planned 2.0% increase in resident undergraduate tuition, $18.9 million is from auxiliary revenues, and the remaining funds from other sources such as sales and services of educational activities.

The fiscal 2017 allowance includes $5.3 million to replace revenues equivalent to a 1.0% increase in resident tuition rates, as shown in **Exhibit 14**, and assumes resident undergraduate tuition rates increase 2.0% across USM institutions. In addition, the allowance provides funds for a 2.5% salary increment. The general funds are included in the DBM budget. For USM the increment totals $62.3 million of which the general fund portion is $38.3 million. **However, the State average for salary increments is 2.4%, therefore, DLS recommends reducing the USM increment by $1.4 million to reflect the State's average. This action will be taken in the DBM budget analysis since that is where the increment is budgeted.** The remaining $24.0 million for the USM salary increment is to be funded from non-State supported funds *i.e.*, auxiliary and restricted funds.

Exhibit 13
Governor's Proposed Budget
University System of Maryland
($ in Thousands)

	FY 15 Actual	FY 16 Adjusted	FY 17 Adjusted	FY 16-17 Change	% Change Prior Year
General Funds	$1,149,621	$1,187,453	$1,239,525		
Deficiencies		16,465			
Across the board			-3,651		
Total General Funds	**$1,149,621**	**$1,203,918**	**$1,235,874**	**$31,955**	**2.7%**
HEIF	$53,813	56,605	61,605	5,000	8.8%
Total State Funds	**$1,203,434**	**$1,260,523**	**$1,297,479**	**$36,955**	**2.9%**
Other Unrestricted Funds	2,600,460	2,695,200	2,747,093	51,892	1.9%
Total Unrestricted Funds	3,803,894	3,955,724	4,044,571	88,848	2.2%
Restricted Funds	1,149,361	1,209,245	1,228,360	19,115	1.6%
Total Funds	**$4,953,255**	**$5,164,969**	**$5,272,932**	**$107,963**	**2.1%**

HEIF: Higher Education Investment Fund

Note: Fiscal 2016 general funds are adjusted to reflect the deficiency, and fiscal 2017 to reflect the across-the-board reduction.

Source: Governor's Budget Books, Fiscal 2017, Department of Legislative Services

Exhibit 14
One Percent Tuition Replacement

Institution	Amount
University of Maryland, Baltimore	$55,884
University of Maryland College Park	1,613,892
Bowie State University	190,452
Towson University	933,211
University of Maryland Eastern Shore	140,294
Frostburg State University	243,857
Coppin State University	89,421
University of Baltimore	175,820
Salisbury University	432,993
University of Maryland University College	715,807
University of Maryland Baltimore County	750,094
Total	**$5,341,725**

Source: Department of Budget and Management

The fiscal 2017 allowance also provides $6.8 million to support student completion initiatives. In previous years, enhancement funds were proportionately allocated among the institutions. However, this year, in order to receive these funds, institutions were required to submit proposals to the Chancellor on how they would use the funds to improve completions. Funds were allocated to those institutions whose initiatives were deemed to have the greatest impact on student completion. As shown in **Exhibit 15,** approximately 30% ($2.0 million) of the funds go toward expanding programs at USM regional centers and $2.4 million support initiatives targeting transfer students. **The Chancellor should comment on why nearly one-third of enhancement funding is being allocated to expand programs at USM regional centers when there is significant room for improvement in student completions at the USM institutions. In addition, the Chancellor should discuss whether metrics will be established for those institutions receiving enhancement funds to determine which initiatives prove successful and, if programs are not successful, will resources be reallocated in future years to other initiatives that are proven to be successful.**

Exhibit 15
Allocation of Enhancement Funding
Fiscal 2017

	Enhancement Funding Allocation	
University of Maryland, College Park (UMCP)		
Transfer Student Success Initiatives	$600,000	
Financial Aid for Transfer Students	900,000	
		$1,500,000
Bowie State University		
Transfer Student Success Initiatives		400,000
Towson University (TU)		
STEM Healthcare Workforce Development	200,000	
Achievement Gap Initiatives – Increase Retention and Graduation Rates	200,000	
		400,000
University of Maryland Eastern Maryland (UMES)		
Transfer and Military/Veteran Student Success		200,000
Frostburg State University		
Data Analytics/Enrollment Support	250,000	
Academic Success Network/Student Success Strategies	200,000	
		450,000
Coppin State University		
Data Analytics/Enrollment Support	250,000	
Enrollment Management Consultant Support	250,000	
		500,000
University of Baltimore		
Bolster Academic Support Services/Student Success strategies		200,000
Salisbury University		
Transfer Student Success – Increase Financial Aid		400,000

		Enhancement Funding Allocation
University of Maryland Baltimore County (UMBC)		
Transfer Student Success – Advising/Support/Financial Aid		750,000
Universities of Shady Grove		
Expand enrollment for high-demand programs (TU Education, UMES Hospitality/Tourism Management; UMES Construction Management)	750,000	
New STEM Programs (UMBC Translational Life Science Technology and UMCP Information Science)	1,000,000	
		1,750,000
University System of Maryland at Hagerstown		
New Program – UMES Hospitality/Tourism Management		250,000
Total		**$6,800,000**

STEM: science, technology, engineering, mathematics

Source: University System of Maryland

Current Service Costs

Overall, USM State-supported current services costs (CSC) are estimated to increase $80.1 million, as shown in **Exhibit 16**. These costs are typically funded with unrestricted revenues (*e.g.*, general funds, the HEIF, and tuition and fee revenues). As expected, personnel expenditures (exclusive of increments) account for a majority of the increase comprising 55.2% of the total CSC. It should be noted that all institutions except UMES plan to increase expenditures on financial aid.

All institutions plan to increase spending on facilities renewal. However, in times of budget shortfalls, institutions typically reduce spending on facilities renewal projects. Over the past five years, the CSC included increases in facilities renewal averaging $8.2 million but in only one year (fiscal 2015) did spending on facilities renewal actually increase, and it was less than budgeted. BOR and the Chancellor have noted that facilities renewal is a priority, and will now hold presidents accountable in meeting the BOR target of annually increasing operating expenditures on facilities renewal by 0.2% until the amount equals 2.0% of the replacement value of the campus buildings.

Exhibit 16
University System of Maryland Increase in Current Service Costs
Fiscal 2017

	Amount
Health, Retirement Benefits and Other Fringes	$46,867,193
Facilities Renewal	10,556,203
Institutional Aid	9,725,864
New Facilities	8,619,319
Information Technology Security	3,600,000
ARB Debt Service	2,870,000
Cost Related to Title IX Sexual Misconduct	1,129,424
Other	228,793
Fuel and Utilities	207,994
Veterinary Medicine Agreement	97,710
Current Service Costs (CSC)	**$83,902,500**
Across-the-board adjustments	
Health Insurance	-$3,651,363
Total CSC	**$80,251,137**

Note: The University System of Maryland estimated CSC to increase $84.9 million prior to across-the-board reduction in health insurance. Additionally, $0.5 million in other costs is better categorized as program enhancement and, therefore, not included in CSC.

Source: University System of Maryland

When accounting for the fiscal 2017 salary increments and adjusting for $3.7 million reduction in health insurance, expenditures total $118.5 million, as shown in **Exhibit 17**. On the revenue side, new State funds total $75.2 million, which includes $38.3 million budgeted elsewhere to fund the State portion of the salary increment. New tuition and fee revenues total $20.6 million. As previously discussed, the $16.5 million deficiency in fiscal 2016 frees up other unrestricted funds that would have been used to cover health insurance costs to be used for other purposes such as improving or enhancing programs. Since the fiscal 2017 allowance reflects the new health insurance rates, these funds are not needed to cover health insurance costs in fiscal 2017 and, therefore, there are more than enough funds to cover CSC and provide $7.9 million for enhancements. USM was able to cover the shortfall in health insurance costs since at least fiscal 2013 from other unrestricted funds such as tuition revenues and savings from efficiencies. Additionally, USM plans to transfer $18.6 million to State-supported fund balances in fiscal 2017.

It should be noted that revenues, particularly tuition, tend to be underestimated in the allowance due to the revenues being based on enrollments projected early in the year. As shown in **Exhibit 18**, from fiscal 2010 to 2012, tuition and fees revenues, on average, increased 6.8% but slowed in fiscal 2013 and 2014 due to an unexpected decline in enrollment at UMUC. The increase in fiscal 2015

reflects the mid-year tuition increase implemented at four institutions. As noted earlier in the analysis, UMUC's enrollment is increasing. Given this and past growth increases, it is likely that tuition and fee revenue growth will be higher than the budgeted 1.3% in fiscal 2017.

Exhibit 17
USM State-supported Revenues Available for Program Enhancements
Fiscal 2017

		$ Amount
Expenditures		
Current Services Cost Increase		$80,251,137
Employee Salary Increments		38,263,119
Total Expenditures		**$118,514,256**
Revenues		
General Funds and HEIF		
New General Funds and HEIF[1]	$36,955,233	
Increment Funds Received through DBM	$38,263,119	
New State Funds		$75,218,352
New Tuition and Fee Revenues		20,642,175
Other Revenues not Needed for Health Insurance		16,500,000
Other New Unrestricted Revenues		13,903,109
New General Fund, Tuition, and Other Revenues		**$126,263,636**
Revenues Less Expenditures		**$7,933,081**
Transfer to State-supported Fund Balance		**$18,642,059**

DBM: Department of Budget and Management
HEIF: Higher Education Investment Fund
USM: University System of Maryland

[1]General funds are adjusted by $3.7 million to reflect across-the-board reduction.

Note: Costs can also be covered through savings generated from efficiencies or auxiliary revenues.

Source: Governor's Budget Books, Fiscal 2017; Department of Legislative Services

Exhibit 18
Tuition and Fee Revenue Growth
Fiscal 2010-2015
($ in Thousands)

	2010	2011	2012	2013	2014	2015
Appropriated	$1,168,004	$1,230,791	$1,376,020	$1,462,393	$1,497,914	$1,466,823
Actual Revenues	1,244,228	1,327,218	1,412,825	1,439,598	1,438,134	1,500,749
$ Difference	76,224	96,427	36,805	-22,795	-59,780	33,926
$ Increase	86,052	82,990	85,607	26,773	-1,464	62,615
% Increase	7.43%	6.67%	6.45%	1.89%	-0.10%	4.35%

Source: Governor's Budget Books; Department of Legislative Services

Current Unrestricted Fund Expenditures

Budget changes by program area are shown in **Exhibit 19**. Education and general (E&G) are those expenditures funded by State-supported revenues, which include the General Fund, the HEIF, and tuition and fee revenues. In fiscal 2016, after adjusting for the $16.5 million deficiency, E&G expenditures increase 4.0% over fiscal 2015. In fiscal 2017, E&G expenditures grow 3.3%, or $109.26 million, after adjusting for $3.7 million reduction in health insurance and $38.3 million for salary increments. In fiscal 2017, public service experiences the highest rate of growth of 8.0%, or $5.4 million, which USM attributes to personnel costs and the Inn and Conference Center at UMUC, which according to UMUC is "operated as part of our mission as part of the greater good of the community." Operation and maintenance of plant grows at the next highest rate of 5.4%, or $24.2 million, due to increased spending on facilities renewal, personnel, and the State energy loan program. Spending on institutional support grows 4.7%, or $20.2 million, and is attributable to personnel expenditures and enhancement funding for college completion initiatives. Personnel expenditure growth is 1.4%, or $17.3 million, in instruction.

Exhibit 19
USM Budget Changes for Unrestricted Funds by Program
Fiscal 2015-2017
($ in Thousands)

	Actual 2015	Working Adjusted 2016	% Change 2015-16	Adjusted 2017	% Change 2016-17	Change 2016-17
Expenditures						
Instruction	$1,191,092	$1,234,920	3.7%	$1,252,266	1.4%	$17,347
Research	258,557	266,504	3.1%	270,718	1.6%	4,214
Public Service	58,756	67,735	15.3%	73,158	8.0%	5,423
Academic Support	408,063	414,860	1.7%	422,582	1.9%	7,722
Student Services	200,494	201,868	0.7%	207,393	2.7%	5,525
Institutional Support	421,199	432,779	2.7%	452,935	4.7%	20,156
Operation and Maintenance of Plant	431,740	450,018	4.2%	474,215	5.4%	24,198
Scholarships and Fellowships	182,551	193,400	5.9%	200,262	3.5%	6,862
Deficiency/ Across the board		16,465		-3,651		-20,117
Education and General Total	**$3,152,451**	**$3,278,548**	**4.0%**	**$3,349,878**	**2.2%**	**$71,331**
Hospitals (UMB)	$48,623	$49,939	2.7%	$50,129	0.4%	$190
Auxiliary Enterprises	602,820	627,237	4.1%	644,565	2.8%	17,327
Grand Total	**$3,803,894**	**$3,955,724**	**4.0%**	**$4,044,571**	**2.2%**	**$88,848**
Revenues						
Tuition and Fees	$1,500,749	$1,560,272	4.0%	$1,580,914	1.3%	$20,642
General Funds	1,149,621	1,203,918	4.7%	1,235,874	2.7%	31,955
HEIF	53,813	56,605	5.2%	61,605	8.8%	5,000
Other Unrestricted Funds	523,420	520,881	-0.5%	534,600	2.6%	13,719
Subtotal – State-supported	***$3,227,602***	***$3,341,677***	***3.5%***	***$3,412,993***	***2.1%***	***$71,317***
Auxiliary Enterprises	$627,383	$648,762	3.4%	$667,631	2.9%	$18,868
Transfer (to)/from Fund Balance	-51,091	-34,715		-36,053		
Grand Total	**$3,803,894**	**$3,955,724**	**4.0%**	**$4,044,571**	**2.2%**	**$88,848**

HEIF: Higher Education Investment Funds UMB: University of Maryland Baltimore

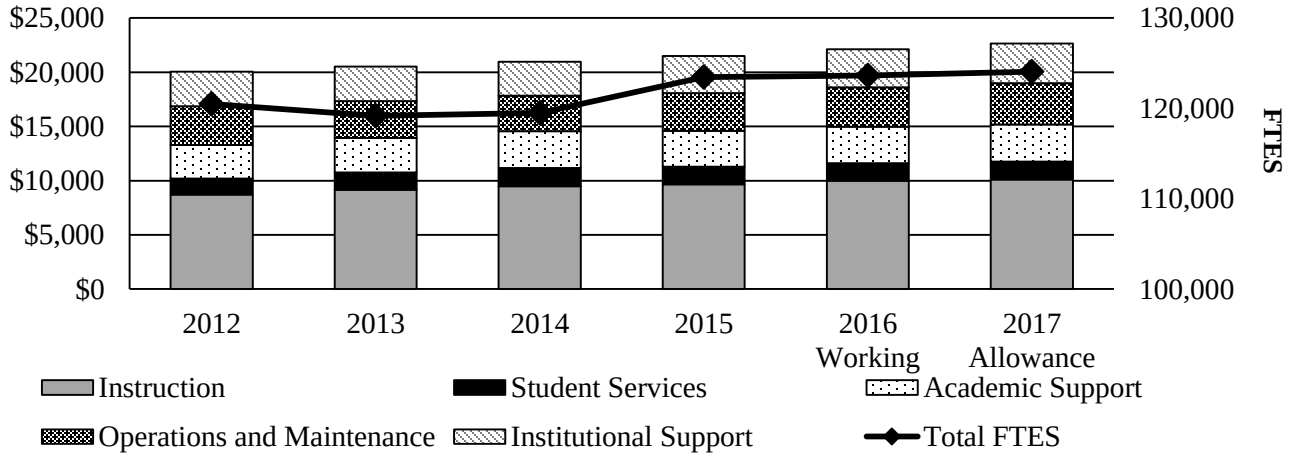
Note: Fiscal 2016 general funds are adjusted by $16.5 million to reflect proposed deficiency. Fiscal 2017 general funds are adjusted to reflect $3.7 million across-the-board reduction.

Source: Governor's Budget Books, Fiscal 2017, Department of Legislative Services

In fiscal 2015, USM institutions transferred $51.1 million to the fund balance despite two rounds of cost containment totaling $46.6 million in which eight institutions used $9.3 million in fund balance to cover operating expenditures. In fiscal 2016, it is expected that $34.7 million will be transferred to fund balance, even though USM faced a $25.5 million reduction in its budget. The fund balance is estimated to reach $952.2 million in fiscal 2016 and $988.3 million in fiscal 2017 (see **Appendix 1** for further detail by institution), leading to questions of why USM continues to grow such a large fund balance when there are institutional needs not being met such as critical infrastructure projects at UMB and UMCP. **The Chancellor should comment on the USM need to amass such a large fund balance and at what cost, and how much fund balance USM needs in order to maintain its credit rating.**

Since fiscal 2012, expenditures per full-time equivalent student (FTES) grew 12.9% from $20,053 to $22,644 in fiscal 2017 while enrollment increased 3.0%, as shown in **Exhibit 20**. From fiscal 2014 to 2016, despite budget reductions totaling $72.1 million, expenditures per FTES increased $1,154, or 5.5%, with institutional support and operations and maintenance expenditures growing 11.9% ($372 per FTES) and 11.7% ($380 per FTES), respectively. During this time period, enrollment grew 3.5% while expenditures on student services and academic support declined 3.7% ($64 per FTES) and 1.4% ($47 per FTES), respectively. This raises concerns about the adequacy and quality of the services and supports provided to the students. **The Chancellor should comment on institutional budgeting priorities that fund institutional support over that of student supports and services.**

Exhibit 20
Unrestricted Fund Expenditures Per FTES
Fiscal 2012-2017

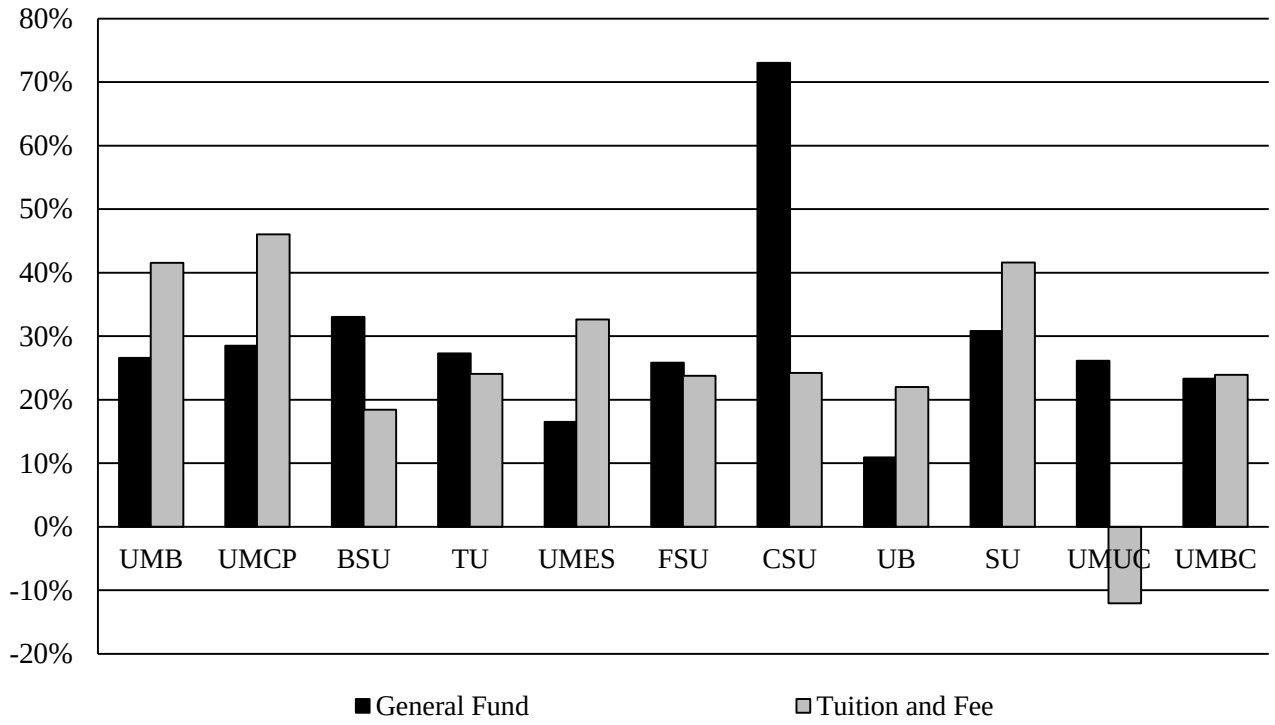


FTES: full-time equivalent student

Source: Department of Legislative Services

Exhibit 21 compares, by institution, State funds (General Fund/HEIF) and tuition and fee revenues per FTES for fiscal 2007 and 2017. Between those years, on average, State funds and tuition and fee revenues per FTES grew 29.8% and 26.4%, respectively. In terms of State funding, CSU funding grew at the highest rate of 73.0%, increasing from $9,940 in fiscal 2007 to $17,197 in fiscal 2017, which largely reflects a significant decline in enrollment. BSU grew at the next highest rate of 32.9% with State funds per FTES increasing $2,465. The decline of 12.0% in tuition and fee per FTES at UMUC is attributable to the change in federal reporting requirements in which all students enrolled in online programs are now included in its stateside numbers. The change occurred in fiscal 2015 in which the UMUC stateside enrollment grew 15.5%. The highest growth rates of tuition and fee revenues per FTES of 46.0% and 41.6% occurred at UMCP and SU, respectively.

Exhibit 21
Percentage Change in General Fund and Tuition and Fee Revenues Per FTES
Fiscal 2007 and 2017



BSU: Bowie State University
CSU: Coppin State University
FSU: Frostburg State University
FTES: full-time equivalent students
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

Source: Governor's Budget Books; Department of Legislative Services

Issues

1. Status of UMES Health-related Programs

Due to the alternating schedule, UMES is not receiving a budget hearing during the 2016 session. However, several issues have arisen over the past year that warrant discussion. Specifically, UMES voluntarily withdrew its Physician Assistant (PA) program from the accreditation process and the Pharmacy program, while fully accredited, was found to have unsatisfactory facilities, thereby jeopardizing the program's continued accreditation.

Physician Assistant Program

The PA program started as a bachelor's degree granting program and become fully accredited in June 2001 through the Accreditation Review Commission on the Education for the Physician Assistant, Inc. (ARC-PA). The first cohort of eight students graduated in 2003. In response to a mandate from ARC-PA requiring accredited undergraduate PA programs transition to a graduate degree by 2020, UMES developed master's level curricula. The UMES Masters of Medical Science (MMS) in PA Studies was approved by BOR and MHEC in June 2011. The first cohort of 37 students was admitted to the program in fall 2013.

In September 2014, the program was placed on administrative probation by ARC-PA. This is a temporary status granted when a program has not complied with an administrative requirement, such as failure to pay fees or submit required reports. In November 2014, the program was placed on probation, a temporary status limited to two years, granted when a program does not meet ARC-PA standards and when the capability of the program to provide an acceptable educational experience for its students is threatened. A program that fails to comply with accreditation requirements in a timely manner is at risk of having its accreditation withdrawn. In October 2015, ARC-PA informed UMES of its decision to withdraw accreditation of the MMS program citing UMES for being out of compliance with its standards for institutional oversight, reporting, staffing, clinical sites, and general support for an accredited program. In response, UMES voluntarily withdrew from the accreditation process in October allowing the students scheduled to graduate in December 2015 to become eligible for licensure after passing their professional certification exam.

ARC-PA required UMES to help the remaining two cohorts currently enrolled in the program transfer into an accredited program. To meet this requirement, UMES collaborated with USM, UMB/Anne Arundel Community College (AACC); TU/Community College of Baltimore County and many out-of-state PA programs. In October 2015, the State institutions met to develop a plan to accommodate the 35 and 32 students in the fall 2014 and 2015 cohort, respectively, which was approved by ARC-PA in December.

The plan allows students to enroll in either of the State programs if they meet the requirements of those programs. Students in the 2014 cohort will begin their clinical rotations in March 2016 and are expected to graduate in June 2017. Students in the fall 2015 cohort will enter one of the programs as a new student in June 2016 and are anticipated to graduate in June 2018. Students also have the

option of transferring to an out-of-state program. At the request of students, UMES contacted over 60 programs and will assist students in submitting their application materials. As of the beginning of 2016, 30 of the 35 students in the 2014 cohort have been admitted into a PA program, of which 29 were admitted to a Maryland institution and 1 to Drexel University. Students in the 2015 cohort are still waiting on decisions from the programs. In addition, financial aid officers at UMES, UMB, and TU are working to provide financial assistance to eligible students. UMES will be meeting individually with students to determine the amount of tuition refund and relocation expenses students may be eligible for, if applicable.

USM is reviewing the best options to continue to offer an accredited PA program on the Eastern Shore, but the current focus is on teaching out the current students. Students who enroll in the UMB/AACC program will be placed at existing and recently established Eastern Shore sites. It is likely that a significant portion of them will remain in the area to practice. USM received an indication from ARC-PA they may be willing to allow the approved increase in the capacity for the UMB/AACC program to apply beyond teaching out the cohorts. To do so requires a further discussion with ARC-PA, an application, and a site visit for an extension of the program capacity to an additional site (Eastern Shore Higher Education Center/Chesapeake College) beyond the two-year teach out. ARC-PA will not consider a new application from UMES for at least four years. A decision has not been made as to whether UMES will pursue developing a program that will meet ARC-PA standards.

The Chancellor should comment on if the actions taken by ARC-PA may have been an indication that UMES transitioned into a graduate level program too soon, and on the USM oversight of program approvals to ensure that programs will meet the accreditation standards.

Pharmacy Program

The UMES Pharmacy program was approved by BOR in December 2007 and MHEC in 2008. The program allows students to graduate in three years of year-round study, and at the time, was one of only six such programs in the country. For the first cohort that was admitted in July 2010, there were 918 applicants, of which 64 were admitted. Currently, 160 students are enrolled in the program.

In order to accommodate the new program, Somerset Hall underwent a $6.5 million renovation funded with operating facility renewal funds ($2.8 million), fund balance ($3.4 million), and funds from USM ($500,000). The Accreditation Council on Pharmacy Education (ACPE) conducted a site visit in April 2013 and noted that the current facilities were not ideal for the program and stated that UMES needed to make progress in addressing the short- and long-term facilities needs of the program. Evidence of progress would include a report on the decision regarding the location of a new pharmacy building, a target date for beginning and completing construction, and measures that will be taken to meet the needs in the intervening years. Nonetheless, the program was fully accredited in June 2013.

In April 2015, APCE visited UMES and found the pharmacy facilities "unsatisfactory" in four categories and "needs improvement" in one category. ACPE noted the school occupies space in six different buildings and two temporary trailers, with first- and second-year students based in different buildings, and faculty and administrative offices in other buildings. While the program continues to be in compliance with accreditation standards, the lack of adequate facilities could jeopardize it.

According to USM, a new pharmacy building was first included in the UMES 10-year plan in fiscal 2003 as a low priority. As shown in **Exhibit 22**, over the years the project has been moved in and out of the BOR 10-year capital request with it being a relatively low priority for the campus until fiscal 2017. It has never been included in the Governor's *Capital Improvement Plan* (CIP) until the proposed fiscal 2017 CIP. It appears there were no plans for how UMES would accommodate the space requirements of the program once it moved beyond the first year as indicated by the use of temporary trailers. This raises concerns about the program approval process not only at USM but also MHEC, processes that should ensure new programs have the appropriate space needed to provide quality programs. Additionally, USM knew since at least fiscal 2013 that ACPE had issues with the UMES current facilities, yet it did not appear to be a priority for UMES nor BOR.

Now that ACPE has rated the facilities as unsatisfactory in a number of categories, USM has asked and the State has agreed to make room for the project in the CIP. The project is included in the CIP with $3.5 million programmed in for design in fiscal 2019. If this is a critical project for USM then it should consider using available fund balance to begin the project. **The Chancellor should comment on the program approval process, if space requirements are considered as part of the evaluation to determine if an institution can provide adequate and appropriate space for new programs, and on the use of other funds to support the development of the project such as Academic Revenue Bonds.**

Exhibit 22

History of Request for the New Pharmacy Building on Board of Regents Plan

FY Request	Campus Priority	(FY) Planning Request	(FY) Construction Request	Estimated Total Cost
2017	1	2017	2019	$62,214,000
2016	4	2024	2025	$63,150,000
2015	5	2024	2026	$63,150,000
2014	10	–	–	Not Included
2013	10	–	–	Not Included
2012	10	–	–	Not Included
2011	7	2017	2019	$29,700,000
2010	6	2018	2019	$27,000,000
2009	4	–	–	Not Included
2008	4	–	–	Not Included
2007	4	2016	2018	$15,095,000
2006	4	2015	2017	$15,080,000
2005	4	2014	2016	$15,065,000
2004	7	–	–	Not Included
2003	10	2010	2012	$18,500,000

Source: University System of Maryland

2. Effectiveness and Efficiency 2.0

BOR established the E&E initiative in 2003 to change the USM business model to effectively deal with increasing fiscal and enrollment demands, focusing on efficiency of policies, processes, and practices. By 2013, activities resulted in a cumulative reduction of $341.7 million in operating expenses according to USM.

In 2015, BOR approved the next generation of the E&E initiative with the implementation of E&E 2.0, which focuses on enhancing student success, continuing innovation in teaching and learning, reengineering administrative processes, and reducing costs. E&E 2.0 was developed in response to the changes in higher education that affect effectiveness on a large scale such as the teaching and learning process, enrollment management, and human resources. Unlike the previous E&E initiative, E&E 2.0 will be more reliant on technical solutions that involve the application of IT to multi-campus business operations; require a change in culture since the initiative will be more collaborative and leverage the combined assets of multiple campuses to create long-term savings; and consider the use of USM fund balance to accelerate initiatives.

Near-term initiatives include:

- improving procurement policies and procedures in critical areas particularly sponsored research, technology transfer, and cybersecurity;
- expanding analytic capabilities systemwide, focusing on the use of predictive analytics to increase student success;
- implementing differential tuition for institutions interested in applying higher tuition rates for selective programs at the undergraduate level (see the UMCP budget analysis for further discussion);
- offering new academic programs, incrementally, at the USM Historically Black Colleges and Universities to increase enrollment and revenues while improving academic quality and performance, and encouraging collaborative programs with other USM campuses;
- implementing a faculty early retirement program, as appropriate, within each institution;
- conducting a systemic analysis of USM real estate and other assets to identify potential highest and best use opportunities;
- developing and implementing intra- and inter-institutional plans for reorganizing current resources to increase effectiveness and efficiencies; and
- implementing, as appropriate, outsourcing and privatization possibilities relating to services and operations.

Long-term initiatives include:

- leveraging UMUC expertise in the delivery of online education and technology;
- implementing the highest priority recommendations of the BOR Workgroup on Enabling Transformation Through Technology and Innovation;
- preparing to move toward cloud computing and outsourcing IT;
- improving the procurement process including opportunities to automate aspects of the process, and identifying activities that hinder effectiveness and efficiency due to State policies that need not apply to USM;
- determining if the administrative staff to faculty ratio at each institution is appropriate and, if unusual increases are found, investigate the cause and address as appropriate; and
- breaking down silos by pursuing organizational change that will allow academic and business processes that cross organizational units be more effective and efficient.

The Chancellor should comment on how USM will monitor the impact of E&E 2.0 including estimated cost savings, effect on student success, and other activities or initiatives that may be undertaken due to the savings realized from the initiative.

3. Data Analytics

A primary focus of the academic portion of E&E 2.0 is to improve campus' access to and analyses of data from academic and student services sources that can be used to improve student outcomes also known as analytics. Analytics refers to business intelligence methodologies used to support data driven decision making. It is defined as the discovery and communication of meaningful patterns in data, using techniques and tools to quantify performance in order to describe, predict, and improve it. Analytics in higher education can be categorized as academic or institutional focusing on the best practices to support students thereby making improvements on institutional metrics such as retention or completion rates; or learning, which focuses on the individual student and providing information that can be used in making decisions to best help them make progress toward succeeding.

While USM collects and reports on each institution's progress on various measures that track student success *e.g.*, retention and graduation rates, they only provide a snapshot at a point in time and do not provide insight on interactions and relationships among programs that effect student success. The lack of data sharing and analysis on initiatives results in campuses developing and implementing programs from scratch based on institution-specific situations. USM has not taken advantage of collecting, analyzing, and the sharing of data across the system in order to understand what student

interventions do and do not work. Doing so would allow institutions to focus efforts and resources on those initiatives proven to be successful.

Leveraging USM data to improve student outcomes across the system will require collecting data from various sources, providing the analytical framework, and analyzing the data to help institutions make better strategic decisions and improve operations. To begin this process, USM recently signed a membership agreement for all campuses to become a part of the Predictive Analytics Reporting (PAR) Framework Student Success Matrix (SSMx) initiative. PAR is a nonprofit, multi-institutional collaboration established by the Western Interstate Commission on Higher Education in 2011 as a collaboration between six online institutions to share data on student learning. It was spun off last year and was recently acquired by Hobsons, a student success oriented company. PAR has gathered data on over 2 million student records and more than 13.1 million course records.

SSMx is a research-based framework to inventory, analyze, and conceptualize supports aimed at improving student outcomes, with a focus on tying student interventions to known student risk factors. The approach categorizes interventions as (1) predictors of retention and progression; and (2) timing of the intervention in the context of its delivery. The effort will look for points in the academic life cycle where interventions are likely to drive student success giving advisors an opportunity to help struggling students at optimal points and times of need. In addition, SSMx explores the returns on investment for student success programs deployed at each institution.

All USM institutions will adopt SSMx to evaluate how they are closing the achievement gap of key population groups including low-income, underrepresented, and transfer students examining various programs including student engagement, coaching, tutoring, and financial assistance programs. These programs have not been analyzed to determine if they are successful for targeted groups or subgroups of students. In addition four institutions – BSU, UMES, FSU, and CSU – will become members of PAR Framework's predictive analyses and benchmarking collaborative, of which UMUC has been a member since 2012.

The Chancellor should comment on how the results of the student success matrix will be used to guide campus decision making, what measures will be used to track progress, and steps to encourage and maintain collaboration among campuses in order to leverage resources.

4. Status of Enhancement Funded Programs

The fiscal 2014 budget included $13.0 million of State funds to support various programs and initiatives at USM institutions. The General Assembly stated its intent that only those programs that met or showed progress toward meeting the submitted metrics in fiscal 2016 would continue to receive State funding for an additional two years. USM submitted reports summarizing progress that institutions made toward meeting their identified metrics in fiscal 2014 and 2015. Due to budget reductions, UMES canceled the use of enhancement funds in fiscal 2014 and TU, SU, and CSU did so in fiscal 2015, resulting in only $9.4 million of the initial $13.0 million appropriations being spent on enhancement activities.

Enhancement funded activities can be categorized as addressing one of three main goals: (1) transforming the academic model; (2) increasing graduates in science, technology, engineering, mathematics (STEM), and health professions; and (3) helping the State achieve its 55% degree completion goal, including closing the achievement gap. Each institution using enhancement funds provided metrics to be used to evaluate the results of the activities. In addition, USM provided systemwide targets for each goal. A fourth category of other institutional strategies was included to capture those activities designed to respond to the unique needs of an institution that did not fit under one of the three goals.

Academic Transformation

Academic transformation is defined as a broad menu of strategies and initiatives aimed at reshaping the way faculty and students engage in teaching and learning. This not only includes the USM course redesign initiative but other strategies, such as incorporating blended learning formats into courses on a campuswide scale, developing faculty learning communities, and using new technologies to advance learning in the classroom. A total of $1.1 million was budgeted in fiscal 2015 to redesign courses, but due to mid-year budget reductions, only $0.8 million was spent. In general, those institutions using enhancement funds to redesign courses have met or exceeded their targets, as shown in **Exhibit 23** (see **Appendix 2** for more detailed information on each institution's activities and metrics).

Exhibit 23
Academic Transformation: Target and Courses Redesigned
Fiscal 2015 and 2016

	Number of Redesigned Courses[1]			Enrollment		
	Originally Planned	2015 Actual	2016 Projected	Originally Planned*	2015 Actual	2016 Projected
UMB[2]	14	18	19	2,502	879	1,660
UMCP	10	14	24	>14,000	3,030	11,700
BSU	1	0	0	500	0	0
TU	4	4	4	2,520	2,093	2,520
UMES	4	0	0	1,213	0	0
FSU	4	4	7	410	525	410
UMUC	7	7	7	9,000	15,383	16,306
UMBC	4	2	2	1,831	421	421
Total	**48[3]**	**49**	**63**	**30,763[3]**	**22,331**	**33,017**

BSU: Bowie State University
FSU: Frostburg State University
SU: Salisbury University
TU: Towson University
UMB: University of Maryland Baltimore
UMBC: University of Maryland Baltimore County
UMES: University of Maryland Eastern Shore
UMUC: University of Maryland University College

*by 2017

[1]Totals are cumulative.
[2]UMB used other institutional funds to support course redesign.
[3]The University System of Maryland adjusted its goals from the originally planned number of redesign courses from 51 to 48 and enrollment from 31,976 to 30,763, to reflect cancelation of projects at UMES.

Source: University System of Maryland

Besides institutional metrics, USM established systemwide goals and plans to monitor progress through the use of two measures: (1) the number of courses undergoing redesign; and (2) the number of students enrolled in a designed course. The original goals were adjusted to reflect the UMES decision not to redesign 4 courses due to budget reductions in fiscal 2014. Additionally, the goal of USM includes the UMB contribution. While not receiving enhancement funds, UMB is using other institutional funds to support its course redesign efforts. The goal for the first metric is to redesign a total of 48 courses, which was exceeded in fiscal 2015 with the redesign of 49 courses. For the second metric, the goal is for 30,763 enrollments in those redesigned courses by fiscal 2017. Enrollment substantially increased from 7,794 in fiscal 2014, to 22,331 in 2015, due to UMUC exceeding its originally plan goal of 9,000 enrollments by 6,383. It is projected that USM will exceed its goal in fiscal 2016 but only because of projected enrollment in redesigned courses at UMUC.

STEM and Health-related Professions

Institutions using enhancement funds for this initiative will implement a variety of strategies to increase their short- and long-term capacity to enroll and graduate more students in STEM and health-related professions. Activities include upgrading and expanding equipment and facilities, hiring faculty, and targeting more financial aid toward STEM majors. Of the $5.3 million budgeted in fiscal 2015, $4.9 million was expended.

Due to budget reductions and a continuing decline in enrollment, CSU canceled its enhancement funded projects. The report stated that CSU was not able to award any special STEM scholarships as planned, but this was not originally included as a use of the funds. Furthermore, it was reported that BSU was not able to offer face-to-face classes it planned for its Master's in Nursing Program at the Southern Maryland Higher Education Center; however, as initially reported, BSU did not allocate enhancement funds for this activity.

The USM target is to increase enrollment in STEM and health-related professions by 2,628 from 25,922 in fiscal 2013 (the base year) to 28,550 by fiscal 2017. As shown in **Exhibit 24**, institutions exceeded the target in fiscal 2015 by 331. However, this is more likely due to the continuing enrollment growth in these programs rather than to enhancement funded related activities such as hiring faculty and upgrading facilities that have long lead times before they are fully completed.

Exhibit 24
STEM/Health-related Enrollment and Targets by Institution

	Base	Actual		Projected
	FY 2013	FY 2014	FY 2015	FY 2017
University of Maryland, College Park	9,017	9,449	9,948	9,500
Towson University	7,319	8,109	8,407	8,450
University of Maryland Eastern Shore	n/a	n/a	n/a	n/a
Frostburg State University	852	956	1,025	930
Coppin State University	1,082	1,099	1,025	1,120
Salisbury University	2,005	2,052	2,099	2,050
University of Maryland Baltimore County	5,647	5,994	6,377	6,500
Total	**25,922**	**27,659**	**28,881**	**28,550**

Source: University System of Maryland

Degree Completion/Achievement Gap

Institutions are undertaking programs to improve the retention and graduation rates of key population groups (*i.e.*, low-income, underrespresented, and transfer students), thereby closing the achievement gap among all students. Enhancement funding was used for various activities such as targeting academic supports to at-risk students, or developing or expanding more intrusive advising programs. Institutions expended $1.5 million of the $2.1 million budgeted for this initiative in fiscal 2015. In general, most institutions noted further development, and implementation will be dependent on their ability to identify and reallocate existing resources to support continuation of the activities. See **Appendix 3** for more detailed information on institutional activities, progress, and metrics.

To assess the overall impact of these activities, USM is using two systemwide metrics: (1) the number of undergraduate degrees annually awarded; and (2) the estimated number of undergraduate degrees added through enhancement funding. USM projects the total number of undergraduate degrees to increase from 23,238 in fiscal 2014 to 25,200 in fiscal 2017. In fiscal 2015, the total number of degrees increased by 1,186 from 23,724 in fiscal 2014 to 24,910 (it should be noted fiscal 2015 includes a portion of the UMUC online degree total that traditionally had been classified as non-stateside and therefore not include in USM's projections).

Other Institutional-specific Goals/Strategies

USM included an additional category to capture activities not related to the three systemwide goals. Institutions expended $2.1 million of the $2.2 million budgeted activities under this initiative. These activities were specifically designed to respond to unique needs of the institutions such as expanding economic development and technology transfer at UMBC, enhancing the University of Maryland Center for Environmental Sciences' research competiveness, and expanding academic program offerings at USM regional centers. In general, institutions made progress or completed a majority of the activities in fiscal 2015. See **Appendix 4** for more detailed information on activities, progress, and metrics by institution.

Updates

1. Rethinking the Fund Split

Fund splits are used to calculate the State's portion of increases in personnel costs for State-supported positions (those positions funded with State funds, tuition revenues, and other unrestricted funds). The current fund splits, shown in **Exhibit 25**, were developed in 1991 by DBM, in consultation with USM, and are supposed to represent the State-supported portion of all full-time salaries and benefits. In general, the fund splits for research institutions are lower than those for the comprehensive institutions due to their having a greater portion of research-related positions supported with funds restricted to contract and grant activities.

Exhibit 25
Fund Split by Institution

Institution	Fund Split
University of Maryland, Baltimore	42%
University of Maryland, College Park	70%
Bowie State University	87%
Towson University	87%
University of Maryland Eastern Shore	73%
Frostburg University	81%
Coppin State University	91%
University of Baltimore	93%
Salisbury University	84%
University of Maryland University College	30%
University of Maryland Baltimore County	69%
University of Maryland Center for Environment Science	59%
University System of Maryland Office	94%

Source: Department of Budget and Management

Currently, the State's share of increases in personnel costs *e.g.*, salary adjustments and health insurance, are calculated by first determining the total value of the expense. For instance the cost of a cost-of-living adjustment (COLA) includes not only increases in salaries but other associated costs *e.g.*, retirement, unemployment, and the Federal Insurance Contributions Act. The fund split is applied to this total to determine how much of the increase the State will fund.

The fund splits have not been reviewed or revised since 1991 during which time the funding stream for higher education institutions has changed with State funds comprising a smaller portion of the State-supported unrestricted funds, which excludes auxiliary revenues, as shown in **Exhibit 26**. Overall, the State's share of nonauxiliary unrestricted revenues has declined for all institutions since

fiscal 1992, except for CSU and UMUC. This is due to other unrestricted revenues, primarily tuition and fee revenues, increasing 314.4% from fiscal 1992 to 2014, compared to 129.0% growth in State funding.

Exhibit 26
State Portion of Unrestricted Funds
(Not including Auxiliary Revenues)
Fiscal 1992 and 2014

	State Portion of Unrestricted Funds	
Institution	**1992**	**2014**
University of Maryland, Baltimore	59.3%	37.8%
University of Maryland, College Park	56.1%	39.2%
Bowie State University	63.0%	53.7%
Towson University	68.5%	34.8%
University of Maryland Eastern Shore	64.8%	50.5%
Frostburg University	61.1%	50.6%
Coppin State University	73.1%	76.0%
University of Baltimore	56.0%	32.6%
Salisbury University	57.2%	38.5%
University of Maryland University College	3.6%	10.7%
University of Maryland Baltimore County	58.0%	43.2%
University of Maryland Center for Environment Science	78.9%	73.3%
University System of Maryland Office	85.2%	79.3%

Source: Department of Legislative Services

Over the past years, questions have risen regarding what portion of the annualized COLAs, salary increments, and other personnel costs should be funded by the State. This resulted in a JCR requesting DBM, USM, and DLS to submit a report on the current fund splits and to the extent consensus can be reached, propose new splits by August 2015. USM and DBM requested a formal delay in the submission of the report until November 2015 stating that due to recent changes in leadership, the Chancellor and Secretary had not had the opportunity to engage in the issue of funds splits. Additionally, neither agency had met with DLS to discuss what the State's proportionate share of increases of State-supported personnel costs should be. Subsequently, the three agencies met in September to discuss this issue, but there was no resolution.

2. Status of Implementing Sexual Misconduct Policies

Language in the 2015 JCR required USM to submit a report on the status of implementing its sexual misconduct policies including if institutions have an amnesty policy and if so how it is

implemented; how the institutions plan to implement a climate survey; and a list of all Memoranda of Understanding applicable to the issue of sexual misconduct. USM submitted a report on June 30, 2015, and subsequently, provided a more recent update as some institutions had not fully implemented all the policy requirements.

All campuses:

- have amnesty policies, which are described within their sexual misconduct policies;
- have created their own climate survey or have adopted, with modifications, the MHEC climate survey and plan to administer the survey by March 1, 2016; and
- are pursuing or are finalizing MOUs with local police departments and rape crisis centers.

Fund Balance by Institution
($ in Thousands)

	FY 2016					Estimated FY 2017			
	Estimated FY 2015 Ending	Planned Transfer	Estimated State Support	Estimated Non-State Support	Estimated FY 2016 Ending	Planned Transfer	Estimated State Support	Estimated Non-State Support	Estimated Ending Balance
UMB	$145,060	$2,877	$31,387	$116,551	$147,937	$3,291	$32,841	$118,388	$151,229
UMCP	393,622	14,757	164,104	244,275	408,379	14,757	178,860	244,275	423,136
BSU	22,946	1,219	13,012	11,153	24,165	1,214	13,977	11,402	25,379
TU	68,712	4,067	-5,404	78,183	72,779	4,166	-5,404	82,349	76,945
UMES	5,773	1,068	187	6,654	6,841	1,071	187	7,725	7,912
FSU	11,516	998	0	12,514	12,514	1,020	0	13,534	13,534
CSU	3,166	735	-15,149	19,049	3,901	735	-14,684	19,320	4,636
UB	14,610	1,165	59	15,715	15,774	1,144	672	16,247	16,918
SU	55,861	1,826	8,775	48,911	57,687	2,089	8,775	51,001	59,776
UMUC	102,353	2,700	0	105,053	105,053	2,700	0	107,753	107,753
UMBC	73,234	3,331	20,548	56,017	76,565	3,392	20,644	59,314	79,957
UMCES	16,771	293	1,738	15,326	17,064	293	2,031	15,326	17,357
USMO	3,871	-320	313	3,238	3,551	180	313	3,418	3,731
Total	**$917,496**	**$34,715**	**$219,569**	**$732,642**	**$952,211**	**$36,053**	**$238,211**	**$750,052**	**$988,264**

BSU: Bowie State University
CSU: Coppin State University
FSU: Frostburg State University
SU: Salisbury University
TU: Towson University
UB: University of Baltimore
UMB: University of Maryland Baltimore
UMBC: University of Maryland Baltimore County
UMCES: University of Maryland Center for Environmental Science
UMES: University of Maryland Eastern Shore
UMUC: University of Maryland University College
USMO: University System of Maryland, Office

Source: University System of Maryland

Progress Toward Academic Transformation Initiatives and Metrics

Institution	Enhancement Funded Activities	Progress Toward Metrics	
University of Maryland, College Park	Identify and launch redesign of 14-20 courses	⇗	Will compare student performance in redesigned courses to those in traditional courses including grades, withdraw rates, retention rates, and students remaining in their majors
	Upgrade class rooms	⇧	
Bowie State University	Redesign MATH 99	Canceled further work due to budget reduction	
University of Maryland Eastern Shore	Redesign 4 courses	Eliminated funds due to budget reduction	
Frostburg State University	Pilot and implement 4 course redesigns	⇧	Significant reduction from 32% to 24% in redesigned biology course; DFW rate dropped from 43% to 30% in redesigned chemistry course
University of Baltimore	Establish Office of Academic Innovation	⇧	Created office; appointed a director and experiential learning coordinator
University of Maryland University College	Complete, implement, and assess 7 redesign courses	⇧	Average percentage of students in transformed classes receiving DFW decreased from 18.2% to 17.4%, compared to 1 percentage point in untransformed classes; average retention in major of students in transformed classes increased from 48.7% to 63.1%
University of Maryland Baltimore County	Redesign 1 course; test, evaluate, and revise 3 redesign courses	⇗	DFW rate for students in redesigned information technology course was 4.7% compared to 21.7% in comparison course; pass rate in redesign was 95.3% versus 81.6% in comparison course
	Establish Faculty Learning Communities	⇩	

DFW: Drop, fail, withdrew

Source: University System of Maryland

Achievement Gap/Degree Completion
State Enhancement Funds and Metrics by Institution

Institution	Enhancement Funded Activities	Progress Toward Metrics	
University of Maryland, College Park	Develop and implement academic advising program	⇗	• Determine in-house advising program not viable, therefore, looking for a vendor solution • Hired 8.5 additional advisors • Offered additional peer guide sections; 9.0% increase in attendance with 3,886 students participating for a total of 27,522; those participating in sessions had a higher percentage of A,B, or C grades and lower percentage of DFW than nonparticipants
	Expand advising in selected programs	⇧	
	Develop new academic minor/certificate in Business to retain nonbusiness majors	✓	
	Implement peer-guided study sessions	✓	
Bowie State University	Expand Bulldog Academy	⇧	• Average number of credits earned in first year higher for participants (27.9 versus 21.7 for all FT/FT in 2013; and 26.7 versus 20.9 all FT/FT in 2014) • Second year retention higher (77.0% versus74.0% of FT/FT in 2013; and 83.0% versus 72.0% of FT/FT in 2014)
Towson University	Establish initiative to improve At-Risk Student Success	Eliminated due to budget reductions	
University of Maryland Eastern Shore	Designate full-time faculty to teach gatekeeper courses	Eliminated due to budget reductions	
	Hire advisors		
	Implement supplemental instruction		
Frostburg State University	Implement web-based early warning system	Eliminated due to budget reductions	
	Increase need-based aid awards		
Coppin State University	Expand Targeted Advisement program	Eliminated due to budget reductions	
	Acquire assistive and adaptive equipment		
	Hire retention coordinators		
	Identify and acquire or upgrade software for improving retention		

Institution	Enhancement Funded Activities	Progress Toward Metrics	
University of Baltimore	Continue implementation of high touch advising	⇗	• Slight decrease in number of freshmen impacted by high touch advising • Continue outreach efforts but slight drop in Hispanic enrollment which is more reflective of overall enrollment decline • Amount of financial aid decreased in fiscal 2015 due to budget reductions
	Implement midsemester progress report system	⇔	
	Enhance recruitment of targeted populations	⇩	
	Expand need-based financial aid	⇩	
Salisbury University	Develop or expand advising support programs	Eliminated due to budget reductions	
	Increase institutional aid for returning students		
	Implement sophomore residency program		
	Adopt and implement targeted advising model		
	Revamp pre-professional programs orientation for upper level students		
University of Maryland Baltimore County	Expand support for transfer students	⇔	• Suspended work on many activities due to budget reductions including targeting financial aid to transfers; identifying and providing support near completers • Increased targeted tutoring service; expanded staff to counsel undeclared majors; and hired an Associate Director of Disability Services
	Improve graduation rate of near completers	⇧	
	Expand student support services	⇧	
	Improve learning environment	⇧	

DFW: Drop, fail, withdrew
FT/FT: first-time full-time

Source: University System of Maryland

Other Institution Strategies
State Enhancement Funds and Metrics by Institution

Institution	Enhancement Funded Activities	Progress Toward Metrics	
University of Maryland Baltimore County (UMBC)	Develop UMBC Entrepreneur in Residence Program	⇧	• Hired entrepreneur-in-residence and work with campus faculty • Hired technology transfer staff • Established commercialization investment fund – fall 2014 four proposals received $79,000 of funding; fall 2015 six proposals received $117,500 of funding; used other sources of funds to supplement total available funds
	Strengthen technology transfer administrative operations	⇧	
	Develop and implement commercialization fund	⇧	
University of Maryland Center for Environmental Science	Increase research competitiveness	⇧	• Hired three faculty members • Activities on some projects deferred due to budget reductions
	Enhance graduate education	⇩	
	Facilitate mission effectiveness	⇔	
University of Maryland System Office	Offer workforce-related programs at Universities of Shady Grove (USG)	⇧	• Support enrollment growth in two programs at USG and offer two new programs • Support expansion of two new programs at Non-USM Regional Centers • Established CIELT • Hired staff for Way2GoMaryland and enhanced education and outreach services
	Complete program development at non-University System of Maryland (USM) regional centers	⇧	
	Establish Center for Innovation and Excellence in Learning and Teaching (CIELT)	⇧	
	Institutionalize "Way2GoMaryland" resources	⇧	

Source: University System of Maryland

University System of Maryland/
State Funds/Full-time Equivalent Student
Fiscal 2007-2017

	2007	2008	2009	2010	2011	2012	2013	2014	2015	Working 2016	Allowance 2017
UMB	$28,457	$29,589	$30,292	$28,973	$28,643	$28,450	$28,593	$30,558	$32,740	$34,472	$36,025
UMCP	11,491	11,938	12,124	12,031	11,886	11,984	12,149	12,800	13,468	14,037	14,760
BSU	7,486	7,698	7,817	7,800	7,704	7,990	8,392	8,683	8,803	9,429	9,950
TU	4,963	5,119	5,161	5,077	5,034	5,077	5,057	5,158	5,573	5,922	6,320
UMES	7,631	8,644	8,101	8,590	7,454	7,487	7,504	8,410	8,620	8,825	8,888
FSU	7,128	7,296	7,390	7,041	6,941	7,264	7,350	7,706	8,112	8,487	8,968
CSU	9,940	10,604	10,919	11,997	12,546	13,061	13,760	15,337	17,003	16,722	17,197
UB	7,716	7,475	7,651	7,127	7,050	6,852	6,387	7,224	7,738	8,072	8,560
SU	5,036	5,129	5,356	5,208	5,143	5,049	5,130	5,308	5,716	6,107	6,587
UMUC	1,210	1,448	1,540	1,447	1,423	1,290	1,423	1,502	1,409	1,433	1,525
UMBC	8,532	8,978	9,171	9,092	9,000	8,875	8,732	9,058	9,511	9,934	10,515

BSU: Bowie State University
CSU: Coppin State University
FSU: Frostburg State University
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: UMCP and UMES excludes funding for Agriculture Cooperative Extension and Experimental Station. General funds adjusted to reflect fiscal 2016 deficiency and fiscal 2017 across-the-board reduction, and salary increments. Does not include $6.8 million of enhancement funds.

Source: Governor's Budget Books

University System of Maryland
Full-time Equivalent Personnel by Budget Program
Fiscal 2002, 2015, and 2016

	2002		2015		2016		
	FTEs	% of Total FTEs	FTEs	% of Total FTEs	FTEs	% of Total FTEs	Change in Absolute Share of Total 2015-2016
Instruction	5,858	33.5%	7,191	31.4%	7,316	33.1%	-0.4%
Research	2,455	14.0%	3,852	16.8%	3,876	17.5%	3.5%
Public Service	689	3.9%	746	3.3%	642	2.9%	-1.0%
Academic Support	1,937	11.1%	2,540	11.1%	2,501	11.3%	0.2%
Student Services	945	5.4%	1,292	5.6%	1,289	5.8%	0.4%
Institutional Support	2,427	13.9%	2,960	12.9%	3,025	13.7%	-0.2%
Operations and Maintenance of Plant	1,558	8.9%	1,715	7.5%	1,280	5.8%	-3.1%
Auxiliary	1,368	7.8%	1,994	8.7%	1,605	7.3%	-0.6%
Hospitals	248	1.4%	595	2.6%	591	2.7%	1.3%
Total	**17,485**		**22,885**		**22,125**		

Notes: Data are for filled positions only.

Source: University System of Maryland Institutions