

**R30B30**  
**University of Maryland University College**  
**University System of Maryland**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 15</u> <u>Actual</u>	<u>FY 16</u> <u>Working</u>	<u>FY 17</u> <u>Allowance</u>	<u>FY 16-17</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$36,962	\$36,798	\$39,317	\$2,519	6.8%
Deficiencies and Reductions	0	794	-59	-853	
<b>Adjusted General Fund</b>	<b>\$36,962</b>	<b>\$37,592</b>	<b>\$39,258</b>	<b>\$1,666</b>	<b>4.4%</b>
Special Funds	1,732	1,799	1,954	155	8.6%
<b>Adjusted Special Fund</b>	<b>\$1,732</b>	<b>\$1,799</b>	<b>\$1,954</b>	<b>\$155</b>	<b>8.6%</b>
Other Unrestricted Funds	311,743	317,355	323,692	6,337	2.0%
<b>Adjusted Other Unrestricted Fund</b>	<b>\$311,743</b>	<b>\$317,355</b>	<b>\$323,692</b>	<b>\$6,337</b>	<b>2.0%</b>
Total Unrestricted Funds	350,436	355,952	364,963	9,011	2.5%
Deficiencies and Reductions	0	794	-59	-853	
<b>Adjusted Total Unrestricted Funds</b>	<b>\$350,436</b>	<b>\$356,746</b>	<b>\$364,904</b>	<b>\$8,158</b>	<b>2.3%</b>
Restricted Funds	40,763	35,275	42,275	7,000	19.8%
<b>Adjusted Restricted Fund</b>	<b>\$40,763</b>	<b>\$35,275</b>	<b>\$42,275</b>	<b>\$7,000</b>	<b>19.8%</b>
<b>Adjusted Grand Total</b>	<b>\$391,199</b>	<b>\$392,021</b>	<b>\$407,178</b>	<b>\$15,158</b>	<b>3.9%</b>

- A fiscal 2016 deficiency appropriation is provided to the University System of Maryland Office to cover an increase in health insurance, which will be allocated among the institutions, of which the University of Maryland University College's (UMUC) share is estimated to be \$0.8 million.
- The General Fund increases \$1.7 million, or 4.4%, in fiscal 2017 after adjusting for the fiscal 2016 deficiency and the \$59,169 across-the-board reduction in health insurance in fiscal 2017.
- The Higher Education Investment Fund increases \$0.2 million, or 8.6%, in fiscal 2017 resulting in an overall growth of 4.6%, or \$1.8 million, in State funds above fiscal 2016. The fiscal 2017 allowance also includes funding for increments budgeted in the Department of Budget and Management totaling \$0.7 million in general funds. If these are taken into account, State funds increase 6.4%, or \$2.5 million.

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

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***Analysis of the FY 2017 Maryland Executive Budget, 2016***

## ***Personnel Data***

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	<b><u>FY 15</u></b> <b><u>Actual</u></b>	<b><u>FY 16</u></b> <b><u>Working</u></b>	<b><u>FY 17</u></b> <b><u>Allowance</u></b>	<b><u>FY 16-17</u></b> <b><u>Change</u></b>
Regular Positions	1,037.71	1,037.71	1,037.71	0.00
Contractual FTEs	<u>1,911.01</u>	<u>1,915.33</u>	<u>1,915.33</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>2,948.72</b>	<b>2,953.04</b>	<b>2,953.04</b>	<b>0.00</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	18.89	1.82%
Positions and Percentage Vacant as of 12/31/15	60.00	5.80%

- The allowance does not provide for any new regular or contractual positions.
- The vacancy rate at UMUC, 5.8%, is slightly above the University System of Maryland's average of 5.3%.

## ***Analysis in Brief***

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### **Major Trends**

***Fall Enrollment Grows Again:*** UMUC's fall 2014 headcount enrollment grew nearly 20%, but this was due to a change in how such enrollment is counted. Fall 2015 is also up, but only by 5%. Overall, UMUC has seen an increase in undergraduate enrollment after a big decline in fall 2013.

***Retention and Graduation Rates Improve:*** UMUC's retention rates for transfer students with at least 61 credits have risen 3.7 percentage points, and the three-year graduation rate has grown 11.0 percentage points, over the last five cohorts.

***Expenditures Per Degree:*** By one measure, UMUC's degrees are nearly 25% less expensive to produce than those of its peers, representing a strong relative cost effectiveness for the State. However, most UMUC peers are not distance education institutions, as there are few truly comparable peers.

### **Issues**

***Affordability and Enrollment:*** About 30% of UMUC students receive Pell grants. Although aid to the neediest students appears to be increasing, recent increases in UMUC's financial aid budget are for merit scholarships, rather than need-based awards. Overall, many students still rely on loans to pay for a UMUC education.

***Online Associates Degrees:*** UMUC operates in the online higher education marketplace, which is very competitive. Although it is accredited to offer two-year degrees online, it does not currently offer this option to Maryland residents even though this could be a tremendous benefit for reverse transfer awards and near completers.

***UMUC Spins Off HelioCampus:*** Following enrollment declines and significant competition from the private sector, UMUC convened a workgroup to suggest new business models. Ultimately, the group favored giving UMUC greater autonomy and also saw UMUC spin off its Office of Analytics.

### **Recommended Actions**

1. Concur with Governor's allowance.

***R30B30 – USM – University of Maryland University College***

**R30B30**  
**University of Maryland University College**  
**University System of Maryland**

## ***Operating Budget Analysis***

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### **Program Description**

The University of Maryland University College (UMUC) specializes in providing access to higher education for Maryland's adult learners. Most UMUC students have career or family commitments that lead them to study part time. UMUC services its students through traditional and innovative delivery of undergraduate and graduate degree programs, noncredit professional development programs, and conference services.

UMUC provides courses at 21 locations throughout the State and the Washington metropolitan area and has offered online education programs since 1994. The institution also offers special programs in other states and programs overseas for U.S. service members and their families, U.S. citizens, and international students. UMUC's vision is to be the global university of Maryland.

Academic programs offered by UMUC include Bachelor of Arts and Bachelor of Science degrees with 33 majors and 38 minors. The most extensive offerings are in business and management and computer studies. Master's degrees are offered in management and technology areas that, like bachelor's degree concentrations, represent fields with significant current or anticipated workforce needs. UMUC also offers a Doctor of Management and a noncredit professional program emphasizing management and executive development. The university has a role in renewing and upgrading the skills of an experienced workforce.

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

#### **Fall 2015 Undergraduate Enrollment Headcount**

Male	20,069
Female	17,286
<b>Total</b>	<b>37,355</b>

#### **Fall 2015 Graduate Enrollment Headcount**

Male	6,002
Female	6,891
<b>Total</b>	<b>12,893</b>

#### **Fall 2015 New Students Headcount**

First-time	825
Transfers/Others	7,232
Graduate	2,513
<b>Total</b>	<b>10,570</b>

#### **Campus (Main Campus)**

Acres	13
Buildings	3
Average Age	28
Oldest	1963

#### **Programs**

Bachelor's	32
Master's	17
Doctoral	1

#### **Degrees Awarded (2014-2015)**

Bachelor's	5,146
Master's	3,693
Doctoral	36
<b>Total Degrees</b>	<b>8,875</b>

**Proposed Fiscal 2017 In-state Tuition and Fees Per Credit Hour\***

Undergraduate Tuition	\$284
Mandatory Fees	\$15

\*Contingent on Board of Regents approval.

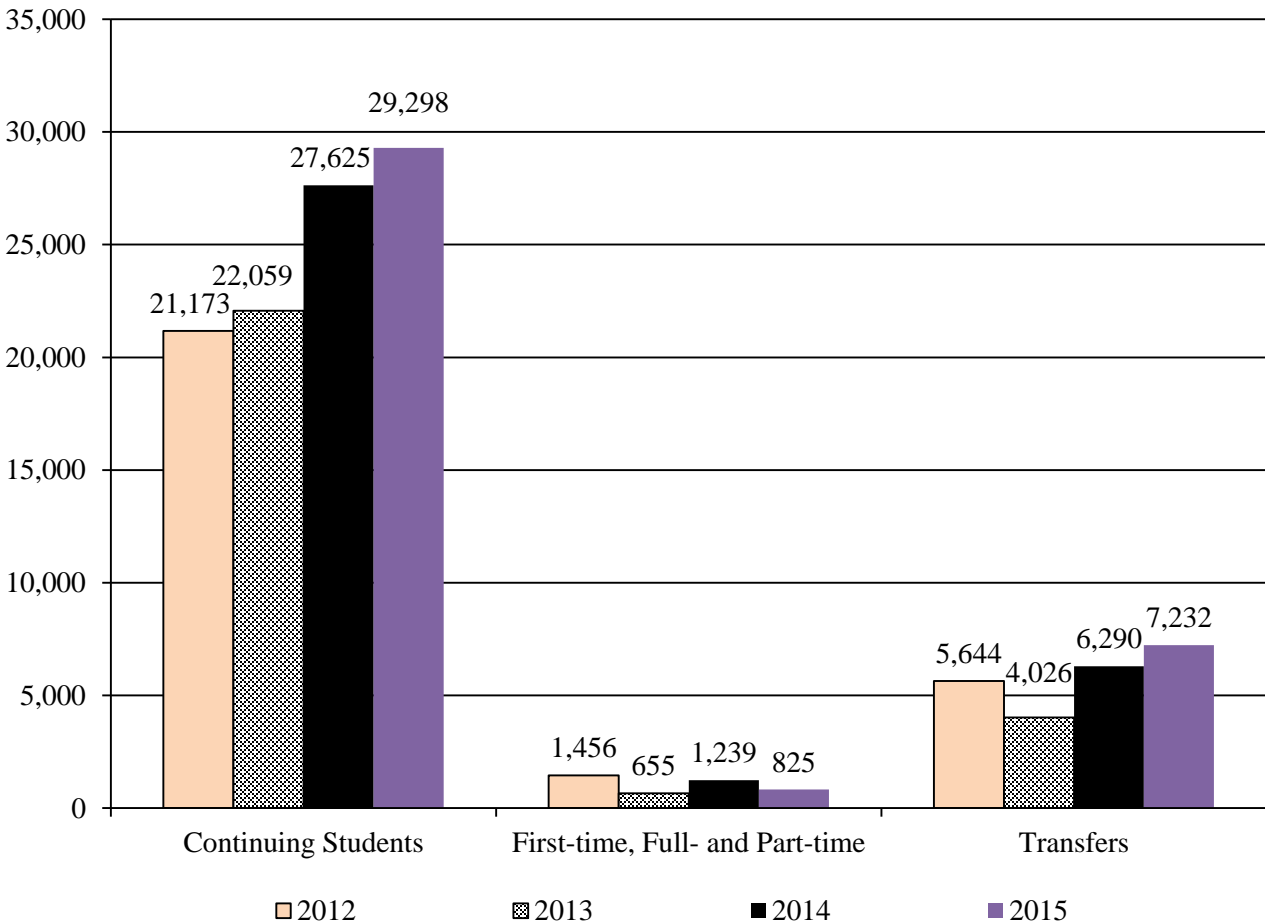
## **Performance Analysis: Managing for Results**

### **1. Fall Enrollment Grows Again**

Undergraduate enrollment grew 4.9%, or 2,300 students, in fall 2015. As shown in **Exhibit 1**, first-time students actually decreased by over 400, or 33.4%, but continuing students grew 6.1% and transfers grew 15.0%. This follows tremendous growth in fall 2014 when continuing students grew 25.0%, and first-time and transfer students grew nearly 90.0% and 60.0%, respectively. As a primarily online institution, UMUC sees more volatility in its enrollments than other Maryland institutions, but the enormous gains in fall 2014 were due to the way that UMUC reports its enrollments. For this reason, the change in fall 2015 is much more meaningful than the changes in fall 2014. Under the new reporting method, total enrollment has grown 18.9% since fall 2012, but the number of graduate students fell 7.9% and first-time, full- and part-time students by 43.3%. Returning students grew 38.4% during this time, suggesting that students are growing more persistent in their studies, an important metric for institutions to monitor.

UMUC reports that about 88.0% of all courses at the institution are taught online. In fiscal 2015, UMUC closed its distance education administrative operations for its Europe and Asia divisions. Now all online enrollments are managed stateside from its Adelphi, Maryland headquarters. According to federal regulations, stateside students are counted in the stateside total, which includes those students taking online courses administered by the Adelphi office. The stateside number did not previously include those students enrolled overseas or those students taking online courses administered by the European or Asian offices. In the future, the official UMUC enrollment number will include all overseas students, not just those in distance education.

**Exhibit 1**  
**Percentage Change in Undergraduate Headcount Enrollment**  
**Fall 2012-2015**

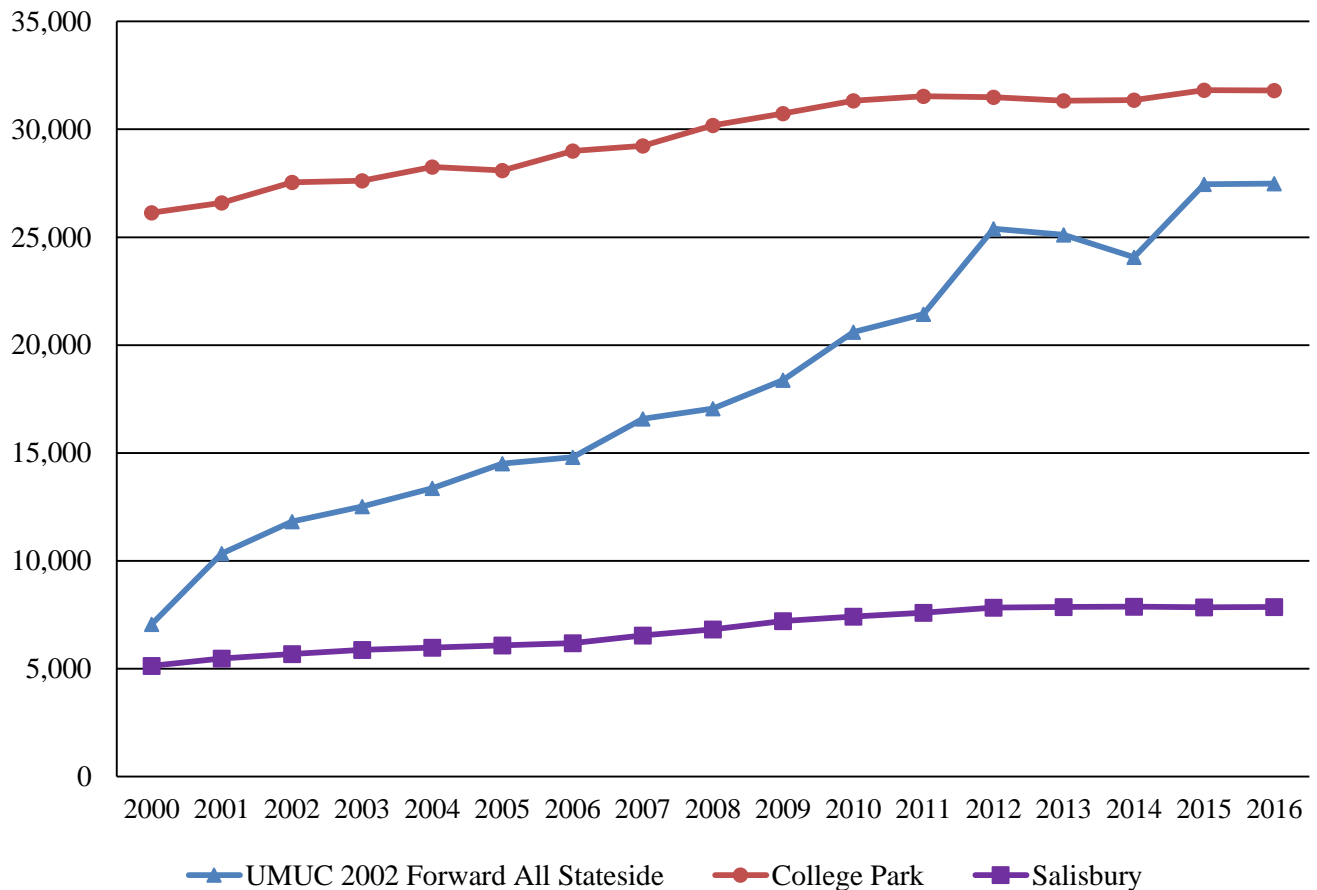


Source: University of Maryland University College

Tracking UMUC's enrollment accurately is important. **Exhibit 2** shows UMUC's full-time equivalent student (FTES) enrollment from fiscal 2000 to the 2016 working appropriation. For comparison, the University of Maryland, College Park (UMCP) is shown along the top, the State's largest institution by FTES, which grew steadily over this time period. Along the bottom is Salisbury University (SU), which was the fastest growing university in this time period after UMUC. While UMCP grew 22.0%, SU grew 53.0%, but UMUC grew an astounding 288.0%. While UMUC was only 8.1% of public four-year enrollment in fiscal 2000, it grew to 20.7% in fiscal 2016, leading to UMUC's ability to swing the State's overall change up or down. Fiscal 2013 and 2014 saw the first declines in UMUC's FTES enrollment since fiscal 1999. Again, because of the change in how

enrollment was counted in fiscal 2015, it is not necessarily accurate to say enrollment increased in that year.

**Exhibit 2**  
**Full-time Equivalent Student Enrollment**  
**Fiscal 2000-2016**



UMUC: University of Maryland University College

Note: Includes undergraduate and graduate enrollment.

Source: Department of Budget and Management

**Now that fiscal 2015 actual enrollment numbers are available, the President should comment on whether enrollment actually increased in fiscal 2015 after backing out what used to be European- and Asian-based students.**



## **2. Retention and Graduation Rates Improve**

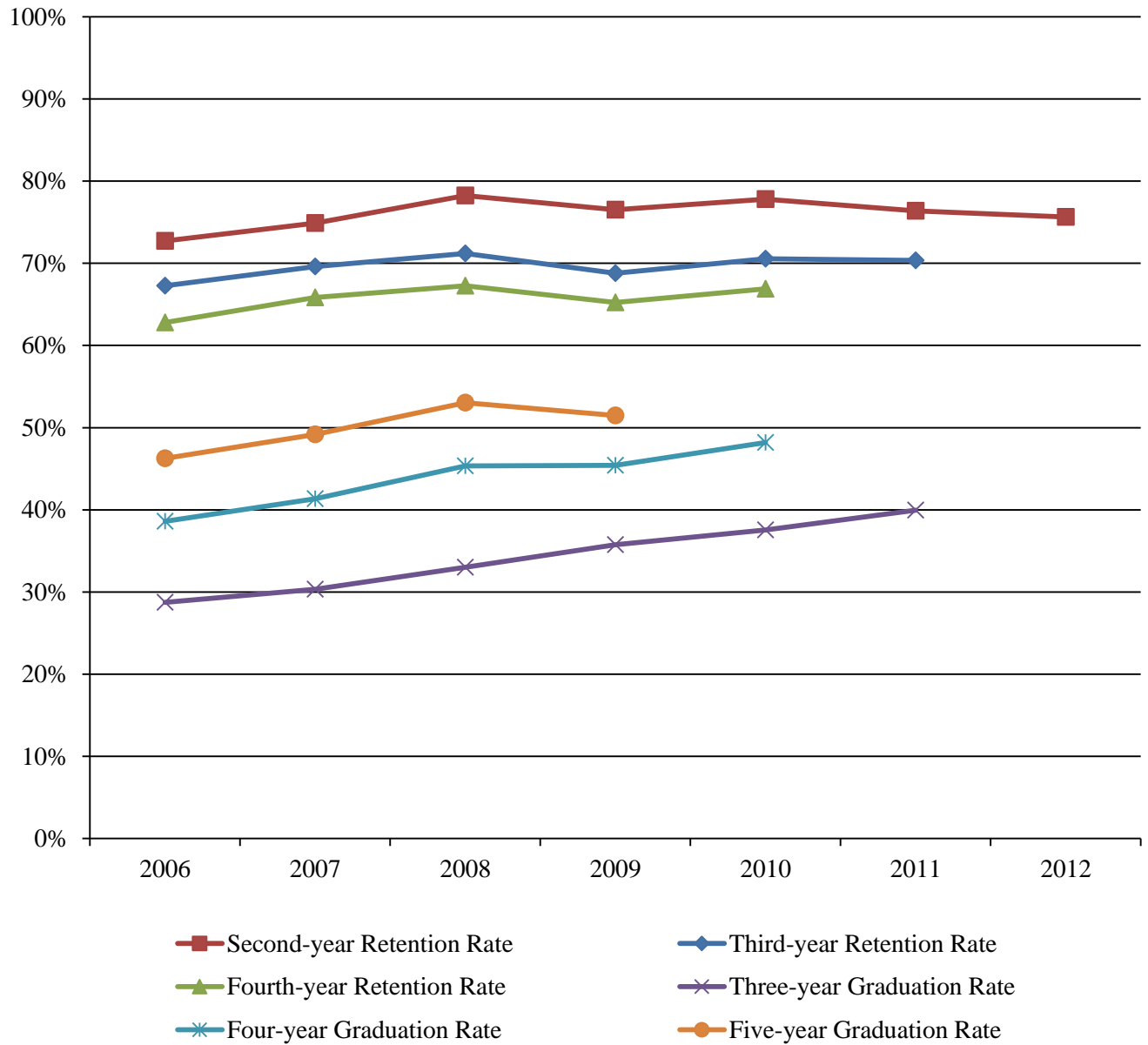
Maintaining and strengthening academic excellence and effectiveness to meet the educational needs of the State is a key strategic goal of the University System of Maryland (USM) and UMUC. The Maryland Higher Education Commission (MHEC) does not report UMUC's retention or graduation rates in its regular annual reporting due to UMUC's mission to serve the adult, part-time population. Because many distance education students take much longer to complete degrees and take time off before graduation, traditional metrics are not reflective of UMUC's success with its target student demographic, namely individuals 25 to 45 years old. In fact, the average age of a UMUC student is 33, 74% work full-time, and 48% have children.

**Exhibit 3** shows the most recent data for retention rates and graduation rates for part- or full-time students transferring to UMUC with 61 or more credits by cohort year and reenrolling in the following spring semester. Given UMUC's nontraditional student body, UMUC prefers to use individualized metrics that more accurately account for how the institution best serves students. Since the 2006 cohort, UMUC's second-year retention rate has grown from 73% to 76%, and the third-year retention rate grew 3 percentage points from 67% to 70%. Over this time period, UMUC's three-year graduation rates have risen 11 percentage points from the 2006 cohort to the 2011 cohort, a large gain considering the second-year retention rate increased only 4 percentage points. While a student with at least 60 credits would be expected to complete an undergraduate degree of 120 credits in an additional two years of full-time study, many UMUC students are part-time, or alternate between full and part time. UMUC attributes rising graduation rates in this exhibit to an increased focus on student services and academic support. If retention rates began rising nearly as fast as graduation rates, UMUC would have significantly more graduates.

While UMUC's internal measures in Exhibit 3 do a good job detailing the work of the institution, new external measures have been developed to supplement traditional university graduation metrics. For example, while the traditional six-year graduation rate provides an accurate picture of the total graduation rate of an institution, it does not tell what happened to those who did not graduate nor how transfers perform. To help address this lack of information, the Student Achievement Measures (SAM) was created, which is a voluntary reporting system that tracks the progress of first-time, full-time (FT/FT) and transfer students throughout their college career. All USM institutions participate in SAM.

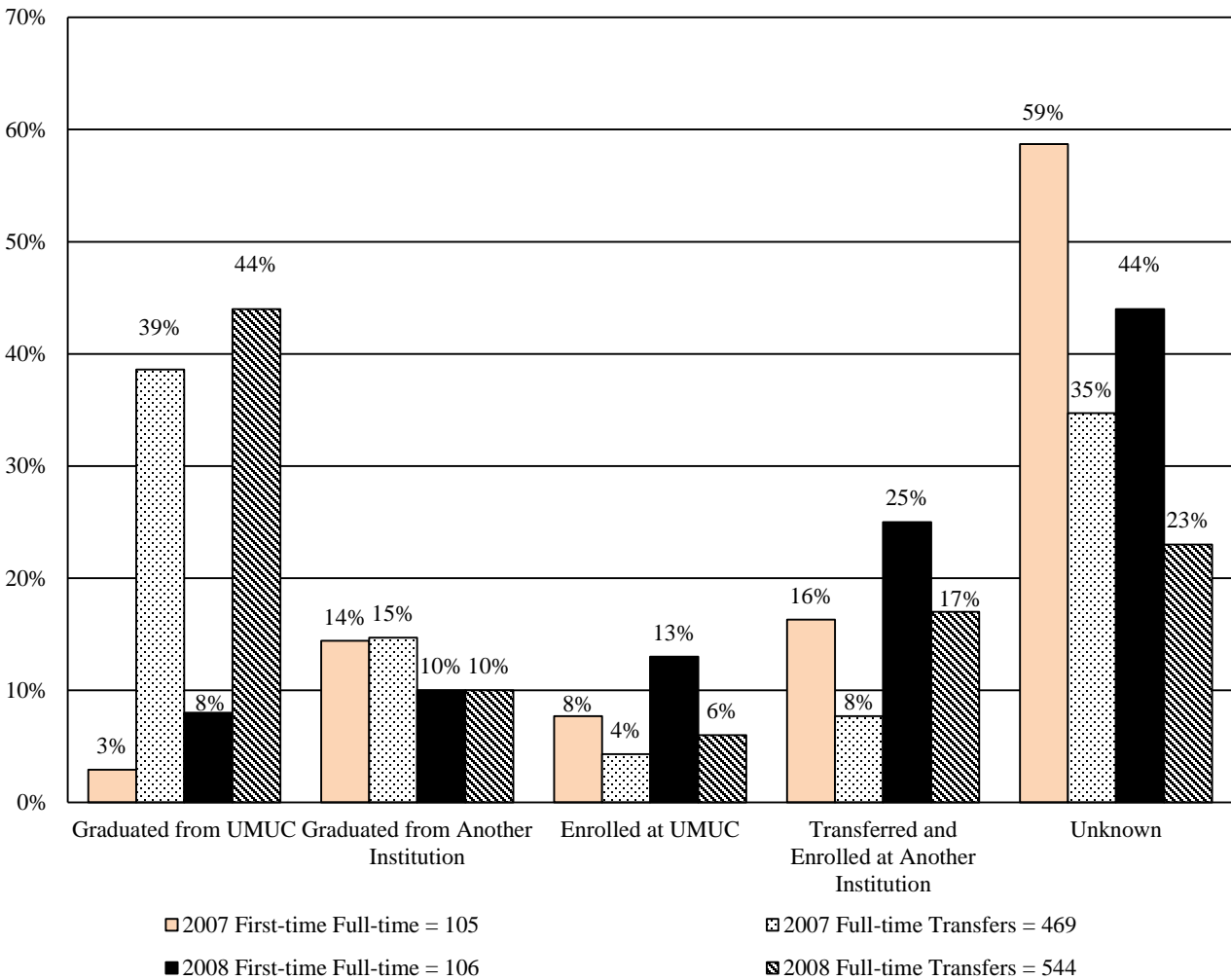
**Exhibit 4** shows UMUC's most recent SAM data. Transfer students achieve much greater success than FT/FT students with 44% graduating within six years of enrolling at UMUC compared to only 8% of FT/FT students. The status is not known for 44% of the FT/FT students and for 23% of the transfer students, respectively. In addition, within six years of enrolling at UMUC, 38% and 23% of FT/FT and transfer students are either still enrolled at UMUC or another institution. Broadly speaking, these fall 2008 cohort rates are improvements over the 2007 rates as more students graduated from UMUC and fewer students' outcomes are unknown.

**Exhibit 3**  
**Retention and Graduation Rates of Transfer Students**  
**2006-2012 Cohorts**



Source: University of Maryland University College

**Exhibit 4**  
**Status of First-time, Full-time and Full-time Transfer Students**  
**Seeking a Bachelor's Degree within Six Years**  
**Fall 2007 and 2008 Cohort**



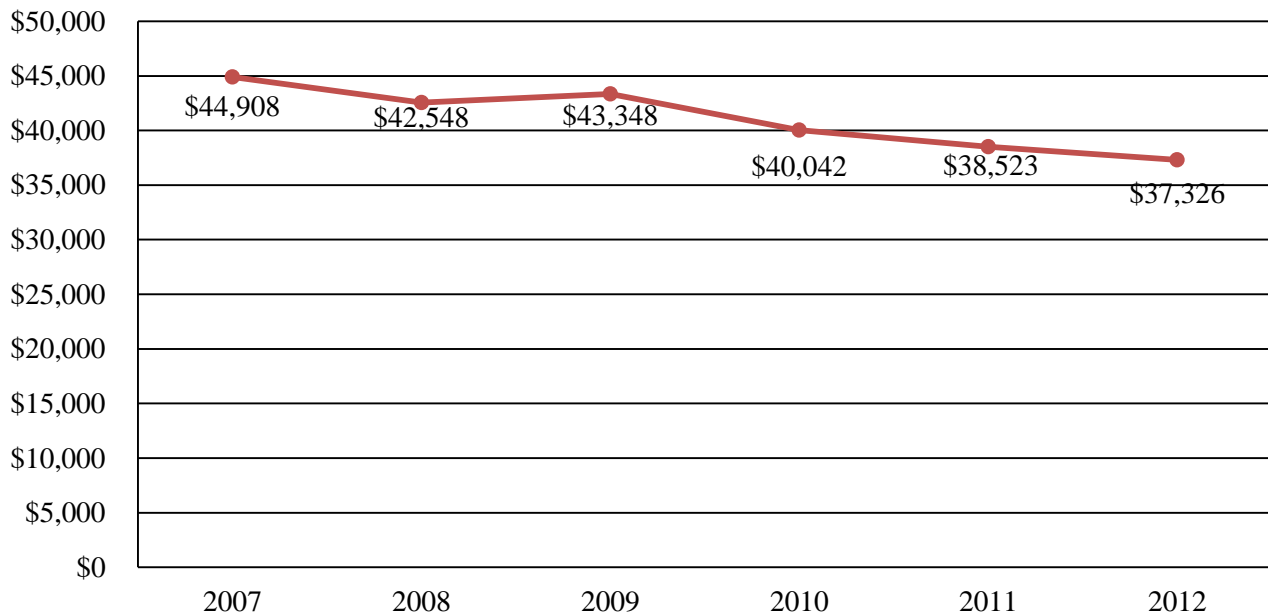
UMUC: University of Maryland University College

Source: Student Achievement Measures

### 3. Expenditures Per Degree

Ultimately, how well an institution meets its mission is measured by the number of undergraduate degrees awarded. One measure of how effectively institutions translate resources into degrees is the ratio of education and related (E&R) expenditures per degree (undergraduate and graduate). E&R expenditures include total spending on direct educational costs, such as instruction and student services, and the educational share of spending on administrative overhead, such as academic support, institutional support, and operations and maintenance. **Exhibit 5** shows UMUC's E&R expenditures per degree from fiscal 2007 to 2012, the most recent year for which data is available.

**Exhibit 5**  
**UMUC Educational and Related Expenditures Per Degree**  
**Academic Year 2007-2012**



UMUC: University of Maryland University College

Note: Education and related expenditures include direct spending on instruction and student services and the education share of spending on academic and institutional support and operations and maintenance. All dollar amounts are reported in 2012 dollars (Higher Education Price Index adjusted). Direct educational costs per degree is calculated as the total education and related expenses for all students divided by all degrees (undergraduate, graduate, and professional) awarded in that year.

Source: Delta Project, *Trends in College Spending Online*; Department of Legislative Services

In fiscal 2007, UMUC's E&R expenditures per degree were \$44,908, but by fiscal 2012 this had decreased by \$7,582, or 16.9%, to \$37,326. UMUC's falling spending per degree is likely due to flat State support for the operating budget, as well as a rapid increase in enrollment during these years. Stateside FTES enrollment at UMUC hit a then-record high in fiscal 2012 of 25,390, having grown 53.0% from fiscal 2007 to 2012. Given that enrollment declined in fiscal 2013 and 2014, the cost per degree will likely go up when that data is available. UMUC's designated peer institutions are not shown in this exhibit because none of UMUC's peers offer distance education to the extent that UMUC does, so the comparison of UMUC to other institutions is misleading. UMUC has very few comparable peers in the public sector nationwide.

## **Fiscal 2016 Actions**

### **Proposed Deficiency**

A fiscal 2016 deficiency would provide the University System of Maryland Office with \$16.5 million to cover an increase in health insurance costs at all USM institutions (see USM Overview for further discussion). UMUC's estimated portion of the deficiency is \$0.8 million.

### **Cost Containment**

Cost containment measures in fiscal 2016 resulted in a 2.0%, or \$0.8 million, reduction in State support for UMUC, which was met by enacting its own institutional 0.2% across-the-board reduction across all budget functions. Unlike most other USM institutions, no positions were reduced.

## **Proposed Budget**

After adjusting for the fiscal 2016 deficiency and a back of the bill reduction in health insurance, as shown in **Exhibit 6**, UMUC's total State allowance for fiscal 2017, including general funds and the Higher Education Investment Fund, is \$41.2 million, a 4.6% increase over fiscal 2016. Overall, unrestricted funds increase about \$8.2 million, or 2.3%, primarily due to increases in public service revenue. Restricted funds grow \$7.0 million, or 19.8%, in the allowance due to the university rebasing its estimates for financial aid awards. Despite having the second largest enrollment by FTES in USM, UMUC did not receive any portion of the \$6.8 million in enhancement funds in fiscal 2017.

**Exhibit 6**  
**Proposed Budget**  
**USM – University of Maryland University College**

	<b><u>FY 15</u></b> <b><u>Actual</u></b>	<b><u>FY 16</u></b> <b><u>Working</u></b>	<b><u>FY 17</u></b> <b><u>Allowance</u></b>	<b><u>FY 16-17</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Funds	\$36,962	\$36,798	\$39,317	<b>\$2,519</b>	<b>6.8%</b>
Deficiency		794			
Across the Board			-59		
<b>Total General Funds</b>	<b>\$36,962</b>	<b>\$37,592</b>	<b>\$39,258</b>	<b>\$1,666</b>	<b>4.4%</b>
HEIF	\$1,732	\$1,799	\$1,954	\$155	8.6%
<b>Total State Funds</b>	<b>\$38,694</b>	<b>\$39,391</b>	<b>\$41,212</b>	<b>\$1,821</b>	<b>4.6%</b>
Other Unrestricted Funds	\$311,743	\$317,355	\$323,692	\$6,337	2.0%
<b>Total Unrestricted Funds</b>	<b>\$350,436</b>	<b>\$356,746</b>	<b>\$364,904</b>	<b>\$8,158</b>	<b>2.3%</b>
Restricted Funds	\$40,763	\$35,275	\$42,275	\$7,000	19.8%
<b>Total Funds</b>	<b>\$391,199</b>	<b>\$392,021</b>	<b>\$407,178</b>	<b>\$15,158</b>	<b>3.9%</b>

HEIF: Higher Education Investment Fund

USM: University System of Maryland

Note: Fiscal 2017 general funds are adjusted to reflect University of Maryland University College's estimated portion of the deficiency. Fiscal 2017 general funds are adjusted to reflect the across-the-board reduction.

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

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Unrestricted budget changes in the allowance by program are shown in **Exhibit 7**. This exhibit considers only unrestricted funds, which are comprised mostly of State funds and tuition and fee revenues.

**Exhibit 7**  
**Budget Changes for Unrestricted Funds by Program**  
**Fiscal 2015-2017**  
**(\$ in Thousands)**

	<b><u>2015</u></b> <b><u>Actual</u></b>	<b><u>2016</u></b> <b><u>Working</u></b>	<b><u>2015-16</u></b> <b><u>% Change</u></b>	<b><u>2017</u></b> <b><u>Allowance</u></b>	<b><u>2016-17</u></b> <b><u>Change</u></b>	<b><u>2016-17</u></b> <b><u>% Change</u></b>
<b>Expenditures</b>						
Instruction	\$102,629	\$105,060	2.4%	\$107,072	\$2,012	1.9%
Research	365	380	4.2%	386	5	1.4%
Public Service	10,649	12,601	18.3%	16,608	4,007	31.8%
Academic Support	58,208	65,658	12.8%	66,941	1,283	2.0%
Student Services	70,771	75,720	7.0%	76,433	713	0.9%
Institutional Support	44,974	48,438	7.7%	49,295	857	1.8%
Operation and Maintenance of Plant	49,917	36,301	-27.3%	36,224	-77	-0.2%
Scholarships and Fellowships	10,728	9,457	-11.9%	9,668	211	2.2%
<b>Education and General Total</b>	<b>\$348,242</b>	<b>\$353,616</b>	<b>1.5%</b>	<b>\$362,627</b>	<b>\$9,011</b>	<b>2.5%</b>
Auxiliary Enterprises	\$2,194	\$2,336	6.4%	\$2,336	\$	0.0%
Deficiency/ Across-the-board Reductions		\$794		-59		
<b>Grand Total</b>	<b>\$350,436</b>	<b>\$356,746</b>	<b>1.8%</b>	<b>\$364,904</b>	<b>\$8,158</b>	<b>2.3%</b>
<b>Revenues</b>						
Tuition and Fees	\$304,076	\$308,779	1.5%	\$310,116	\$1,337	0.4%
General Funds	36,962	37,592	1.7%	39,258	1,666	4.4%
Higher Education Investment Fund	1,732	1,799	3.9%	1,954	155	8.6%
Other Unrestricted Funds	17,514	11,213	-36.0%	16,213	5,000	44.6%
<b>Subtotal</b>	<b>\$360,284</b>	<b>\$359,384</b>	<b>-0.2%</b>	<b>\$367,541</b>	<b>\$8,158</b>	<b>2.3%</b>
Auxiliary Enterprises	1,248	62	-95.0%	62	\$	0.0%
Transfer to Fund Balance	-11,095	-2,700		-2,700		
<b>Grand Total</b>	<b>\$350,436</b>	<b>\$356,746</b>	<b>1.8%</b>	<b>\$364,904</b>	<b>\$8,158</b>	<b>2.3%</b>

Note: Fiscal 2016 general funds are adjusted to reflect the University of Maryland University College's estimated portion of the deficiency, and fiscal 2017 is adjusted to reflect across-the-board reductions.

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

There are a number of very large and interesting changes from fiscal 2015 through 2017. For example, public service in fiscal 2017 grows by \$4.0 million, or 31.8%, after growing 18.3% in the prior year. According to UMUC, this mainly represents its Inn and Conference Center (ICC), co-located at UMUC's administrative headquarters. Because ICC features mission-based training and free parking, it is categorized as public service. The increase is due to rapidly growing revenue following lengthy renovations to right-size the budget for actual projected business.

Academic support grew 12.8% in fiscal 2016 and another 2.0% in fiscal 2017 due to continuing academic transformation initiatives such as course redesign and development of new online teaching methods, namely the deployment of the Enhanced Learning Model, which is a new method for determining competency-based education at UMUC. This also accounts for costs related to transitioning the university to Open Education Resources (OER), which will be discussed in Issue 1 of this analysis. Academic support also increases due to further rightsizing of the UMUC budget to actual expenditures. Fiscal 2014 had enrollment underattainment that led to 70 personnel layoffs in spring 2014, and these lower costs rolled forward into fiscal 2015.

Operations and maintenance of plant decreases 27.3% in fiscal 2016, but is then flat funded in fiscal 2017. This was due to more funding than anticipated being available in the final fiscal 2015 budget, so some funding was transferred to the facilities budget. Because final variable costs were lower than anticipated, these funds then went to the plant fund at the fiscal 2015 closeout. UMUC has a new facility master plan that details and better informs future plant costs. Budgeted scholarship expenditures declined 11.9% in fiscal 2016 due to higher than anticipated use of tuition remission benefits by employees. Other expenditures in instruction, student services, and institutional support all have modest growth projected in fiscal 2017.

On the revenue side, auxiliary funds plummet 95.0% in fiscal 2016 due to the roll out of OER efforts in fall 2015 semester. Other unrestricted funds grow \$5.0 million, or 44.6%, in fiscal 2017 due to projections for events at ICC and to right size the fiscal 2017 budget as the fiscal 2016 budget is low. Finally, UMUC tuition and fees go up 1.7% in fiscal 2017 due to the institution holding its consolidated fee flat and rounding its tuition per credit hour increase to the nearest \$1. However, its tuition and fee revenue is only expected to go up 0.4%. Overall, UMUC non-auxiliary revenues fully meet all unrestricted expenditure needs in fiscal 2015 through 2017.

**The President should comment on why tuition revenue is only growing by 0.4% in fiscal 2017 if credit hour tuition is growing by 1.7%, and the budgeted enrollment is flat.**

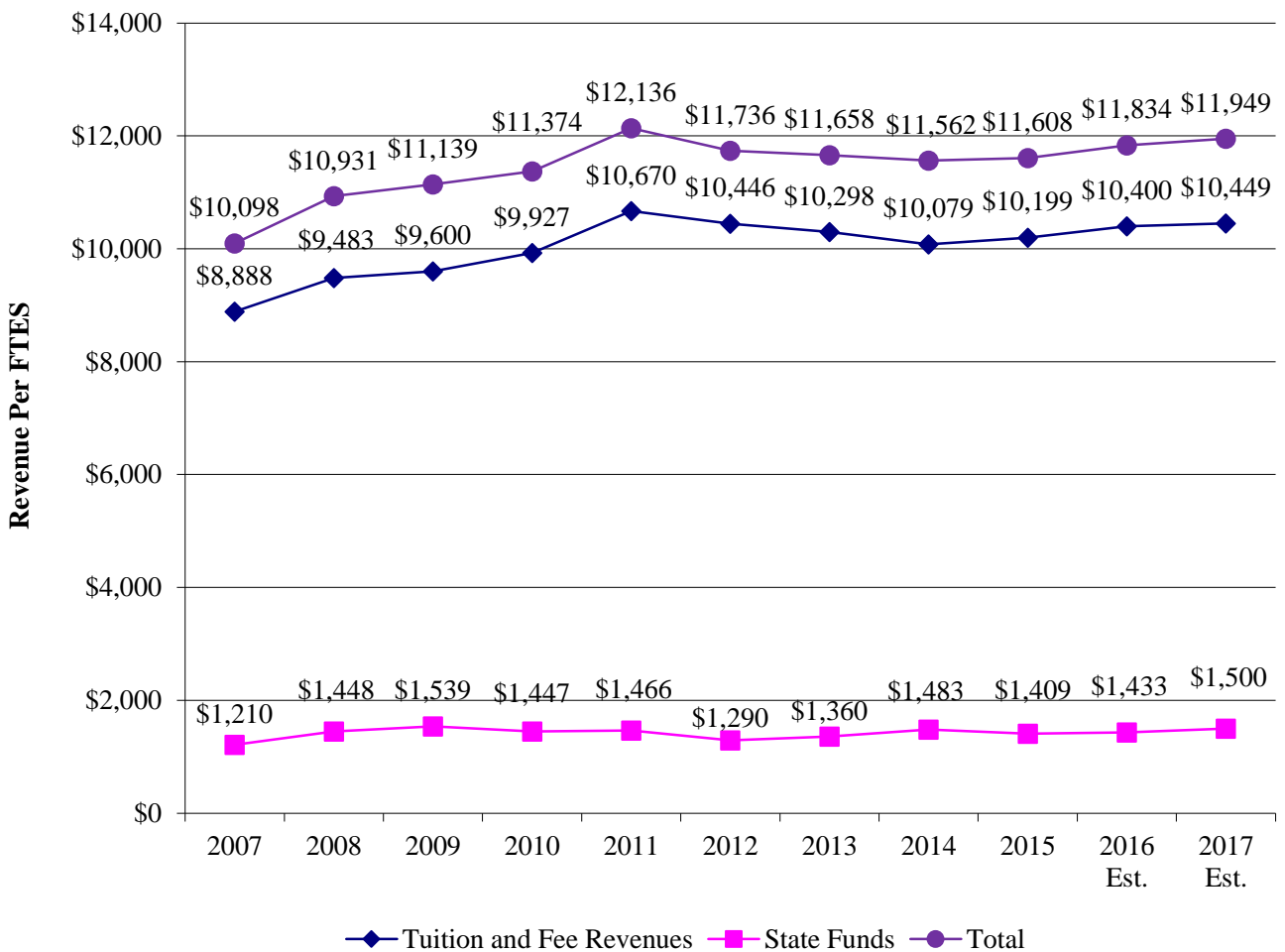
### **Funding Increases Per FTES**

Stateside FTES enrollment at UMUC reached a high of 27,460 in fiscal 2015, having surpassed the previous high in fiscal 2012 and having grown over 100% since fiscal 2002. However, enrollment is expected to be flat in fiscal 2016 and 2017, growing only 20 FTES, effectively 0%. **Exhibit 8** shows tuition and fees revenue and State funding per FTES between fiscal 2007 and 2017. Tuition and fee revenue increased moderately from fiscal 2007 to 2011 due to rapid enrollment increases, while State funds remained relatively low but very stable across this entire time period. UMUC receives four times less State funding per student than the next lowest State funded per FTES institution,



Towson University, and 11 times less funding per student than Coppin State University (CSU). This relatively low State support makes UMUC very dependent on tuition revenue and, consequently, on meeting enrollment projections and sustaining the subsequent volume of students enrolled. Currently, enrollment is expected to remain level in fiscal 2016, although online enrollments are notoriously volatile, given the easy entry and exit of students from online programs.

**Exhibit 8**  
**UMUC Tuition and Fees and State Revenues**  
**Per Full-time Equivalent Student**  
**Fiscal 2007-2017 Est.**



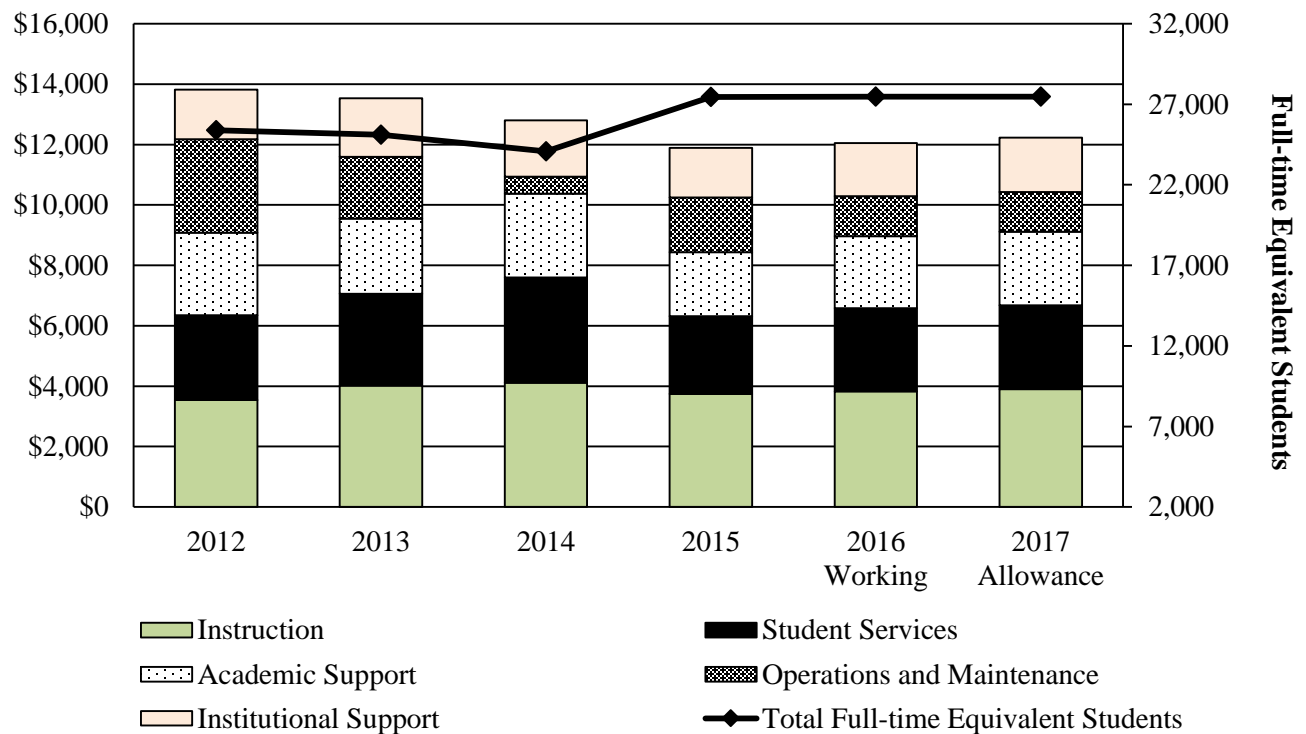
UMUC: University of Maryland University College

Source: Governor's Budget Books, Fiscal 2008-2017

## Program Expenditures Per FTES

Expenditures per FTES declined 11.5% between fiscal 2012 and 2017 from \$13,813 to \$12,226, respectively. As shown in **Exhibit 9**, over half of the decrease is related to spending on operations and maintenance of plant. This can partly be attributed to an enrollment decline in fiscal 2013 and 2014 that lead to institution-level cost containment. If maintenance of plant was removed from these figures, per student spending actually increases 1.8%, or \$195. The largest decline in spending per FTES in this exhibit, 7.1%, or \$908, occurred in fiscal 2015, likely due to UMUC experiencing \$1.3 million in cost containment measures on top of enrollment growth. Overall, since fiscal 2012, expenditures on institutional support grew 9.9% (\$161), but expenditures for student services and academic support decreased 0.9% (\$24) and 11.0% (\$300), respectively, raising concerns about the commitment to quality support and services available for students to help them succeed and graduate.

**Exhibit 9**  
**Unrestricted Fund Expenditures Per Full-time Equivalent Student**  
**Fiscal 2012-2017**



Note: Does not reflect fiscal 2016 deficiency or fiscal 2017 across-the-board reduction.

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

## ***Issues***

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### **1. Affordability and Enrollment**

The lack of financial resources frequently contributes to a student's decision to stop or drop out of college. As the costs of a college education continue to escalate, students and families are relying more on various types of financial aid, *e.g.*, federal, State, and institutional to effectively bring down the cost of college. According to the National Center for Education Statistics' College Navigator, the total cost for a FT/FT Maryland undergraduate student at UMUC in fiscal 2014 was \$28,737 (based on tuition, mandatory fees, books and supplies, other expenses, and the weighted average of room and board). However, when accounting for the average amount of federal, State, and institutional aid, the average net price was \$10,588, a 63.2% reduction in the net cost of attendance. This cost is perhaps not a great measure for UMUC because so many students are pursuing distance education studies while working, so room and board costs would be very different for most UMUC students from FT/FT students at a residential campus like UMCP.

#### **UMUC Ditches Textbooks**

Effective beginning in the fall 2015 semester, UMUC will provide all textbooks digitally for undergraduate students at no additional charge beyond the regular cost of tuition and fees. All graduate courses will be covered by fall 2016. The Department of Legislative Services (DLS) could not find another example of an institution going entirely toward OER, or, in other words, textbook-free. UMUC may be the first to do so. UMUC does not use a vendor, but rather manages everything in-house using existing faculty resources and materials that are publically available. This includes electronic textbooks, lectures, websites, and selected documents and media. According to UMUC, program chairs and faculty members may then customize materials to be more relevant to specific courses and to include the latest industry information. A limited number of courses will require the use of specific software or content that cannot be accessed for free, and may still charge for that. UMUC recommends students use Amazon's Kindle application for computers, tablets, and smartphones to access many course materials. Now students can use entirely digital resources provided by course instructors, as well as online reference sources and access to published articles through the university's library.

Part of the reason for this shift is that the military's Tuition Assistance Program does not cover books. Now, any active-duty military member may enroll at UMUC and pay nearly nothing out of pocket for courses. The fiscal 2014 net price calculator for UMUC, mentioned above, estimated "books and supplies" at \$1,200 per year. Supplies reflect miscellaneous student materials like notebooks and pens, but textbooks likely make up the vast majority of that \$1,200 figure, so students likely saw an actual decrease in the net price of enrolling at UMUC in fiscal 2016. This is very unusual. Other than UMUC, the only Maryland institution to reduce the cost of attendance for Maryland residents was St. Mary's College of Maryland in fall 2014.

**The President should comment on how UMUC ensures the quality of its internal course materials (texts, videos, *etc.*) and whether the lack of physical textbooks prevents UMUC from offering some types of courses. For example, teaching a modern literature course would seem to**

**be very difficult. The President should comment on whether learning outcomes are comparable in the new courses.**

### **Federal and Institutional Aid**

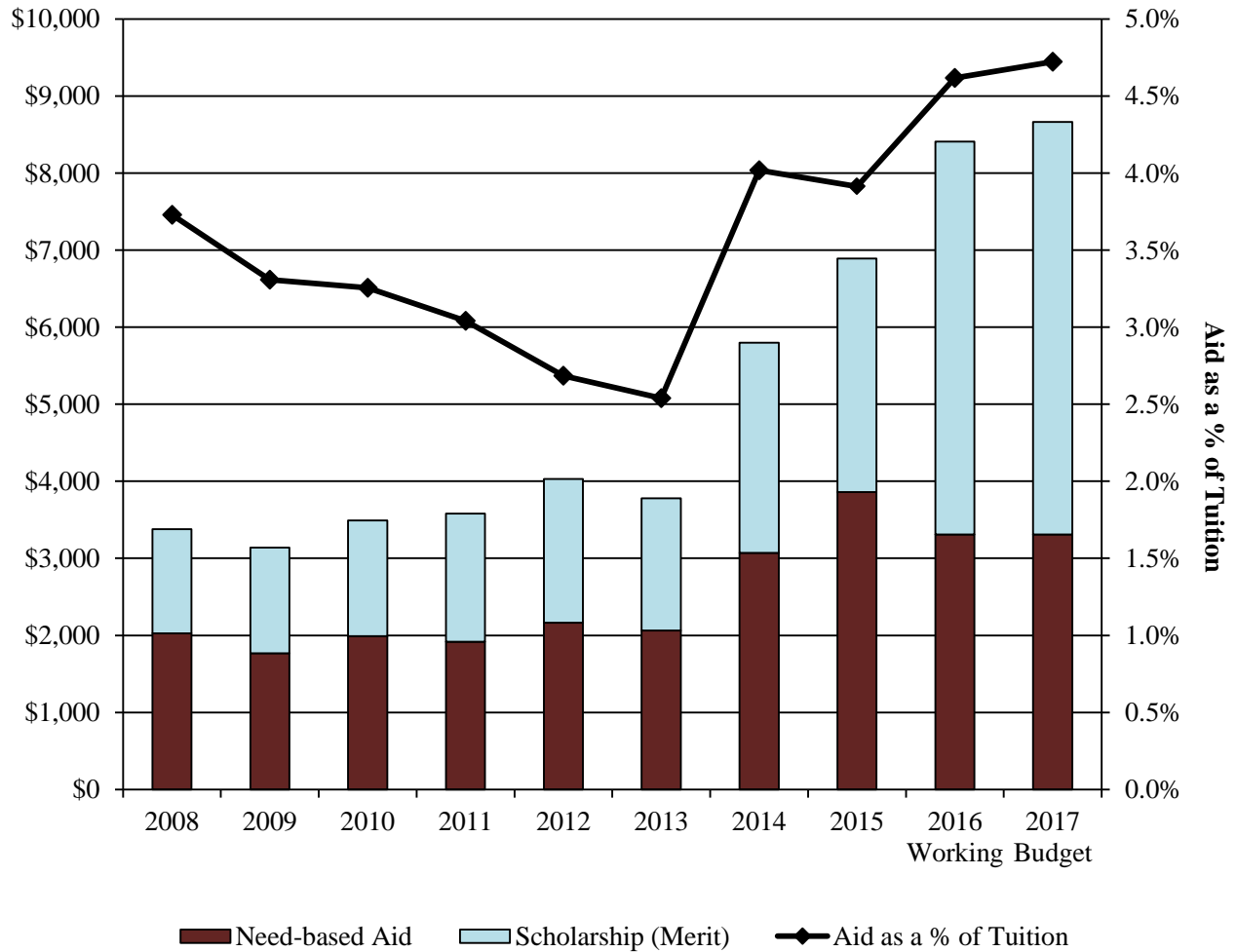
In fiscal 2015, about 30% of UMUC's undergraduate students receive Pell awards, which are given to those who otherwise could not afford college and have an expected family contribution (EFC) of less than a specific amount, which was \$5,730 in fiscal 2015. UMUC reports that in fiscal 2015, 49% of students came from economically disadvantaged backgrounds, up from 41% in fiscal 2011. EFC is an indicator of the amount a family is required to contribute to pay for a student's college education: the lower EFC, the greater the financial aid.

Total expenditures on institutional aid were basically flat from fiscal 2008 through 2013, growing only \$0.4 million, or 11.8%, while the share of need-based aid declined slightly from 60.0% in fiscal 2008 to 55.0% in fiscal 2013, as illustrated in **Exhibit 10**. The institution's support changed significantly in fiscal 2014 and 2015 due to the inclusion of worldwide institutional financial aid rather than just stateside financial aid. This makes year-over-year comparisons difficult, although the percent of need-based aid in 2015, 56.0%, is very similar to the rate in fiscal 2013, 55.0%, suggesting it is used in the same manner.

For UMUC to succeed, it must offer quality education at an affordable price to generate the student enrollment, or volume, to operate efficiently. Overall, online enrollment growth over the next decade is expected to be lower than in the past decade as the market matures. This makes institutional aid very important. In fiscal 2016, UMUC boosted institutional merit aid by \$2.1 million, or 68%, to attract more student interest by making more awards. In particular, this helps UMUC fund its Completion Scholarship for new students who have completed a two-year degree as well as its merit-based Presidential Scholarship. As shown in Exhibit 3, UMUC does a relatively good job retaining and subsequently graduating these students, but as shown in Exhibit 10, the awards for these students skew institutional aid away from strictly need-based awards.

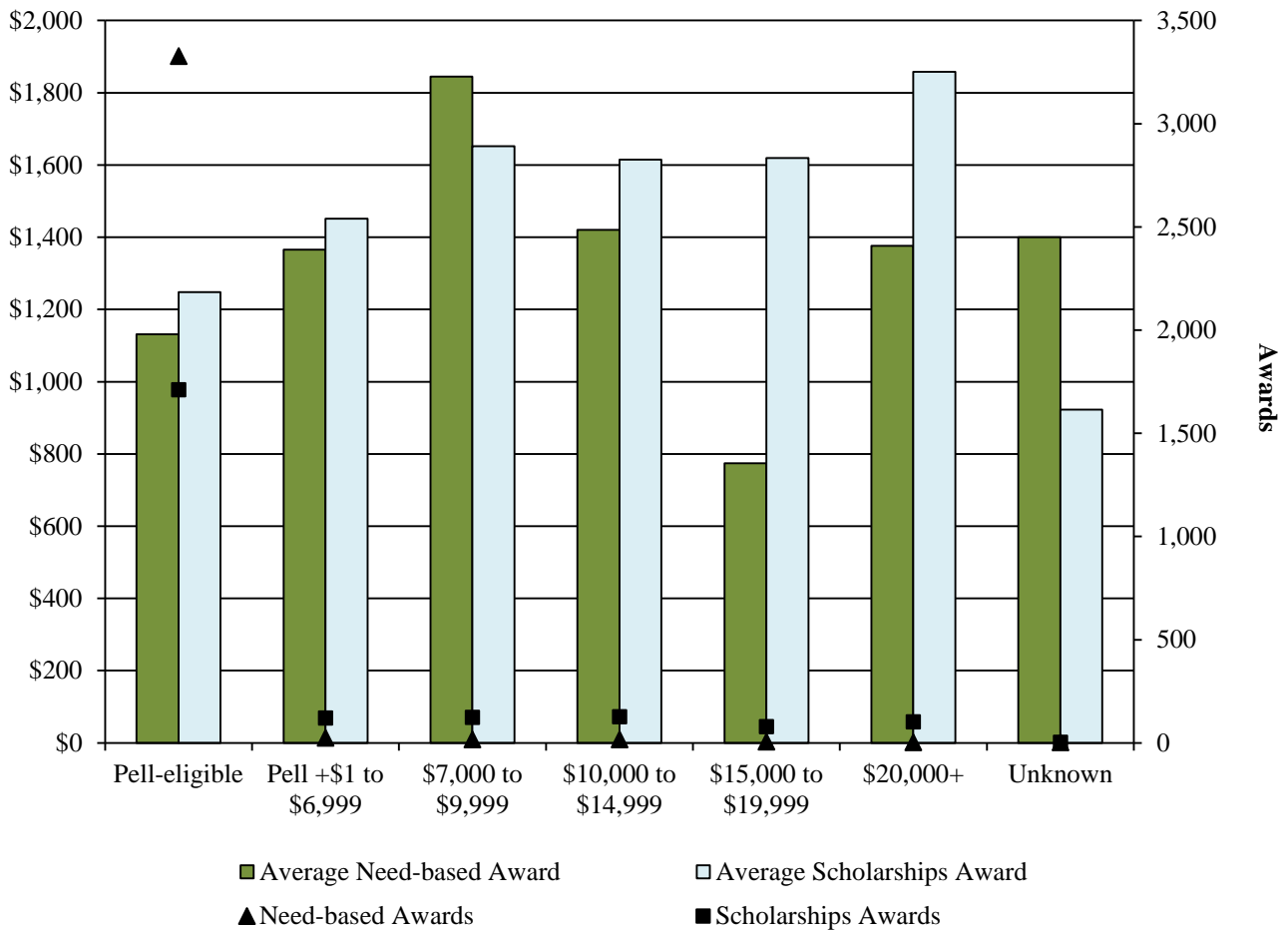
In fiscal 2015, 98.1% of those receiving need-based institutional aid were Pell-eligible students who received an average award of \$1,131, as shown in **Exhibit 11**. Students in all EFC categories received institutional scholarships. Of the 2,261 institutional scholarships awarded, 75.6% were Pell-eligible, while only 14.0% went to those with an EFC of \$10,000 or higher or had an unknown EFC (these are students who did not file a Free Application for Federal Student Aid). Average awards for the highest EFC groups were much larger than those for Pell-eligible students, about \$1,800 versus \$1,200. Students in the \$7,000 to \$9,999 EFC range ended up with the largest need-based awards, possibly because they miss out on most federal need-based aid and rely on institutional aid to enroll.

**Exhibit 10**  
**Institutional Aid and Percentage of Undergraduate Tuition**  
**Fiscal 2008-2017**  
**(\$ in Thousands)**



Source: University System of Maryland; Department of Legislative Services

**Exhibit 11**  
**Number and Average Amount of Institutional Aid Received Per Recipient**  
**Fiscal 2015**



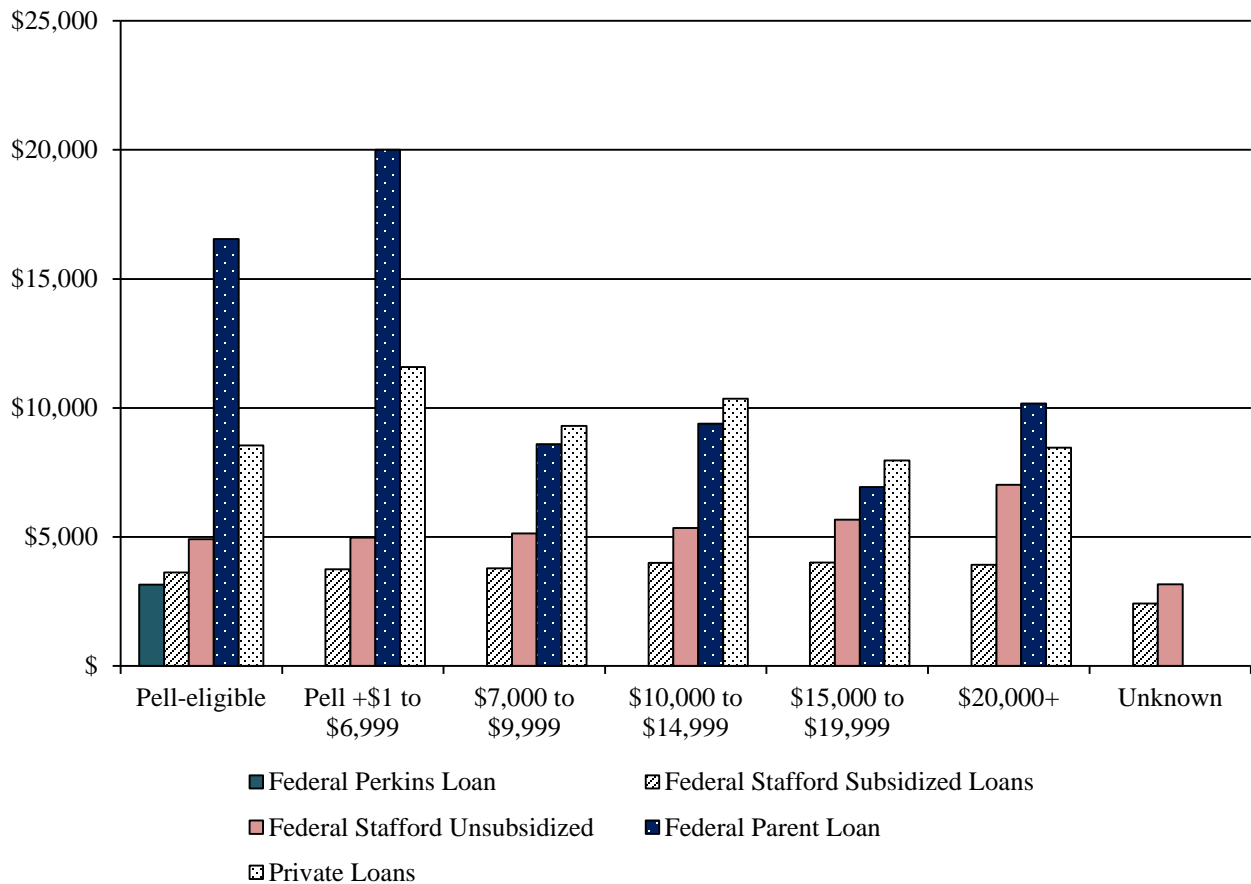
Source: Maryland Higher Education Commission

While the students with the greatest financial need typically receive Pell and institutional aid, it is still not enough to cover the cost of college. As shown in **Exhibit 12**, students in all EFC categories take out various types of loans to finance their education. There are three types of loans:

- federal subsidized loans are based on financial need with the government paying the interest while the student is enrolled in school (Perkins and Stafford loans);

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

**Exhibit 12**  
**Mean Loan Amount by Type and Expected Family Contribution**  
**Fiscal 2015**



Source: University System of Maryland

In fiscal 2015, of the 14,510 Pell-eligible students, 50% and 40% used a Stafford-subsidized and unsubsidized loan, respectively, to help finance their college education with average loans of \$3,620 and \$4,907. These rates are lower than those seen at four-year institutions largely because UMUC students are mostly part-time and, therefore, have a lower cost of attendance and a reduced need for loans. On average, the federal parent PLUS loans were the highest loans taken out for

those students in all EFC categories, with Pell-eligible students taking out the highest loan amount of \$16,541. However, this only involved 10 students, and only 29 students took out PLUS loans, indicating that nearly all UMUC students do not need these loans to bridge costs for attendance. Only 224 students turned to private loans, generally regarded as the least favorable loans to use. In comparison, about 10,000 UMUC students took out each type of Stafford loan.

## **2. Online Associates Degrees**

As part of its contracts with the Department of Defense, UMUC offers a variety of degree programs to the uniformed services including associate, bachelor's, master's, and doctoral degrees. Because accreditation is for the higher education institution as a whole, and not for a certain degree program, most Marylanders are unaware that UMUC is in fact fully accredited to offer two-year degrees. This makes the institution comparable to most other large online institutions, such as the University of Phoenix or America Military University. Currently, there are nine two-year programs:

- accounting;
- business management;
- computer studies;
- criminal justice;
- foreign languages;
- legal studies;
- management studies;
- mathematics; and
- women's studies.

UMUC's website only advertises this option for active-duty military service members and their spouses, veterans, reservists, and members of the National Guard. These students may pursue their associate's degree online or in Europe or Asia on-site. The programs listed above are all 60 credits long, per the College and Career Readiness and College Completion Act (CCRCCA) of 2013, although they all predate the existence of MHEC, so no significant changes have been made in 25 years. Currently, at least 15 credits of the two-year degree must be earned at UMUC to receive a UMUC two-year degree.



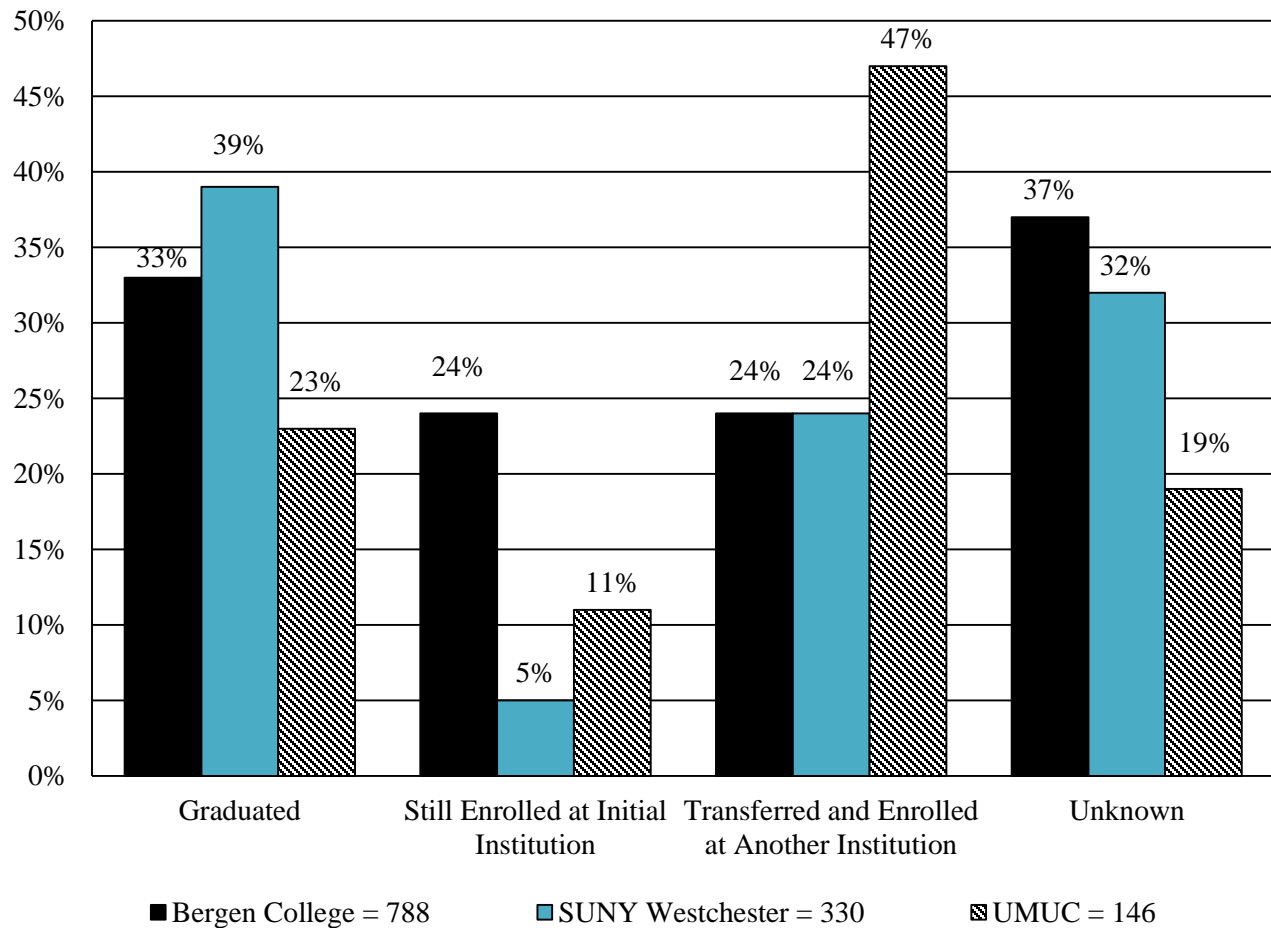
DLS confirmed with the Middle States Commission on Higher Education (MSCHE), that MSCHE reviews each of its member institutions as a whole, rather than the specific programs within the institution. In fact, MSCHE does not approve programs at all, but instead approves the award/credential/degree levels offered by member institutions and these are included within the scope of the institution's accreditation. Therefore, the accreditation process would not change for UMUC if it began offering two-year degrees to Marylanders. Currently, MSCHE accredits many institutions with broad awarding scopes, that is, they have authorization from the appropriate governmental agency within the region in which it operates to award postsecondary degrees (associate, bachelor's, master's, doctorate), which may be delivered in a variety of instructional methods including face-to-face, online, or in combination. MSCHE accreditation applies to the conditions that exist at an institution at the time of any MSCHE action. If a particular institution seeks to begin offering distance education programs (online or hybrid instruction) or add new degree levels to its offerings, it must submit a request for review in accordance with the MSCHE Substantive Change Policy, but UMUC is already approved for both of these conditions.

Because of UMUC's two-year authority, it is actually already reporting two-year degree information annually to MHEC and also to SAM. Unfortunately, none of Maryland's 16 community colleges currently participate in SAM, so there is no local comparison that can be made with UMUC's outcomes. **Exhibit 13** compares UMUC with two other randomly selected community colleges. While UMUC has frequently drawn comparisons to itself and online institutions in competitor states like the State University of New York Empire State College and the Thomas Edison College (New Jersey), the former does not report two-year data to SAM, and the latter is not in SAM at all. For some comparison to be made, two large commuter community colleges were selected from New York and New Jersey.

The exhibit shows that UMUC has lower graduation rates for students pursuing associates degrees than the other two community colleges and that almost half of UMUC's 2008 cohort of two-year students ended up transferring. On the other hand, UMUC has a much lower percentage of students in the unknown category. The comparisons here are interesting to contemplate, but the fact that UMUC's enrollment is almost all military students does raise some challenges as to whether these students are comparable to other two-year-seeking students. Still, the exhibit gives some insight into UMUC's two-year world. The only other source of information on UMUC's two-year degree program is degrees awarded. Production grew from 107 in fiscal 2005 to 295 in fiscal 2010 to 527 in fiscal 2014. Then, in fiscal 2015, awards nearly doubled to 1,095. That is a 10-year growth of 988 degrees, or over 800%, indicating that there is a strong demand for this option. While the jump in fiscal 2015 awards may be due to the way enrollment is counted, the growth from fiscal 2005 through 2014 is real.

**The President should comment on the demographics of participants in two-year programs and what has led to the rapid growth in two-year degrees awarded over the past decade.**

**Exhibit 13**  
**Outcomes of Students Pursuing Associate's Degrees**  
**Fall 2008 Cohort**



UMUC: University of Maryland University College

SUNY: State University of New York

Note: First-time, part-time students only.

Source: Student Achievement Measures

Besides opening broad access to two-year degrees, UMUC could leverage its size and expertise in distance education to focus on very specific opportunities for Marylanders such as near completers and reverse transfers. Especially at a time when it is facing stiff competition for online enrollments, these two groups offer UMUC potentially additional enrollments that would boost the State's workforce and student success. On the other hand, if UMUC moves to increase the awarding of

two-year degrees in Maryland, it may come at the expense of community colleges. While the two-year institutions have not aggressively pursued distance education in the ways that UMUC has, they still stand to lose some traditional enrollment to an expanding UMUC. However, at a time when 22 states have formally broken down the traditional two- and four-year degree barriers in higher education, the opportunity for UMUC is worth considering.

For near completers, Maryland has pursued an institution-based approach, as was discussed in the Fiscal 2017 Higher Education Overview. UMUC participated in that grant-funded activity with 14 other Maryland institutions, but the end results were mixed. The CCRCCA requires MHEC, in collaboration with institutions, to develop a statewide plan for identifying near completers.

In terms of reverse transfers, some states like Hawaii, Indiana, and Tennessee have a centralized or computerized management system for these students that removes much of the time-intensive work that inhibits the process in Maryland. Two of Maryland's competitor states have large public online universities, Penn State World Campus (Pennsylvania) and UMass Online (Massachusetts), that have two-year degrees in addition to bachelor's and graduate degrees, but it is not clear if they serve a reverse transfer function, as neither was part of the Lumina Foundation's Credit When It's Due grant. While MHEC is slated to rollout a statewide transfer and reverse transfer agreement in summer 2016, this most likely will remain an institution-focused approach. One option for UMUC would be to serve the State as the centralized conduit for reaching near completers and reverse transfer eligible students, presenting them with an affordable and anywhere enrollment option to complete a degree.

**The President should comment on whether there are any legal or programmatic barriers preventing UMUC from serving the State as a centralized hub for near completers or reverse transfer.**

### **3. UMUC Spins Off HelioCampus**

The 2013-2017 *State Plan for Postsecondary Education* challenged Maryland institutions to embrace technology transfer and commercialization of research and expertise. UMUC is generally not thought of as a research institution, but in September 2015, UMUC spun off its Office of Analytics into a private company as a way to establish a new revenue stream for the institution. The new business, HelioCampus, is a software platform to analyze higher education financial and enrollment data to find ways to improve efficiencies on campuses and increase student success. It will provide clients with reporting models, visualization of big data, and analysis of trends. HelioCampus is a legally distinct entity whose sole shareholder is UMUC. It was borne out of the abrupt end of the enrollment increases UMUC enjoyed in fiscal 2013, which led to UMUC laying off 300 employees and cutting \$60.0 million across its entire budget. UMUC turned to its Office of Analytics to get control of its enrollment and turn the institution around.

With approval from the USM Board of Regents, UMUC is transferring \$10 million from its own fund balance as startup funding for HelioCampus. UMUC plans to support HelioCampus for the first five-years, but is then open to whatever monetization opportunities present themselves, such as selling HelioCampus or taking it public. UMUC reports that any profits from HelioCampus will go

back to UMUC to bolster institutional financial aid programs. One potential program mentioned by UMUC’s President is to entirely eliminate tuition for community college transfer students.

UMUC’s vice president for data analytics and 15 staff were transferred to HelioCampus, which has corporate offices in Bethesda, rather than in Adelphi. While UMUC credited HelioCampus with the increase in enrollment in fall 2014, DLS attributed that to the shift in how enrollment is counted. Regardless, HelioCampus is well positioned to serve institutions focused on nontraditional students who are more difficult to initially enroll and often require more student services. HelioCampus has stated that it expects an “exponential” return on the initial \$10 million invested and annualized revenues already exceed \$2 million after two months in operation. HelioCampus believes that it will help client institutions by serving as an outsourced business analytics system. While UMUC asserts HelioCampus is the first entrant into this field, other established education technology corporations offer similar or converging services, including Blackboard Analytics, Civitas, EAB, and PAR Framework. PAR Framework is used by many USM institutions, including UMUC, which was an “implementation partner” with that group. Other USM institutions using PAR Framework include Bowie State University, CSU, and the University of Maryland Eastern Shore. UMUC reports that Frostburg State University is currently under contract with HelioCampus for certain services, and there are 20 more schools in contract discussions. HelioCampus’ website has not been updated since its September 2015 launch, nor have any of its social medial accounts been active. Because the business is so new, there is currently not any data to report about what the spinoff itself can do. **The President of UMUC, on behalf of HelioCampus, should comment on what the new business is doing and whether it has secured any clients outside of Maryland.**

The HelioCampus business is also a result of UMUC exploring its governance structure and relationship with Maryland that began more than a year ago. UMUC operates in the very competitive online higher education market. Unlike students at traditional four-year institutions who live on or near campus, it is much easier for UMUC students to transfer to another online institution, such as the University of Phoenix or Liberty University, as well as traditional four-year institutions, which are increasingly moving into or expanding online classes. UMUC must differentiate itself to compete against for-profit institutions that have aggressively moved into its former monopoly on military enrollments.

Following enrollment declines and leadership turnover, UMUC undertook an extensive self-evaluation in calendar 2014. The President convened a group of stakeholders called the Ideation Group to consider any and all proposals to rethink how UMUC should pursue success as a public, online institution. While it had enjoyed a very close relationship with the U.S. Military since its founding in 1949, the increased online competition, military drawdowns, and relatively small population of Maryland, have forced UMUC to reconsider its most central and routine operations to discover more competitive means of operating. UMUC believes that the largest impediment to its success is the slow government procurement process. While private corporations can make rapid decisions, UMUC is dependent upon governmental processes and cannot make quick decisions.

To address how UMUC could secure more autonomy from State regulations on contracting, the Ideation Group considered, but ultimately rejected, spinning UMUC off as an independent nonprofit organization and becoming a USM-affiliated nonprofit organization. The Ideation Group supported a third option originally dubbed the “Bubble Model.” In this scenario, UMUC would still need approval from the General Assembly to change its charter with the State, but it would remain a member of USM. The difference would be a unique exemption from procurement laws, similar to how UMUC’s overseas operations currently work. UMUC would still undergo regular USM and legislative audits of all finances, but UMUC would be able to make rapid financial transactions independent of the Department of Budget and Management, the legislature, and the Board of Public Works BPW.

The USM Board of Regents voted to support the Bubble Model at its February 2015 meeting to allow UMUC authority to develop its own human resources, faculty, and procurement policies. UMUC would also like additional protection of its competitive and proprietary information from the Freedom of Information Act. Many of these changes would require legislation, but no bills have been submitted in the 2016 legislative session.

**The President should comment on the need for any legislation to alter UMUC’s governance structure and what steps UMUC will take in fiscal 2017 to make its business practices more competitive.**

## ***Recommended Actions***

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1. Concur with Governor's allowance.

## ***Current and Prior Year Budgets***

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### **Current and Prior Year Budgets** **USM – University of Maryland University College** **(\$ in Thousands)**

	<b>General</b>	<b>Special</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Restricted</b>	<b>Total</b>
	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2015</b>							
Legislative							
Appropriation	\$38,186	\$1,732	\$0	\$368,005	\$407,923	\$35,275	\$443,198
Deficiency							
Appropriation	0	0	0	0	0	0	0
Cost							
Containment	-1,499	0	0	0	-1,499	0	-1,499
Budget							
Amendments	275	0	0	-56,260	-55,985	5,600	-50,385
Reversions and							
Cancellations	0	0	0	-3	-3	-112	-115
<b>Actual</b>							
<b>Expenditures</b>	<b>\$36,962</b>	<b>\$1,732</b>	<b>\$0</b>	<b>\$311,743</b>	<b>\$350,436</b>	<b>\$40,763</b>	<b>\$391,199</b>
<b>Fiscal 2016</b>							
Legislative							
Appropriation	\$36,248	\$1,799	\$0	\$317,355	\$355,402	\$35,275	\$390,677
Budget							
Amendments	550	0	0	0	550	0	550
<b>Working</b>							
<b>Appropriation</b>	<b>\$36,798</b>	<b>\$1,799</b>	<b>\$0</b>	<b>\$317,355</b>	<b>\$355,952</b>	<b>\$35,275</b>	<b>\$391,227</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. Numbers may not sum to total due to rounding.

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## **Fiscal 2015**

General funds decrease about \$1.2 million due to two rounds of across-the-board cost containment efforts by BPW totaling \$1.5 million, which is offset by \$0.3 million for the cost-of-living adjustments and salary increments.

Unrestricted funds decreased \$56.3 million due to a drop of over 5,000 students in online enrollment and subsequent reorganization of personnel and operations at UMUC. Almost \$3,000 in unrestricted funds were canceled at the end of the year to match expenditures with revenues.

Restricted funds increased \$5.6 million due to an unexpected increase in Pell grants awards within online enrollment. However, about \$0.1 million in restricted funds were canceled as Pell grants were slightly below that estimated increased in awards.

## **Fiscal 2016**

The legislative appropriation increased by about \$0.6 million in general funds to reflect restoration of the 2% pay reduction.



## ***Audit Findings***

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Audit Period for Last Audit:	March 21, 2011 – June 30, 2014
Issue Date:	June 2015
Number of Findings:	3
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

**Finding 1:** Security and access controls over certain UMUC systems were not sufficient.

**Finding 2:** UMUC workstations and servers were not sufficiently protected against malware.

**Finding 3:** Service level agreements and related independent reports did not address certain security and operational risks.

**Object/Fund Difference Report**  
**USM – University of Maryland University College**

<u>Object/Fund</u>	<u>FY 15 Actual</u>	<u>FY 16 Working Appropriation</u>	<u>FY 17 Allowance</u>	<u>FY 16 - FY 17 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	1,037.71	1,037.71	1,037.71	0.00	0%
02 Contractual	1,911.01	1,915.33	1,915.33	0.00	0%
<b>Total Positions</b>	<b>2,948.72</b>	<b>2,953.04</b>	<b>2,953.04</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 204,455,466	\$ 208,915,981	\$ 211,916,618	\$ 3,000,637	1.4%
02 Technical and Spec. Fees	3,978,574	5,989,399	7,758,551	1,769,152	29.5%
03 Communication	1,802,289	1,908,740	1,908,740	0	0%
04 Travel	2,747,463	3,706,184	3,706,184	0	0%
06 Fuel and Utilities	2,295,405	2,664,022	2,735,670	71,648	2.7%
07 Motor Vehicles	98,413	190,539	190,679	140	0.1%
08 Contractual Services	77,174,807	90,238,328	94,409,382	4,171,054	4.6%
09 Supplies and Materials	3,106,366	5,050,768	5,050,768	0	0%
11 Equipment – Additional	400,513	835,924	835,924	0	0%
12 Grants, Subsidies, and Contributions	51,428,732	44,444,851	51,662,488	7,217,637	16.2%
13 Fixed Charges	7,188,503	7,608,484	7,603,571	-4,913	-0.1%
14 Land and Structures	36,522,541	19,673,441	19,459,037	-214,404	-1.1%
<b>Total Objects</b>	<b>\$ 391,199,072</b>	<b>\$ 391,226,661</b>	<b>\$ 407,237,612</b>	<b>\$ 16,010,951</b>	<b>4.1%</b>
<b>Funds</b>					
40 Unrestricted Fund	\$ 350,436,456	\$ 355,951,929	\$ 364,962,880	\$ 9,010,951	2.5%
43 Restricted Fund	40,762,616	35,274,732	42,274,732	7,000,000	19.8%
<b>Total Funds</b>	<b>\$ 391,199,072</b>	<b>\$ 391,226,661</b>	<b>\$ 407,237,612</b>	<b>\$ 16,010,951</b>	<b>4.1%</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingency reductions.

*R30B30 – USM – University of Maryland University College*

Appendix 3

**Fiscal Summary**  
**USM – University of Maryland University College**

<u>Program/Unit</u>	<u>FY 15 Actual</u>	<u>FY 16 Wrk Approp</u>	<u>FY 17 Allowance</u>	<u>Change</u>	<u>FY 16 - FY 17 % Change</u>
01 Instruction	\$ 103,146,217	\$ 105,294,114	\$ 107,299,828	\$ 2,005,714	1.9%
02 Research	365,158	380,366	385,827	5,461	1.4%
03 Public Service	10,649,447	12,601,198	16,607,823	4,006,625	31.8%
04 Academic Support	58,450,999	65,745,155	67,027,717	1,282,562	2.0%
05 Student Services	71,123,299	76,433,931	77,146,718	712,787	0.9%
06 Institutional Support	44,987,291	48,461,873	49,318,965	857,092	1.8%
07 Operation and Maintenance of Plant	49,916,964	36,301,300	36,224,373	-76,927	-0.2%
08 Auxiliary Enterprises	2,194,358	2,335,773	2,335,773	0	0%
17 Scholarships and Fellowships	50,365,339	43,672,951	50,890,588	7,217,637	16.5%
<b>Total Expenditures</b>	<b>\$ 391,199,072</b>	<b>\$ 391,226,661</b>	<b>\$ 407,237,612</b>	<b>\$ 16,010,951</b>	<b>4.1%</b>
Unrestricted Fund	\$ 350,436,456	\$ 355,951,929	\$ 364,962,880	\$ 9,010,951	2.5%
Restricted Fund	40,762,616	35,274,732	42,274,732	7,000,000	19.8%
<b>Total Appropriations</b>	<b>\$ 391,199,072</b>	<b>\$ 391,226,661</b>	<b>\$ 407,237,612</b>	<b>\$ 16,010,951</b>	<b>4.1%</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.