

R30B28
University of Baltimore
University System of Maryland

Executive Summary

The University of Baltimore (UB) provides career-oriented education at the bachelor's, master's, and professional level offering programs in law, business, and liberal arts with an emphasis on applied and professional degrees.

Operating Budget Summary

Fiscal 2021 Budget Increases \$1.5 Million or 1.1% to \$141.8 Million
(\$ in Thousands)



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

- State funding increases 11.5%, or \$4.8 million over fiscal 2020.
- The budget provides \$1.1 million in general funds to support five Workforce Development Initiatives (WDI), increasing WDI funding by \$0.6 million over fiscal 2020. The additional funding will support two new initiatives in forensic sciences and cyber investigations.

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Key Observations

- Undergraduate enrollment fell for a fifth consecutive year, dropping 18.4% in fall 2019. UB has lost almost 40% of its undergraduate students since fiscal 2014. In addition, graduate enrollment has also steadily declined, falling 19.0% since fall 2014.
- The continuing enrollment decline has resulted in significant budgetary challenges. In fiscal 2020, UB reduced its original tuition and fee revenue appropriation by \$1.5 million, but when the fall enrollment was even lower than expected, UB implemented several cost containment actions to ensure a balanced budget by the end of the year.

Operating Budget Recommended Actions

1. Adopt narrative requesting a report on the status of realigning the institution.

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Operating Budget Analysis

Program Description

The University of Baltimore (UB) provides career-oriented education at the bachelor's, master's, and professional level offering programs in law, business, and liberal arts with an emphasis on applied and professional degrees. This emphasis attracts students with clear professional goals. UB applies the expertise of faculty, staff, and students to address current economic, social, and political problems in Baltimore City and the State. The student body is a mix of full- and part-time, day and evening, and traditional and returning students, reflecting the racial and ethnic diversity of the metropolitan region.

UB places a high priority on the integration of technology enhancements into instruction in all fields and as such, strives to be a leader in the development and dissemination of knowledge in applied disciplines. A large and growing number of classroom courses provide online components, including syllabi, links to relevant websites, threaded discussions, and electronic library resources. This allows any qualified Marylanders to have access to UB's academic programs and services without regard to location, economic means, or other limiting circumstances.

Carnegie Classification: Master's Colleges and Universities: Larger Programs

Fall 2019 Undergraduate Enrollment Headcount		Fall 2019 Graduate Enrollment Headcount	
Male	878	Male	908
Female	1,219	Female	1,471
	2,097		2,379
Total	(Shady Grove: 114)	Total	(Shady Grove: 78)
Fall 2019 New Students Headcount		Campus (Main Campus)	
First-time	46	Acres	11.3
Transfers/Others	368	Buildings	13
Graduate	645	Average Age	64
			124
Total	1,059	Oldest	years old
Programs		Degrees Awarded (2018-2019)	
Bachelor's	19	Bachelor's	615
Master's	21	Master's	436
Doctoral – Research	3	Doctoral – Research	5
Doctoral –		Doctoral –	
Professional	1	Professional	198
		Total Degrees	1,254

Proposed Fiscal 2021 In-state Tuition and Fees*

Undergraduate Tuition	\$7,154
Mandatory Fees	\$2,202

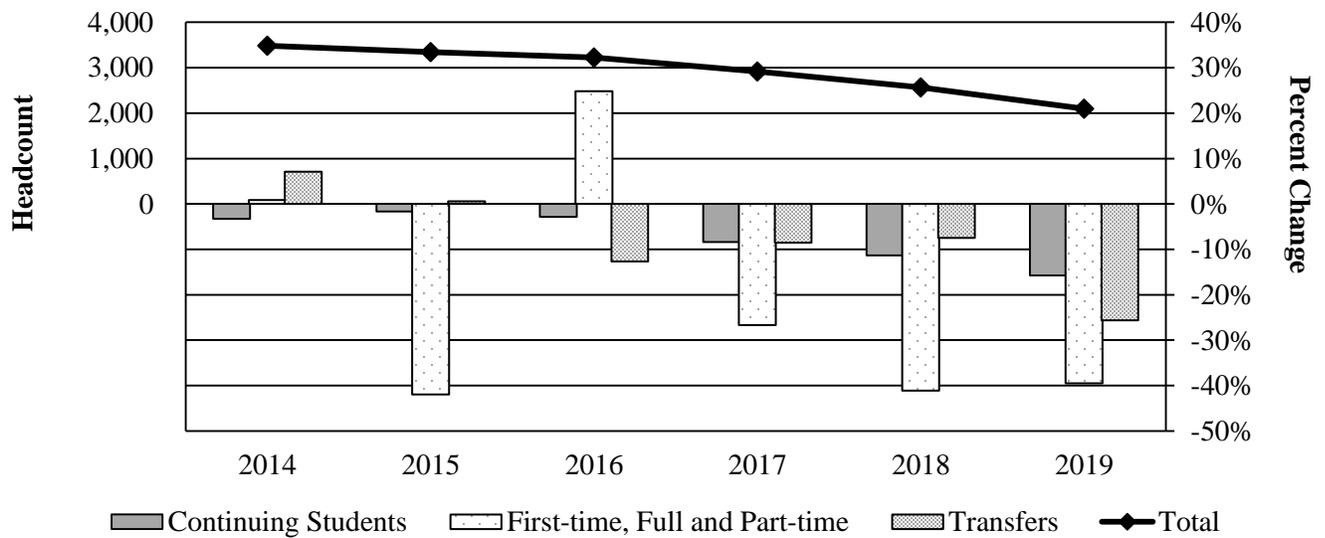
*Contingent on Board of Regents approval.

Performance Analysis

1. Fall Headcount

Undergraduate enrollment fell for a fifth consecutive year, as shown in **Exhibit 1**, dropping 18.4% in fall 2019. UB has lost almost 40% of its undergraduate students since fiscal 2014 with the largest declines occurring in fall 2018 and 2019. Since fall 2014, first-time students have fallen 81.1%, or 197 students, reflecting a change in enrollment strategy from prior years when UB sought to add traditional freshmen to grow enrollment to 8,000 students. The current freshmen recruitment strategy focuses on students who have higher academic credentials and who want to pursue niche programs or pathways at UB, including law and graduate school.

Exhibit 1
Percent Change and Total Headcount Undergraduate Enrollment
Fall 2014-2019



Source: University System of Maryland, Department of Legislative Services

Of concern is a 44.7%, or 298 students, drop in transfer students since fall 2014. Since UB offers a majority of upper level courses, it relies on transfer students for its growth. UB also recently has struggled to retain students with the rate of decline in continuing students accelerating from 8.4% in fall 2017, to 15.8% in fall 2019. Since fall 2014, the number of continuing students fell by 893, with 63.9% of this decline occurring from fall 2017 to 2019.

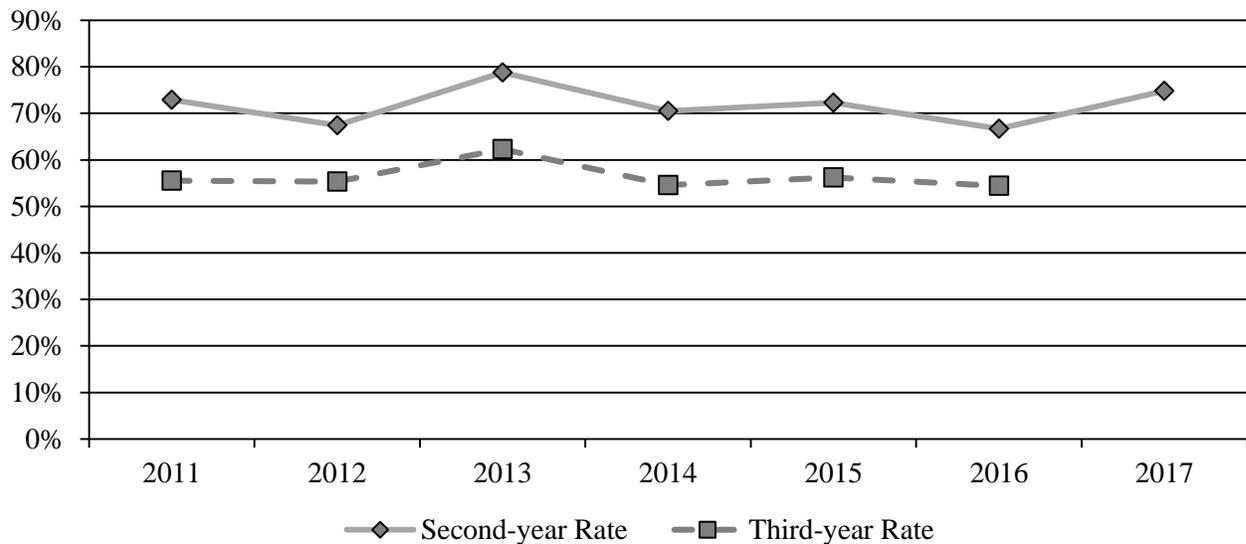
While not shown, graduate enrollment has also steadily declined since fall 2014, dropping 19%, or 558 students. This loss was at first was driven by a falling enrollment in the law school. Overall,

when including graduate students, enrollment dropped 11.2%, or 565 students, in fall 2019. This enrollment decline has significantly impacted the budget which will be discussed later in this analysis.

2. Student Performance

Student persistence, or retention, provides a measure of student progress and an indication of an institution’s performance; the higher the retention rate, the more likely students will persist and graduate. As students are mostly likely to drop out during their first year, the second-year retention rate provides an indication if retention strategies are working or if further investigation is needed to identify areas of improvement. It should be noted that UB has a relatively small number of first-time full-time (FT/FT) students. The 2013 cohort was the largest at 236 students. The number of FT/FT students steadily declined, with the 2017 cohort being the smallest cohort at 107 students. As shown in **Exhibit 2**, the second-year retention rate varies from a high of 78.8% with the 2013 cohort to 66.7% with the 2016 cohort. The third-year rate mirrors the trend of the second-year rate, so it is expected that the rate will increase with the 2016 cohort.

Exhibit 2
Second- and Third-year Retention Rates
First-time Full-time 2011-2017 Cohorts

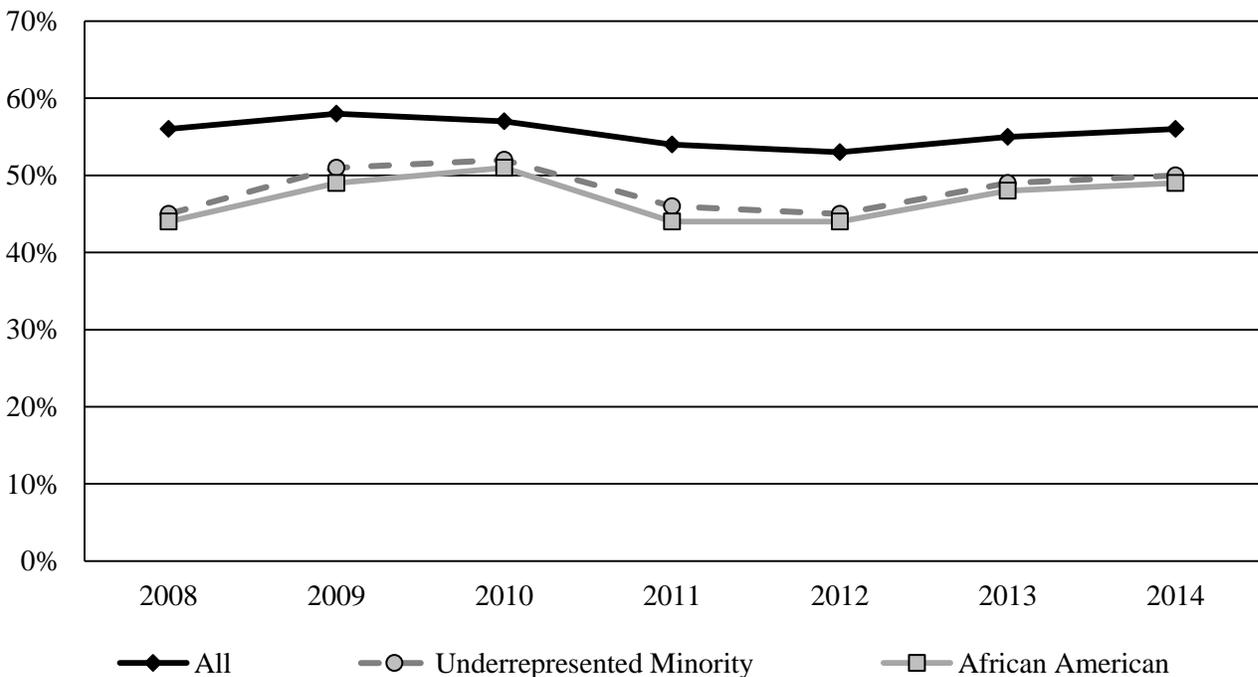


Note: Percentages include first-time/full-time students who persisted at and graduated from the institution they initially enrolled in and those who transferred and graduated from any Maryland public or private four-year institution.

Source: Maryland Higher Education Commission

Graduation rates are, in part, another measure of student persistence and efficiency – as more students graduate, it frees up more room, allowing an institution to enroll more students. **Exhibit 3** shows the six-year graduation rates for the fiscal 2009 to the 2014 year cohorts. After declining to 53% with the 2012 cohort, the graduation rate of all students improved to 56% with the 2014 cohort. The 2010 cohorts of underrepresented and African American students reached their highest rates of 52% and 51%, respectively, narrowing the achievement gap by 5 and 6 percentage points. Subsequent cohorts had lower graduation rates. For the fiscal 2014 cohorts, 50% of underrepresented minorities and 49% of African American students graduated in six years, but the achievement gap remains largely unchanged.

Exhibit 3
Six-year Graduation Rates
2009-2014 Fiscal Year Cohorts



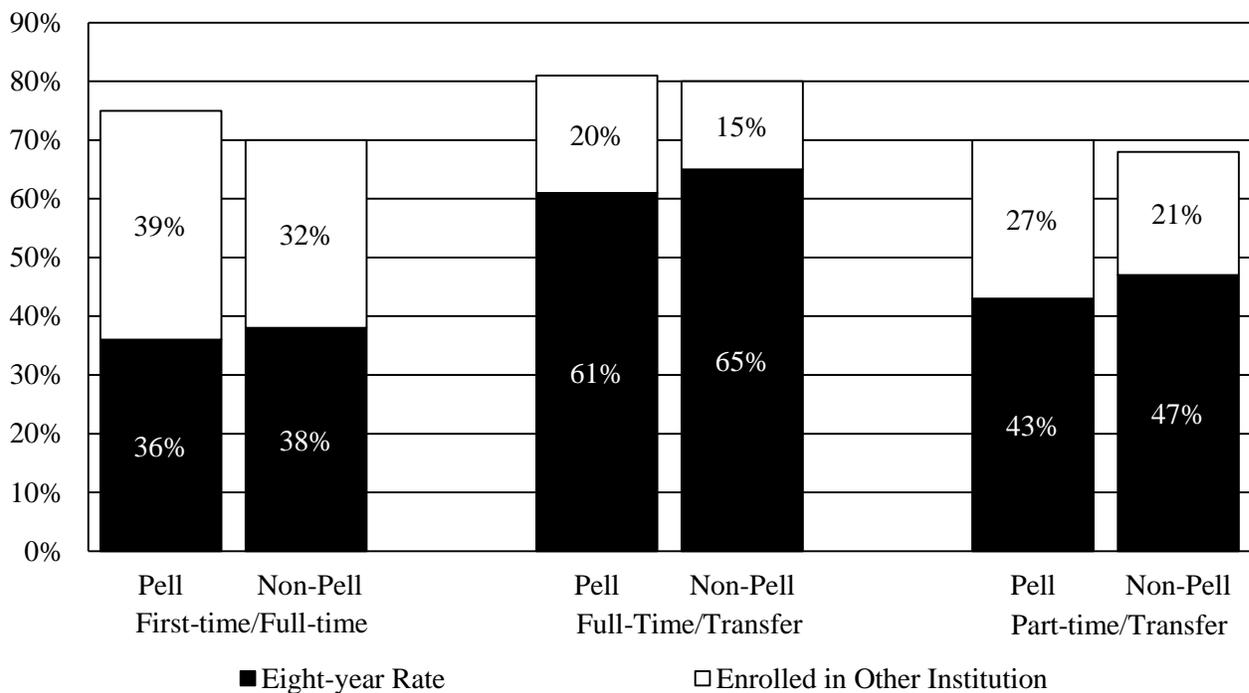
Note: Includes all degree-seeking students (e.g., first-time/full-time, part-time, transfers, spring admits) who enrolled in the fiscal year. Underrepresented minority includes African American/Black, Hispanic/Latinx, American-Indian/Native American, and Native Hawaiian/Pacific Islander.

Source: University System of Maryland

Traditional graduation measures only capture the outcomes of the traditional FT/FT students who are increasingly comprising a smaller portion of the student population. In order to have a more inclusive graduation rate that captures the progress on nontraditional students, the Integrated

Postsecondary Education Data System reports on the outcomes of first-time, transfers, and part-time students by Pell and non-Pell recipients. As shown in **Exhibit 4**, full-time transfer students, are more likely to earn a degree within eight years than FT/FT students, with Pell and non-Pell transfers having graduation rates 25 and 27 percentage points higher than FT/FT Pell and non-Pell students, respectively. Even part-time students graduate at a higher rate than FT/FT. Furthermore, almost a third of non-Pell and 39% of Pell FT/FT students enroll in another institution, indicating that these students did not find that UB was a good fit for them.

Exhibit 4
Eight-year Graduation Rate for Students Entering UB
Academic Years 2010-2011



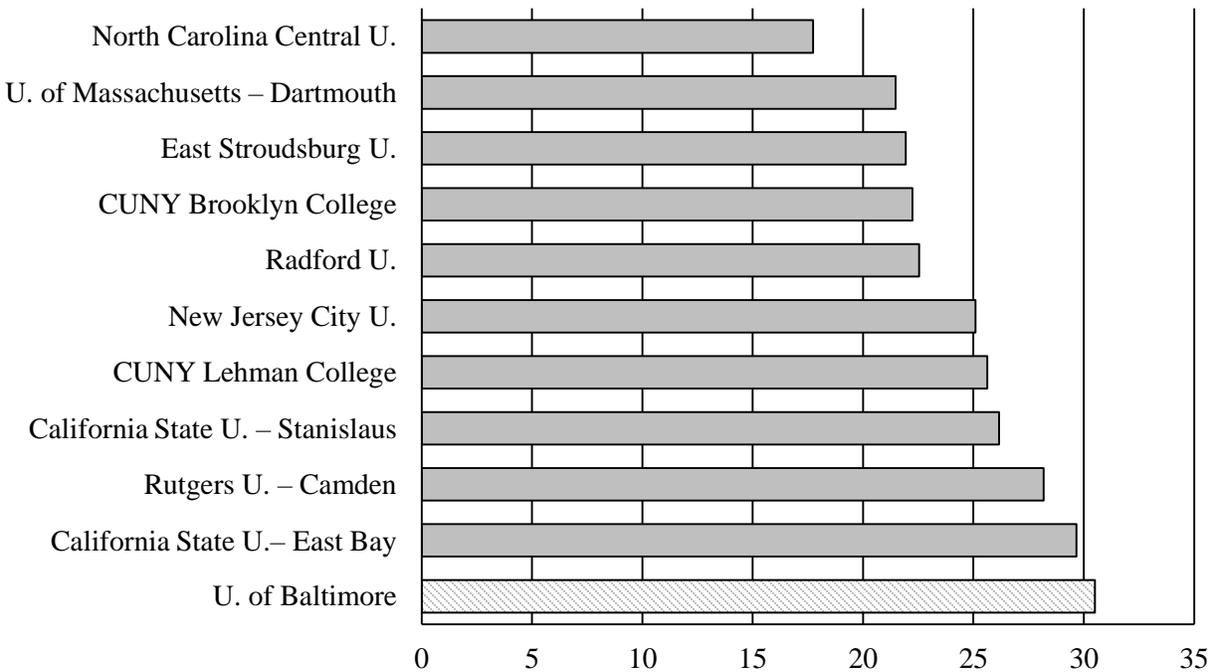
UB: University of Baltimore

Source: National Center for Education Statistics; College Navigator

Ultimately, how well an institution meets its academic mission is measured by the number of undergraduate degrees awarded. The number of undergraduate degrees awarded per 100 full-time equivalent students show how effectively institutions turn degree-seeking students into degree holders. **Exhibit 5** compares the three-year average of UB’s ratio to that of its peers. Peer institutions are those used to benchmark UB’s performance in University System of Maryland (USM) Dashboard Indicators. Depending on the institution, the optimal value is 25.0 for those that predominantly offer bachelor’s degrees. However, UB’s rate of 30.5 reflects offering mainly upper-division programs and having a

relatively high number of transfer students. In addition, the higher ratio reflects the recent decline in enrollment.

Exhibit 5
Comparison of Three-year Average Undergraduate Degrees Per 100
Undergraduate FTES to Performance Peers
Academic 2015-2018



CUNY: City University of New York
FTES: full-time equivalent student
U: University

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

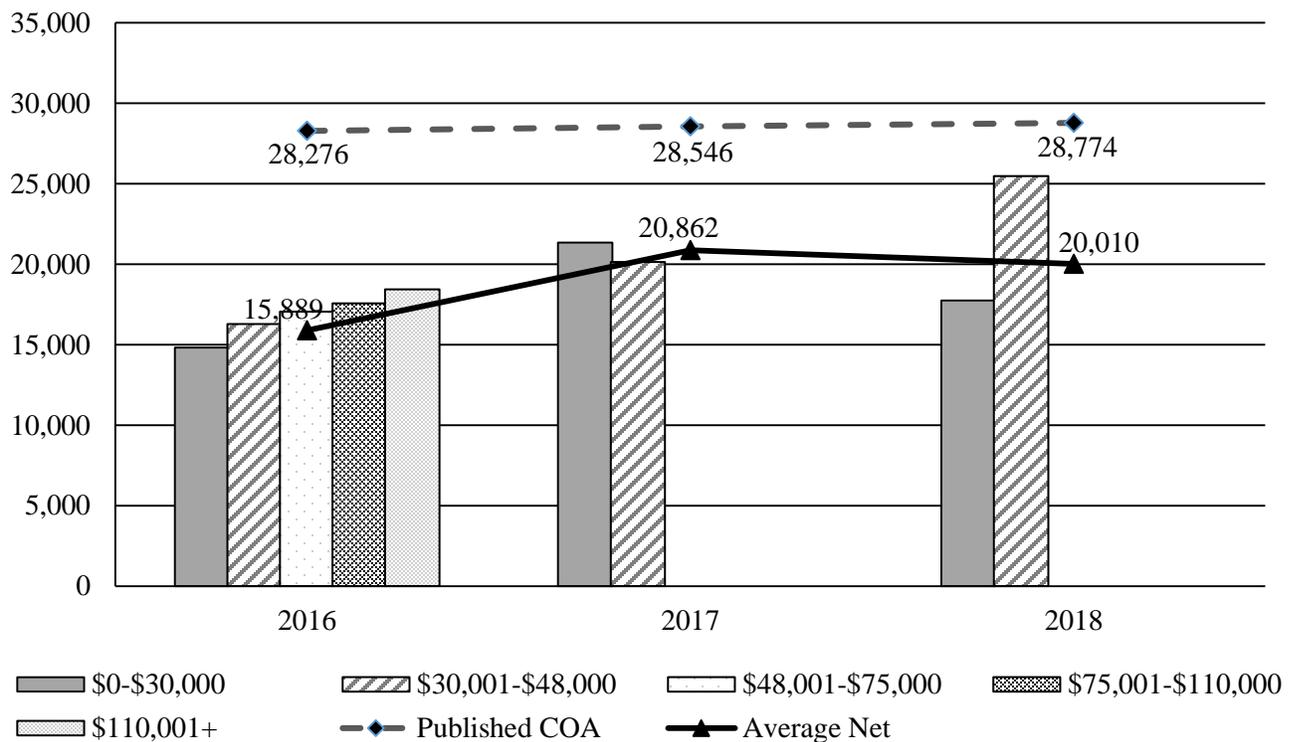
3. Affordability and Accessibility

Cost of Attendance

When considering the affordability of college, students and families tend to focus on the published cost of attendance (COA) or sticker price. COA is the total cost of attending college for one year including tuition and fees, room and board, books, supplies, and other expenses. However, the focus should be on the average net price, which is the cost to the student after accounting for the average

amount of federal, State, and institutional aid awarded to all undergraduate UB students. As shown in **Exhibit 6**, in fiscal 2018, the average net price was \$20,010, or 30.5%, less than the published COA for a FT/FT student. It should be noted for fiscal 2017 and 2018, data was not reported for those families with incomes over \$48,001, but UB states that the fiscal 2019 data reported to Integrated Postsecondary Education Data System will be complete.

Exhibit 6
Estimated In-state Cost of Attendance versus Average Net Price by Income Level
Fiscal 2016-2018



COA: cost of attendance

Note: Estimated costs based on off campus since do not have on-campus housing.

Source: National Center for Education Statistics' College Navigator

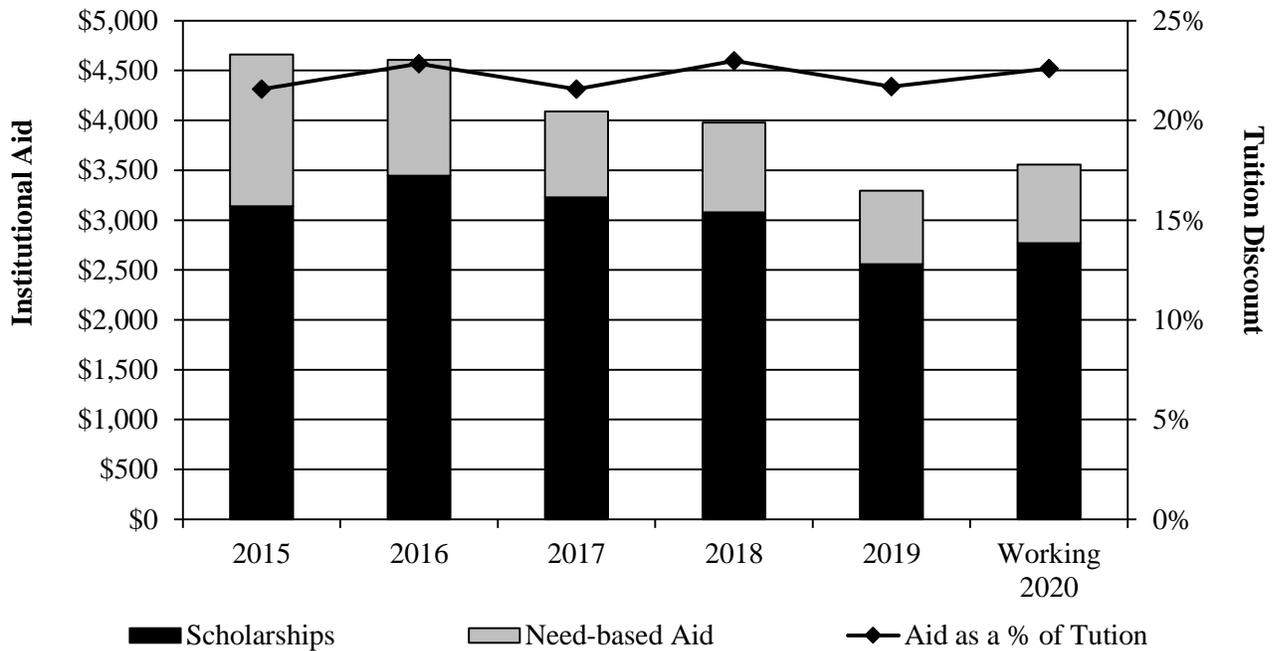
The average cost to a student varies by income level; those with a lower family income receive more financial aid, thereby lowering the average price for attending college. The average net price for those with a family income between \$0 and \$30,000 increased \$6,517, or 44.0%, between fiscal 2016 and 2017, reaching \$21,342 and exceeding the average net price for all students by \$480. In fiscal 2018,

the cost dropped 16.9%, or \$3,600, to \$17,742. Overall, the cost of college for UB students with the lowest income was, on average, 38.3% less than the published price.

Tuition Discount

In order to increase accessibility and make college more affordable, public colleges have been increasing the amount that they discount tuition through institutional aid (need based, scholarships, and athletic scholarships). The discount rate is the ratio of total institutional aid to undergraduate tuition. As shown in **Exhibit 7**, the tuition discount rate increases to 22.6% in fiscal 2020.

Exhibit 7
Institutional Aid: Total Aid and Aid as a Percentage
of Undergraduate Tuition Revenues
Fiscal 2015-2020
(\$ in Thousands)



Source: University System of Maryland; Department of Legislative Services

Institutional Aid

Total spending on institutional aid decreased 24.0%, or \$1.1 million, from fiscal 2015 to 2020, as shown in Exhibit 7, reflecting the budgetary challenges associated with a continuing decline in enrollment. During this time period, spending on need-based aid fell 48.2%, or \$0.7 million, while

scholarships decreased 11.8%, or \$0.4 million. While total spending increases \$0.3 million in fiscal 2020, a majority, \$0.2 million, goes towards scholarships. Overall, the portion of institutional aid going toward need-based aid has decreased from 32.6% in fiscal 2015 to 22.1% in fiscal 2020.

Loans

In fiscal 2019, 36% of UB’s undergraduate students received a Pell grant, which is given to those students who otherwise could not afford college. These students have an expected family contribution (EFC) of less than a specific amount, which was \$5,140 in fiscal 2019. EFC is an indicator of the amount that a family is expected to contribute for a student’s college education; the lower the EFC, the greater the financial need.

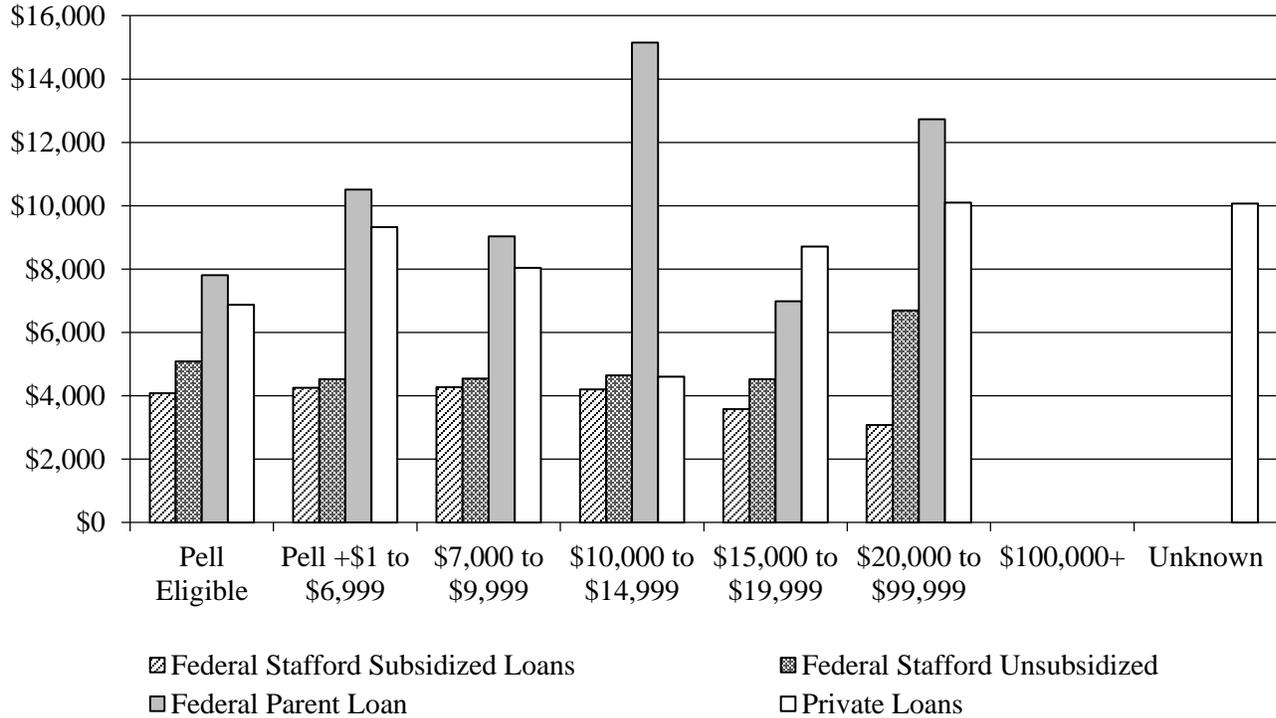
While students with the greatest financial need typically receive Pell and institutional aid, it is not enough to cover the cost of attending college. As shown in **Exhibit 8**, students in all EFC categories take out various types of loans to finance their education. There are three types of loans:

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

In fiscal 2018, of the 1,377 Pell-eligible students, 950 and 732 used subsidized and unsubsidized loans, respectively, to help pay for their college education with average loans of \$4,086 and \$5,086. In general, the federal Parent PLUS loans were the highest average loans taken out for those in all EFC categories, with those with an EFC between \$10,000 to \$14,999 taking out the highest average loan of \$15,155. In general, the average unsubsidized loan amount in all EFC categories exceeds that of subsidized loans leading to concerns about the financial advice or counseling students receive at UB.

The President should comment on efforts or initiatives be taken to ensure that UB remains affordable and that students are not accumulating more debt than necessary to pay for college.

**Exhibit 8
Mean Loan Amount by Type and Expected Family Contribution
Fiscal 2018**



Source: Maryland Higher Education Commission

Student Debt

Recently, the U.S. Department of Education’s College Scoreboard started reporting the median debt (excluding private and Parent PLUS loans) for 2016 and 2017 graduates by program level at institutions. This is an effort to give students a better picture of outcomes at the program rather than the institutional level. The median debt of UB student ranged from \$17,870 for an information science major to \$24,350 for human services majors.

Fiscal 2020 Working Budget

Actions Affecting Fiscal 2020 Budget

A proposed deficiency would replace \$0.3 million in general funds with the Higher Education Investment Fund (HEIF) due to the use of the HEIF fund balance and revised revenue estimates.

Education and General Expenditures

Since tuition and fee revenues in the allowance are based on enrollment projections, increases and decreases in enrollment can have a significant effect on an institution's revenues. Therefore, looking at the changes in expenditures by program areas between fiscal 2019 and 2020, when institutions know their fall enrollment, provides a more accurate picture of funding priorities.

Exhibit 9 shows budget changes for unrestricted funds by program area for fiscal 2019 and 2020, which increase by \$8.4 million, or 7.9% in fiscal 2020. The fiscal 2020 education and general revenues and expenditures are adjusted to reflect a 1.0% general salary increase totaling \$0.3 million. In four program areas (instruction, institutional support, academic support, and student services) spending increases totaling \$6.0 million include:

- \$2.9 million related to general salary increases;
- \$1.5 million related to filling instruction and institutional support positions that were vacant in fiscal 2019;
- \$0.5 million in instruction related to Workforce Development Initiatives to support development of cybersecurity program, 3D certification for the bachelor's in simulation and games design program, and development of an insurance/risk management specialization program;
- \$0.9 million in institutional support of which \$0.5 million are related to advertising expenses and \$0.4 million for supplies and equipment; and
- \$0.2 million in academic support for contractual and student employment and equipment.

The \$0.9 million decrease in operations and maintenance of plant is attributed to the increases related to general salary increases being more than offset by the amount transferred to the plant fund.

Exhibit 9
Budget Changes for Unrestricted Funds by Program
Fiscal 2019-2020
(\$ in Thousands)

	<u>Actual</u> <u>2019</u>	<u>Working</u> <u>2020</u>	<u>Change</u> <u>2019-2020</u>	<u>% Change</u> <u>2019-2020</u>
Expenditures				
Instruction	\$35,638	\$38,586	\$2,948	8.3%
Scholarships and Fellowships	8,972	11,042	\$2,070	23.1%
Institutional Support	18,586	20,468	\$1,882	10.1%
Academic Support	11,673	12,613	\$939	8.0%
Student Services	9,602	9,869	\$267	2.8%
Research	601	843	\$242	40.3%
Operation and Maintenance of Plant	13,743	12,804	-\$939	-6.8%
General Salary Increase/Bonus		320		
E&G Total	\$98,815	\$106,544	\$7,729	7.8%
Auxiliary Enterprises	\$6,623	\$7,247	\$623	9.4%
Total Expenditures	\$105,439	\$113,791	\$8,352	7.9%
Revenues				
Tuition and Fees	\$58,360	\$62,315	\$3,955	6.8%
State Funds ¹	37,952	41,062	\$3,109	8.2%
Other	3,726	4,086	\$360	9.7%
Total E&G Revenues	\$100,038	\$107,463	\$7,424	7.4%
Auxiliary Enterprises	\$6,623	\$7,247	\$623	9.4%
Transfer (to)/from Fund Balance	-1,223	-918		
Available Unrestricted Revenues	\$105,439	\$113,791	\$8,352	7.9%

E&G: education and general

¹ State funds include general funds and Higher Education Investment Funds.

Note: Fiscal 2020 State funds adjusted to reflect a general salary increase.

Source: Governor's Fiscal 2021 Budget Books, Department of Legislative Services

In terms of revenue, UB reduced the original fiscal 2020 appropriation based on tuition and fee revenue by \$1.5 million to better align with the expected fall 2019 enrollments. However, when the fall enrollment was even lower than expected, UB took a variety of steps to control expenditures, including evaluating vacant positions, implementing a hiring freeze, and continuing to avoid and defer general and administrative spending so as to have a balanced budget by the end of the year.

It should be noted that in December 2019, the Board of Regents approved UB's voluntary separation plan (VSP) in order to right size and align faculty and staff positions with enrollment and reduce the cost structure. VSP is available to tenured/tenure-track/non-tenure track instructional

faculty, librarians, and regular exempt and nonexempt staff who have a minimum of 20 years of service at UB as of January 1, 2020. Following separation, UB will make pretax contributions into the retirement plans in successive calendar years conforming to the maximum annual deferral amounts specified by the Internal Revenue Service for eligible employees who opt into VSP. Contributions for faculty and staff are the greater of \$52,000 and \$30,000, respectively, or 50% of their base salary as of January 1, 2020. UB estimates that 15% to 20% of eligible employees will participate in VSP and anticipates structural savings of \$1.0 million depending on participation and salary levels.

Fiscal 2021 Proposed Budget

As shown in **Exhibit 10**, the adjusted allowance for fiscal 2021 provides an increase of \$4.8 million, or 11.5%, in State support compared to the adjusted fiscal 2020 working appropriation.

Exhibit 10
Proposed Budget
University of Baltimore
(\$ in Thousands)

	FY 19 <u>Actual</u>	FY 20 <u>Working</u>	FY 21 <u>Adjusted</u>	FY 20-21 <u>Change</u>	% Change <u>Prior Year</u>
General Funds	\$36,287	\$39,017	\$42,507		
Deficiency		-328			
Cost-of-living Adjustment		320	1,278	959	
Total General Funds	\$36,287	\$39,008	\$43,785	\$4,777	12.2%
HEIF	\$1,665	\$1,726	\$1,995		
Deficiency		328			
Total HEIF	1,665	2,054	1,995	-59	-2.9%
Total State Funds	\$37,952	\$41,062	\$45,780	\$4,777	11.5%
Other Unrestricted Funds	\$68,709	\$73,647	\$70,944	-\$2,703	-3.7%
Transfer to Fund Balance	-1,223	-918	-920		
Net Unrestricted Funds	\$105,439	113,791	\$115,805	\$2,014	1.8%
Restricted Funds	\$22,769	\$26,535	\$26,035	-\$500	-1.9%
Total Funds	\$128,207	\$140,325	\$141,839	\$1,514	1.1%

HEIF: Higher Education Investment Fund

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

Source: Governor’s Fiscal 2021 Budget Books; Department of Legislative Services

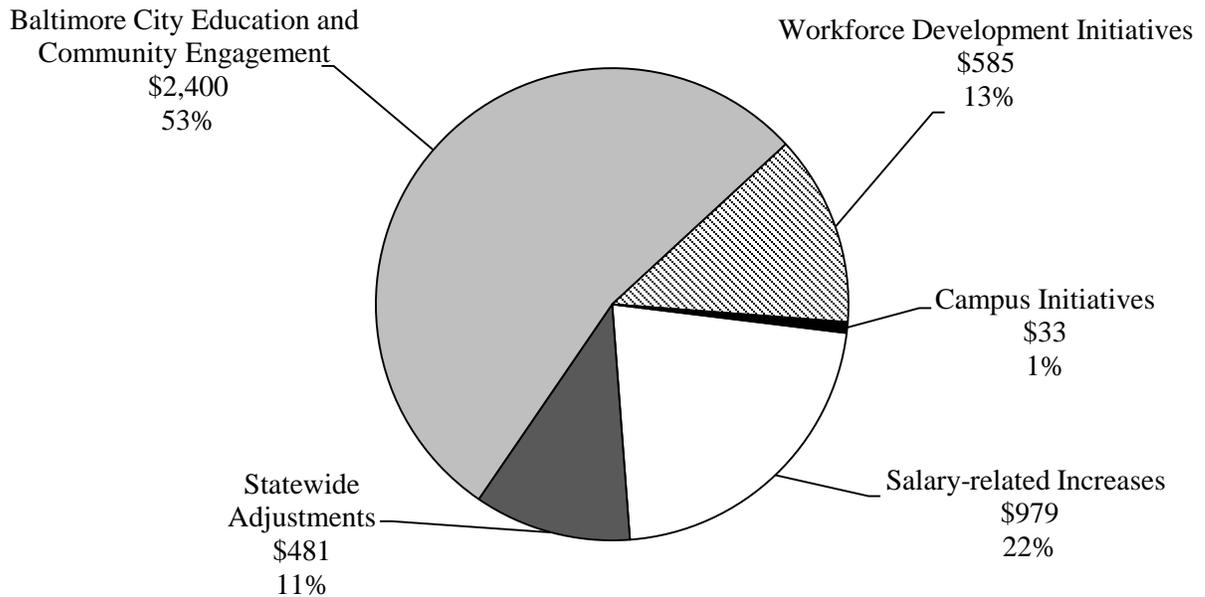
Proposed Increases

The additional fiscal 2021 State support provides:

- \$2.4 million for Baltimore City educational programs and community engagement activities including:
 - expanding scholarships for city workers;
 - expanding the Second Chance Program that offers postsecondary education to incarcerated males prior to release from prison;
 - expanding the UB Community Development Fellowship Program that matches students with community organizations by providing more stipends to increase student participation;
 - implementing the UB Student Social Innovation Challenge in which students design a project to address community needs;
 - establishing an accelerated completion program allowing students to complete their undergraduate degree in three years; and
 - expanding a mentoring of at-risk students program.
- \$1.0 million for annualization of the fiscal 2020 general salary increase and the 2% fiscal 2021 general salary increase;
- \$0.6 million for Workforce Development Initiatives to establish a bachelor’s program in forensic sciences and a master’s program in forensic science – cyber investigations at the Universities at Shady Grove;
- \$0.4 million for statewide miscellaneous adjustments of which \$0.3 million is related to health insurance; and
- \$0.3 million for increases in current operating costs.

Other current unrestricted funds decrease \$2.7 million of which \$2.2 million is due to less tuition and fee revenue. When including a planned fund balance transfer of \$0.9 million, total unrestricted funds grow 1.8%, or \$2.0 million, to fund increases in current service costs of \$4.5 million (including general salary increases), resulting in a shortfall of \$2.5 million. As shown in **Exhibit 11**, 53% of the increase is related to Baltimore City initiatives, and 22% is related to increases in salary-related costs. Given the shortfall, UB cannot expect to be able to transfer \$0.9 million to the fund balance so in order to cover the remaining shortfall, UB will need to take additional actions such as deferring projects, reducing funding in other areas, and/or transferring funds from the fund balance. It should be noted that UB has a total fund balance of \$16.3 million in fiscal 2020 of which \$1.1 million is the State-supported portion.

Exhibit 11
Break Down of Spending Increases
Fiscal 2021
(\$ in Thousands)



Note: Salary-related increases include annualization of the fiscal 2020 salary increases, the fiscal 2021 general salary increase, and costs related to increase in minimum wage. Campus initiatives includes library information consortium.

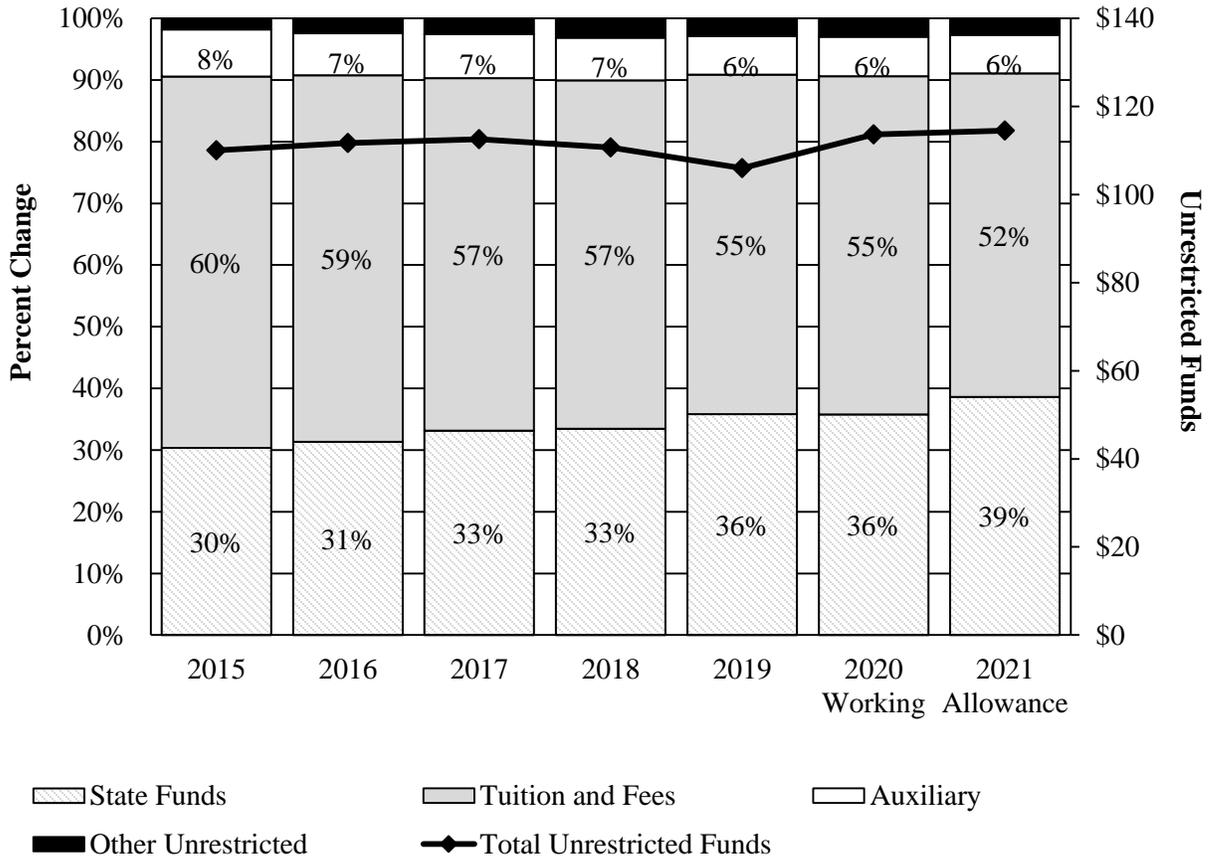
Source: University System of Maryland

Revenue Sources

Overall, **Exhibit 12** shows the impact that declining enrollment has had on the composition of unrestricted revenues, with State funds comprising an increasing larger portion of revenue, 30% in fiscal 2015 to 39% in 2021. Conversely, during this time period tuition and fee revenues comprised less of the revenues, declining from 60% to 52%. This also illustrates UB reliance on tuition and fee revenues compared to other institutions in which these revenues typically comprise around 40% of revenues. This also highlights another distinction between UB and residential institutions where auxiliary enterprises can account for 30% or more of revenues and provide institutions a cushion to cover shortfalls in the academic enterprise.

The \$4.7 million drop in revenues from fiscal 2019 to 2020 is primarily due to a \$4.2 million drop in tuition and fee revenues. In fall 2018, undergraduate and graduate enrollment fell 12.0% and 5.5%, respectively. Overall, from fiscal 2015 to 2020, unrestricted revenues grew 4.0%, or \$4.4 million. While State funding increased 32.3%, or \$10.8 million, tuition and fee revenues fell 9.4%, or \$6.2 million.

Exhibit 12
Unrestricted Revenues by Fund Source
Fiscal 2015-2021
(\$ in Thousands)



Note: State funds include general funds and the Higher Education Investment Fund

Source: Governor’s Fiscal 2017-2021 Book Budgets

Personnel Data

	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 20-21</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	670.50	653.00	653.00	0.00
Contractual FTEs	<u>97.56</u>	<u>110.96</u>	<u>103.62</u>	<u>-7.34</u>
Total Personnel	768.06	763.96	756.62	-7.34

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	32.85	5.03%
Positions and Percentage Vacant as of 12/31/19	54.00	n/a
Vacancies Above Turnover	21.15	

- The fiscal 2021 allowance does not provide for any new regular positions. However, USM institutions have personnel autonomy and may create new positions during the year. In fiscal 2020 year to date, 17.5 vacant positions were abolished.
- The allowance eliminated 7.34 contractual full-time equivalent positions.

Issues

1. Realignment of UB

UB recently announced a plan to realign the institution based on the 2018 to 2023 strategic plan: reimagining UB. This plan was developed to respond to the challenges facing the institution. Actions can be categorized into one of the four following goals.

Goal 1: Positioning UB as the region’s premier professional, career-focused university:

- Consolidate programs and focus on specific signature areas: (1) business and entrepreneurship; (2) law, justice and public affairs; (3) communication and design; (4) psychology, health, and human services; and (5) cybersecurity, gaming and technology.
- Implement strategies to achieve a student mix of 60% graduate professional/40% undergraduate focusing on transfer students.
- Continue commitment to academic excellence by increasing admission standards where appropriate.
- Expedite the growth on online programing, especially at the graduate level.

Goal 2: Fostering greater student success, increasing degree completion and shorting the time to degree:

- Review program structure and courses, streamline offerings, and develop optimal course sequencing.
- Maximize flexible course delivery, enhance summer and winter offerings, and develop multi-semester course schedules.
- Expand opportunities for awarding credit through prior learning, dual enrollment, and military credit.

Goal 3: Solidifying commitment to community engagement and public service:

- Leverage additional State support to increase community partnerships, and expanding community fellows program.

Goal 4: Organizing for long-term financial stability:

- Budget assuming annual student enrollment of 4,000.
- Improve efficiency and effectiveness of administrative and business operations including implementing a voluntary separation program, eliminating most vacant positions and filled positions that do not directly support the number or mix of students, and outsourcing or adopting shared services with other USM institutions for appropriate back office functions.
- Reorganize academic structures by consolidating into three schools starting in fiscal 2021: law, business and technology, and the various components of community and public engagement.
- Modify the budget process by moving all schools to a responsibility centered management budgeting model by July 2021, in which the colleges are solely responsible for managing their own revenues and expenditures.
- Increase fundraising.
- Increase State appropriations and monetization of facilities.

The President should comment on implementation of the actions in the strategic plan and the challenges and opportunities in realigning UB.

2. Police Academy

In fall 2019, Baltimore City entered into a 60-month lease agreement, with an option to renew for an additional 60 months, with UB to lease unoccupied space for the Baltimore Police Department (BPD) to use for its Policy Academy. The academy will provide training and continuing education for new police recruits, active duty officers, police management personnel, and other public safety personnel for Baltimore City.

The lease includes the second floor and portions of the third and fourth floors of the H. Mebane Turner Learning Commons, the fourth floor in the recreation center, and exclusive use of the gym Monday through Friday from 6:00 a.m. to 3:00 p.m. Rent is based on a rate of \$14 per gross square feet with the first year rent totaling \$1.3 million and increasing 2% each year. A one-time payment of \$0.4 million will be made to UB for its capital and renewal expenditures and reserves. In addition, UB is using \$2.4 million from its plant funds to make improvements to the leased space. The lease will commence upon substantial completion of the renovations. Overall, the agreement is financially neutral with neither UB nor the BPD subsidizing each other.

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In addition, UB entered into a parking agreement with BPD. The agreement initially provides BDP with 80 monthly passes with a provision for up to 125 monthly passes. In addition, BPD can purchase up to 180 daily transient parking passes for trainees and academy guests. It is estimated this could generate up to \$235,440 annually – \$69,120 for the 80 annual passes and up to \$166,320 for transient parking.

This arrangement provides UB with a new funding source that offsets the fixed cost from maintaining unoccupied space and supports deferred maintenance efforts in the leased buildings.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Status of Implementing Realignment Plan: The University of Baltimore (UB) recently announced a plan to realign the institution in response to the continuing challenges that it has been facing including budgetary constraints due to declining enrollment. Actions can be categorized into one of four goals: positioning UB as a leading professional and career-focused institution in the region; student success; community engagement; and financial stability. The committees request a report that includes the status of plan implementation, including a timeframe for full implementation and the results from actions that have already been implemented. The report should be submitted by December 15, 2020.

Information Request	Author	Due Date
Status of implementing realignment plan	UB	December 15, 2020

Appendix 1
Object/Fund Difference Report
University of Baltimore

<u>Object/Fund</u>	<u>FY 19</u> <u>Actual</u>	<u>FY 20</u> <u>Working</u> <u>Appropriation</u>	<u>FY 21</u> <u>Allowance</u>	<u>FY 20 - FY 21</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	670.50	653.00	653.00	0.00	0%
02 Contractual	97.56	110.96	103.62	-7.34	-6.6%
Total Positions	768.06	763.96	756.62	-7.34	-1.0%
Objects					
01 Salaries and Wages	\$ 69,043,683	\$ 73,656,474	\$ 73,785,604	\$ 129,130	0.2%
02 Technical and Special Fees	7,817,755	9,247,855	8,068,555	-1,179,300	-12.8%
03 Communication	333,990	498,208	510,199	11,991	2.4%
04 Travel	1,113,971	1,345,740	1,345,740	0	0%
06 Fuel and Utilities	2,260,639	2,747,560	2,696,893	-50,667	-1.8%
07 Motor Vehicles	46,420	110,670	110,669	-1	0%
08 Contractual Services	8,397,350	12,845,837	14,704,355	1,858,518	14.5%
09 Supplies and Materials	2,117,545	2,661,257	2,661,257	0	0%
10 Equipment – Replacement	504,723	732,787	732,787	0	0%
11 Equipment – Additional	264,830	1,549,379	1,308,655	-240,724	-15.5%
12 Grants, Subsidies, and Contributions	17,039,811	19,407,366	19,337,366	-70,000	-0.4%
13 Fixed Charges	11,618,526	11,399,068	11,495,553	96,485	0.8%
14 Land and Structures	7,648,165	3,803,754	3,803,754	0	0%
Total Objects	\$ 128,207,408	\$ 140,005,955	\$ 140,561,387	\$ 555,432	0.4%
Funds					
40 Unrestricted Fund	\$ 105,438,668	\$ 113,471,240	\$ 114,526,672	\$ 1,055,432	0.9%
43 Restricted Fund	22,768,740	26,534,715	26,034,715	-500,000	-1.9%
Total Funds	\$ 128,207,408	\$ 140,005,955	\$ 140,561,387	\$ 555,432	0.4%

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.

**Appendix 2
Fiscal Summary
University of Baltimore**

<u>Program/Unit</u>	<u>FY 19 Actual</u>	<u>FY 20 Wrk Approp</u>	<u>FY 21 Allowance</u>	<u>Change</u>	<u>FY 20 - FY 21 % Change</u>
01 Instruction	\$ 37,461,062	\$ 42,178,392	\$ 41,396,720	-\$ 781,672	-1.9%
02 Research	13,237,601	14,661,724	14,237,491	-424,233	-2.9%
04 Academic Support	11,898,946	12,820,593	14,833,673	2,013,080	15.7%
05 Student Services	10,224,931	10,454,489	10,406,952	-47,537	-0.5%
06 Institutional Support	18,863,144	20,642,260	20,823,258	180,998	0.9%
07 Operation and Maintenance of Plant	13,745,106	12,803,922	12,583,718	-220,204	-1.7%
08 Auxiliary Enterprises	6,623,034	7,246,634	7,151,634	-95,000	-1.3%
17 Scholarships And Fellowships	16,153,584	19,197,941	19,127,941	-70,000	-0.4%
Total Expenditures	\$ 128,207,408	\$ 140,005,955	\$ 140,561,387	\$ 555,432	0.4%
Unrestricted Fund	\$ 105,438,668	\$ 113,471,240	\$ 114,526,672	\$ 1,055,432	0.9%
Restricted Fund	22,768,740	26,534,715	26,034,715	-500,000	-1.9%
Total Appropriations	\$ 128,207,408	\$ 140,005,955	\$ 140,561,387	\$ 555,432	0.4%

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.