

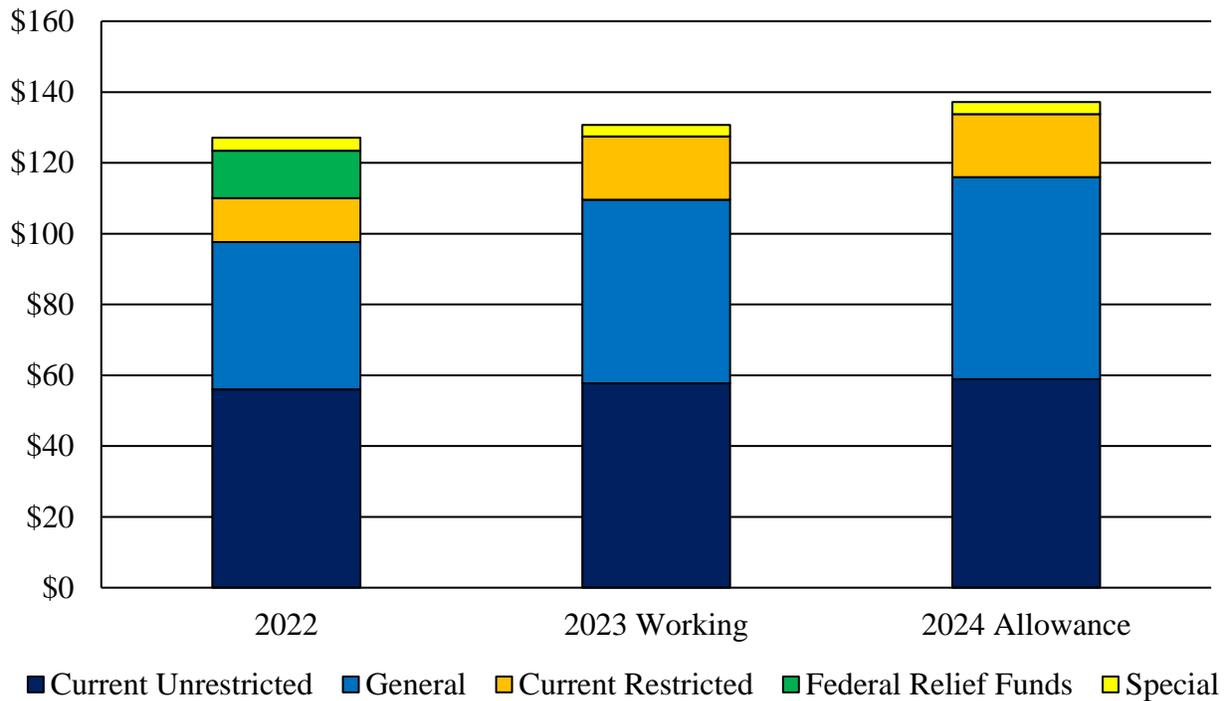
R30B26
Frostburg State University
 University System of Maryland

Executive Summary

Frostburg State University (FSU) is a mid-size, comprehensive university. It is the only four-year institution within the University System of Maryland (USM) located west of the Baltimore-Washington corridor.

Operating Budget Summary

Fiscal 2024 Budget Increases \$6.4 Million, or 4.9%, to \$137.2 Million
 (\$ in Millions)



Note: The fiscal 2023 general fund appropriation is adjusted to reflect deficiencies, including one for Frostburg State University’s (FSU) share of a deficiency appropriation budgeted in the Statewide Account with the Department of Budget and Management (DBM). The fiscal 2024 general fund allowance includes salary adjustments that are budgeted in the Statewide Account within DBM. Excludes pay-as-you-go capital funding provided through the Dedicated Purpose Account to FSU in fiscal 2023.

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- General funds increase by \$5.2 million, or 9.9%, in fiscal 2024 compared to fiscal 2023 after adjusting for three proposed deficiencies.
- The fiscal 2024 budget includes three proposed deficiency appropriations impacting FSU. One is for FSU’s share of a deficiency appropriation (\$1.5 million) budgeted in the Statewide Account with the Department of Budget and Management (DBM) related to the 4.5% cost-of-living adjustment (COLA) effective November 2022. Another represents FSU’s share (\$0.4 million) of a one-time \$2.6 million total proposed deficiency across certain USM institutions that would provide funding to help cover the cost of the 4.5% COLA for non-State-supported positions.
- The third proposed deficiency is FSU’s share of an \$8.0 million proposed deficiency appropriation across higher education institutions that would replace \$0.2 million in general funds with the Higher Education Investment Fund (HEIF) due to available fund balance. After adjusting for the deficiency, the HEIF increases 2.5%, or \$82,511, in fiscal 2024.

Key Observations

- Undergraduate enrollment declined for the seventh consecutive year, in fall 2022, falling by 11.2%, or 413 students, to a total of 3,264 compared to fall 2021. This decrease was driven by a 9.0% decline in the number of students coming back to campus.
- The impact of the pandemic on the retention of students can be seen with the second-year retention rate decreasing from 78% with the 2019 cohort to 75% with the 2021 cohort. The rate increased slightly to 76% with the 2022 cohort. The third-year retention rate for the 2020 and 2021 cohorts of 56% was below the average of 60% for the prior year cohorts.
- Pell and non-Pell, full-time transfer students graduate at significantly higher rates than first-time/full-time (FT/FT) Pell and non-Pell students.

Operating Budget Recommended Actions

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

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Frostburg State University
 University System of Maryland

Operating Budget Analysis

Program Description

FSU is a mid-size, comprehensive university. It is the only four-year institution within USM located west of the Baltimore-Washington corridor and serves as the premier educational and cultural center for Western Maryland. Approximately half of FSU’s students are from Allegany, Frederick, Garrett, and Washington counties, although as a largely residential campus, it draws students from all counties in Maryland as well as neighboring states.

FSU offers an array of undergraduate and graduate degrees, emphasizing academic programs in education, business, applied science and technology, and creative and performing arts, with selected programs in the humanities and social services. It also offers students opportunities to engage in regional volunteerism, service learning activities, undergraduate research, and internships. FSU promotes regional development through a variety of initiatives. For example, the university provides technical and business expertise, and space is made available for business incubation with an emphasis on engaging faculty and students with businesses to ensure the collaborative nature of all ventures.

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

Fall 2022 Undergraduate Enrollment Headcount		Fall 2022 Graduate Enrollment Headcount	
Male	1,532	Male	270
Female	1,732	Female	534
Total	3,264 (75 at Hagerstown)	Total	804 (102 at Hagerstown)

Fall 2022 New Students Headcount		Campus (Main Campus)	
First-time	499	Acres	26
Transfers/Others	254	Buildings	48
Graduate (Masters)	133	Average Age	44
Doctoral	16	Oldest	1902
Total	902		

Programs		Degrees Awarded (2021-2022)	
Bachelor’s	44	Bachelor’s	927
Master’s	12	Master’s	225
Doctoral (Research)	1	Doctoral (Research)	10
		Total Degrees	1,162

Proposed Fiscal 2024 In-state Tuition and Fees*

Undergraduate Tuition	\$7,111
Mandatory Fees	\$2,888

*Contingent on Board of Regents approval.

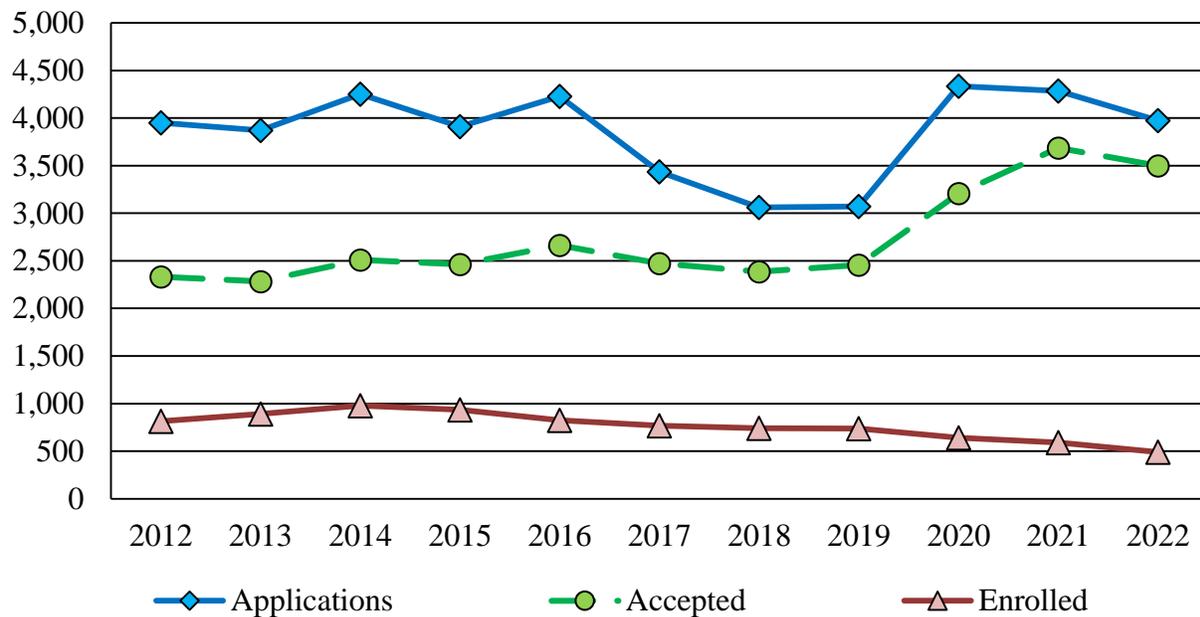
Performance Analysis

1. Undergraduate Enrollment

First-time Applications

As shown in **Exhibit 1**, after increasing to 4,228 for fall 2016, the number of applications fell by 27.3%, or 1,156 applications, by fall 2019. In fall 2020, the number of applications reached a high point of 4,335 applications. However, the number of applications subsequently declined by 8.3%, or 359 applications, by fall 2022. According to FSU, the increase in applications was due to applicants who applied through Common Application and were unlikely to attend.

Exhibit 1
Undergraduate Applications, Accepted, and Enrolled
Fall 2012-2022



Source: University System of Maryland

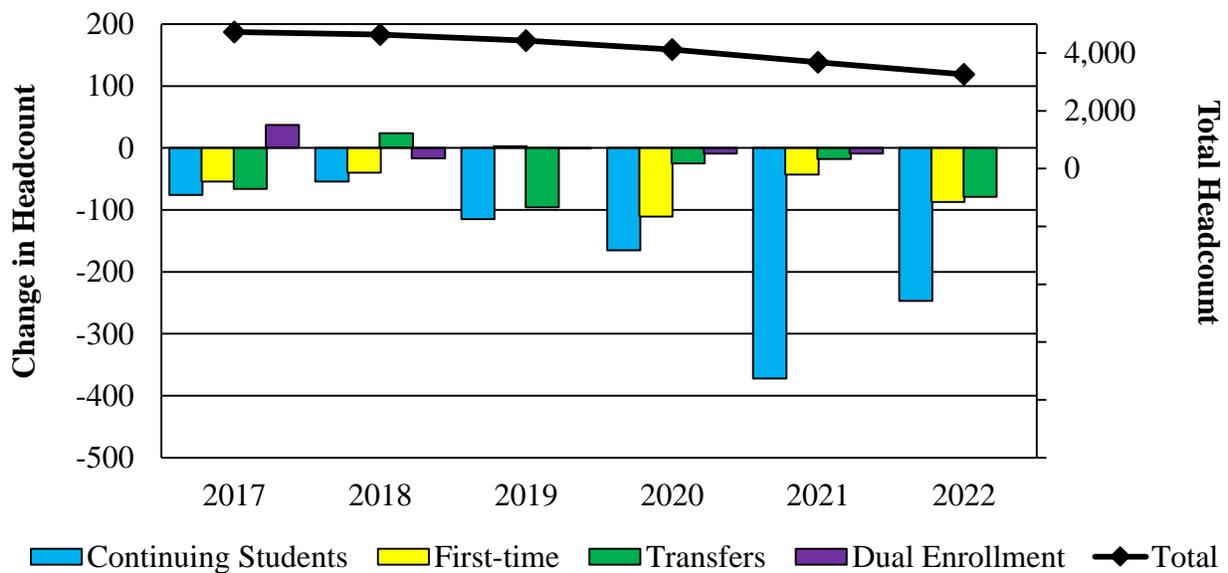
The percentage of accepted applicants who enrolled at FSU reached its highest level of 39% in fall 2014. This resulted in the highest enrollment of 978 students. By fall 2016, the percentage of those who enrolled declined to 31%. The rate of decline accelerated for fall 2020, and by fall 2022, the rate had declined to 14%. Overall, this resulted in the number of first-time students declining 49.9%, or 489 students, since fall 2014.

According to FSU several factors impacted enrollment over the last few years including a partnership that it had with a student search firm, since 2020, to purchase names of prospective students. However, the names provided did not result in an increase in enrollment to a level that would maintain the cohort size from the previous year in fall 2021 and 2022. FSU has diversified their buying of names to include a new student search firm, which produced positive results for the fall 2023 class. FSU also stated the Customer Relations Management software was not implemented correctly, which led to poor data and inaccurate reporting. Additionally, the enrollment strategy for fall 2021 and 2022 did not include digital ads and social media presence to prospective students.

Fall 2022 Undergraduate Enrollment

As shown in **Exhibit 2**, undergraduate enrollment declined for the seventh consecutive year in fall 2022, falling by 11.2%, or 413 students, to a total of 3,264. The decline occurred among all types of enrollment, but was primarily driven by a 9.0%, or 247, decline in the number of students coming back to campus. Since fall 2017, the number of continuing students has declined 27.5%, or 953 students, with the largest decrease of 372 occurring in fall 2021. The number of first-time students in fall 2022, decreased by 14.8%, or 87 students, compared to fall 2021 and has fallen by 35.8% (278 students) since fall 2017. The number of transfer students in fall 2022 fell by 23.7%, or 79 students, compared to fall 2021, and by 43.4% (194 students) since fall 2017.

Exhibit 2
Change and Total Undergraduate Headcount Enrollment
Fall 2017-2022



Source: University System of Maryland

The Department of Legislative Services (DLS) is particularly concerned about the significant rate of decline in undergraduate enrollment over the past three years. Prior to the pandemic (from fall 2017 to 2019), on average, the rate of decline was 3.2%, and since the pandemic, it has increased, on average, to 9.7%. In fact, the rate of decline was higher for fall 2022 than the two prior years. This decline raises concerns the effect this has on tuition and fee and auxiliary revenues and the subsequent impact on FSU’s budget. Despite declining undergraduate enrollment, in the past two years, graduate enrollment has increased by 8.7%, or by 65 students. Overall, in fall 2022, when including graduate students, enrollment declined by 8.6%.

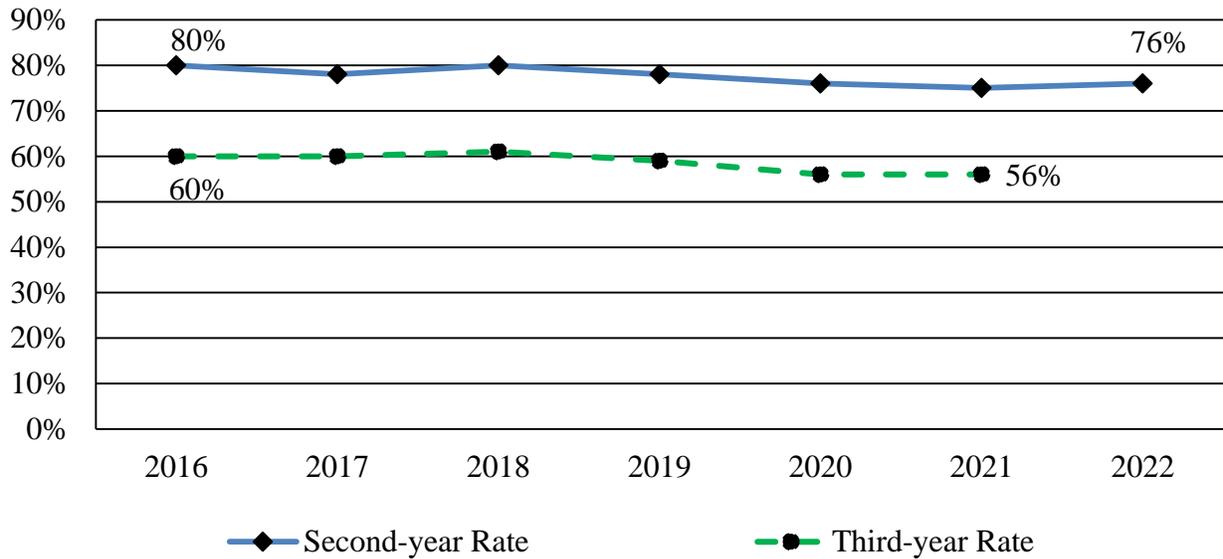
In general, according to FSU, enrollment has primarily been impacted by external factors such as a decrease in traditional markets and students staying closer to home, which has a greater impact on rural institutions. FSU stated fall 2022 enrollment was impacted by a delay in awarding financial aid due to the implementation of a new financial aid software program. FSU further states that they have invested in strategies to improve enrollment including staffing, software utilization optimization, training, and continuous monitoring of key performance indicators to ensure that activities support the strategic enrollment plan.

2. Retention Rates

Student retention rates provide a measure of student progress and an institution’s performance: a high retention rate indicates (1) the ability of an institution to keep students and (2) the more likely a student will succeed and graduate. As students are more likely to drop out during their first year, the second-year rate is an indicator of a number of factors – from students not being prepared for college, to institutional support designed to retain students. However, institutions tend to focus efforts on retaining first-year students and not providing supports needed to keep students beyond their second year, thereby increasing their chances to graduate.

As shown in **Exhibit 3**, the impact on the pandemic on the second-year retention rate can be seen with the rate starting to decline with the fiscal 2019 cohort. This was the first entering class to be impacted by the pandemic in which the campus closed and transition to remote learning was made during the spring 2020 semester. The second-year rate for the fiscal 2020 cohort decreased from 78% with the fiscal 2019 cohort to 76%, indicating students may not have had a positive experience with remote learning. After a further decline for the fiscal 2021 cohort, the fiscal 2022 cohort is also at 76% retention. Prior to the pandemic, the third-year retention rate remained fairly stable at 60% but has declined from 59% with the fiscal 2019 cohort to 56% with the fiscal 2020 and 2021 cohorts. These declines may reflect the impact of the unique challenges faced by each cohort. The fiscal 2021 cohort spent their senior year in high school in a virtual environment and had to adjust to life on campus and in-person classes. While the fiscal 2020 cohort had completed a year of college, it was done remotely and, therefore, they did not have the typical on-campus experience and also needed help in adjusting to campus life.

Exhibit 3
Second- and Third-year Retention Rates
Fiscal 2016-2022 Cohorts

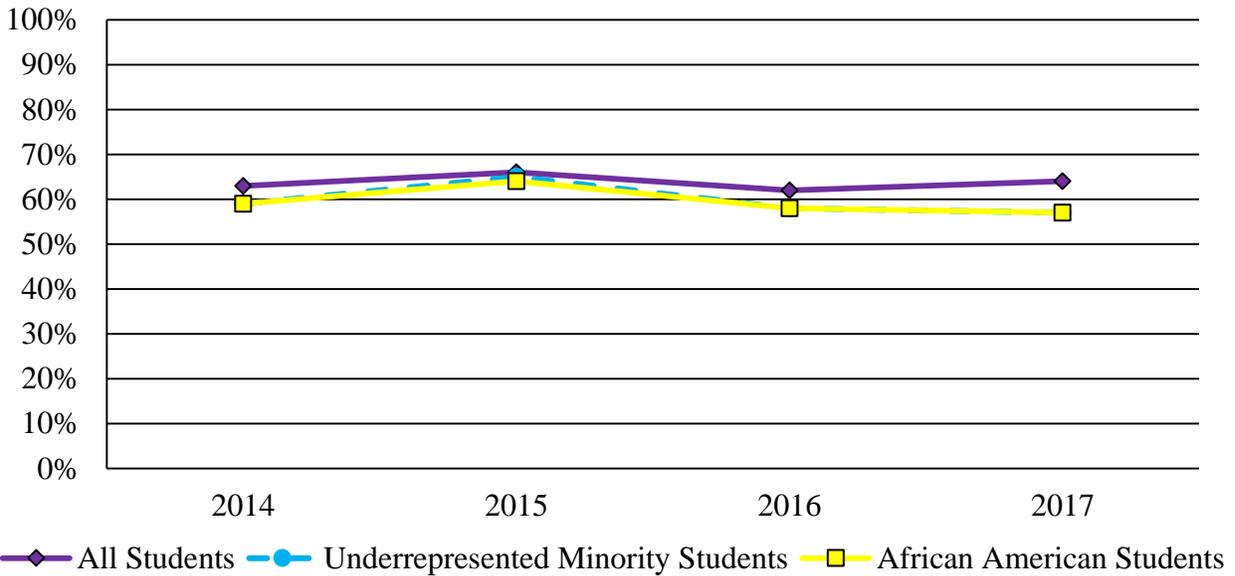


Source: University System of Maryland

3. Graduation Rates

Graduation rates are, in part, another measure of student retention and efficiency – as more students graduate, it frees up more room, allowing an institution to enroll more students. National data show students of color, low-income, and/or first-generation graduate at a lower rate than their peers, which points to the need to develop strategies and services to support the success of these students and close the achievement gap. **Exhibit 4** shows the six-year graduation rates by ethnicity for the fiscal 2014 through 2017 cohorts. Graduation rates for all groups of students reached their highest rate with the fiscal 2015 cohort when the rate for all students reached 66%, underrepresented minorities 65%, and African American students 64%. After declining to 62% with the fiscal 2016 cohort, the rate for all students improved to 64% with the fiscal 2017 cohort. The rates for underrepresented minorities and African American students both declined to 57% with the fiscal 2017 cohort. This results in an achievement gap of 7 percentage points compared to 1 and 2 percentage points in the fiscal 2015 cohorts, respectively.

Exhibit 4
Six-year Graduation Rates
Fiscal 2014-2017 Cohorts

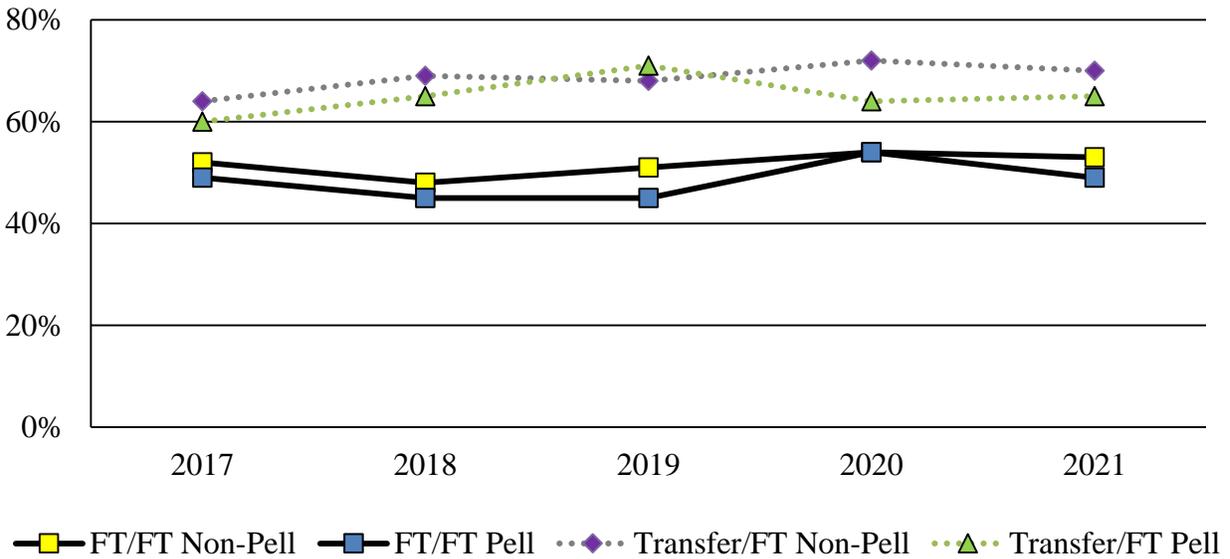


Note: Includes all degree-seeking students (e.g., first-time/full-time, part-time, transfers, spring admits) who enrolled in the fiscal year. Underrepresented minority includes African American/Black, Hispanic/Latino, American Indian/Native American, Native Hawaiian/Pacific Islander.

Source: University System of Maryland

While much attention has been paid to the achievement gap between the races, increasingly, attention has turned to the achievement gap between low-income and other students. Nationally, according to the National Center for Education Statistics, the average six-year graduation rate of the fiscal 2015 cohort of Pell students at four-year public institutions was 48.1%, compared to 59.3% of all students. Overall, the graduation rates of transfer students, Pell and non-Pell, significantly exceeds that of FT/FT students as shown in **Exhibit 5**. On average between the fiscal 2017 and 2021 cohorts, the graduation rates for non-Pell and Pell transfer students are 69% and 65%, respectively, compared to 52% and 48% of non-Pell and Pell FT/FT students, respectively. This indicates while FSU has been successful in helping transfer students succeed there are opportunities to make improvements, targeting programs and initiatives toward FT/FT and in particular Pell students. **The President should comment on efforts being taken to improve the success of FT/FT students and specifically programs and initiatives targeting Pell students.**

Exhibit 5
Six-year Graduation Rates – Pell and Non-Pell Students
Fiscal 2017-2021



FT: full-time
 FT/FT: first-time/full-time

Note: As of August 1 each year.

Source: Integrated Postsecondary Education Data System

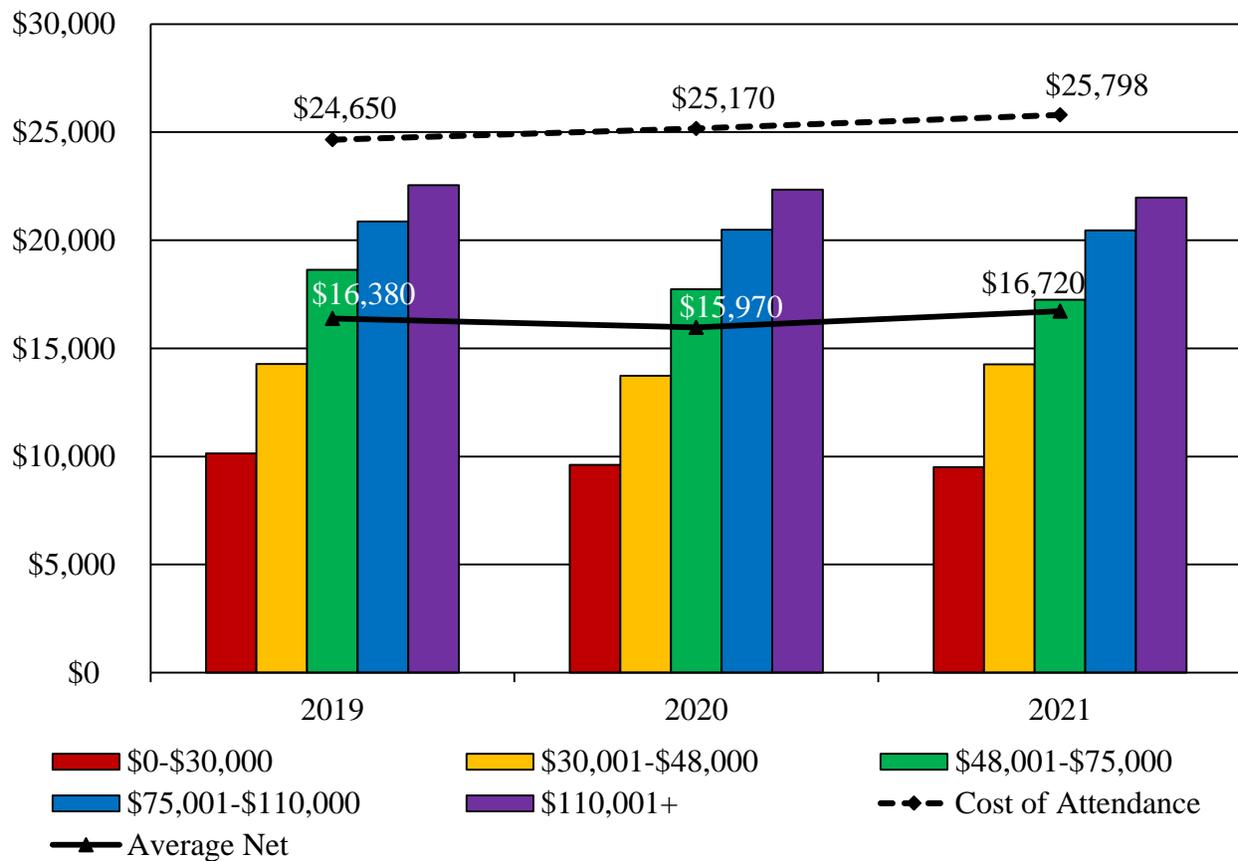
4. Affordability

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 FSU students. As shown in **Exhibit 6**, in fiscal 2021, the average net price for beginning full-time students was \$16,720, or 35.2% lower than the published COA for a FT/FT student. 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 a family with an income between \$0 and \$30,000 decreased by \$633 (6.2%) between fiscal 2019 and 2021. At \$9,502 in fiscal 2021, the average net price for these families is \$16,296, or 63.2% below the published price. For all other income categories, excluding those with income between \$30,001 to \$48,000, the average net price decreased in fiscal 2021. This reflects the freezing of tuition and fees and room and board rates at the fiscal 2020 level in order to maintain affordability to families during the economic uncertainty related to the pandemic.

Exhibit 6
Estimated Cost of Attendance versus Average New Price for Full-time In-state
Students by Income Level
Fiscal 2019-2021



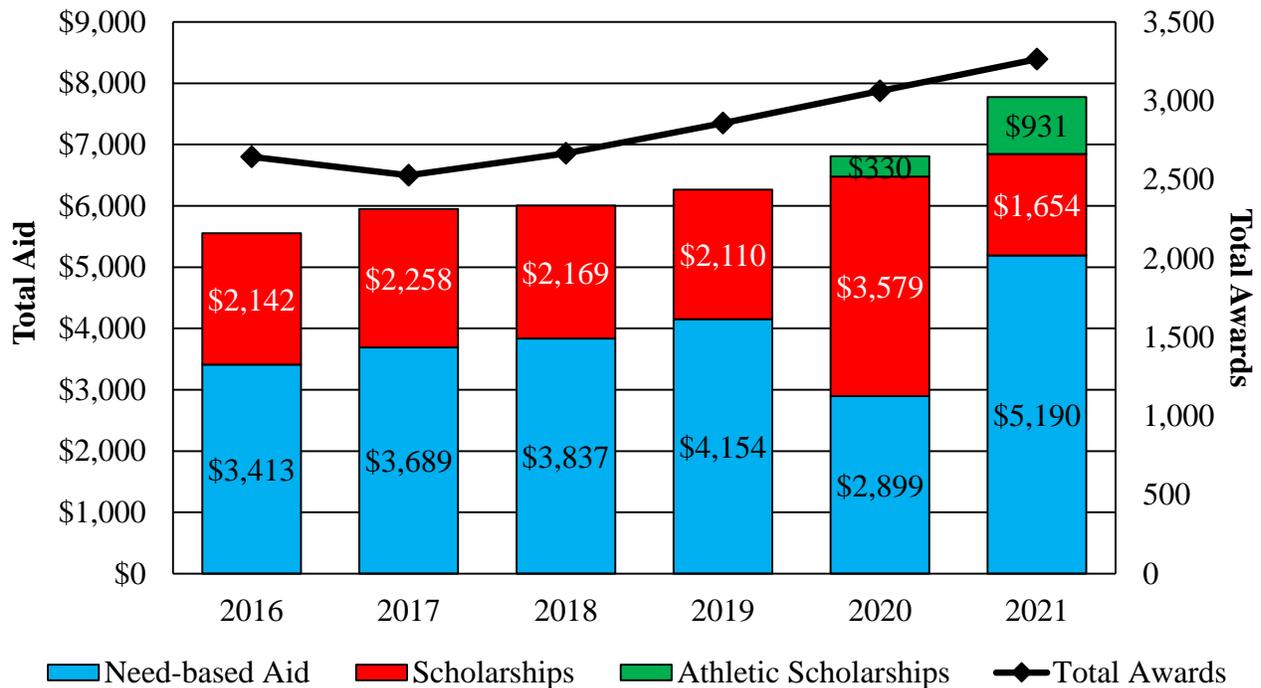
Note: The total cost of attendance includes tuition, mandatory fees, books and supplies, and the weighted average for room, board, and other expenses. Average net price is calculated by subtracting the average amount of federal, State, and institutional aid awarded to Frostburg State University students from the total cost of attendance.

Source: National Center for Education Statistics’ College Navigator

Institutional Aid

As shown in **Exhibit 7**, between fiscal 2016 and 2021, spending on institutional aid grew by 40.0%, to \$7.8 million. Expenditures on need-based aid increased by 21.7%, to \$4.2 million from fiscal 2016 to 2019, while the spending on scholarships remained relatively stable. In fiscal 2020, spending on need-based aid dropped by \$1.3 million to its lowest level of \$2.9 million, while spending on scholarships increased by \$1.5 million. In fiscal 2021 spending on need-based aid returned to previous trends with expenditures increasing by 79.1%, or \$2.3 million, while the amount spent on scholarships declined by \$1.9 million. These changes are attributed to some of the need-based aid being erroneously reported as scholarships in fiscal 2020, which was discovered this year according to USM. The reporting error was due to staffing changes in the financial aid department at FSU. USM is working with FSU to correct the data and has developed a plan of action. However, the error was discovered after the data was reported to the Maryland Higher Education Commission and the Maryland Longitudinal Data System.

Exhibit 7
Institutional Aid Expenditure and Awards
Fiscal 2016-2021
(\$ in Thousands)



Source: University System of Maryland; Maryland Higher Education Commission

With the move from the NCAA Division III to Division II in fiscal 2020, FSU can now offer athletic scholarships. In fiscal 2020, FSU started offering athletic scholarships and had total spending of \$0.3 million on 198 athletic scholarships. Athletic scholarships increased to \$0.9 million on 355 awards in fiscal 2021.

Fiscal 2023 Working Budget

Actions Affecting Fiscal 2023 Budget

The fiscal 2024 budget includes three proposed deficiency appropriations impacting FSU:

- \$1.5 million in general funds is part of a statewide deficiency related to the 4.5% COLA effective November 2022 that is budgeted in the Statewide Account in DBM;
- \$350,000 for one-time proposed deficiency across certain USM institutions totaling \$2.6 million that would provide funding to help cover the cost of the 4.5% COLA for non-State-supported positions; and
- \$220,030 representing FSU’s share of a proposed deficiency totaling \$8.0 million across higher education institutions that would replace general funds with the HEIF, reflecting the use of fund balance due to fiscal 2022 revenues exceeding estimates.

Education and General Expenditures

Since tuition and fee revenue in the allowance is based on enrollment projections, increases and decreases in enrollment can have a significant effect on an institution’s revenue. Therefore, looking at the changes in expenditures by program area between fiscal 2022 and 2023, when institutions know their fall enrollment, provides a more accurate picture of funding priorities.

Exhibit 8 shows budget changes for unrestricted funds by program area for fiscal 2022 and 2023. These expenditures increase in total by \$6.4 million, or 6.0%, in fiscal 2023. The fiscal 2023 education and general (E&G) revenues and expenditures are adjusted to reflect a 4.5% general salary increase effective November 1, 2022, totaling \$1.5 million. Auxiliary revenues and expenditures are adjusted to reflect the one-time proposed deficiency related to non-State-supported positions (\$350,000). Spending increases across program areas, excluding scholarships and fellowships, are related to a general salary increase and increments, as well as filling positions that were vacant in fiscal 2022. Spending on operation and maintenance of plant decreases \$1.0 million, or 7.6%, due to reducing planned expenditures on facility renewal projects.

Exhibit 8
Budget Changes for Unrestricted Funds by Program
Fiscal 2022-2023
(\$ in Thousands)

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Working</u>	<u>2022-2023</u> <u>Change</u>	<u>2022-2023</u> <u>% Change</u>
Expenditures				
Instruction	\$32,548	\$35,038	\$2,490	7.6%
Institutional Support	12,232	13,705	1,473	12.0%
Scholarships and Fellowships	9,757	10,929	1,172	12.0%
Academic Support	9,963	10,847	883	8.9%
Student Services	5,759	6,111	352	6.1%
Public Service	508	2	-506	-99.7%
Operation and Maintenance of Plant	13,086	12,094	-992	-7.6%
Deficiency – General Salary Increase		1,499		
Education and General Total	\$83,853	\$90,224	\$6,371	7.6%
Auxiliary Enterprises	\$22,705	\$22,379		
Deficiency – General Salary Increase Non-State Supported		350		
Auxiliary Total	\$22,705	\$22,729		
Total Expenditures	\$106,558	\$112,953	\$6,395	6.0%
Revenues				
Tuition and Fees	\$33,567	\$33,096	-\$471	-1.4%
State Funds ¹	45,260	54,901	9,641	21.3%
Other ²	7,562	1,969	-5,593	-74.0%
Total Education and General Revenues	\$86,388	\$89,966	\$3,577	4.1%
Auxiliary Enterprises	\$20,860	\$22,506	\$1,646	7.9%
Transfer (to)/from Fund Balance	-690	482		
Available Unrestricted Revenues	\$106,558	\$112,953	\$6,395	6.0%

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

²Includes American Rescue Plan Act funds.

Note: Fiscal 2023 adjusted to reflect the deficiency for the 4.5% cost-of-living adjustment.

Source: Governor’s Fiscal 2024 Budget Books; Department of Legislative Services

In fiscal 2022, E&G revenues exceeded expenditures by \$2.5 million, while there was a \$1.8 million shortfall in auxiliary. The E&G surplus more than covered the auxiliary deficit, leaving \$0.7 million to transfer to fund balance. In fiscal 2023, while E&G revenues increased 4.1%, or \$3.6 million, expenditures increase by 7.6%, or \$6.4 million, which results in a \$0.3 million shortfall. In addition, auxiliary expenditures exceeded revenues by \$0.2 million, excluding the proposed deficiency appropriation that is funded with general funds. This results in an overall budget shortfall of \$0.5 million, which FSU will cover with a transfer from fund balance.

Fiscal 2024 Proposed Budget

In fiscal 2024, the adjusted State funding increases by \$5.2 million, or 9.5%, compared to the adjusted fiscal 2023 working appropriation, as shown in **Exhibit 9**. General funds increase by 9.9%, or \$5.2 million, while the HEIF increases by 2.5%, or \$82,511. Of the \$5.2 million increase in State funding, annualization of the 4.5% fiscal 2023 COLA, and the 2% COLA and increments in fiscal 2024 account for 61.3%, or \$3.2 million, of the growth. The remaining \$2.0 million in State funding is available to support other current service costs or program enhancements. **The President should comment on how FSU plans to use the available \$2.0 million in State funds.**

Exhibit 9
Proposed Budget
Fiscal 2022-2024
(\$ in Thousands)

	2022	2023	2024	2023-2024	% Change
	<u>Actual</u>	<u>Adjusted</u>	<u>Adjusted</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$41,606	\$50,299	\$54,622	\$4,323	8.6%
Deficiency – HEIF Swap		-220			
Deficiency – 4.5% COLA		1,499			
Deficiency – 4.5% COLA/Non-State Supported Positions		350			
Statewide Employee Compensation			2,459		
Total General Funds	\$41,606	\$51,929	\$57,081	\$5,153	9.9%
Special Funds					
HEIF	\$3,653	\$3,102	\$3,405	\$303	9.8%
Deficiency – HEIF Swap		220			
Total HEIF	3,653	3,322	3,405	82,511	2.5%
Total State Operating Funds	\$45,260	\$55,251	\$60,486	\$5,235	9.5%
Other Unrestricted Funds	\$56,688	\$57,220	\$60,007	\$2,786	4.9%
ARPA – Direct Support (Unrestricted)	5,300				
Transfer (to)/from Fund Balance	-690	482	-1,105		
Restricted Funds	12,446	17,796	17,796		0.0%
CRRSSA/ARPA – Direct Federal Support	8,115				
Total Funds	\$127,119	\$130,749	\$137,185	\$6,435	4.9%

ARPA: American Rescue Plan Act

COLA: cost-of-living adjustment

CRRSAA: Coronavirus Response and Relief Supplement Appropriation Act

HEIF: Higher Education Investment Fund

Note: The fiscal 2023 working appropriation reflects deficiency appropriations including FSU’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). The fiscal 2024 allowance is adjusted to reflect 2% general salary increase and increments. These actions are budgeted within DBM Statewide Expenses.

Source: Governor’s Fiscal 2024 Budget Books; Department of Legislative Services

Other unrestricted funds increase by 4.9%, or \$2.8 million, due to an increase of \$2.7 million, or 8.1%, in tuition and fee revenues based on a projected 242 full-time equivalent student (FTES) growth in enrollment. In order to increase enrollment FSU is implementing various strategies, including:

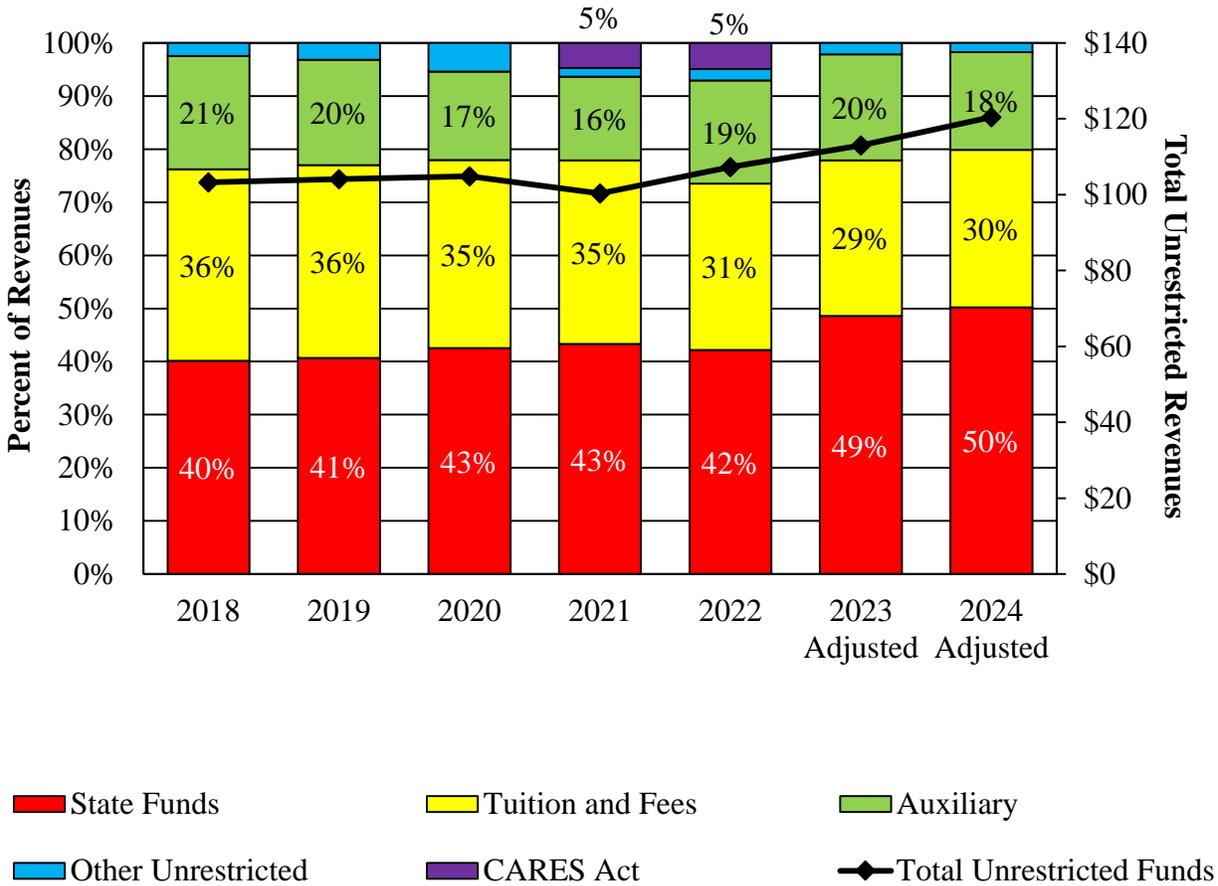
- adding men’s and women’s wrestling and women’s rugby;
- launching the Bobcat Academy in fall 2023 – a dual enrollment pilot program with Allegany County Public Schools. All classes will be offered on FSU’s campus giving students a true college experience;
- considering partnering with an online program management (OPM) vendor for spring 2024. OPMs are third-party companies that develop and maintain online programming;
- offering new majors in health care programs;
- working with community colleges to formalize articulation agreements to increase the enrollment of transfer students;
- expanding the Maryland Accelerates program, which is a partnership with Fredrick and Garrett County Public Schools that is funded with a five-year, \$4.1 million grant from the U.S. Department of Education. This is an intensive one-year master’s degree program integrated with a teacher residency component based on an “earn while you learn” model which provides a \$35,000 living stipend;
- developing a graduate-level certificate in Instructional Technology targeting adult learners; and
- partnering with a vendor to encourage former students to reenroll and complete their degree.

The President should comment on the ability to increase enrollment by 242 FTES considering the continuing decline in enrollment.

Unrestricted Revenues

The impact of the pandemic on revenues started in fiscal 2020 when the campus closed in spring 2020 and refunds were provided to students who lived on campus. As shown in **Exhibit 10**, these actions resulted in a 15.0% decline, or \$3.1 million, in auxiliary revenues along with tuition and fee revenue decreases of 1.9%, or \$0.7 million. In order to cover the shortfall, FSU transferred \$2.1 million from the fund balance.

**Exhibit 10
Unrestricted Revenues by Fund Source
Fiscal 2018-2024
(\$ in Millions)**



CARES: Coronavirus Aid, Relief, and Economic Security

Note: State funds include general funds and Higher Education Investment Funds. Fiscal 2023 is adjusted to reflect deficiency appropriations include one budgeted in the Statewide Account of the Department of Budget and Management (DBM). Fiscal 2024 is adjusted to reflect general salary increases budgeted within the Statewide Account of DBM.

Source: Governor’s Fiscal 2024 Budget Books

In fiscal 2021, a majority of the courses were taught remotely, resident halls operated at reduced capacity, and tuition and fees, room and board rates were frozen at the fiscal 2020 levels. These actions resulted in a combined loss of \$4.1 million in tuition and fee and auxiliary revenues. In addition, cost containment actions approved by the Board of Public Works (BPW) in fiscal 2021 resulted in a \$1.2 million reduction in general funds. Combined, in fiscal 2021, FSU had a

\$4.5 million decrease. The loss of revenues was mitigated by \$4.7 million of federal relief funds. In fiscal 2022, with the return to more normal operations, auxiliary revenues rebounded to prepandemic levels and the restoration of funding in that year from BPW reductions resulted in revenues increasing by 6.9%, or \$6.9 million.

The impact of the continuous decline in enrollment has resulted in tuition and fee revenues comprising less of the total unrestricted revenues. In fiscal 2018, these revenues comprised 36% of total unrestricted revenue, but only 29% in fiscal 2023. During this time period State funds grew 32.6%, or \$13.5 million, resulting in State funds comprising 49% of revenues in fiscal 2023 compared to 40% in fiscal 2018.

The President should comment efforts to maintain financial stability as enrollment continues to decline.

Personnel Data

	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Working</u>	<u>FY 24</u> <u>Allowance</u>	<u>FY 23-24</u> <u>Change</u>
Regular Positions	688.00	688.00	688.00	0.00
Contractual FTEs	<u>158.60</u>	<u>158.40</u>	<u>158.40</u>	<u>0.00</u>
Total Personnel	846.60	846.40	846.40	0.00

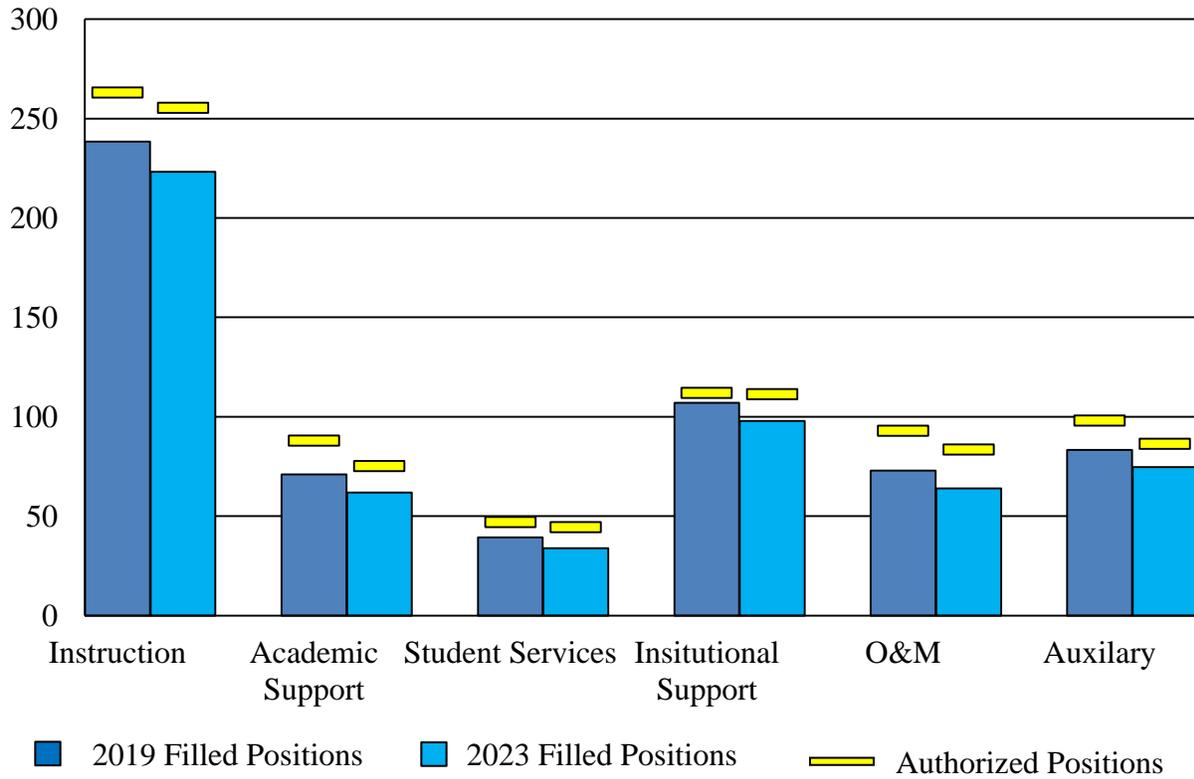
Vacancy Data: Regular

Turnover and Necessary Vacancies, Excluding New Positions	51.74	7.52%
Positions and Percentage Vacant as of 12/31/22	102.00	14.83%
Vacancies Above Turnover	50.26	

- The fiscal 2024 allowance does not provide for any new regular positions. However, USM institutions have personnel autonomy and may create or abolish positions during the fiscal year. Year-to-date in fiscal 2023, FSU had not added or eliminated positions.

When excluding public service, the vacancy rate increased from 12.7% (88.8 full-time equivalent (FTE) positions) in fiscal 2019 to 15.3% (100.7 FTE) in fiscal 2023. During this time the number of authorized positions declined by 44.6 FTEs, as shown in **Exhibit 11**, of which 12.6 FTEs and 11.6 FTEs were in academic support and auxiliary, respectively. At 31.5%, student services has the highest vacancy rate in fiscal 2023, which is of concern as these are “front line” positions who work directly with the students to provide needed services. As previously mentioned, in fiscal 2023, FSU is working to fill positions that were vacant in fiscal 2022.

Exhibit 11
Authorized and Filled Positions
Fiscal 2019 and 2023



O&M: Operations and maintenance of plant

Note: Filled positions as of October 15 each year

Source: Governor’s Fiscal 2024 Budget Books; Department of Legislative Services

Operating Budget Recommended Actions

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

Appendix 1
2022 Joint Chairmen’s Report Responses from Agency

The 2022 *Joint Chairmen’s Report* (JCR) requested that FSU prepare 1 report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Report on Increasing Capacity in the Physician Assistant Program:*** The Accreditation Review Commission on Education for the Physician Assistant, Inc. (ARC-PA), the accrediting body for Physician Assistant programs, granted provisional accreditation status to FSU’s program in March 2019. FSU was approved to enroll up to 25 students in its first class and 25 students in subsequent classes. As a result of a provisional monitoring review at the September ARC-PA meeting, the accreditation status of the program remained accreditation-provisional with no change in the program cohort sizes. The program cannot exceed the maximum entering class size for any reason during the next and subsequent admission cycles (2023 and 2024). Only after completing the provisional accreditation process and maintaining two years of accreditation-continued status will ARC-PA consider an increase in the maximum entering class size. The earliest this could occur would be in 2026.

**Appendix 2
Object/Fund Difference Report
Frostburg State University**

<u>Object/Fund</u>	<u>FY 22 Actual</u>	<u>FY 23 Working Appropriation</u>	<u>FY 24 Allowance</u>	<u>FY 23 - FY 24 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	688.00	688.00	688.00	0.00	0%
02 Contractual	158.60	158.40	158.40	0.00	0%
Total Positions	846.60	846.40	846.40	0.00	0%
Objects					
01 Salaries and Wages	\$ 61,824,068	\$ 65,950,000	\$ 70,700,573	\$ 4,750,573	7.2%
02 Technical and Special Fees	9,371,972	8,212,499	8,208,271	-4,228	-0.1%
03 Communication	319,875	538,752	538,752	0	0%
04 Travel	1,229,846	1,211,592	1,211,592	0	0%
06 Fuel and Utilities	4,385,184	4,036,816	4,536,816	500,000	12.4%
07 Motor Vehicles	223,730	343,568	344,424	856	0.2%
08 Contractual Services	10,492,777	10,936,427	10,506,279	-430,148	-3.9%
09 Supplies and Materials	2,793,487	5,517,040	5,517,040	0	0%
10 Equipment – Replacement	148,349	1,108,320	1,108,320	0	0%
11 Equipment – Additional	1,316,866	1,776,006	1,776,006	0	0%
12 Grants, Subsidies, and Contributions	24,353,537	21,354,517	21,654,517	300,000	1.4%
13 Fixed Charges	7,105,801	7,270,077	7,291,511	21,434	0.3%
14 Land and Structures	3,553,488	644,386	1,331,459	687,073	106.6%
Total Objects	\$ 127,118,980	\$ 128,900,000	\$ 134,725,560	\$ 5,825,560	4.5%
Funds					
40 Unrestricted Fund	\$ 106,558,151	\$ 111,103,600	\$ 116,929,160	\$ 5,825,560	5.2%
43 Restricted Fund	20,560,829	17,796,400	17,796,400	0	0%
Total Funds	\$ 127,118,980	\$ 128,900,000	\$ 134,725,560	\$ 5,825,560	4.5%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments budgeted in the Department of Budget and Management.

**Appendix 3
Fiscal Summary
Frostburg State University**

<u>Program/Unit</u>	<u>FY 22 Actual</u>	<u>FY 23 Wrk Approp</u>	<u>FY 24 Allowance</u>	<u>Change</u>	<u>FY 23 - FY 24 % Change</u>
01 Instruction	\$ 32,574,061	\$ 35,111,559	\$ 36,806,392	\$ 1,694,833	4.8%
02 Research	29,788	200,000	200,000	0	0%
03 Public Service	5,384,437	6,372,500	6,372,500	0	0%
04 Academic Support	9,983,847	10,861,743	11,473,768	612,025	5.6%
05 Student Services	5,767,266	6,144,327	6,488,824	344,497	5.6%
06 Institutional Support	12,231,674	13,720,512	14,353,296	632,784	4.6%
07 Operation and Maintenance of Plant	13,554,217	12,102,571	13,410,535	1,307,964	10.8%
08 Auxiliary Enterprises	22,934,068	22,424,390	23,357,847	933,457	4.2%
17 Scholarships and Fellowships	24,659,622	21,962,398	22,262,398	300,000	1.4%
Total Expenditures	\$ 127,118,980	\$ 128,900,000	\$ 134,725,560	\$ 5,825,560	4.5%
Unrestricted Fund	\$ 106,558,151	\$ 111,103,600	\$ 116,929,160	\$ 5,825,560	5.2%
Restricted Fund	20,560,829	17,796,400	17,796,400	0	0%
Total Appropriations	\$ 127,118,980	\$ 128,900,000	\$ 134,725,560	\$ 5,825,560	4.5%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments budgeted within the Department of Budget and Management.