

R30B22
University of Maryland, College Park Campus
University System of Maryland

Executive Summary

The University of Maryland, College Park Campus (UMCP), a public research university, is the designated flagship institution of the University System of Maryland (USM) and Maryland's 1862 land-grant institution.

Operating Budget Data

(\$ in Thousands)

	FY 18 <u>Actual</u>	FY 19 <u>Working</u>	FY 20 <u>Allowance</u>	FY 19-20 <u>Change</u>	% Change <u>Prior Year</u>
General Funds	\$484,279	\$504,673	\$517,606	\$12,932	2.6%
Adjustments	0	5,222	28,748	0	
Adjusted General Funds	\$484,279	\$509,896	\$546,354	\$36,458	7.2%
Special Funds	\$22,176	\$23,428	\$27,740	\$4,312	
Adjustments	0	0	0	0	
Adjusted Special Funds	\$22,176	\$23,428	\$27,740	\$4,312	18.4%
Other Unrestricted Funds	\$1,150,961	\$1,171,811	\$1,202,059	\$30,248	2.6%
Adjustments	0	0	0	0	
Adjusted Other Unrestricted Funds	\$1,150,961	\$1,171,811	\$1,202,059	\$30,248	2.6%
Total Unrestricted Funds	\$1,657,417	\$1,699,913	\$1,747,405	\$47,492	2.8%
Adjustments	0	5,222	28,748	23,526	
Adjusted Total Unrestricted Funds	\$1,657,417	\$1,705,135	\$1,776,153	\$71,018	4.2%
Restricted Funds	\$426,102	\$450,599	\$464,204	\$13,605	3.0%
Adjustments	0	49	233	0	
Adjusted Restricted Funds	\$426,102	\$450,649	\$464,438	\$13,605	3.0%
Adjusted Grand Total	\$2,083,519	\$2,155,784	\$2,240,591	\$84,623	3.9%

Note: Special funds totaling \$9.1 million in fiscal 2019 and \$9.4 million in fiscal 2020 for the Maryland Fire and Rescue Institute are included as restricted funds. The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

- State support for UMCP in fiscal 2020 increases 7.6%, or \$40.8 million, over fiscal 2019.

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

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R30B22 – USM – University of Maryland, College Park Campus

- There is \$4.2 million in general funds to support 8 workforce development initiatives (WDI), increasing WDI funding \$1.7 million over fiscal 2019.
- As mandated in Chapter 25 of 2016, an additional \$2.0 million is provided to fund the University of Maryland Center for Economic and Entrepreneurship Development (UMCEED).

Personnel Data

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>
Regular Positions	9,556.65	9,754.95	9,754.95	0.00
Contractual FTEs	<u>1,462.33</u>	<u>1,456.43</u>	<u>1,584.37</u>	<u>127.94</u>
Total Personnel	11,018.98	11,211.38	11,339.32	127.94

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	325.82	3.34%
Positions and Percentage Vacant as of 12/31/18	596.56	6.11%

- The fiscal 2020 allowance does not provide for any new regular positions. However, USM institutions have personnel autonomy and may create positions during the year. In fiscal 2019 year to date, 198.29 positions were added of which 46.0 were contractual positions that were converted to regular positions. Non-State-support positions in auxiliary and research increased by 76.55, and the remaining 121.74 positions are State-supported that are related to new facilities, UMCEED, and WDIs.
- The allowance provides for an additional 127.94 contractual positions that are related to new facilities, UMCEED and WDI.

Key Observations

- Enrollment continues to grow at a moderate rate, while the number of first-time students continues to increase with enrollment of these students growing 8.0% since fall 2016.
- The second-year retention rate continues to exceed 90% and since the 2013 cohort, the third-year rate exceeds 90%. The high retention rate resulted in the fiscal 2013 cohort achieving a six-year graduation rate of 82.0%.

Operating Budget Recommended Actions

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

R30B22
University of Maryland, College Park Campus
University System of Maryland

Operating Budget Analysis

Program Description

Designated as the flagship institution of the University System of Maryland (USM), the University of Maryland, College Park Campus (UMCP) aspires to be one of the nation's preeminent public research universities, recognized nationally and internationally for the quality of faculty and programs. UMCP attracts highly qualified students to undergraduate and graduate programs from the State, nation, and world. It serves the citizens of Maryland through a mission of teaching, research, and outreach; advancing knowledge; stimulating innovations and creativity; and educating tomorrow's leaders.

UMCP offers baccalaureate, master's, and doctoral programs in liberal arts and sciences, social sciences, the arts, applied areas, and selected professional fields. The university also offers certificates in certain upper-level and graduate courses of study and provides honors, scholars, and departmental honors programs.

One of UMCP's missions as the State's land grant institution is to deliver educational programs to the citizens of the State through the Maryland Cooperative Extension (MCE) program and the Maryland Agricultural Experimental Station (MAES) program. The MCE program applies practical research-based knowledge to issues facing individuals, families, communities, and the State with offices in every county and Baltimore City. The MAES program was established to ensure that agricultural research geared to specific geographic locations would be conducted. The MAES program maintains four research and education centers in Western Maryland, the lower Eastern Shore, Central Maryland, and the Wye Center in Queen Anne's County. These programs are funded by federal, State, and local governments.

Carnegie Classification: RU/VH Research University (very high research activity)

Fall 2018 Undergraduate Enrollment Headcount		Fall 2018 Graduate Enrollment Headcount	
Male	16,299	Male	5,382
Female	14,463	Female	5,056
	30,762		10,438
Total	(581 at Shady Grove)	Total	(84 at Shady Grove)

Fall 2018 New Students Headcount		Campus (Main Campus)	
First-time	4,714	Acres	1,335
Transfers/Others	3,710	Buildings	254
Graduate (Masters)	2,270	Average Age	45
Graduate (Doctoral)	709		
Total	11,403	Oldest	1798 Rossborough Inn

Programs		Degrees Awarded (2017-2018)	
Bachelor's	92	Bachelor's	7,559
Master's	110	Master's	2,930
Doctoral Research Scholar	82	Doctoral Research Scholar	636
Doctoral Prof Practice	2	Doctoral Prof Practice	36
		Total Degrees	11,161

Proposed Fiscal 2020 In-state Tuition and Fees*

Undergraduate Tuition	\$8,824
Mandatory Fees	\$1,939

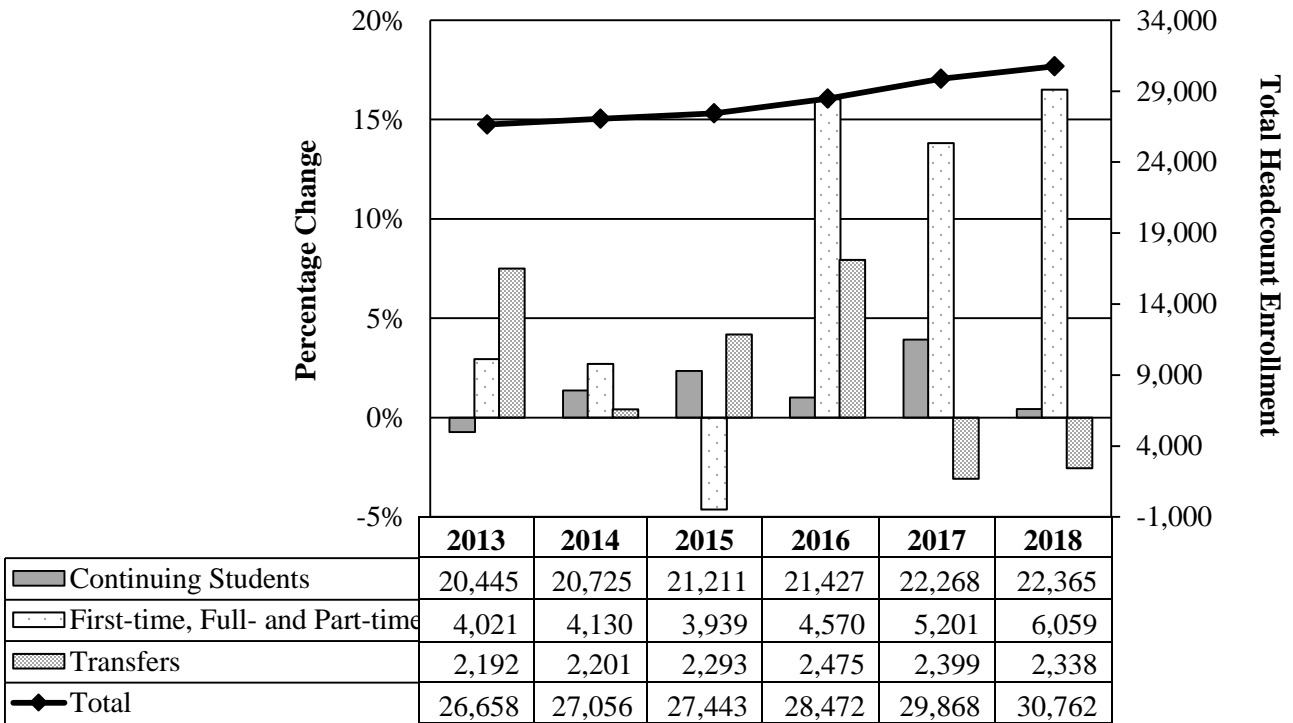
*Contingent on Board of Regents approval.

Performance Analysis

1. Undergraduate Enrollment

Undergraduate enrollment grew 3.0%, or 894 students, in fall 2018, due a 16.5%, or 858 students, increase in first-time students, as shown in **Exhibit 1**. Since fall 2016, enrollment has grown 8.0%, or 2,290 students, of which 1,489 were first-time students. The increase of first-time students in fiscal 2016 was due to an unexpected increase in the yield rate, which is the percentage of accepted students who enrolled. Beginning in fall 2017, a portion of the increase is related to a change in the federal reporting requirement in which students that enrolled in the Freshmen Connection program are now included in the fall enrollment numbers. Freshmen Connection students officially matriculate in the spring semester and, as such, were not previously included in the fall enrollment headcount numbers. Overall, since fall 2013, enrollment has increased 15.4%, or 4,104 students, of which first-time students account for almost half of the growth.

**Exhibit 1
Percentage Change and Total Headcount Undergraduate Enrollment
Fall 2013-2018**

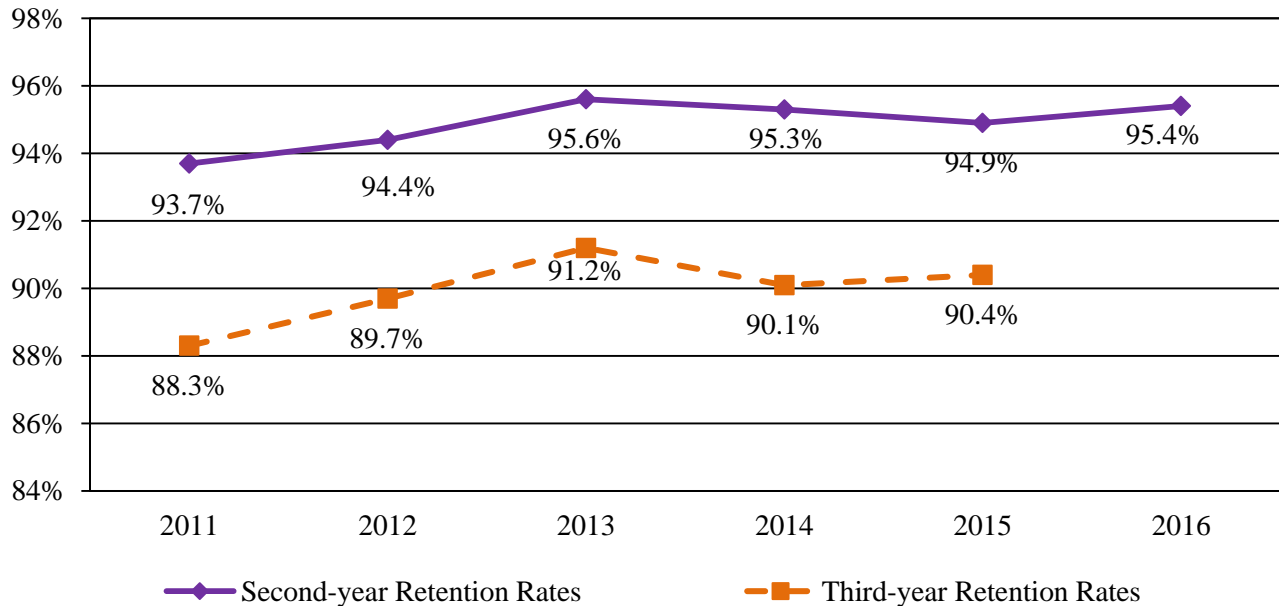


Source: University System of Maryland; Department of Legislative Services

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 most 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. As shown in **Exhibit 2**, the second-year retention rate continues to exceed 90%, and since the 2013 cohort, the third-year rate exceeds 90%. Given that a certain percentage of students will leave school after the first year for a variety of reasons, an institution will not likely achieve a retention rate of 100%; therefore, UMCP may be at its optimal second-year rate.

Exhibit 2
Second- and Third-year Retention Rates
First-time/Full-time 2011-2016 Cohorts

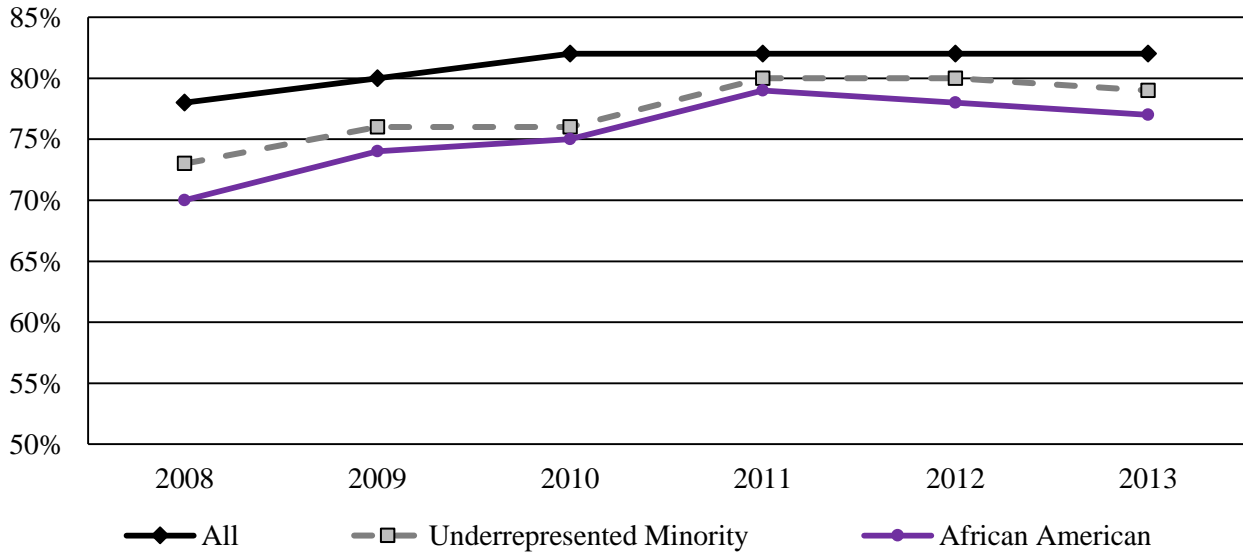


Note: Percentages include first-time/full-time students who persisted at and graduated from the institution that they initially enrolled in and those who transferred and graduated from any Maryland public or private four-year institution.

Source: Maryland Higher Education Commission, Retention and Graduation Rates at Maryland Four-year Institutions, September 2019

Graduation rates are, in part, another measure of student persistence and efficiency – as more student graduate, it “frees up” more room, allowing an institution to enroll more students. **Exhibit 3** shows the six-year graduation rates for the fiscal 2008 to 2013 cohorts. The graduation rate of all students increased 4 percentage points from 78% with the fiscal 2008 cohort to 82% with the fiscal 2013 cohort. One of USM’s goals is to increase student success through initiatives that reduce the achievement gap and increase the number of bachelor’s degrees awarded to underrepresented minorities. The gap closed to 2 and 3 percentage points for underrepresented and African American students, respectively, with the 2011 cohort. However, it has since widened by 3 and 5 percentage points, respectively, with the 2013 cohort.

Exhibit 3
Six-year Graduation Rates
2008-2013 Fiscal Year Cohorts

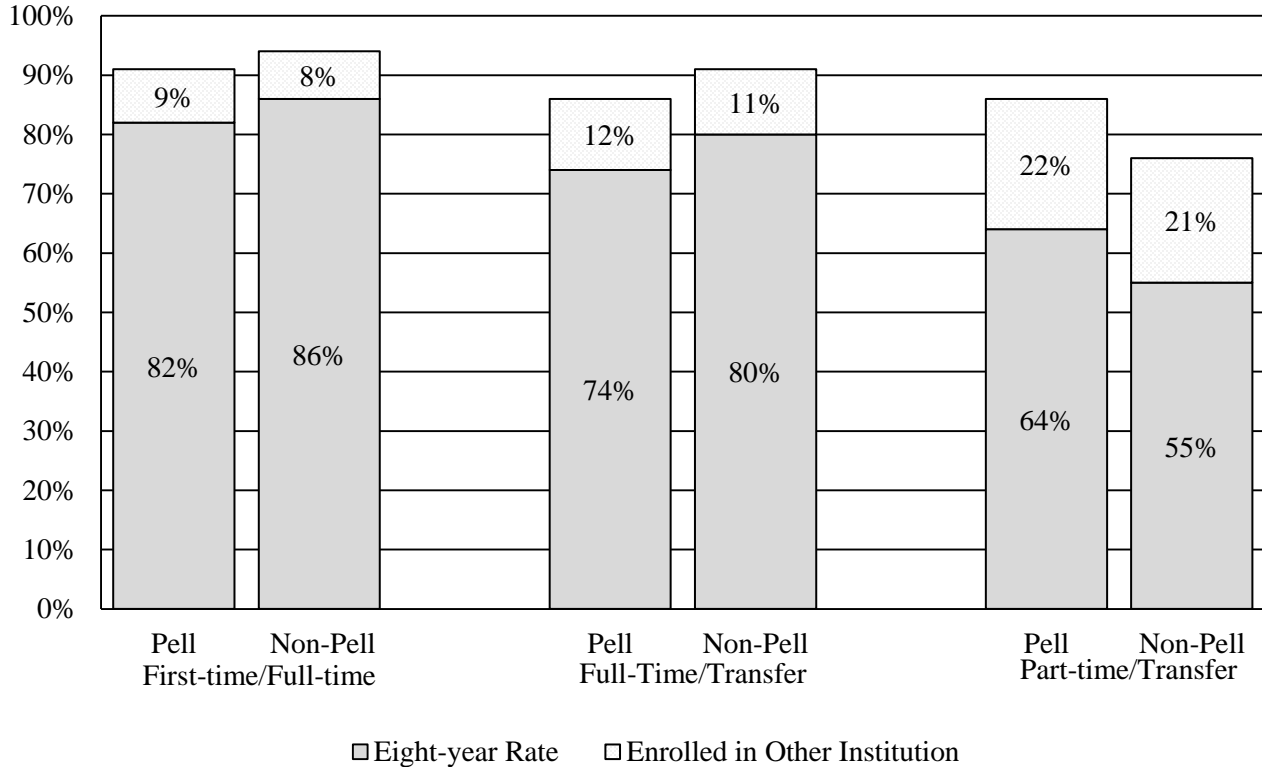


Note: Includes all degree-seeking students (e.g., first-time/full-time, part-time, transfers, spring admits) who enrolled in the fiscal year. Underrepresented minority includes African American/Black, Hispanic/Latino, American Indian/Native American, Native Hawaiian/Pacific Islander.

Source: University System of Maryland

Traditional graduation measures only capture the outcomes of the traditional first-time, full-time (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 of 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**, FT/FT students are more likely to graduate within eight years than full-time transfer students. In addition, non-Pell students graduate at a higher rate than those receiving Pell grants. This indicates that there may be opportunities for UMCP to target programs directed toward the needs of the Pell recipients to help them succeed and graduate. While non-Pell FT/FT and full-time transfer students graduate at a higher rate than Pell students, that is not the case with part-time transfers in which 64% of the Pell students graduate within eight years compared to 55% of the non-Pell students.

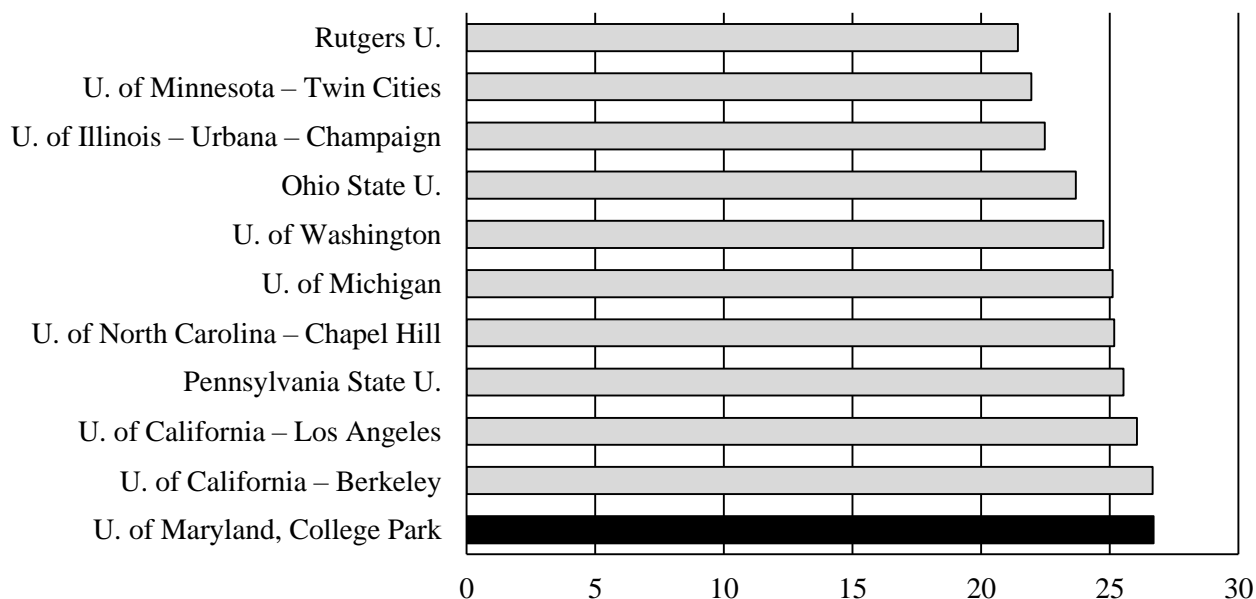
Exhibit 4
Eight-year Graduation Rate for Students Entering in Academic Year 2009-2010



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 shows how effectively institutions turn degree-seeking students into degree holders. **Exhibit 5** compares the three-year average of UMCP’s ratio to that of its peers. Peer institutions are those used to benchmark UMCP’s performance in USM Dashboard Indicators. Depending on the institution, the optimal value is 25.0 for those that predominantly offer bachelor’s degrees but also could be higher for those who mainly offer upper-division programs or have a relatively high number of transfer students. Overall, at 26.7 degrees, UMCP and the University of California – Berkeley performed better than UMCP’s other nine peers.

Exhibit 5
Comparison of Three-year Average Undergraduate Degrees
Per 100 Undergraduate FTES to Performance Peers
Academic Year 2014-2017



FTES: full-time equivalent student
 U.: University

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

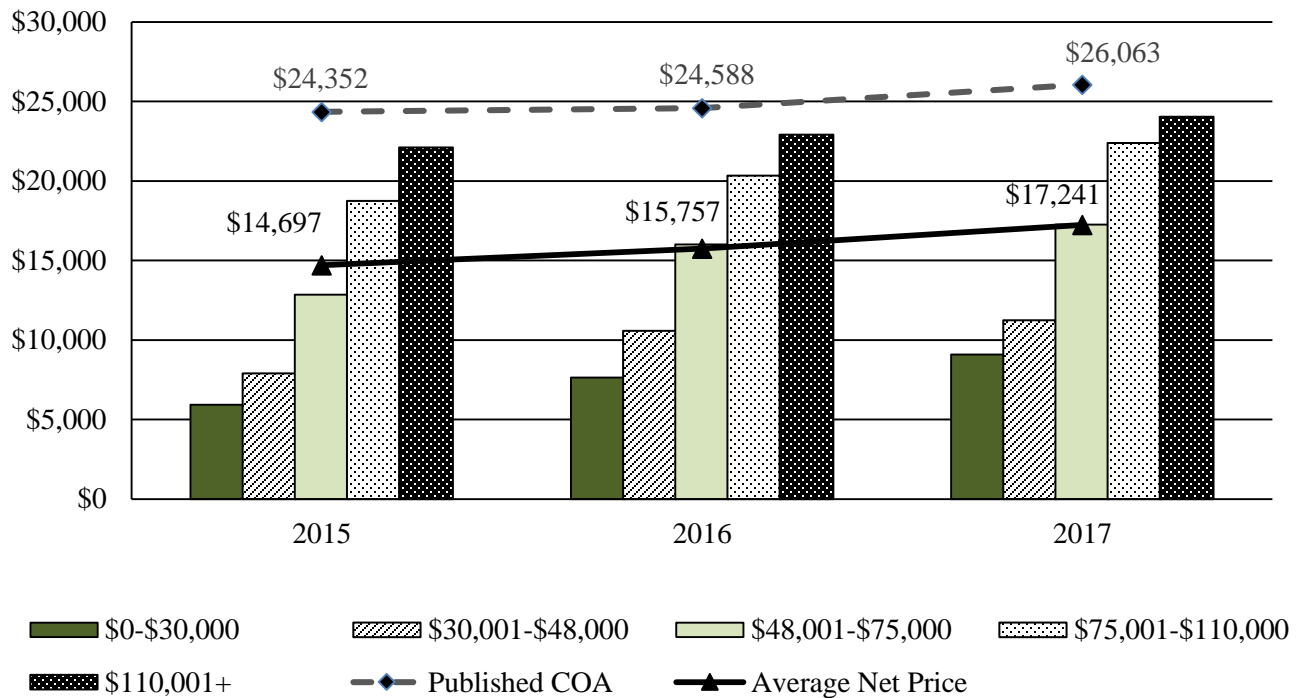
3. Affordability and Accessibility

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 UMCP students. As shown in **Exhibit 6**, in fiscal 2017, the average net price was \$8,822, or 33.8%, less than the published cost of attendance for a FT/FT student. However, 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 income between \$0 and \$30,000 was \$9,084 in

fiscal 2017, which is \$16,979, or 65.1%, below the published price. However, between fiscal 2015 and 2017, the average cost for these families increased 53.3%, or \$3,160, and for those with incomes between \$30,001 and \$48,000, costs grew 42.4%, or \$3,352. **The President should comment on why the cost of attendance has significantly increased for low-income families and what actions will be taken to decrease the financial burden on these families.**

Exhibit 6
Estimated Cost of Attendance vs Average Net Price by Income Level
Fiscal 2015-2017



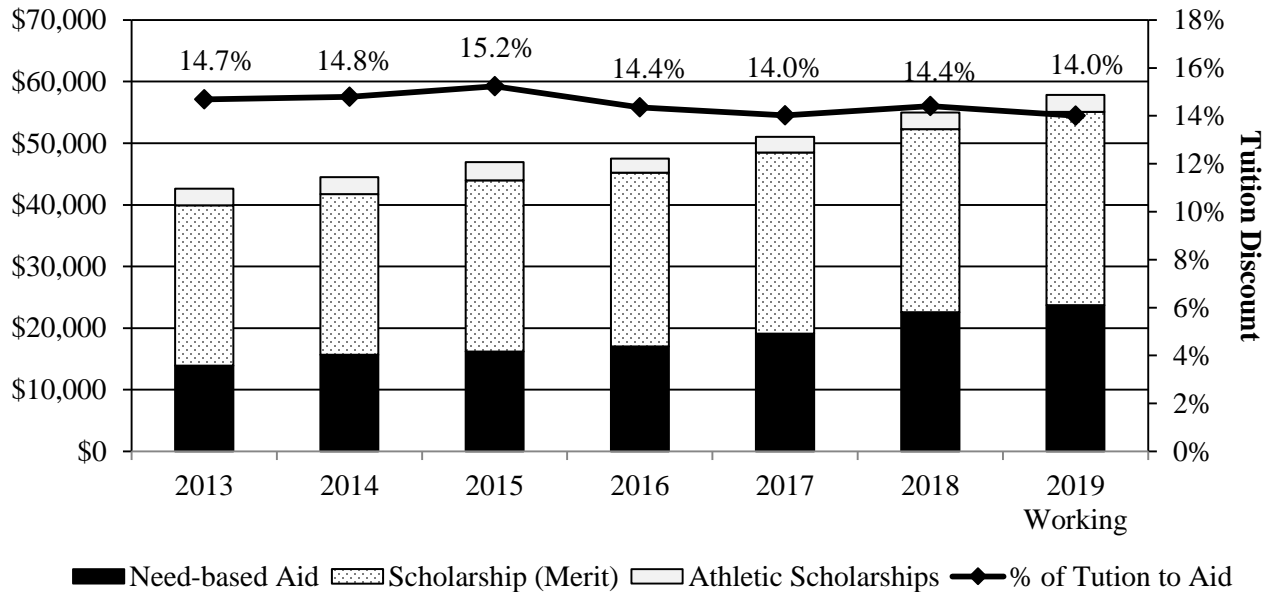
COA: cost of attendance

Source: National Center for Education Statistics' College Navigator

Tuition Discount

In order to increase accessibility and make college more affordable, public colleges have been increasing the amount that they discount tuition in which the published tuition cost is partly offset with institutional aid (need-based, scholarships, and athletic scholarships). The discounted rate is the ratio of total institutional aid to undergraduate tuition. As shown in **Exhibit 7**, the tuition discount rate has remained steady at 14.0% from fiscal 2017 to 2019.

**Exhibit 7
Institutional Aid and Percentage of Undergraduate Tuition
Fiscal 2013-2019
(\$ in Thousands)**



Source: University System of Maryland; Department of Legislative Services

Institutional Aid

Expenditures on institutional aid grew 35.8%, or \$15.2 million, from fiscal 2013 to 2019, as shown in Exhibit 7. During this time period, spending on need-based aid grew 70.7% from \$13.9 million in fiscal 2013 to \$23.7 million in fiscal 2019. Most of the increase occurred between fiscal 2017 and 2019 in which expenditures grew 34.9%, or \$6.7 million. While spending on scholarships exceeds that spent on need-based aid, a shift started to occur beginning in fiscal 2017 of putting more resources into need-based aid, which in fiscal 2019, accounts for 41.0% of total expenditures. This is consistent with the USM Board of Regents’ (BOR) instructions for institutions to use a portion of the annual tuition revenue for institutional aid, directing it toward those undergraduate students with the highest financial need, thereby offsetting an increase in tuition rates and limiting the impact of tuition increases on those with the greatest need.

Loans

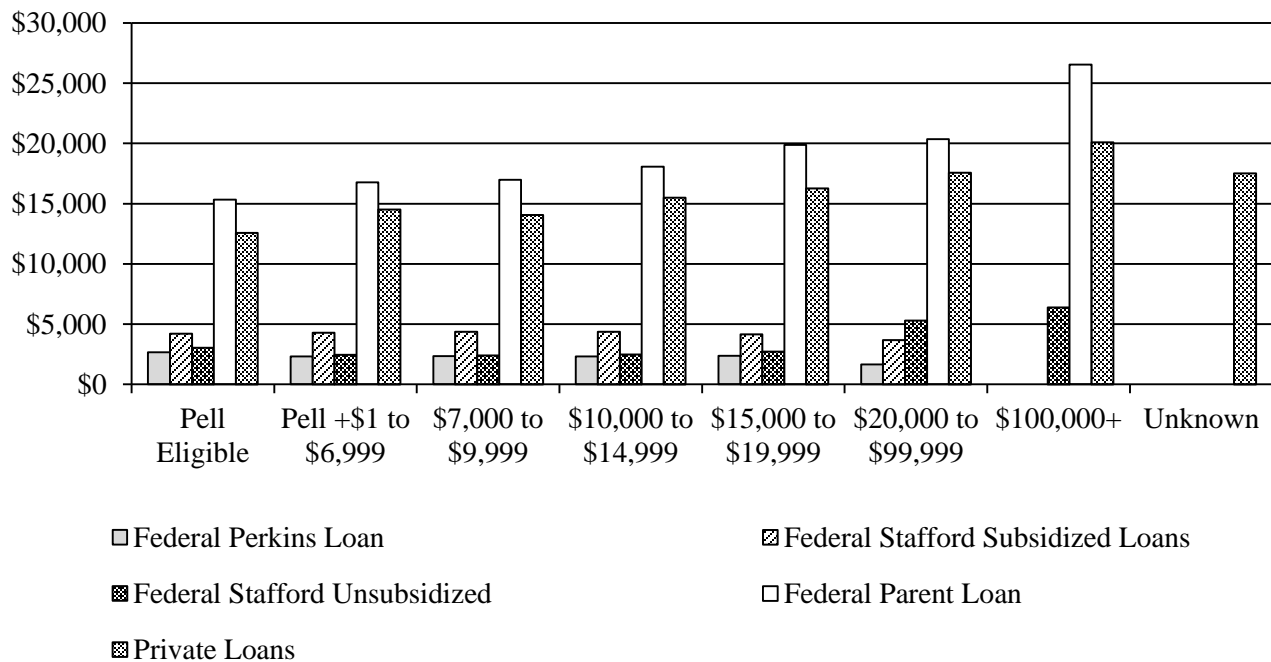
In fiscal 2018, 19% of UMCP’s undergraduate students received a Pell grant, which is given to those students who otherwise could not afford college. These students have an expected family contribution (EFC) of less than a specific amount, which was \$5,328 in fiscal 2018. EFC is an indicator

of the amount that a family is able to contribute for a student’s college education: the lower EFC, the greater they financial aid.

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 (Perkins and 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 loan); and
- private loans.

Exhibit 8
Mean Loan Amount by Type and Expected Family Contribution
Fiscal 2017



Source: Maryland Higher Education Commission

In fiscal 2017, of the 5,715 Pell-eligible students, 3,846 and 2,949 used federally subsidized and unsubsidized loans, respectively, to help pay for their college education with average loans of \$4,201 and \$3,036. In addition, 299 Pell-eligible students took out private loans and, on average, borrowed \$12,583. In general, federal parent loans were the highest average loans taken out for those in all EFC categories, with those with an EFC of over \$100,000 taking out the highest average loan of \$26,550.

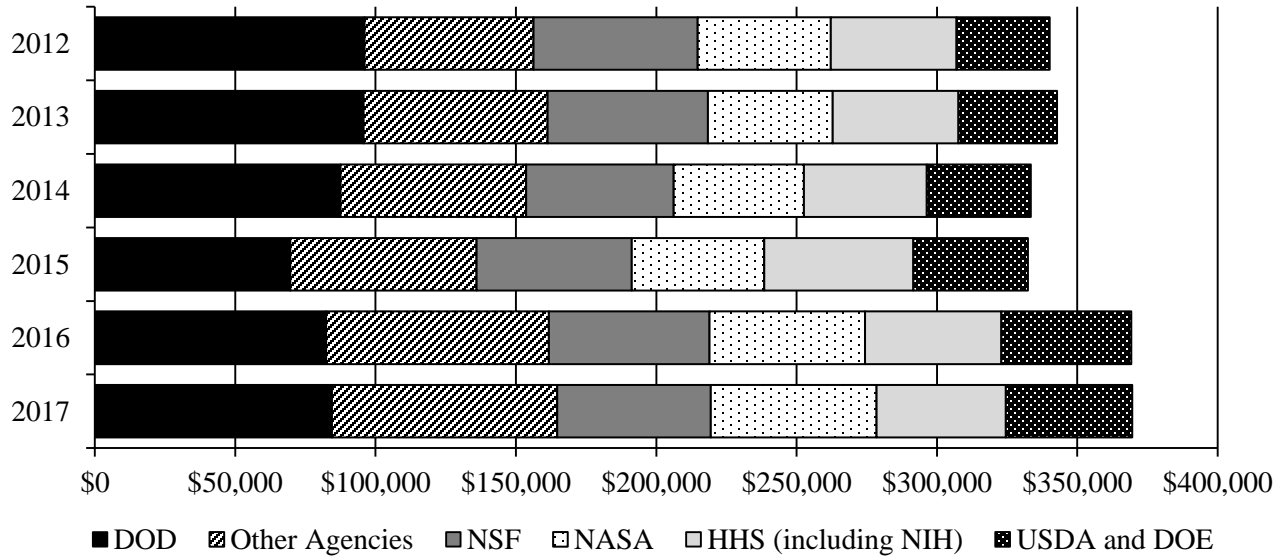
Student Debt

According to College InSight, the percentage of students graduating with debt from UMCP decreased from 46% to 42% between fiscal 2012 and 2017. For public four-year institutions, this is lower than the national average of 57% and the State average of 53%. However, the average debt of a graduate increased from \$25,276 to \$28,122 between fiscal 2012 and 2017, higher than the national and State averages of \$27,293 and \$28,047, respectively.

4. Federal Research and Development Expenditures

UMCP strives to provide the State with a public research university whose programs are nationally and internationally recognized and, as such, seeks to increase grants and contract funding. Overall, from fiscal 2012 to 2017, total expenditures have grown 8.7%, or \$29.5 million, as shown in **Exhibit 9**. After years of little or no growth in research and development (R&D) expenditures, spending increased 11.1%, or \$36.9 million, in fiscal 2016. Expenditures grew slightly, 0.1%, in fiscal 2017. In fiscal 2017, Department of Defense expenditures comprised 24.9% of total spending, down from 28.2% in fiscal 2012. Conversely, the portion of expenditures related to the National Aeronautics and Space Administration increased from 13.2% to 17.3% during the same time period. In terms of total R&D expenditures, \$369.2 million in fiscal 2017, UMCP ranked 43 out of 902 institutions according to the National Science Foundation.

Exhibit 9
Federally Funded Research and Development Expenditures by Federal Agency
Fiscal 2012-2017
(\$ in Thousands)



DOD: Department of Defense
 DOE: U.S. Department of Energy
 HHS: U.S. Department of Health and Human Services
 NASA: National Aeronautics and Space Administration
 NIH: National Institutes of Health
 NSF: National Science Foundation
 USDA: U.S. Department of Agriculture

Source: National Science Foundation, National Center for Science and Engineering Statistics, Higher Education Research and Development Survey

Fiscal 2019 Working Budget

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 of expenditures by program area between fiscal 2018 and 2019, when institutions know their fall enrollment, provides a more accurate picture of funding priorities.

Exhibit 10 shows the budget changes by program area for fiscal 2018 and 2019. Education and general expenditures increase by 3.2%, \$43.6 million, including an adjustment to reflect a one-time \$500 bonus and a 0.5% general salary increase totaling \$1.2 million. Areas of spending increases include:

- \$13 million, or 7.0%, in operation and maintenance of plant due to the costs associated with new facilities and equipment purchases for the School of Public Policy building, the academic and research space at the New Cole Field House, the Iribe Center, and the Chemistry Building Wing 1 Replacement; debt service payments; and increased spending on facilities renewal projects;
- \$6.8 million, or 5.1%, for research partly related to an increase in planned spending using the designated research initiative funds;
- \$5.8 million, or 3.3%, on academic support related to workforce development initiatives (WDI), the University of Maryland Center for Economic and Entrepreneurship Development (UMCEED), launching a post-doctoral initiative to recruit underrepresented scholars to campus, administrative modernization projects, offering of new academic programs, and investment in research administration and compliance. UMCP notes that the research administration expenses should be reported under institutional support and will be corrected in its next budget submission;
- \$4.1 million, or 2.8%, on institutional support partly related to UMCP’s administrative and reporting support for the Universities of Shady Grove (USG). UMCP agreed to incorporate USG’s activities into its financial and human resources infrastructure to avoid the expense of duplicating these systems at USG. These are funds that will be transferred from USM where USG is budgeted;
- \$3.2 million, or 5.3%, on student services related to increase spending on the counseling center, diversity and inclusion initiatives, enrollment management, and career services; and
- \$2.5 million, or 7.2%, on public services related to the agriculture extension program, the Mid-Atlantic Crossroads Partnership that is a partnership with the U.S. Army Research Laboratory to provide high performing computing resource for use in higher education and research, and the Business School’s Center for Executive Education.

Exhibit 10
Budget Changes for Unrestricted Funds by Program
Fiscal 2018-2019
(\$ in Thousands)

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Working</u>	<u>2018-2019</u> <u>Change</u>	<u>2018-2019</u> <u>% Change</u>
Expenditures				
Operation and Maintenance of Plant	\$184,869	\$197,878	\$13,010	7.0%
Research	134,250	141,071	6,821	5.1%
Academic Support	174,098	179,879	5,781	3.3%
Scholarships and Fellowships	75,637	79,903	4,266	5.6%
Institutional Support	142,423	146,478	4,055	2.8%
Student Services	60,850	64,096	3,246	5.3%
Public Service	35,335	37,867	2,533	7.2%
Instruction	556,897	555,514	-1,383	-0.2%
General Salary Increase/Bonus		5,222		
E&G Total	\$1,364,359	\$1,407,910	\$43,551	3.2%
Auxiliary Enterprises	\$293,058	\$297,226	\$4,167	1.4%
Total Expenditures	\$1,657,417	\$1,705,135	\$47,718	2.9%
Revenues				
Tuition and Fees	\$627,692	\$647,070	\$19,379	3.1%
State Funds ⁽¹⁾	506,456	533,324	26,868	5.3%
Other	233,009	233,262	253	0.1%
Total E&G Revenues	\$1,367,157	\$1,413,656	\$46,500	3.4%
Auxiliary Enterprises	\$286,533	\$298,686	\$12,153	4.2%
Transfer (to)/from Fund Balance	3,727	-7,207		
Available Unrestricted Revenues	\$1,657,417	\$1,705,135	\$47,718	2.9%

E&G: education and general

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

Note: Fiscal 2019 State funds adjusted to reflect a general salary increase and a one-time bonus.

Source: Governor's Fiscal 2020 Budget Books; Department of Legislative Services

Spending decreases \$1.4 million, or 0.2%, in instruction related to a drop in projected enrollment in the full-time Masters of Business Administration Program, particularly international students, as more students enroll in online programs. The School of Business and Management plans to control expenditures by reducing contractual services and not filling vacant positions.

In fiscal 2018, transfers from the fund balance totaled \$3.7 million and include a reversion to the General Fund and funds to support the operation and equipment purchases for new facilities, as previously discussed.

Proposed Budget

As shown in **Exhibit 11**, the general fund allowance for fiscal 2020 is 7.2%, or \$36.5 million, higher than in fiscal 2019 after adjusting for salary enhancements. The general funds for these salary increases are included in the Department of Budget and Management’s budget. The Higher Education Investment Fund (HEIF) increases 18.4%, or \$4.3 million, resulting in an overall growth in State funds of \$40.8 million, or 7.6%.

Exhibit 11
Proposed Budget
University of Maryland, College Park Campus
Fiscal 2018-2020
(\$ in Thousands)

	2018 <u>Actual</u>	2019 <u>Working</u>	2020 <u>Adjusted</u>	2018-2019 <u>Change</u>	% Change <u>Prior Year</u>
General Funds	\$484,279	\$509,896	\$546,354	\$36,458	7.2%
HEIF	22,176	23,428	27,740	4,312	18.4%
Total State Funds	\$506,456	\$533,324	\$574,094	\$40,770	7.6%
Other Unrestricted Funds	1,147,234	1,179,018	1,210,258	31,240	2.6%
Transfer from Fund Balance	3,727	-7,207	-9,207		
Net Unrestricted Funds	\$1,657,417	\$1,705,135	\$1,776,153	\$70,010	4.1%
Restricted Funds	426,102	450,649	464,438	13,605	3.0%
Total Funds	\$2,083,519	\$2,155,784	\$2,240,591	\$83,615	3.9%

HEIF: Higher Education Investment Fund

Note: Fiscal 2019 reflects a one-time bonus and a general salary increase. Fiscal 2020 reflects annualization of the fiscal 2019 general salary increase and a general salary increase.

Source: Governor’s Fiscal 2020 Budget Books; Department of Legislative Services

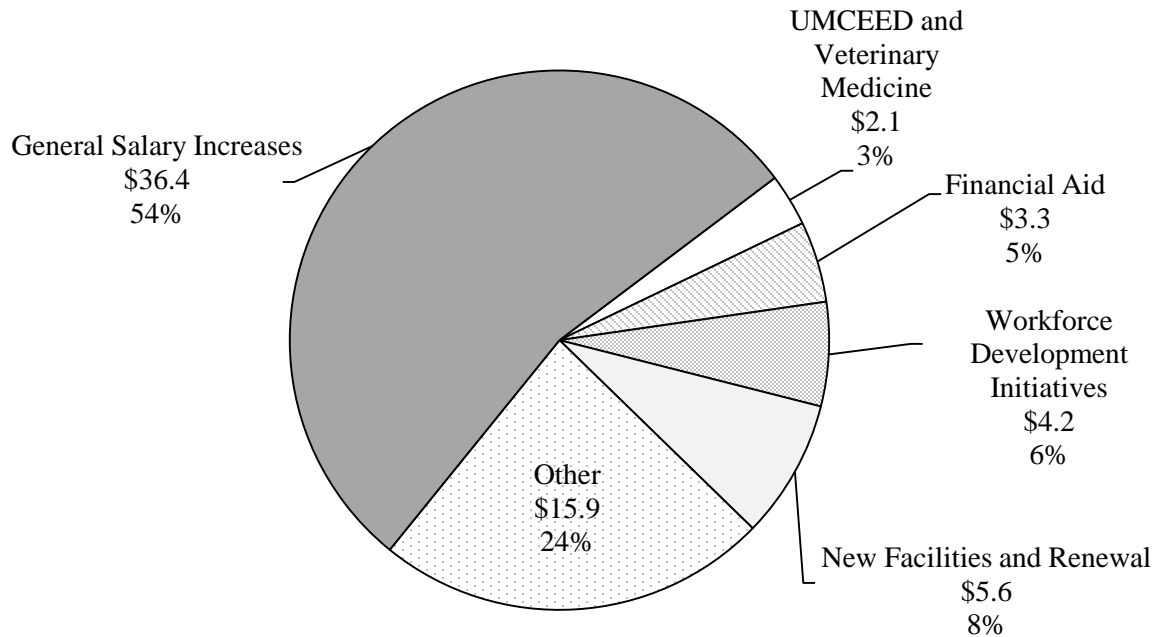
R30B22 – USM – University of Maryland, College Park Campus

The fiscal 2020 State funds (general funds and the HEIF) allowance grows \$40.8 million and provides for:

- \$31.2 million for salary enhancements;
- \$4.2 million to fund for WDIs that include increasing capacity in computer science program (\$1.5 million); a new undergraduate major in neuroscience (\$0.6 million); a new program in immersive media design (\$0.6 million); expanding programs in public health science, materials science, and engineering (\$0.6 million); enhancing cybersecurity at the iSchool (\$0.4 million); supporting electrical engineering program at Southern Maryland Higher Education Center (\$0.3 million); and a new graduate certificate program in computational journalism (\$0.2 million). Overall funding for WDI increases \$1.7 million compared to fiscal 2019;
- \$2.0 million to fund UMCEED as stipulated in Chapter 25 of 2016;
- \$2.0 million in other miscellaneous adjustments;
- \$1.3 million to fund the costs related to the opening of the New Cole Field House; and
- \$0.1 million to fund the increase costs related to the veterinarian medicine agreement.

Other current unrestricted funds increase 2.6%, or \$31.2 million, of which \$18.3 million is tuition and fee revenues partly due to a planned 2% increase in resident undergraduate tuition, \$8.3 million is related to an increase in auxiliary revenues, and the remaining revenues from other sources. Overall, when including a planned fund balance transfer of \$9.2 million, total unrestricted funds grow \$70.0 million, 4.1%, to fund an increase in current services costs totaling \$67.6 million (see **Exhibit 12**). Of the increase in current services costs, 54% is related to general salary increases and 24% to fund various other costs. Facilities-related costs account for 8%, and WDI comprise 6% of the increase in expenditures.

Exhibit 12
Breakdown of Spending Increases
Fiscal 2020
(\$ in Millions)



Total: \$67.6

UMCEED: University of Maryland Center for Economic and Entrepreneurship Development

Note: General salary increase adjusted for annualization of the fiscal 2019 salary increase and the fiscal 2020 general salary increase. Other includes miscellaneous adjustments; costs related to the data breach, including additional staff and upgrades; increasing minimum wage to \$10.10; providing sick leave to hourly employees; meeting legal requirements of Title IX; and debt service that was underfunded in fiscal 2018.

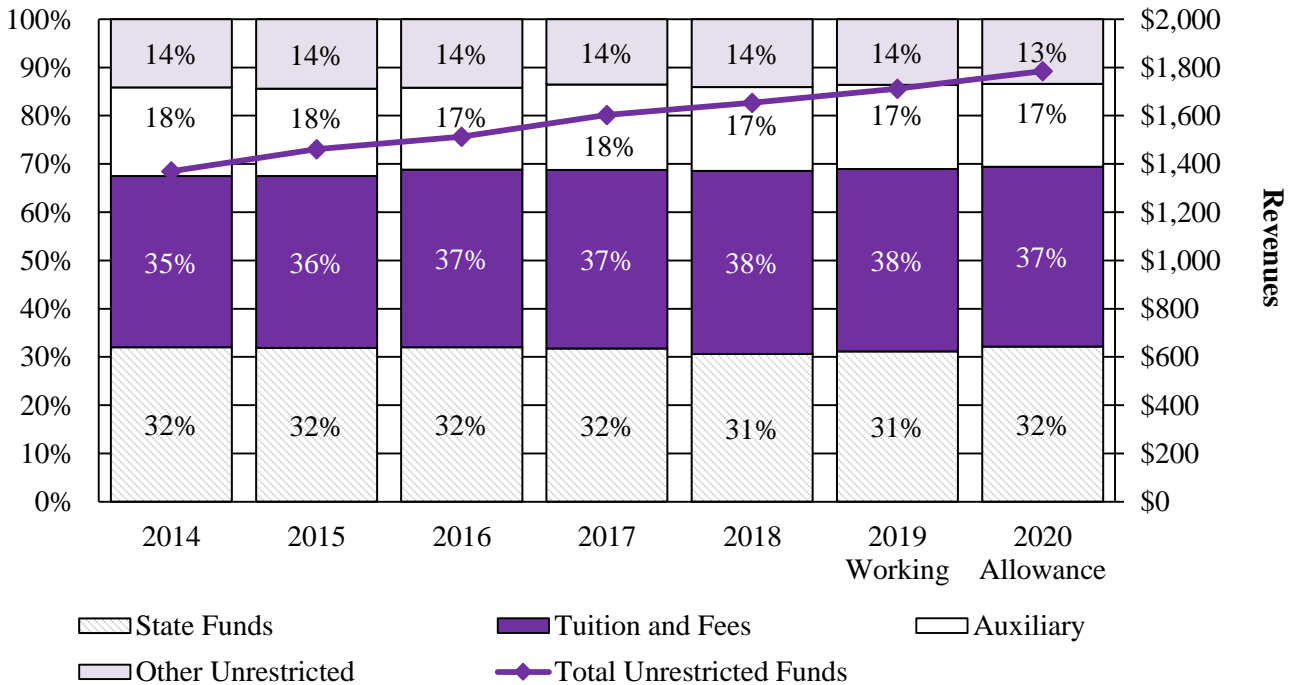
Source: University System of Maryland; Department of Legislative Services

Revenue Sources

In the fiscal 2020 allowance, State funds (general funds and the HEIF) and tuition and fee revenues comprise 32.0% and 37.0%, respectively, of UMCP's current unrestricted revenues, as shown in **Exhibit 13**. In general, the proportion of the funds comprising the total unrestricted funds have remained fairly stable. In fiscal 2018 and 2019, the decrease in the percentage of revenues from State funds correlates to an increase in tuition and fee revenues, which can be partly attributed to tuition revenue from out-of-state undergraduate students growing 19.2% from fiscal 2017 to 2019, while the

in-state revenue increase of 7.2% reflects 2% tuition increases. Overall, between fiscal 2014 and 2020, total unrestricted funds increase 30.3%, or \$415.5 million, with State funds accounting for \$95.2 million of the increase and tuition and fee revenue accounting for \$160.8 million.

Exhibit 13
Unrestricted Revenues by Fund Source
Fiscal 2014-2020
(\$ in Millions)



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

Source: Governor’s Fiscal 2020 Budget Books

Issues

1. Athletic Update

In June 2018, Walters Inc. – Consultant in Sports Medicine was retained to perform an independent evaluation of intercollegiate athletics (ICA) and the football program’s procedures and protocols related to death of a football player in May 2018. A report was submitted in September 2018 that included 20 recommendations, and all but 2 of the recommendations have been implemented (see **Appendix 3** for recommendations and status). ICA is focusing its efforts on four main areas as listed below.

Strengthening Policies and Practices for Safety and Well-being

- The Walters report made 20 recommendations for enhancing the welfare of student-athletes. There is an implementation plan for each recommendation.
- The appointment of an Athletic Medicine Review Board (AMRB) in the next few weeks that will be comprised of independent experts who will routinely review policies and implementation of policies.
- AMRB will also help determine the optimal model for athletic training staff. Currently, a physician-directed model is used for athletics trainers who are licensed by the State and are under the supervision of a licensed physician.

Increasing Mechanisms for Feedback and Review

- Launched Terps Feedback in August 2018, an online platform for all student-athletes to provide feedback in real time.
- Updated processes for conducting end-of-year surveys to encourage greater participation that will annually reviewed.
- Implemented a process by which complaints regarding the well-being of student-athletes, anonymous or not, are evaluated by a team of professionals within the department and shared with the faculty athletic representative.
- Increased the attendance of the faculty athletic representative at practices across sports.
- Changed the reporting lines of the football strength and conditioning coach to report to the associate athletic director for sports performance, which is consistent with other sport programs.

Upholding Our Maryland Values

- Hiring the new head football coach, who will work across the team, campus, and community to rebuild trust in the football program.
- Prioritizing a revised Code of Ethics for the entire athletics staff that will firmly communicate the values as an organization and demonstrate commitment to the highest standards of integrity and ethical principles.
- Adapting the College Strength and Conditioning Coaches Association and the National Strength Coaches Association’s conduct and ethics best practices for the strength and conditioning staff.

Promoting Professional Excellence

- Quarterly meetings with the President and the associate athletic director of compliance.
- Aligning the role and reporting lines of ICA human resource director and the central human resources department to be consistent with other units across campus.
- To further a commitment of sharing progress and efforts with the community, ICA will work closely with the soon-to-be appointed advisory council that has the role of assessing and providing feedback and guidance on athletic reforms.

2. MPowering Update

MPowering is a formal alliance between UMCP and the University of Maryland, Baltimore Campus (UMB) that was approved by BOR in March 2012 and was formalized in Chapter 25 of 2016. The University of Maryland (UM) strategic partnership leverages the resources of UMCP and UMB to improve and enhance academic programs and experiences for students, research, technology transfer, and commercialization. A joint steering committee identifies academic and research programs that may benefit from alignment and collaboration between the campuses. In July 2018, a vice president for research was jointly appointed by UMCP and UMB resulting in the research operations at both institutions now functioning under one administrative office. Accomplishments to date are listed below.

Joint Research and Commercialization

- Since 2012, 513 joint research proposals have been submitted, resulting in \$164 million in new grants and contracts awards.
- Seed grants have been awarded to 70 cross-disciplinary/cross-institutional new research projects that could lead to external funding.

R30B22 – USM – University of Maryland, College Park Campus

- Since 2011, 88 start-up companies have been created; one-third in the last two years.
- In fiscal 2018, UMCP's and UMB's university-created start-ups raised almost \$300 million in external funding.
- Since fiscal 2018, invention disclosures (notification that an invention has been created, beginning the patenting process) increased 58% and the number of licenses by 107%.

The Center for Maryland Advanced Ventures (CMAV) at UM at UMB was established by statute in 2016 focuses on transferring technology developed at UM to the private sector. Initiatives currently being undertaken include:

- Managing the Baltimore Fund with \$1.0 million provided specifically to provide grants and/or investments to university-created or sponsored companies that are located in the city. In fiscal 2018, funds were committed to 13 university-affiliated or sponsored technology entities, creating or retaining 200 jobs.
- CMAV staffs the Maryland Momentum Fund (MMF), a \$10 million USM fund investing in early-stage companies affiliated with USM. After reaching out to all USM institutions to solicit applications for funding, 115 companies representing 6 USM institutions sought funding of which 8 companies were approved – 3 from UMB; 3 from UMCP; and 2 from UM Baltimore County. In fiscal 2018, \$729,000 was invested in these companies, and with the help of the MMF director, these companies raised \$3.9 million for external investors.

Joint Academic Collaborations

- 600 UMCP students have participated in the MLAW: Undergraduate Programs in Law that exposes students to ideas, mentors, and professional opportunities in law.
- 500 UMCP bioengineering students have partnered with UMB medical faculty to explore engineering solutions to health care challenges. In 2018, eight teams filed product invention disclosures.
- 100 UMB and UMCP students engaged in mentor faculty research in health sciences, law, and social work through the UM Scholars program.
- 80 Masters of Science in Law degrees have been awarded since the program began in September 2015.

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The statute also established UMCEED at UMCP that focuses on advancing the education of students by developing degree and credential programs in virtual and augmented reality, neurosciences, biomedical devices, data analytics, and cybersecurity. In the first year of funding (fiscal 2018), UMCEED received \$2.0 million that was used to:

- support three new undergraduate majors in information sciences, neuroscience, and immersive media;
- expand capabilities in the Department of Computer Science; and
- support a joint program between UMB and UMCP through the Robert E. Fischell Institute for Biomedical Devices.

The statute also requires the Presidents of UMB and UMCP to recommend mechanisms that would permit the joint reporting of the UM campuses for national survey rankings, including reporting under the unified federal identification number. **The Presidents should comment of the progress on developing a mechanism that would permit the joint reporting of the UM campuses.**

Operating Budget Recommended Actions

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

Appendix 1
Current and Prior Year Budgets
University of Maryland, College Park Campus
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2018							
Legislative Appropriation	\$492,175	\$22,176	\$0	\$1,092,695	\$1,607,046	\$484,020	\$2,091,067
Deficiency/Withdrawn Appropriation	-4,852	0	0	0	-4,852	0	-4,852
Cost Containment	-3,043	0	0	0	-3,043	0	-3,043
Budget Amendments	0	0	0	58,269	58,269	-33,968	24,301
Reversions and Cancellations	0	0	0	-3	-3	-23,950	-23,953
Actual Expenditures	\$484,279	\$22,176	\$0	\$1,150,961	\$1,657,417	\$426,102	\$2,083,519
Fiscal 2019							
Legislative Appropriation	\$497,007	\$23,428	\$0	\$1,157,017	\$1,677,452	\$462,680	\$2,140,131
Budget Amendments	7,667	0	0	14,794	22,461	-12,080	10,381
Working Appropriation	\$504,673	\$23,428	\$0	\$1,171,811	\$1,699,913	\$450,599	\$2,150,512

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

Fiscal 2018

For fiscal 2018, the general fund appropriation for the University of Maryland, College Park Campus (UMCP) decreased by \$7.9 million, which included a withdrawal of \$4.9 million related to health insurance and \$3.0 million in cost containment measures.

Other unrestricted funds increased \$58.3 million by budget amendments included:

- \$32.5 million in tuition and fee revenues primarily related to an enrollment increase of 1,000 full-time equivalent (FTE) students over the budgeted estimate and revenues related to the Clark School of Engineering entrepreneurial programs;
- \$13.9 million transfer from fund balance to support the opening of new facilities and network security and communications projects;
- \$8.1 million in miscellaneous income related to investment, endowments, rental income, the Terrapin Trader, and the health center;
- \$4.1 million in indirect cost recovery; and
- \$1.5 million from the Strategic Energy Investment Fund to establish the Maryland Innovation fund.

These increases are partially offset by decreases in the sales and services of educational activities (\$0.9 million) and auxiliary enterprises (\$0.3 million) and an increase in the amount transferred to fund balance (\$0.6 million). Cancellation of unrestricted funds totaled \$2,522 due to expenditures slightly less than budgeted.

Current restricted funds decreased by \$57.9 million. Budget amendments decreased funds by \$34.0 million due to a realignment of federal and private grants and contracts with actual activity that was slightly offset by a \$0.2 million increase in State and local grants and contracts activity. Cancellation of restricted funds amounted to \$24.0 million due to expenditures on grants and contracts being less than budgeted.

Fiscal 2019

To date in fiscal 2019, UMCP's general fund appropriation increased \$7.7 million related to a centrally budgeted 2% general salary increase, effective January 1, 2019. Other unrestricted funds have increased \$14.8 million including:

- an \$8.9 million transfer from fund balance to fund debt service and costs associated with USM's workforce development initiative;

R30B22 – USM – University of Maryland, College Park Campus

- \$8.5 million in tuition and fees revenue primarily related to an enrollment increase of 641 FTES over the budgeted estimate that was offset by a decrease in the graduate enrollment at the off-campus sites of the Robert H. Smith School of Business;
- \$6.9 million in private gifts and grants; and
- \$54,097 in State and local grants and contracts.

These increases are partially offsets by decreases in sales of educational activities related to academic support services and student orientation (\$6.0 million), federal grants and contracts (\$1.6 million), other sources (\$1.0 million), and auxiliary enterprises related to the intercollegiate athletics program (\$0.9 million).

Current restricted funds decreased \$12.1 million related to realigning federal, State, and local grants and contracts with actual activity (\$25.0 million) that is offset by increases of \$12.8 million in private grants and contracts, \$118,135 in other sources, and \$62,715 related to a cost-of-living adjustment for the Maryland Fire and Rescue Institute.

Appendix 2
Audit Findings

Audit Period for Last Audit:	March 5, 2014 – June 30, 2017
Issue Date:	October 2018
Number of Findings:	7
Number of Repeat Findings:	1
% of Repeat Findings:	14.3%
Rating: (if applicable)	n/a

Finding 1: The University of Maryland, College Park Campus (UMCP) had not established sufficient procedures to ensure adequate and timely follow-up on delinquent student accounts.

Finding 2: Changes in student residency were not subject to an independent review.

Finding 3: UMCP did not assess mandatory fees on faculty and staff receiving tuition remission benefits as required by Board of Regents policy.

Finding 4: UMCP had not developed a policy to guide and direct departments in using a sensitive data management software product, and monitoring of departments was not performed to ensure that the software product was being executed on all department computer resources.

Finding 5: Controls over electronic timesheets for regular employees were not sufficient to ensure the validity of all time presorted and payroll payments made.

Finding 6: UMPC did not establish adequate controls over financial award determinations.

Finding 7: **UMCP had not established adequate controls over dining services collections and did not ensure the accuracy of meal plan records.**

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 3

Walters Reports Recommendations and Status of Implementation

Recommendation

Status

1. A coverage model should be developed to communicate global departmental understanding of roles and responsibilities of all appropriate personnel relative to the emergency action plans (EAP). **Completed.** The coverage model has been outlined, EAP roles have been explained to all appropriate personnel, and ongoing efforts to communicate the model will continue on an ongoing basis.
2. Organizational charts, job descriptions, and mission statements should reflect roles and expectations for healthcare services in a model allowing healthcare providers to work in a functional, independent care setting. **Completed.**
3. A venue specific EAP should be developed, practiced, and posted for all sites. Formalized documentation of training sessions of all staff regarding EAP, and the frequency of training including the extent of content is needed. **Completed.**
4. EAPs should be adjusted daily in light of construction. The Office of Facilities communicates with staff regarding impact of construction on facility access. **Completed.** Adjustment of EAP is ongoing as appropriate and communicated when necessary.
5. EAP should be distributed to certified athletic trainers, team physicians, athletic training students, athletic administrators, coaches, institutional safety personnel, and legal counsel. All educational sessions should be documented and repeated according to need, at a minimum of annually. EAP should be practiced by the healthcare team (certified athletic trainers and physicians) at each venue on a quarterly basis, or more often if indicated. All training should be documented. **Completed.** Staff training of EAP and documentation of EAP training ongoing.
6. The Gossett Team House EAP appears to be an addendum that is utilized if emergency medical services (EMS) is to be called. There needs to be a clearly defined EAP for Gossett to include information for emergencies that occur on the first and second floor. **Completed.**

<u>Recommendation</u>	<u>Status</u>
7. A venue specific lightning monitoring plan needs to be established for all outdoor venues.	Completed.
8. The WBGT (wet bulb globe thermometer) index needs to be implemented for all outdoor venues. Appropriate protocols need to be established for all outdoor venues.	Completed. The protocols for hot weather for all venues have been developed with the team physicians.
9. Washington Adventist Hospital needs to be added as a potential receiving facility for an injured student-athlete.	Completed.
10. Cold water immersion devices need to be available for all training, conditioning, or practice activities. Policies and procedures for cooling patients before transport to the hospital must be explicitly stated in an EAP and shared with potential EMS responders so that treatment of external heat stroke by all medical professionals is coordinated	Completed.
11. Establish a trauma bag for each practice and game site as part of EAP. The contents should include rectal thermistors for assessment of core temperature.	Completed.
12. Develop a plan for assessment of student-athlete with exertional heat illness symptoms including, but not limited to, core temperature assessment and rapid cooling with cold water immersion.	Completed.
13. A medical timeout should be initiated prior to every practice and event by the athletic training and physicians.	Completed. Regular communication of policy to coaches and training staff is ongoing.
14. Automated external defibrillators locations should be established to guarantee a three-minute response time at all venues.	Completed.

<u>Recommendation</u>	<u>Status</u>
15. Establish an Athletic Medicine Review Board (AMRB) from a variety of specialties (cardiology, orthopedic surgery, neurosurgery, psychiatry, emergency medicine, athletic training, physical therapy, strength and conditioning, nutrition, <i>etc.</i>) to provide oversight of sports medicine, strength and conditioning, nutrition <i>etc.</i> This allows oversight for all student-athlete health and welfare issues from a medical perspective.	Ongoing. AMRB will be announced early 2019. Roles and responsibilities of the board are under development.
16. Personnel performing specific gravity screening should be trained consistent with professional standards.	Completed.
17. There was a lack of timely documentation in the case by those that provided care. Appropriate timely documentation of the event should occur as well as administration of the Crisis Incident Plan	Completed. Communication of the policy is ongoing.
18. Sufficient time must be allowed for change in practice venue. Practice cannot be conducted until minimal medical equipment is setup by the athletic training staff.	Completed. Communication of the policy is ongoing.
19. Establish a functional model for supervising, education, and staffing certified athletic trainers and physical therapists to allow provision of appropriate medical care in a best practice model. The current model is an athletic model with medical direction. All aspects of this model need to be formalized with consistent directives between job descriptions, understanding of all parties, and organizational charts. These concepts should be integrated for all positions related to student-athlete health and welfare including, but not limited to, nutrition, strength and conditioning, athletic training, and psychology.	Ongoing. We will work with sports medicine advisory group to determine the appropriate care model.
20. Establish a standard procedure for the annual education of student-athletes utilizing any stimulant medication or related medication with potential impact on heat tolerance or other indications for exercise tolerance. This should be appropriately documented in the medical file.	Completed. Standard procedure established.

Source: University of Maryland, College Park Campus

Appendix 4
Object/Fund Difference Report
University of Maryland, College Park Campus

<u>Object/Fund</u>	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u> <u>Appropriation</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19 - FY 20</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	9,556.65	9,754.95	9,754.95	0.00	0%
02 Contractual	1,462.33	1,456.43	1,584.37	127.94	8.8%
Total Positions	11,018.98	11,211.38	11,339.32	127.94	1.1%
Objects					
01 Salaries and Wages	\$ 1,294,745,919	\$ 1,357,636,867	\$ 1,379,554,020	\$ 21,917,153	1.6%
02 Technical and Special Fees	12,370,231	11,465,673	11,591,100	125,427	1.1%
03 Communication	14,122,983	14,960,069	16,878,186	1,918,117	12.8%
04 Travel	47,869,236	47,634,720	49,430,175	1,795,455	3.8%
06 Fuel and Utilities	57,710,244	66,266,418	67,058,549	792,131	1.2%
07 Motor Vehicles	5,578,071	4,613,746	4,804,624	190,878	4.1%
08 Contractual Services	170,401,118	192,097,051	204,967,385	12,870,334	6.7%
09 Supplies and Materials	85,703,207	94,130,311	97,804,933	3,674,622	3.9%
11 Equipment – Additional	44,701,267	50,009,454	51,297,055	1,287,601	2.6%
12 Grants, Subsidies, and Contributions	147,417,669	160,040,613	167,493,760	7,453,147	4.7%
13 Fixed Charges	54,094,905	60,742,373	62,752,229	2,009,856	3.3%
14 Land and Structures	148,804,531	90,914,818	97,977,336	7,062,518	7.8%
Total Objects	\$ 2,083,519,381	\$ 2,150,512,113	\$ 2,211,609,352	\$ 61,097,239	2.8%
Funds					
40 Unrestricted Fund	\$ 1,657,416,886	\$ 1,699,912,718	\$ 1,747,405,099	\$ 47,492,381	2.8%
43 Restricted Fund	426,102,495	450,599,395	464,204,253	13,604,858	3.0%
Total Funds	\$ 2,083,519,381	\$ 2,150,512,113	\$ 2,211,609,352	\$ 61,097,239	2.8%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

Appendix 5
Fiscal Summary
University of Maryland, College Park Campus

<u>Program/Unit</u>	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Wrk Approp</u>	<u>FY 20</u> <u>Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20</u> <u>% Change</u>
01 Instruction	\$ 575,268,014	\$ 570,731,831	\$ 576,974,998	\$ 6,243,167	1.1%
02 Research	446,557,236	473,370,336	488,068,811	14,698,475	3.1%
03 Public Service	87,042,577	97,541,888	98,672,870	1,130,982	1.2%
04 Academic Support	175,470,550	180,625,916	186,979,189	6,353,273	3.5%
05 Student Services	62,143,247	65,108,088	67,048,807	1,940,719	3.0%
06 Institutional Support	142,480,937	146,481,791	150,062,142	3,580,351	2.4%
07 Operation and Maintenance of Plant	184,876,056	197,878,201	210,892,204	13,014,003	6.6%
08 Auxiliary Enterprises	293,065,069	297,225,565	305,908,075	8,682,510	2.9%
17 Scholarships And Fellowships	116,615,695	121,548,497	127,002,256	5,453,759	4.5%
Total Expenditures	\$ 2,083,519,381	\$ 2,150,512,113	\$ 2,211,609,352	\$ 61,097,239	2.8%
Unrestricted Fund	\$ 1,657,416,886	\$ 1,699,912,718	\$ 1,747,405,099	\$ 47,492,381	2.8%
Restricted Fund	426,102,495	450,599,395	464,204,253	13,604,858	3.0%
Total Appropriations	\$ 2,083,519,381	\$ 2,150,512,113	\$ 2,211,609,352	\$ 61,097,239	2.8%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.