

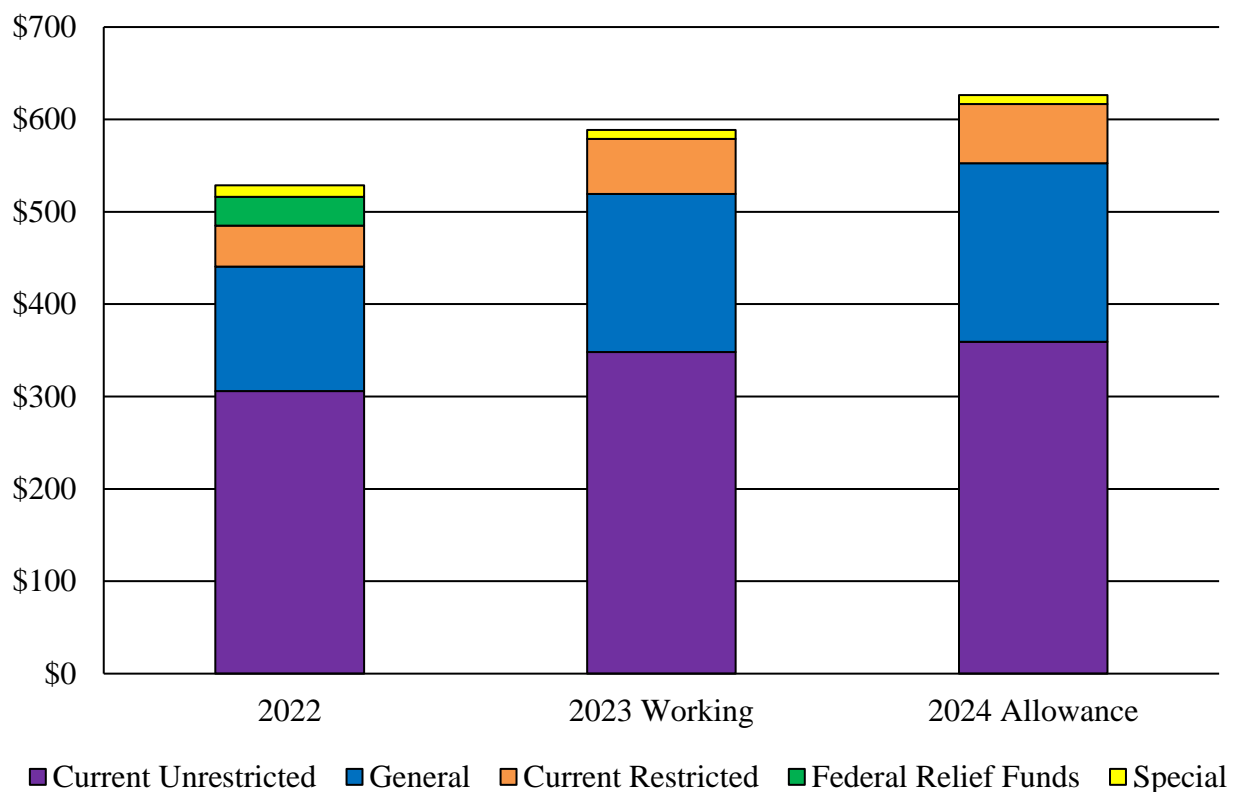
R30B24
Towson University
University System of Maryland

Executive Summary

Towson University (TU) is the largest comprehensive institution within the University System of Maryland (USM), serving both residential and commuter students, providing a broad range of undergraduate programs in the arts and sciences, applied professional fields, and applied master's and doctoral programs.

Operating Budget Summary

Fiscal 2024 Budget Increases \$37.9 Million, or 6.4%, to \$626.5 Million
(\$ in Thousands)



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

For further information contact: Sara J. Baker

SaraJean.Baker@mlis.state.md.us

- General funds increase by \$22.2 million, or 13.0%, in fiscal 2024 after adjusting for two deficiencies: TU's share of a deficiency appropriation 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 (\$6.7 million), and one representing TU's share of a replacement of general funds with the Higher Education Investment Fund (HEIF) due to available fund balance (\$0.6 million). After adjusting for the deficiency, the HEIF increases 2.5%, or \$0.2 million, in fiscal 2024 compared to fiscal 2023.

Key Observations

- The number of first-time undergraduate applications grew by 43.3%, or 5,515 applicants, for fall 2022, due to the acceptance of the Common Application and continuation of test-optional admissions.
- Undergraduate enrollment decreased for the fourth consecutive year, declining 5.8%, in fall 2022, which was primarily driven by a 6.4% decrease in continuing students.
- Transfer students at TU, both Pell and non-Pell students, continue to graduate at a higher rate than first-time/full-time (FT/FT) students.

Operating Budget Recommended Actions

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

R30B24
Towson University
University System of Maryland

Operating Budget Analysis

Program Description

TU is the largest comprehensive institution within USM, serving both residential and commuter students. As the State's metropolitan university, it focuses on providing educational experiences and community services through a broad range of opportunities at the undergraduate and graduate levels. TU offers a broad range of undergraduate programs in the arts and sciences, applied professional fields, and applied master's and doctoral level programs.

Post-baccalaureate certificates, master's, and doctoral programs focus on education, arts and sciences, health professions, information technology, and business. Areas of emphasis include education, theater, human resources development, psychology, computer information and sciences, speech-language pathology, audiology, occupational therapy, and health administration.

TU contributes to the economic development of the State through a variety of activities and programs. The university continues to provide workforce training targeting nurses, teachers, and health professionals; expands K-12 partnerships; and establishes partnerships with public agencies and private companies.

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

Fall 2022 Undergraduate Enrollment Headcount Fall 2022 Graduate Enrollment Headcount

Male	6,978	Male	664
Female	9,883	Female	2,268
Total	16,861 (77 at Shady Grove)	Total	2,932 (81 at Shady Grove)

Fall 2022 New Students Headcount

First-time	2,671
Transfers/Others	1,747
Graduate (Masters)	832
Graduate (Doctoral)	66
Total	5,316

Campus (Main Campus)

Acres	329
Buildings	57
Average Age	25-30
Oldest	Auburn House (1790)

Programs

Bachelor's	67
Master's	49
Doctoral –	
Research/Professional	6

Degrees Awarded (2021-2022)

Bachelor's	4,529
Master's	900
Doctoral –	
Research/Professional	57
Total Degrees	5,486

Proposed Fiscal 2024 In-state Tuition and Fees*

Undergraduate Tuition	\$7,238
Mandatory Fees	\$3,720

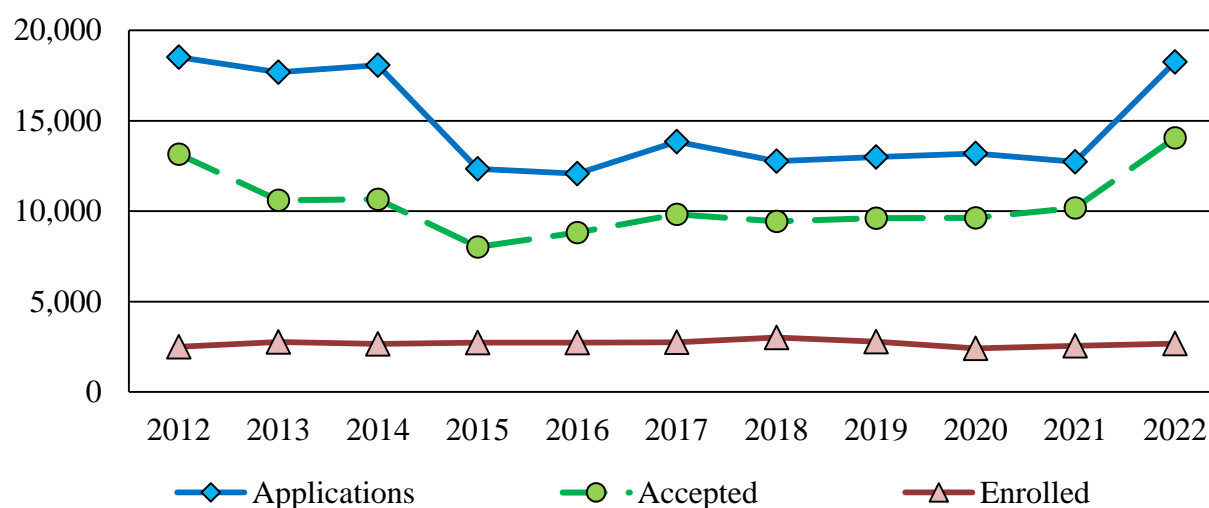
*Contingent on Board of Regents approval.

Performance Analysis

1. First Time Applications

Fall 2015 first-time undergraduate applications decreased by 33.3%, to a total of 12,346 applications, as shown in **Exhibit 1**. According to TU, this was due to the decision to stop using the Common Application because many of the applications were from students who had no intention of attending TU, and the Common Application would not allow modification of their form to add a Board of Regents residency question. TU noted that the change had a positive effect in that the number of students who enrolled increased from fall 2012 to 2014, on average; 2,641 applicants enrolled to compared to an average of 2,739 since fall 2015.

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



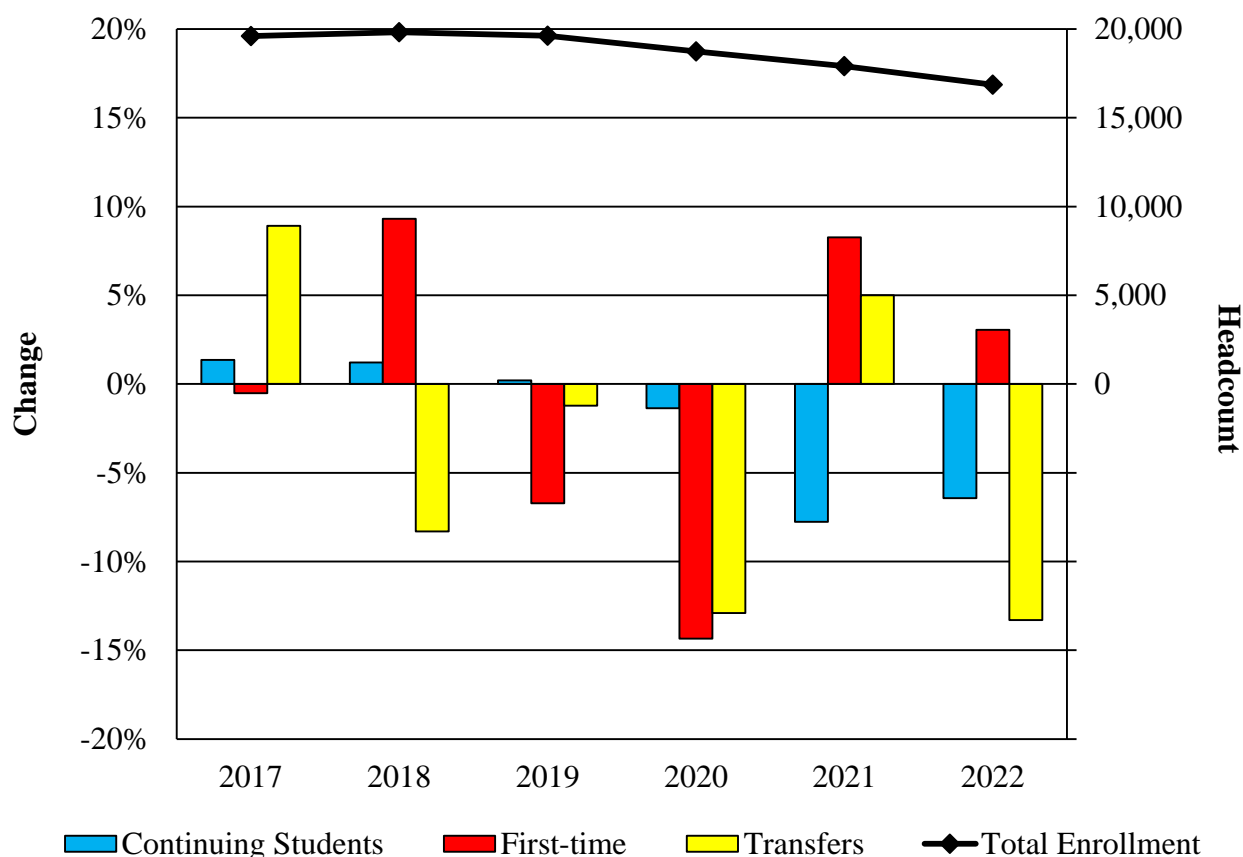
Source: University System of Maryland

In fall 2022, the number of first-time undergraduate applications increased by 43.3%, or 5,515 applicants, which TU attributes to its decision to go back to accepting the Common Application and continuation of test-optional admissions. TU further states that in general, nationally, colleges have experienced an increase in the number of applications for a variety of reasons, including students applying to more institutions and the implementation of test-optional admissions. With the higher number of applications, the number of applicants accepted increased by 37.9%, or 3,865 applicants, for an acceptance rate of 77% compared to 80% in fall 2021. The number of accepted students who enrolled grew by 4.8%, or 123 students, to a total of 2,670 students (an acceptance rate of 19%) below the prepandemic level of 2,789 in fall 2019 with an acceptance rate of 29%.

2. Fall 2022 Undergraduate Enrollment

Overall, in fall 2022, total enrollment, including graduate students, declined by 5.1%. As shown in **Exhibit 2**, in fall 2022, undergraduate enrollment decreased for the fourth consecutive year, declining by 5.8%, or 1,046 students, which was primarily driven by a decrease in continuing students of 6.4% (854 students). In fall 2017 and 2018, TU experienced enrollment growth, on average, of 1.6%. TU reached its highest enrollment level of 19,818 in fall 2018, which has since steadily fallen to 16,861 students in fall 2022. Continuing students accounted for 72.4% of the decline. The largest drop in the number of continuing students (1,120 students) occurred in fall 2021, which may indicate that students did not have a positive experience the previous year when the campus was dedensified and most courses were taught remotely.

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



Source: University System of Maryland

In fall 2022, the number of transfer students decreased by 13.3%, or 268 students. Since fall 2018, transfer students have fallen by 483 (21.7%) students. This may reflect the continuing decline in enrollment at the community colleges, but it is also of concern for this is a typical pathway of transfer and mobility for these students. TU will need to recruit and retain these students as a strategy to maintain and/or grow enrollment. Overall, transfer students have comprised a smaller share of the undergraduate enrollment in recent years, falling from 12.4% of enrollment in fall 2017 to 10.4% in fall 2022.

On the positive side, in fall 2022, for the second consecutive year, the number of first-time students grew by 79 students, or 3.0%, to 2,671 students.

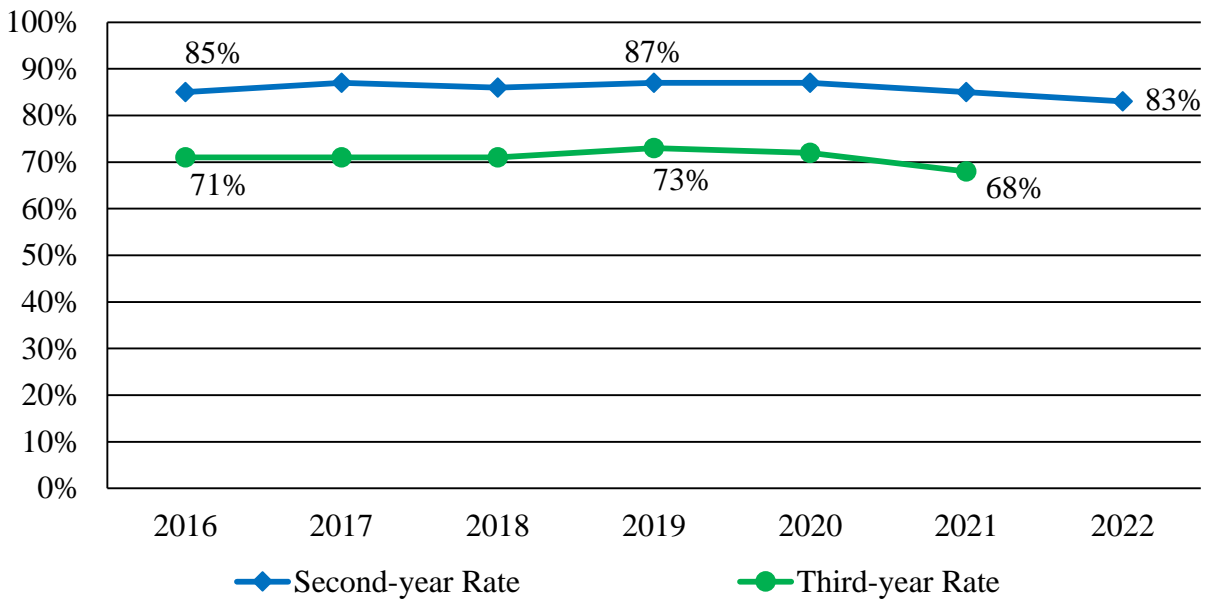
The President should comment on causes for the continuing decline in students and efforts being taken to stabilize enrollment and retain students.

3. Retention Rates

Student retention rates provide a measure of student progress and an institution's performance: a high retention rate indicates the ability of an institution to keep students and 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**, after remaining steady around 87%, the second-year retention rate started to decline with the 2021 cohort to 85%. The second-year retention rate continued to decline to 83% with the 2022 cohort. The third-year retention rate fell to 68% with the 2022 cohort after averaging 72% with the prior five cohorts. These declines may reflect the impact of the pandemic and unique challenges faced by each cohort. The fiscal 2022 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 2021 cohort had completed a year of college, it was done remotely and therefore did not have the typical on-campus experiences and also needed help in adjusting to campus life.

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

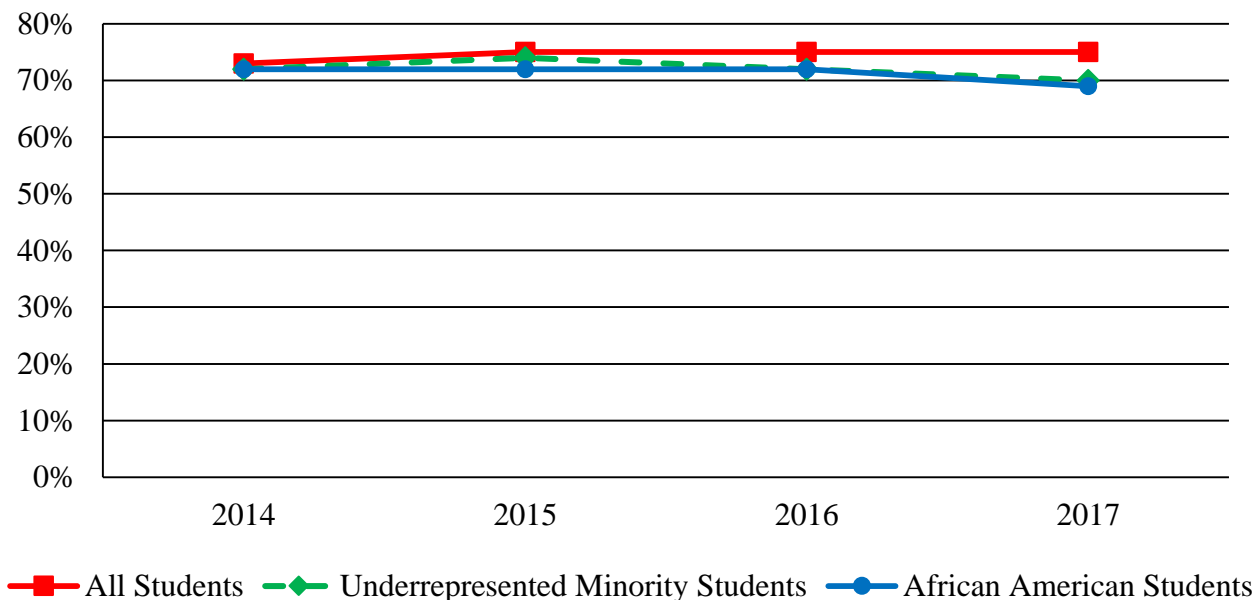


Source: University System of Maryland

4. 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 shows 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 the 2017 cohorts. Graduation rates for all students remained steady at 75% for the 2015 to the 2017 cohorts. While the graduation rates for the 2017 cohorts of underrepresented minorities and African Americans declined to 70% and 69%, respectively, this resulted in a widening of the achievement gap by 5 and 6 percentage points for underrepresented minorities and African American students, respectively.

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

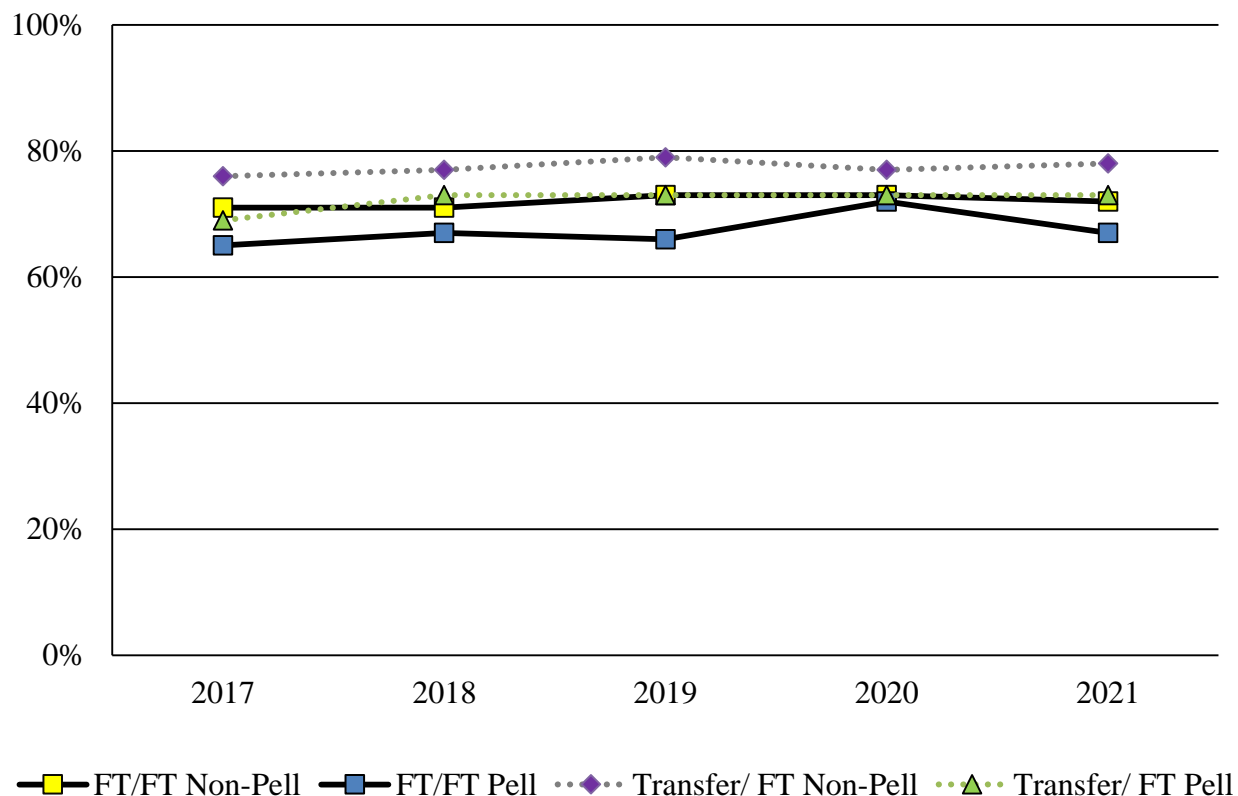


Note: Includes all degree-seeking students (*e.g.*, first-time/full-time, part-time, transfers, spring admits) who enrolled in the fiscal year. Underrepresented minority includes African American/Black, Hispanic/Latino, American-Indian/Native American, and Native Hawaiian/Pacific Islander.

Source: University System of Maryland

While much attention has been paid to the achievement gap between the races, increasingly, attention has also 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 2011-2012 cohort of Pell students at four-year public institutions was 43.6%, compared to 55.5% for all students. Overall, transfer students (Pell and non-Pell) graduate at higher rates than FT/FT students, with non-Pell transfer students having the highest graduation rates of all groups of students, as shown in **Exhibit 5**. For the 2020 cohort, there was no gap in the graduation rates between FT/FT Pell and non-Pell students and Pell transfer students. However, for the 2021 cohort, the gap widened due to a decline in the graduation rate of FT/FT Pell students to 67%, while the FT/FT non-Pell graduate rate remained relatively level. This indicates that while TU 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.

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



FT/FT: first-time/full-time

Note: As of August 1 each year.

Source: Integrated Postsecondary Education Data System

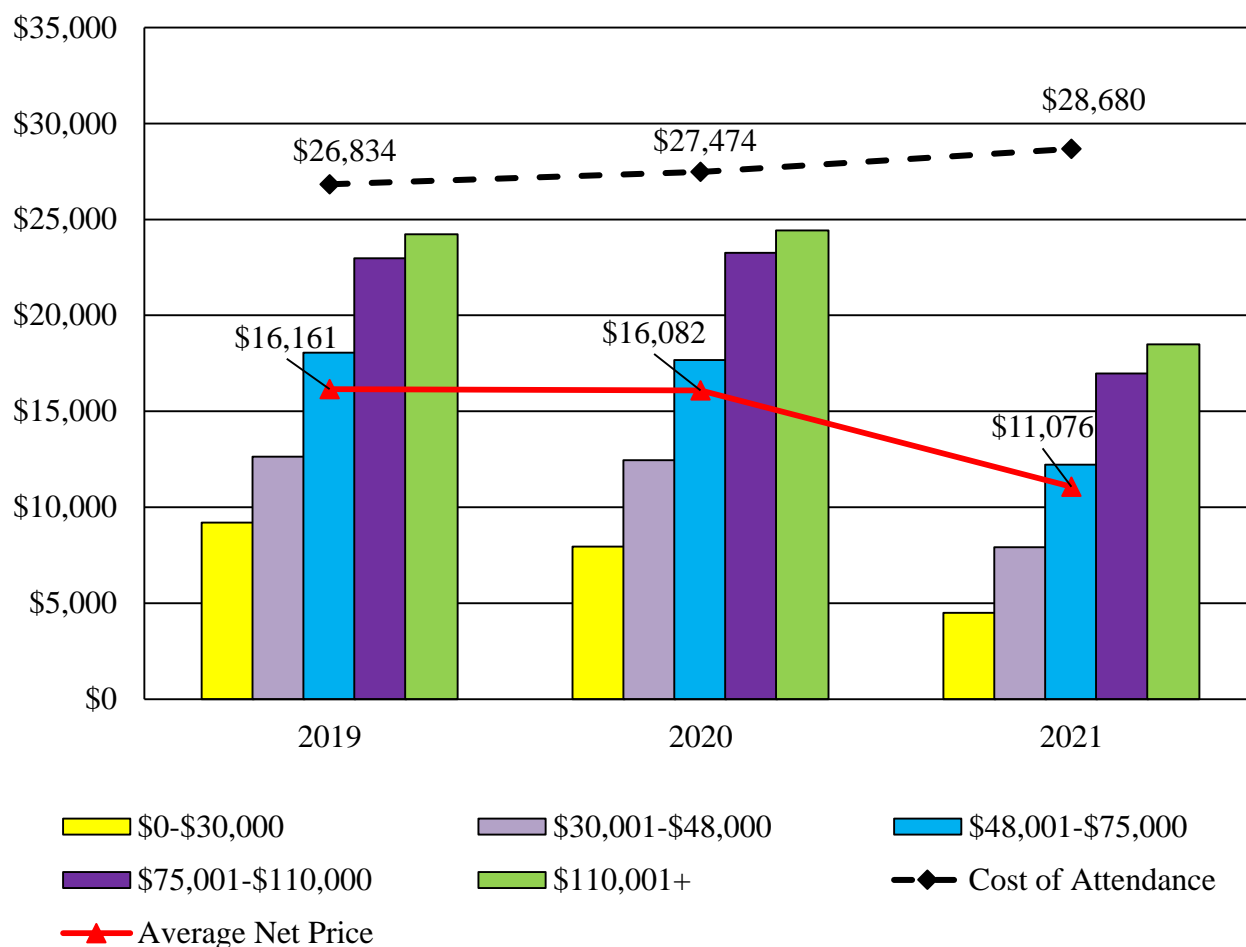
5. Affordability

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 TU students. As shown in **Exhibit 6**, in fiscal 2021, the average net price for beginning full-time students was \$11,076, which is a decrease of \$5,006 from the previous year. However, this is an anomaly and not an accurate reflection of the average cost to a student. According to TU, due to COVID-19, the average weighted housing cost decreased from \$14,301 in fiscal 2020 to \$8,383 in fiscal 2021 due to more students living at home. The number of students living at home increased from 190 in fiscal 2020 to 717 in fiscal 2021. During the same time period, the number living on campus fell from 1,040 to 183 students.

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

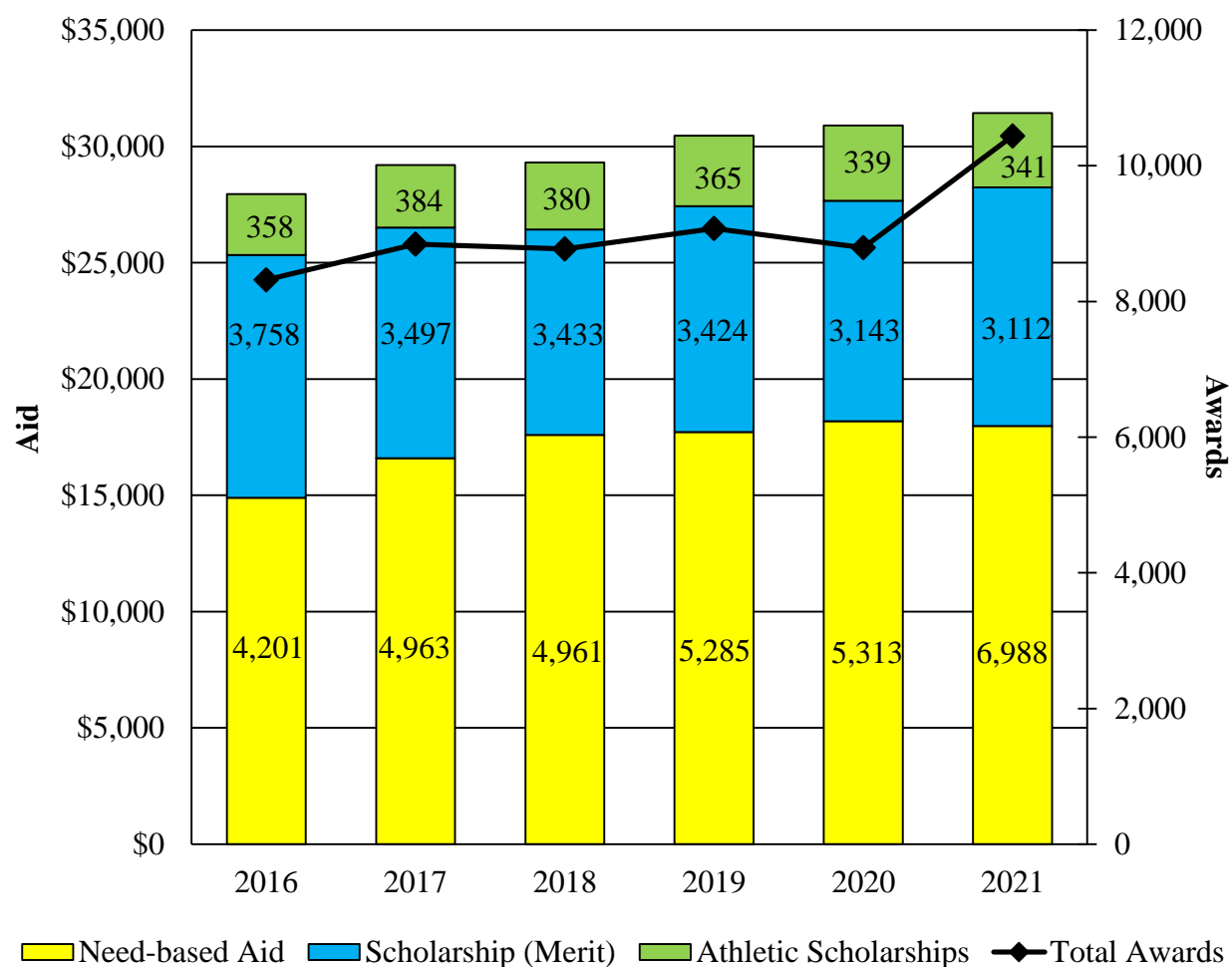


Source: National Center for Education Statistics' College Navigator

Institutional Aid

As shown in **Exhibit 7**, total expenditures on institutional aid increased by 1.7% to \$31.4 million in fiscal 2021. In fiscal 2021, an additional 1,646 awards, or 18.7%, were made, primarily due to an increase of 1,675 in need-based aid awards. However, total spending on need-based aid declined \$0.2 million to \$18.0 million, resulting in a decline in the value of the awards.

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



Source: University System of Maryland; Maryland Higher Education Commission

From fiscal 2016 to 2021, spending on institutional aid grew by 12.5%, or \$3.5 million, while the number of awards increased by 25.5%, or 2,124 awards. However, the rate of growth in expenditures has slowed – from fiscal 2016 to 2019, on average, spending increased 4.1%, but since that time has grown 1.6%. During the fiscal 2016 to 2021 period, the number of need-based aid awards increased by 2,787, while the number of scholarship awards declined by 646. The Department of Legislative Services notes that several events occurred during fiscal 2020 and 2021 that may have impacted expenditures on institutional aid, which include the pandemic and the resulting transition to remote learning in fiscal 2021, the freezing of tuition and fees at the fiscal 2020 level (meaning that students may not have needed an increase in their award amount), and the declining enrollment starting in fiscal 2020 resulting in a loss of revenue.

Fiscal 2023 Working Budget

Actions Affecting Fiscal 2023 Budget

The fiscal 2024 budget includes two proposed deficiency appropriations for fiscal 2023. One of these would provide \$6.7 million in general funds related to the 4.5% COLA effective November 2022 and is budgeted in the Statewide Account in DBM. Another proposed deficiency, totaling \$8.0 million, of which TU's share is \$0.6 million, would replace general funds with the HEIF, reflecting the use of the fund balance due to fiscal 2022 revenues exceeding estimates.

Education and General Expenditures

Since tuition and fee revenue 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 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, which increase in total by \$69.2 million, or 15.0%, in fiscal 2023. The fiscal 2023 education and general revenues and expenditures are adjusted to reflect a 4.5% general salary increase effective November 1, 2022, totaling \$6.65 million. Spending increases across program areas, excluding scholarships and fellowships, are primarily related to statewide increases and increments. Other spending increases include:

- Operation and maintenance of plant increases by \$28.5 million, or 89.0%, reflecting spending on facilities renewal and replacement returning to prepandemic levels in fiscal 2023.
- Instruction increases by \$13.2 million, or 9.3%, of which \$3.5 million is related to equipment purchases.

Exhibit 8
Budget Changes for Unrestricted Funds by Program Area
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>
<u>Expenditures</u>				
Operation and Maintenance of Plant	\$32,048	\$60,557	\$28,508	89.0%
Instruction	143,501	156,820	13,319	9.3%
Academic Support	42,310	44,473	2,163	5.1%
Scholarships and Fellowships	46,804	48,405	1,601	3.4%
Student Services	24,072	25,198	1,126	4.7%
Public Service	2,136	2,445	309	14.5%
Research	1,073	934	-138	-12.9%
Institutional Support	48,909	47,824	-1,085	-2.2%
Deficiency – General Salary Increase		6,650		
E&G Total	\$340,853	\$393,305	\$52,452	15.4%
Auxiliary Enterprises	\$118,777	\$135,500	\$16,722	14.1%
Total Expenditures	\$459,631	\$528,805	\$69,174	15.0%
<u>Revenues</u>				
Tuition and Fees	\$181,301	\$195,703	\$14,402	7.9%
State Funds ¹	147,389	180,692	33,303	22.6%
Other ²	14,848	9,511	-5,337	-35.9%
Total E&G Revenues	\$343,537	\$385,906	\$42,368	12.3%
Auxiliary Enterprises	\$133,962	\$141,211	\$7,249	5.4%
Transfer (to)/from Fund Balance	-17,869	-4,962		
Available Unrestricted Revenues	\$459,631	\$522,155	\$62,525	13.6%

E&G: education and general

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

² Includes federal relief funds.

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

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

Fiscal 2024 Proposed Budget

In fiscal 2024, the adjusted State funding increases by 12.4%, or \$22.5 million, compared to the adjusted fiscal 2023 working appropriation, as shown in **Exhibit 9**. General funds grow 13.0%, or \$22.2 million, while the HEIF increases 2.5%, or \$0.2 million. Of the \$22.5 million increase in State funding, annualization of the 4.5% fiscal 2023 COLA, and the 2% COLA and increments in fiscal 2024 account for 63.4%, or \$14.2 million, of the growth. The remaining \$8.0 million in State funds are available to support other current service costs or program enhancements.

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

	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Adjusted</u>	<u>2024</u> <u>Adjusted</u>	<u>2023-2024</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$134,985	\$165,139	\$182,460	\$17,320	10.5%
Deficiency – HEIF Swap		-631			
Deficiency – 4.5% COLA		6,650			
Statewide Employee Compensation			10,914		
Total General Funds	\$134,985	\$171,158	\$193,374	\$22,216	13.0%
Special Funds					
HEIF	\$12,404	\$8,903	\$9,772	\$868	9.8%
Deficiency – HEIF Swap		631			
Total HEIF	12,404	9,535	9,772	237	2.5%
Total State Operating Funds	\$147,389	\$180,692	\$203,145	\$22,453	12.4%
Other Unrestricted Funds	\$323,612	\$353,074	\$364,507	\$11,433	3.2%
CARES/CRRSAA/ARPA –					
Direct Support (Unrestricted)	6,498				
Transfer (to)/from Fund Balance	-17,869	-4,962	-5,192	-230	
Restricted Funds	44,170	59,800	64,000	4,200	7.0%
CARES/CRRSAA/ARPA – Direct					
Federal Support (Restricted)	24,841				
Total Funds	\$528,642	\$588,605	\$626,460	\$37,855	6.4%

ARPA: American Rescue Plan Act

COLA: cost-of-living-adjustment

CARES: Coronavirus Aid, Relief, and Economic Security Act

HEIF: Higher Education Investment Fund

CRRSAA: Coronavirus Response and Relief Supplemental Appropriations Act

Note: The fiscal 2023 working appropriation reflects deficiency appropriations including Towson University'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. Excludes pay-as-you go funding from the Dedicated Purpose Account in fiscal 2023.

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

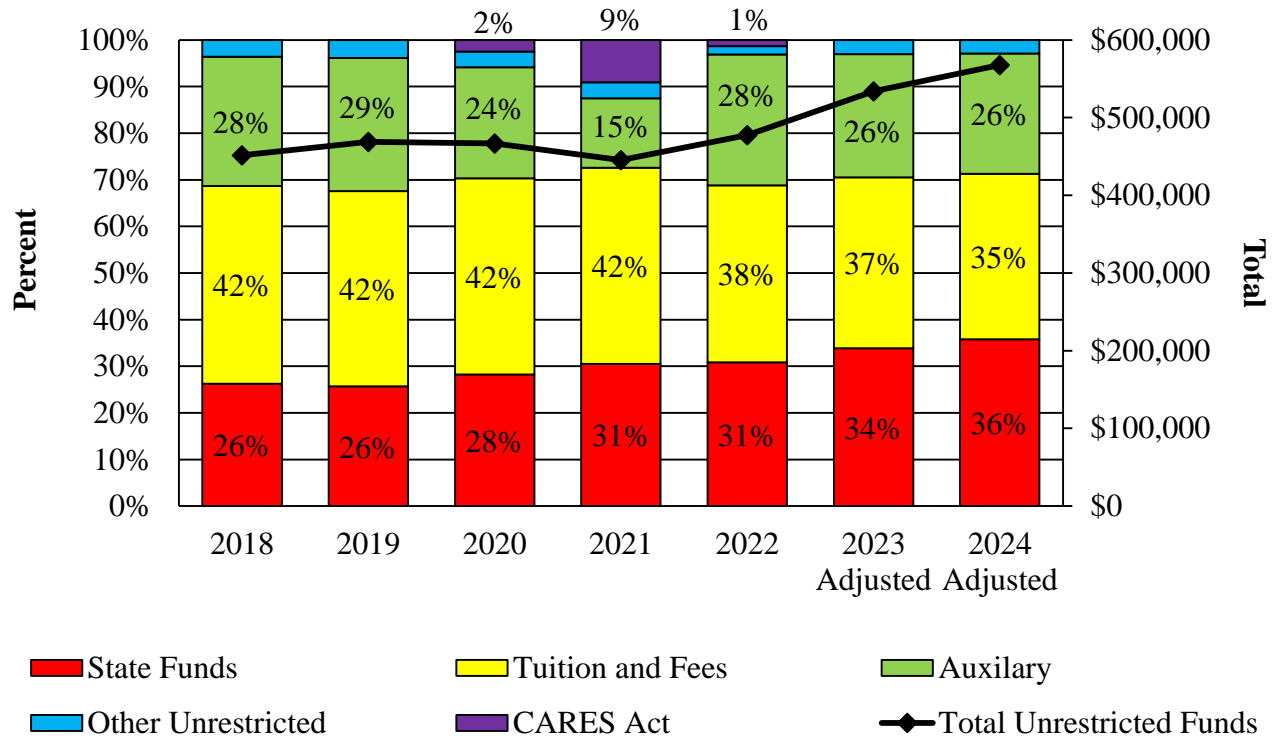
The President should comment on how TU plans to use the available \$8.0 million in State funds.

Other unrestricted funds increase by 3.2%, or \$11.4 million, primarily due to increases of \$5.7 million, or 2.9%, in tuition and fee revenues, partly due to a planned 2% increase in resident undergraduate tuition, and \$5.5 million, or 3.9%, in auxiliary revenues

Unrestricted Revenues

The impact of COVID-19 on revenues can be seen on the compositions of revenues starting in fiscal 2020, as shown in **Exhibit 10**. In spring 2020, TU closed its campus and provided refunds to students; as a result, auxiliary revenues declined by \$23.1 million, resulting in these revenues comprising 24% of total revenues compared to 29% in fiscal 2019. Total revenues slightly declined 0.4%, or \$1.9 million, in fiscal 2020. In fiscal 2021, the dedensification of campus and reduced occupancy of resident halls resulted in a \$44.5 million decline in auxiliary revenues that resulted in auxiliary comprising 15% of total revenues. In fiscal 2021, federal relief funds comprised 9% of revenues, tempering the impact the of pandemic. Auxiliary revenues rebounded in fiscal 2022 and 2023. As of fiscal 2023, tuition and fee revenues have not recovered to their highest level of \$196.5 million in fiscal 2020, resulting in these revenues comprising less of the total revenues. Prior to fiscal 2022, these revenues comprised 42% of revenues, which declined to 37% by fiscal 2023, reflecting the decline in undergraduate enrollment. Since fiscal 2019, State funds have comprised an increasing portion of revenues, from 26% in fiscal 2019 to 34% in fiscal 2023.

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



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 including 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 Budget Books

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	2,548.00	2,548.00	2,548.00	0.00
Contractual FTEs	<u>954.60</u>	<u>913.60</u>	<u>913.60</u>	<u>0.00</u>
Total Personnel	3,502.60	3,461.60	3,461.60	0.00

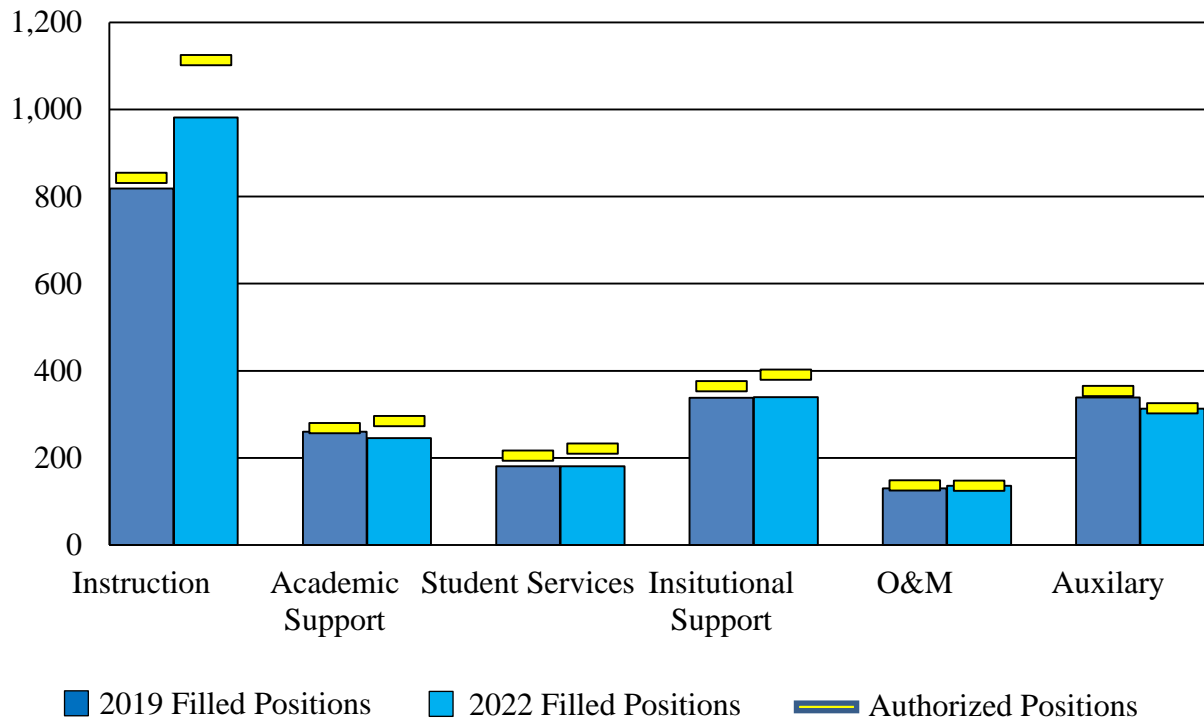
Vacancy Data: Regular

Turnover and Necessary Vacancies, Excluding New Positions	171.99	6.75%
Positions and Percentage Vacant as of 12/31/22	311.00	12.21%
Vacancies Above Turnover	139.01	

- 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, TU has not added or eliminated positions.

When excluding research and public service, the vacancy rate increased from 4.8% (103.79 full-time equivalents (FTE)) in fiscal 2019 to 10.7% (262.6 FTEs) in fiscal 2023. As shown in **Exhibit 11**, during this time period, the total number of authorized positions increased by 13.3%, or 288.3 FTEs, with instruction accounting for 270.4 FTEs. However, in fiscal 2023, there are 131 vacant instruction positions. At 22.3%, student services have 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. Between fiscal 2019 and 2023, TU eliminated 11.4%, or 40.2 FTEs, in auxiliary positions.

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 Budget Books; Department of Legislative Services

Operating Budget Recommended Actions

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

**Appendix 1
Fiscal Summary
Towson 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	\$ 143,501,321	\$ 157,269,172	\$ 168,350,298	\$ 11,081,126	7.0%
02 Research	4,083,523	5,015,021	5,075,865	60,844	1.2%
03 Public Service	7,919,719	13,587,258	13,684,321	97,063	0.7%
04 Academic Support	42,310,246	44,455,155	46,664,513	2,209,358	5.0%
05 Student Services	24,143,555	25,327,033	26,788,078	1,461,045	5.8%
06 Institutional Support	48,908,625	48,124,597	49,897,666	1,773,069	3.7%
07 Operation and Maintenance of Plant	32,048,421	60,560,461	63,623,624	3,063,163	5.1%
08 Auxiliary Enterprises	118,860,251	135,499,705	143,321,283	7,821,578	5.8%
17 Scholarships and Fellowships	106,866,089	92,116,992	98,140,055	6,023,063	6.5%
Total Expenditures	\$ 528,641,750	\$ 581,955,394	\$ 615,545,703	\$ 33,590,309	5.8%
Unrestricted Fund	\$ 459,630,879	\$ 522,155,394	\$ 551,545,703	\$ 29,390,309	5.6%
Restricted Fund	69,010,871	59,800,000	64,000,000	4,200,000	7.0%
Total Appropriations	\$ 528,641,750	\$ 581,955,394	\$ 615,545,703	\$ 33,590,309	5.8%

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