

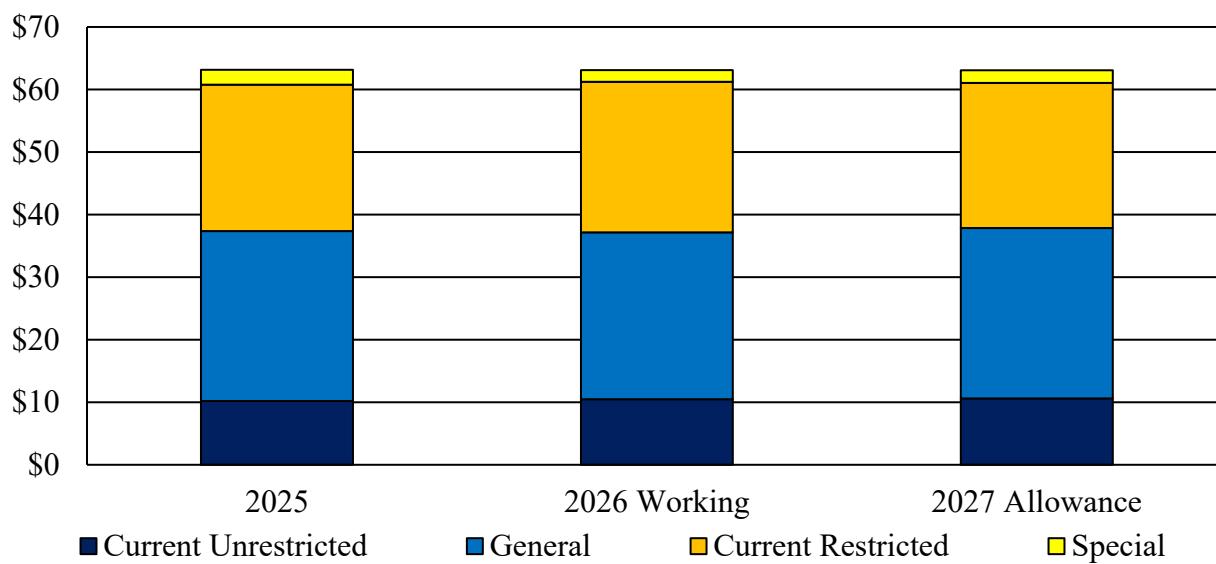
R30B34
University of Maryland Center for Environmental Science
University System of Maryland

Program Description

The University of Maryland Center for Environmental Science (UMCES) is a research institution for environmental and natural science studies with a mission to develop a comprehensive program of environmental research, education, and service. Research focuses on the watersheds, estuaries, and coastal areas of Maryland and the greater Chesapeake Bay region and applying knowledge to help predict conditions in Maryland's ecology. UMCES includes four geographically distinct laboratories under a single administration that also serve as regional centers: (1) Appalachian Laboratory in Frostburg; (2) Chesapeake Biological Laboratory on Solomon's Island; (3) Horn Point Laboratory in Cambridge; and (4) the Institute of Marine and Environmental Technology in Baltimore, which is a joint research institute between UMCES; the University of Maryland Baltimore County; and the University of Maryland, Baltimore Campus

Operating Budget Summary

Fiscal 2027 Budget Decreases \$7,135, or 0.01%, to \$63.1 Million
(\$ in Thousands)



Note: Numbers may not add due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions.

- Accounting for fiscal 2027 statewide salary adjustments that are centrally budgeted in the Department of Budget and Management (DBM), general funds for UMCES increase by 2.1%, or \$0.6 million, in the fiscal 2027 allowance compared to the fiscal 2026 working appropriation after accounting for a deficiency that would replace \$409,566 of Higher Education Investment Funds (HEIF) with general funds in fiscal 2026 and replace \$100,573 in general funds with the HEIF in fiscal 2027 contingent on legislation.
- After adjusting for the deficiency and the contingent fund swap, the HEIF increases by 8.5%, or \$159,381, in fiscal 2027 compared to fiscal 2026. Overall, State funding increases by 2.5%, or \$718,908, in fiscal 2027.

Federal Recissions

As shown in **Exhibit 1**, a total of 7 seven awards have been canceled as of November 30, 2025, resulting in a loss of \$2.2 million. Of this amount, over half (\$1.2 million) are related to the cancellation of two awards from the Environmental Protection Agency.

Exhibit 1
Federal Awards Canceled
As of November 30, 2025
(\$ in Thousands)

	<u>Awards</u>	<u>Total Award Amount</u>	\$ Canceled		
			<u>Direct Cost</u>	<u>F&A</u>	<u>Total Amount</u>
Environmental Protection Agency	2	\$3,831	\$885	\$311	\$1,196
National Oceanic and Atmospheric Admin	2	899	455	70	525
Belmont Forum	2	500	500		500
Fish and Wildlife	1	196	46	10	56
Total	7	\$5,426	\$1,886	\$391	\$2,277

F&A: facilities and administration

Note: Belmont Forum is an international partnership of funding agencies, international scientific councils, and regional consortia with National Science Foundation being a funding partner.

Source: University System of Maryland

The President of UMCES should comment on the impact the canceled federal grants and contract, rescoping awards, and new compliance requirements have had on research and the pace of the awarding of new contracts and grants.

Fiscal 2026

Proposed Deficiency

The fiscal 2027 budget includes a proposed deficiency appropriation of \$27.6 million across the University System of Maryland (USM) institutions and Morgan State University that would replace HEIF with general funds due to underattainment of the HEIF, of which UMCES' share is \$409,566.

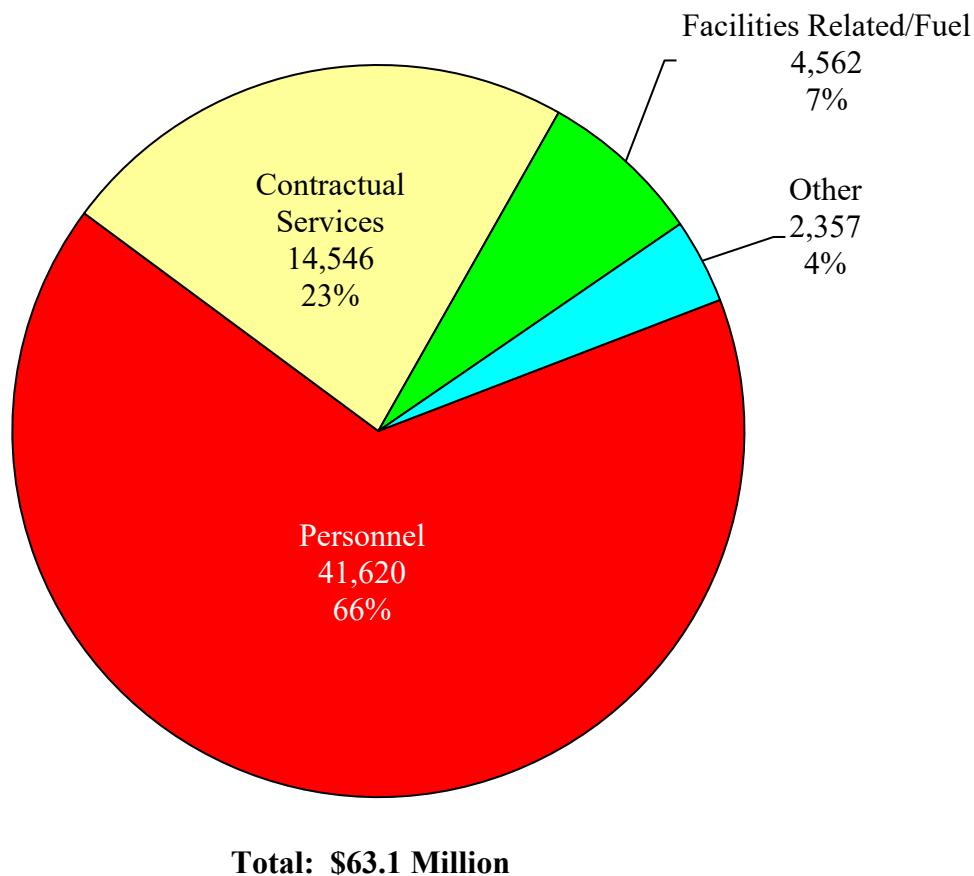
Cost Containment

The fiscal 2026 budget as introduced and Supplemental Budget No. 2 reduced USM's State funded appropriation by \$155.5 million of which UMCES' share was \$2.0 million that was partly offset by \$0.5 million provided for increments. The remaining \$1.5 million of the reduction was met by eliminating 1 vacant position and holding 2 positions vacant (\$0.4 million), reducing spending on contracts (\$0.5 million), and substituting interest income for general funds (\$0.6 million).

Fiscal 2027 Overview of Agency Spending

As shown in **Exhibit 2**, the fiscal 2027 allowance for UMCES totals \$63.1 million. Personnel expenditures account for 66% of total spending.

Exhibit 2
Overview of Agency Spending
Fiscal 2027 Allowance
(\$ in Thousands)



Source: Governor's Fiscal 2027 Budget Books

Proposed Budget Change

As shown in **Exhibit 3**, the adjusted State funds in the fiscal 2027 allowance, increase by 2.5%, or \$718,908, compared to the adjusted fiscal 2026 working appropriation after accounting for a proposed deficiency appropriation and a contingent fund swap of HEIF for general funds. The fiscal 2027 swap is contingent on provisions in the Budget Reconciliation and Financing Act of 2026 that would decouple the State from certain tax provisions in the One Big Beautiful Bill Act. The fiscal 2027 adjusted allowance accounts for UMCES' share of the fiscal 2027 salary increases that are centrally budgeted in DBM. UMCES receives \$507,261 in State funding primarily related to increase in health insurance and \$155,432 for the opening of a new facility. These increases are partly offset by a reduction of \$238,355 mainly related to increasing the budgeted turnover rate to more closely align with vacancy rates.

Exhibit 3
Proposed Budget
University of Maryland Center for Environmental Science
(\$ in Thousands)

	FY 25	FY 26	FY 27	FY 25-26	% Change
	<u>Actual</u>	<u>Adjusted</u>	<u>Adjusted</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$27,167	\$26,273	\$27,041	\$768	2.9%
General Salary Increase			302		
Fund Swap		410	-101		
Total Adjusted General Funds	\$27,167	\$26,683	\$27,242	\$560	2.1%
Special Funds					
HEIF	\$2,379	\$2,279	\$1,928		
Fund Swap		-410	101		
Total HEIF	\$2,379	\$1,869	\$2,029	\$159	8.5%
Total State Operating Funds	\$29,546	\$28,552	\$29,271	\$719	2.5%
Other Unrestricted Funds	\$11,876	\$10,827	\$10,950	\$123	1.1%
Transfer to/from Fund Balance	-1,672	-337	-337		
Net Unrestricted Funds	\$39,750	\$39,042	\$39,884	\$842	2.2%
Total Restricted Funds	\$23,399	\$24,049	\$23,200	-\$849	-3.5%
Total Funds	\$63,150	\$63,091	\$63,084	-\$7	-0.01%

HEIF: Higher Education Investment Fund

Note: Numbers may not add due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions.

Source: Governor's Budget Books, Fiscal 2027, Department of Legislative Services

The fiscal 2027 allowance for restricted funds declines by \$0.8 million to \$23.2 million compared to the fiscal 2026 working appropriation. This is due to a budget decline of \$2.5 million for State and local government and private grants and contracts that is offset by a budgeted increase of \$1.7 million in federal grants and contracts.

The President of UMCES should comment on the likelihood that federal grants and contracts will increase in fiscal 2027.

Personnel Data

	FY 25	FY 26	FY 27	FY 26-27
	Actual	Working	Allowance	Change
Regular Positions	281.86	277.93	277.93	0.00
Contractual FTEs	<u>64.00</u>	<u>44.00</u>	<u>44.00</u>	<u>0.00</u>
Total Personnel	345.86	321.93	321.93	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	10.82	3.89%
Positions and Percentage Vacant	5.00	1.80%
Vacancies Below Turnover	5.82	

- USM institutions have personnel autonomy and may create or abolish positions during the fiscal year. In fiscal 2026 year to date, UMCES eliminated 3.93 full-time equivalent State-supported positions.

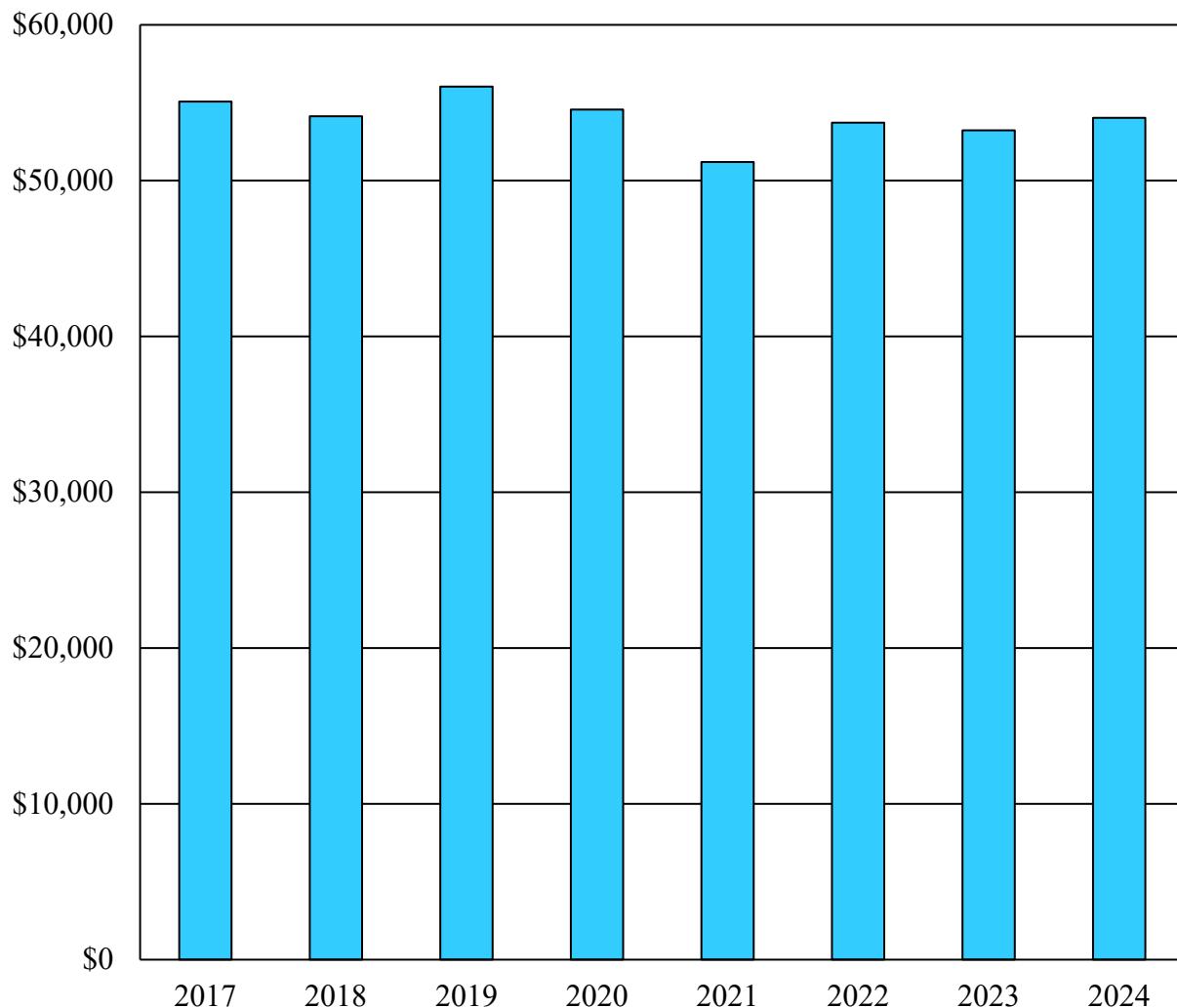
Key Observations

1. Research and Development Expenditures

As a research institution, UMCES relies on federal, State, and local contracts and awards for over half of its budget. As shown in **Exhibit 4**, while total research and development expenditures, as reported to the National Science Foundation (NSF), have varied, spending has exceeded \$50 million in all years between fiscal 2017 and 2024. It should be noted that, in general, total expenditures may exceed UMCES' budget due to NSF including matching, facility, and personnel funds that may be budgeted elsewhere. After increasing to \$56.0 million in fiscal 2019, research and development expenditures decreased to \$51.2 million in fiscal 2021. Expenditures

have since increased and compared to fiscal 2021 have increased by 5.5%, or \$2.8 million, in fiscal 2024 to \$54.0 million.

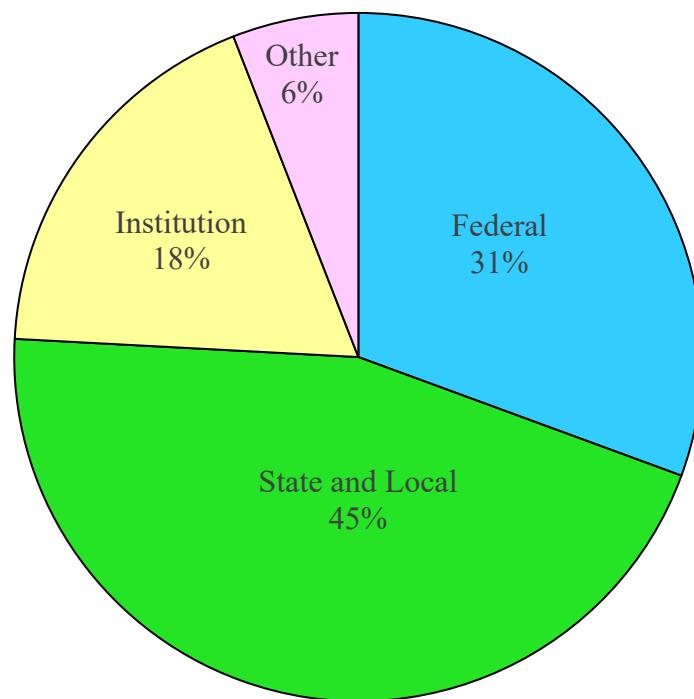
Exhibit 4
Research and Development Expenditures
Fiscal 2017-2024
(\\$ in Thousands)



Source: National Center for Science and Engineering Statistics; Higher Education R&D Survey

As shown in **Exhibit 5**, State and local government contracts and awards comprise 45% of total expenditures in fiscal 2024, with the federal government accounting for 31%.

Exhibit 5
Research and Development Expenditures by Source
Fiscal 2024



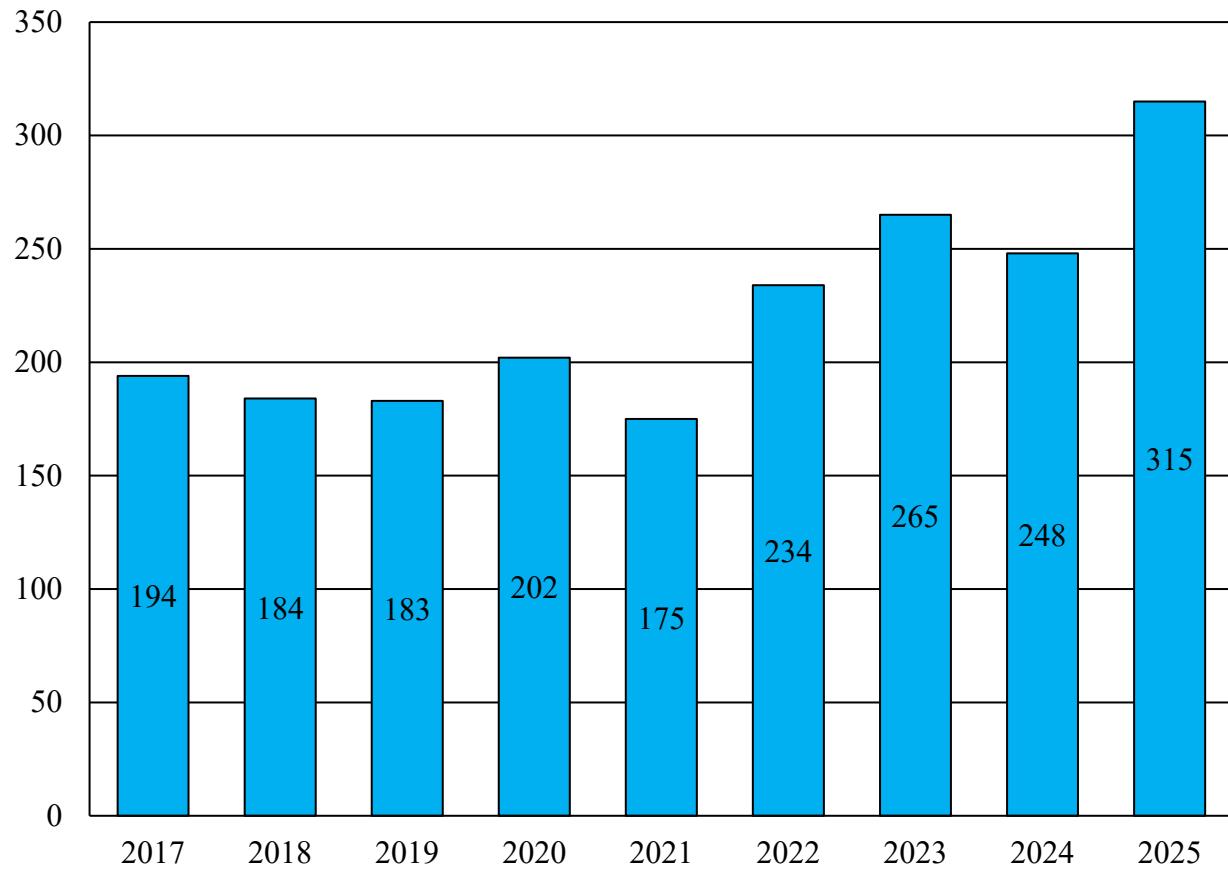
Note: Fiscal 2024 is the most recent year data is available; institutional funds include indirect costs, unrestricted general funds or local appropriations, and private gifts, grants, or contracts.

Source: National Science Foundation

2. Chesapeake Bay Restoration Projects

UMCES tracks the number of Chesapeake Bay restoration projects that it has participated in as a measure of strengthening its predictive ecology for Maryland. Predictive ecology is predicting how ecological populations, communities, or ecosystems will change in the future in response to various environmental factors, such as climate warming. Projects focus on the Chesapeake Bay generally and specific aspects of bay restoration, ranging from research concerning the overall health of the bay to specific organisms, such as conducting the annual blue crab survey. The total number of projects is driven primarily by grant funding. As shown in **Exhibit 6**, the number of projects has significantly increased since fiscal 2021, reaching the highest number of projects at 315 in fiscal 2025.

Exhibit 6
Chesapeake Bay Restoration Projects
Fiscal 2017-2025



Source: Governor's Fiscal 2027 Budget Books

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Audit Findings

Audit Period for Last Audit	December 17, 2018 – May 31, 2023
Issue Date	January 31, 2024
Number of Findings	0
Number of Repeat Findings	0
% of Repeat Findings	n/a
Rating: (if applicable)	n/a

The audit did not disclose any findings.

Appendix 2
Object/Fund Difference Report
University of Maryland Center for Environmental Science

<u>Object/Fund</u>	<u>FY 25 Actual</u>	<u>FY 26 Wrk Approp</u>	<u>FY 27 Allowance</u>	<u>\$ Change</u>	<u>FY 26 - 27 % Change</u>
Positions					
01 Regular	281.86	277.93	277.93	0.00	0.0%
02 Contractual	64.00	44.00	44.00	0.00	0.0%
Total Positions	345.86	321.93	321.93	0.00	0.0%
Objects					
01 Salaries, Wages and Fringe Benefits	\$42,736,896	\$40,821,657	\$41,317,616	\$495,959	1.2%
02 Technical and Special Fees	276,772	256,945	278,429	21,484	8.4%
03 Communications	145,444	202,215	202,215	0	0.0%
04 Travel	992,883	129,869	129,836	-33	0.0%
06 Fuel and Utilities	2,414,845	2,564,711	2,829,841	265,130	10.3%
07 Motor Vehicle Operation and Maintenance	1,084,140	342,433	346,311	3,878	1.1%
08 Contractual Services	10,568,417	15,504,978	14,546,051	-958,927	-6.2%
09 Supplies and Materials	2,050,523	466,976	466,976	0	0.0%
11 Equipment – Additional	1,310,018	35,000	35,000	0	0.0%
12 Grants, Subsidies, and Contributions	75,509	53,100	53,100	0	0.0%
13 Fixed Charges	536,271	849,424	844,643	-4,781	-0.6%
14 Land and Structures	957,826	1,863,736	1,731,726	-132,010	-7.1%
Total Objects	\$63,149,544	\$63,091,044	\$62,781,744	-\$309,300	-0.5%
Funds					
40 Current Unrestricted Funds	\$39,750,316	\$39,041,575	\$39,581,744	\$540,169	1.4%
43 Current Restricted Funds	23,399,228	24,049,469	23,200,000	-849,469	-3.5%
Total Funds	\$63,149,544	\$63,091,044	\$62,781,744	-\$309,300	-0.5%

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.