

RB.29
Salisbury State University

Operating Budget Data

(\$ in Thousands)

	FY 00	FY 01	FY 02		% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$24,477	\$28,100	\$31,017	\$2,917	10.4%
Other Unrestricted Funds	45,313	43,955	45,708	1,754	4.0%
Total Unrestricted Funds	69,790	72,055	76,725	4,670	6.5%
Restricted Funds	<u>\$3,773</u>	<u>3,740</u>	<u>3,658</u>	<u>(82)</u>	<u>(2.2%)</u>
Total Funds	\$73,563	\$75,794	\$80,383	\$4,588	6.1%

- The general fund allocation of the allowance places the university at 94.7% of its fiscal 2002 funding guideline.

Personnel Data

	FY 00	FY 01	FY 02	
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	665.50	730.50	800.50	70.00
Contractual FTEs	<u>283.40</u>	<u>202.70</u>	<u>132.70</u>	<u>(70.00)</u>
Total Personnel	948.90	933.20	933.20	0.00

Vacancy Data: Regular

Budgeted Turnover: FY 02	44.59	5.57%
Positions Vacant as of 12/31/00	55.00	7.53%

- The total salary cost of the 70 contractual conversions makes up almost 2% of the fiscal 2002 allowance.
- Thirty-eight of the new positions/contractual conversions are in the Auxiliary Enterprises program.

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

For further information contact: Brent E. Johnson

Phone: (410) 946-5530

Analysis in Brief

Issues

Salisbury State University Teacher Shortage Strategies: The university's teacher education activities are discussed in the context of the anticipated teacher shortage. **The President should discuss how the university's teacher education programs will be effective in confronting the anticipated teacher shortage.**

Recommended Actions

1. Concur with Governor's allowance.

Updates

Legislation Introduced To Rename University: Salisbury State University and the University System of Maryland are backing legislation to remove the word "State" from the university's title.

RB.29
Salisbury State University

Operating Budget Analysis

Program Description

Salisbury State University (SSU) provides a traditional liberal arts and sciences curriculum, as well as undergraduate and graduate, pre-professional, and professional programs for teachers, administrators, and business leaders on Maryland's Eastern Shore. SSU organizes all of its teaching, research, and service activities around seven mission goals: development of critical thinking skills, comprehensive general education, conscientious citizenship, preparation for careers and advanced study, graduate education, pursuit of total health, and service to the community.

Although Salisbury emphasizes undergraduate education, it is a major provider of graduate education to teachers in the Delmarva region. Baccalaureate and master's degree programs build upon the arts and sciences and the professional fields of business, education, and nursing. Salisbury students are predominantly traditional high school graduates, many of whom come from the nine counties on the Eastern Shore of Maryland.

The university engages in a variety of cooperative efforts across the University System of Maryland (USM), including dual-degree programs with the University of Maryland Eastern Shore (UMES) and the University of Maryland, College Park's College of Engineering, and a joint-degree program with the University of Baltimore Law School.

Governor's Proposed Budget

The fiscal 2002 allowance for Salisbury State University is \$80.4 million, an increase of \$4.6 million, or 6.1%, over the fiscal 2001 allowance. Fiscal 2002 general funds make up \$31 million, or 38.6%, of the allowance. This represents an increase over fiscal 2001 of \$2.9 million, or 10.4%. The increase in general funds accounts for 63.6% of the increase in the fiscal 2002 allowance. Restricted funds decrease in fiscal 2002 by 2.2% due to an anticipated decline in State and local grants and contracts. **Exhibit 1** illustrates the major changes in SSU's fiscal 2002 budget. **Exhibit 2** shows the allocation of those increases.

Exhibit 1

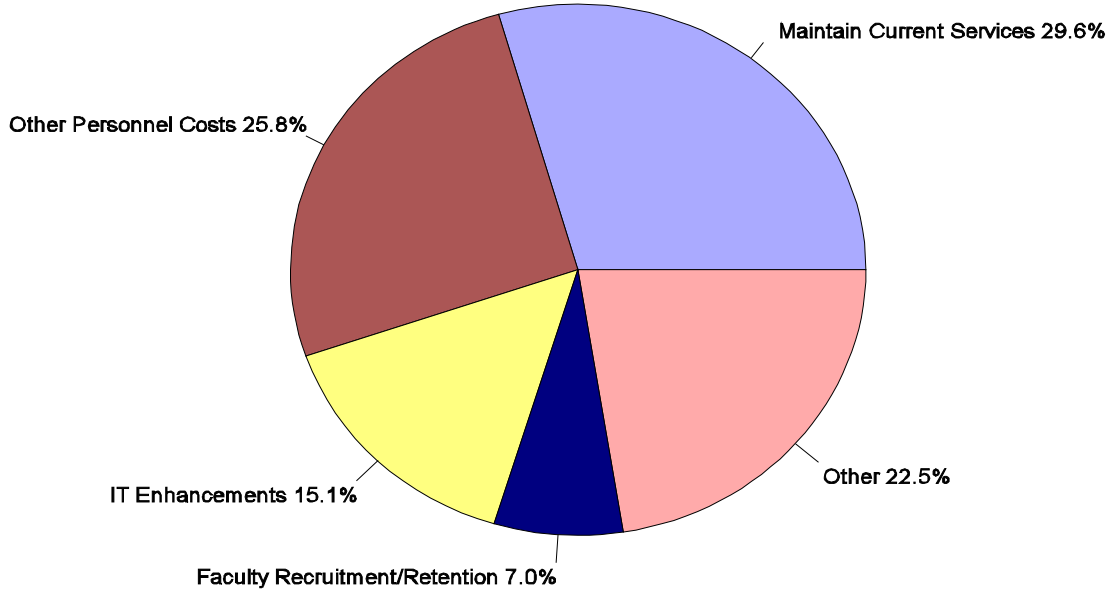
**Governor's Proposed Budget
Salisbury State University
(\$ in Thousands)**

How Much It Grows:	General Funds	Other Unrestricted Funds	Total Unrestricted Fund	Restricted Fund	Total
2001 Working Appropriation	\$28,100	\$43,955	\$72,055	\$3,740	\$75,794
2002 Governor's Allowance	31,017	45,708	76,725	3,658	80,383
Amount Change	\$2,917	\$1,754	\$4,670	(\$82)	\$4,588
Percent Change	10.4%	4.0%	6.5%	(2.2%)	6.1%
Where It Goes:					
Personnel Expenses					
Personnel increases to maintain current services; includes 70 new positions and fringe benefits					\$1,360
Annualization of COLA					542
Fiscal 2002 general salary increase					640
Program Changes					
Information technology enhancements/e-learning Maryland					694
Faculty recruitment and retention					320
Administrative software platforms					200
Facilities projects					100
International studies					50
Additional instruction costs due to enrollment growth					37
Staff development					35
Other changes					610
Total					\$4,588

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

Exhibit 2

**Salisbury State University
Distribution of Allowance Increase
Fiscal 2001 through 2002**



Source: Salisbury State University

Personnel

The most significant budget change in SSU's fiscal 2002 allowance is the conversion of 70 contractual positions into regular position status, as shown in **Exhibit 3**. The total salary cost for the 70 new positions is almost \$1.5 million. The net \$1.3 million decrease in technical and special fees is attributable to these conversions. The largest segment of the requested new positions falls under the Auxiliary Enterprises with 38.

Exhibit 3

Distribution of New Positions Salisbury State University

<u>Program</u>	<u>New Positions</u>
Instruction	(2) Office Clerk (1) Secretary
Academic Support	(1) IT Administrative Help Desk Support (1) Secretary (1) Program Specialist (1) Office Clerk (1) Administrative Assistant
Student Services	(1) Career Counselor (1) Office Clerk
Institutional Support	(1) Environmental Health & Safety Coordinator (4) Office Clerk (2) Administrative Assistant (1) Account Clerk (1) Storekeeper
Plant Operations	(9) Housekeeper (3) Groundskeeper (1) Maintenance Mechanic
Auxiliary Enterprises	(13) Food Service Aid (10) Housekeeper (6) Prepcook (4) Office Clerk (1) Program Specialist (1) IT Computer Operator (1) Account Clerk (1) Storekeeper (1) Electronics Technician

Source: University System of Maryland

Information Technology Enhancements

SSU is requesting approximately \$694,000 in order to enhance its academic technology activities. These activities include the creation of "smart" classrooms, a wireless library network, the replacement of personal computers, and web-based administrative systems to improve online customer service for students. SSU intends to use a portion of this allocation (\$37,500) to upgrade its distance learning technology infrastructure.

Faculty Recruitment and Retention

The university is requesting additional funding to increase faculty salaries and to convert five contractual faculty to regular positions in order to improve program stability and quality. The five contractual faculty will be converted into vacant PINs with this funding.

Tuition and Fees

Tuition and fee revenue in fiscal 2001 is budgeted at \$24.1 million, representing 29.9% of the university's total fiscal 2002 revenue. In-state undergraduate tuition and fees increase by 4%. Out-of-state tuition and fees increase by 9.9%. **Exhibit 4** shows the increases in undergraduate tuition and fees.

Exhibit 4

**Undergraduate Tuition and Fees Increase
Salisbury State University
Fiscal 2001 through 2002**

<u>Full-Time Undergraduate Student</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Change</u>	<u>% Change</u>
In-state Tuition	\$3,092	\$3,216	\$124	4.0%
Out-of-state Tuition	7,828	8,672	844	10.8%
Auxiliary Fees:				
Athletic	330	350	20	6.1%
Facilities Use	628	648	20	3.2%
Student Union Operation	190	198	8	4.2%
Student Activity Fee	72	74	2	2.8%
Total Auxiliary Fees	\$1,220	\$1,270	\$50	4.1%
Total In-state Cost	\$4,312	\$4,486	\$174	4.0%
Total Out-of-state Cost	\$9,048	\$9,942	\$894	9.9%

Source: University System of Maryland

Performance Analysis: Managing for Results

A sample of SSU's enrollment and other Managing for Results (MFR) performance indicators are shown in **Exhibit 5**. These indicators are used to measure how successful the university is in achieving its goals.

Exhibit 5

**Program Measurement Data
Salisbury State University
Fiscal 1998 through 2002**

	<u>Actual 1998</u>	<u>Actual 1999</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Est. 2002</u>	<u>Ann. Chg. 98-00</u>	<u>Ann. Chg. 00-02</u>
Full-time Equivalent Students (FTES)	4,914	5,049	5,133	5,090	5,120	2.2%	-0.1%
% Maryland Resident (headcount)	77	78	79	80	80	1.3%	0.6%
% Minority (headcount)	11	11	12	12	12	4.4%	0.0%
% African American undergraduates	n/a	8	8	8	9	n/a	3.1%
Second year retention rate*	87%	81%	82%	82%	82%	-2.9%	0.0%
African American second year retention rate	n/a	69%	72%	72%	72%	n/a	0.0%
Six-year graduation rate*	69%	66%	67%	67%	68%	-1.5%	0.7%
African American six-year graduation rate*	n/a	50%	53%	54%	55%	n/a	1.9%
Number of information technology graduates	50	48	45	48	52	-5.1%	7.5%
Number of graduates in teacher education*	n/a	229	225	225	227	n/a	0.4%
Licensure/exam pass rates:							
Nursing	87%	87%	91%	90%	90%	2.3%	-0.6%
Teaching	96%	96%	96%	96%	96%	0.0%	0.0%

Note: *Five-year average used.

Source: Governor's Budget Book

Goals include maintaining a superior, active, and engaged relationship between academic programs, faculty, staff, and students. One of the performance indicators used by SSU under this goal is to maintain the average student pass rate for various licensure and professional exams to a rate no less than 90% by fiscal 2004. The university has reached this target for the nursing category in fiscal 2000 with an average passing rate of 91% and has exceeded this target under the teaching category by maintaining the pass rate at 96%.

RB.29 - USM - Salisbury State University

Another goal of the university is to continue to be partners in responding to the educational, economic, cultural, and social need of the region and the State. The two indicators in the exhibit which respond to this goal are the number of SSU information technology (IT) graduates and the number of teacher education graduates. These two areas are identified as critical workforce areas for the State. The number of IT graduates decreased by 5.1% between fiscal 1998 and 2000. The university is anticipating an increase in fiscal 2001 with 48 and fiscal 2002 with 52. The fiscal 2004 targeted annual number of IT graduates for the university is 60. SSU is expecting a slight increase in the number of teacher education graduates with 227. SSU's fiscal 2004 target is to increase its 5 year average of 229 in 1999 to 235.

Performance indicators related to SSU's goal to strengthen the diversity of the student population and the university workforce are also shown in the exhibit. The indicators include the percentage of minority students of headcount enrollment, percentage of African American undergraduates, and African American second year retention and graduation rates. This year's MFR indicators focus on African American student enrollment and participation at the university. Last year's submission focused on all minorities in general. This may be part of the effort of the President of SSU to improve diversity on campus. The President plans to allocate funds to the admissions office to increase outreach efforts to area high schools and community colleges to recruit more African American and Hispanic students. Some of SSU's minority enrollment is attributable to students from nearby University of Maryland Eastern Shore (UMES), a historically black institution, enrolled in joint SSU-UMES programs.

Issues

1. Salisbury State University Teacher Shortage Strategies

The projected teacher shortage in Maryland continues to be of great concern to many stakeholders within K-12, higher education, and the General Assembly. The main concerns involve what the State is doing to prepare for this anticipated crisis and how such efforts will be measured to ensure that the goal of increasing the number of certified teachers in shortage areas around the State is met. As one of the designated teaching institutions, SSU is currently engaging in several activities in response to this issue.

The university, in collaboration with UMES, has implemented a Master of Teaching program which provides teacher certification in all secondary areas for individuals already holding a four-year degree. The university also offers a post-baccalaureate certification program for SSU graduates who want to enter the teaching field. The university has also approached the Maryland State Department of Education for collaboration on a Resident Teachers Program with local counties and has joined area community colleges to provide a 2+2 experience which allows teacher candidates to graduate in four years. SSU has also initiated several Certificates of Advance Study which allow certified elementary teachers to obtain additional skills that will prepare them to work in middle schools which is considered to be a high need area. The university has also established several other certificate programs to address high need shortage subject areas such as Teachers of English for Speakers of Other Languages and Physical Science. **The President should discuss with the committees how the university's teacher education programs will be effective in confronting the anticipated teacher shortage.**

Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Legislation Introduced To Rename University

SB 68/HB 438 proposes to change the name of Salisbury State University to Salisbury University. USM reports that the word "State" in the university's title connotes a focus on the education of teachers, even though education is only one of the four schools at SSU. USM also notes that removing "State" may increase private contributions to the university. USM reports that if enacted, the bill would have only a minimum impact related to the construction of new signs. This has already begun with the use of existing funds. The university will also be exhausting their existing stationary and letterhead for twenty months in order to reduce the number of stationary needed to be replaced. The General Assembly approved a name change from Salisbury State College to Salisbury State University in 1988.

Current and Prior Year Budgets

**Current and Prior Year Budgets
Salisbury State University
(\$ in Thousands)**

	<u>General Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2000					
Legislative Appropriation	\$24,396	\$41,866	\$66,262	\$4,034	\$70,296
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	81	4,100	4,181	500	4,681
Reversions and Cancellations	0	(653)	(653)	(761)	(1,414)
Actual Expenditures	\$24,477	\$45,313	\$69,790	\$3,773	\$73,563
Fiscal 2001					
Legislative Appropriation	\$28,100	\$43,955	\$72,055	\$3,740	\$75,795
Budget Amendments	0	0	0	0	0
Working Appropriation	\$28,100	\$43,955	\$72,055	\$3,740	\$75,795

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

Explanation of Fiscal 2000 Budget Amendments

The fiscal 2000 budget amendment included an increase in unrestricted funds due to increased tuition and fee revenues because of enrollment growth and an increase in auxiliary program sales and services revenues. Restricted funds increased due to an increase in financial aid and grant activity.

**Object/Fund Difference Report
USM - Salisbury State University**

Positions	Object/Fund	FY00	FY01	FY02	FY01 - FY02	Percent Change
		Actual	Working Appropriation	Allowance	Amount Change	
01	Regular	665.50	730.50	800.50	70.00	9.6%
02	Contractual	283.40	202.70	132.70	(70.00)	(34.5%)
Total Positions		948.90	933.20	933.20	0	0%
Objects						
01	Salaries and Wages	\$ 34,619,898	\$ 40,218,189	\$ 44,254,263	\$ 4,036,074	10.0%
02	Technical & Spec Fees	12,015,804	8,552,450	7,224,617	(1,327,833)	(15.5%)
03	Communication	561,330	638,789	639,552	763	0.1%
04	Travel	824,220	715,512	750,512	35,000	4.9%
06	Fuel & Utilities	1,693,264	1,726,859	1,776,859	50,000	2.9%
07	Motor Vehicles	351,723	408,359	391,426	(16,933)	(4.1%)
08	Contractual Services	4,682,078	4,013,713	4,437,819	424,106	10.6%
09	Supplies & Materials	6,176,549	5,979,093	6,260,074	280,981	4.7%
10	Equip - Replacement	13,343	917,735	1,176,547	258,812	28.2%
11	Equip - Additional	1,900,382	2,207,842	2,704,023	496,181	22.5%
12	Grants, Subsidies, Contr	2,986,348	3,018,346	3,177,554	159,208	5.3%
13	Fixed Charges	6,032,355	5,708,844	6,470,494	761,650	13.3%
14	Land & Structures	1,705,304	1,688,536	1,119,000	(569,536)	(33.7%)
Total Objects		\$ 73,562,598	\$ 75,794,267	\$ 80,382,740	\$ 4,588,473	6.1%
Funds						
40	Unrestricted Fund	\$ 69,789,686	\$ 72,054,706	\$ 76,725,158	\$ 4,670,452	6.5%
43	Restricted Fund	3,772,912	3,739,561	3,657,582	(81,979)	(2.2%)
Total Funds		\$ 73,562,598	\$ 75,794,267	\$ 80,382,740	\$ 4,588,473	6.1%

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.

Fiscal Summary
USM - Salisbury State University

Unit/Program	FY00	FY01	FY01	FY00 - FY01	FY02	FY01 - FY02
	Actual	Legislative Appropriation	Working Appropriation	% Change	Allowance	% Change
01 Instruction	\$ 21,800,519	\$ 23,689,502	\$ 23,689,502	8.7%	\$ 25,493,367	7.6%
02 Research	2,246,414	2,070,823	2,070,823	(7.8%)	2,005,197	(3.2%)
04 Academic Support	5,511,510	6,298,966	6,298,966	14.3%	6,771,253	7.5%
05 Student Services	3,602,686	3,712,090	3,712,090	3.0%	3,995,543	7.6%
06 Institutional Support	8,448,624	8,904,195	8,904,195	5.4%	10,016,415	12.5%
07 Operation and Maintenance of Plant	7,387,529	7,636,995	7,636,995	3.4%	7,827,401	2.5%
08 Auxiliary Enterprises	21,809,268	20,521,568	20,521,568	(5.9%)	21,351,330	4.0%
17 Scholarships and Fellowships	2,756,048	2,960,128	2,960,128	7.4%	2,922,234	(1.3%)
Total Expenditures	\$ 73,562,598	\$ 75,794,267	\$ 75,794,267	3.0%	\$ 80,382,740	6.1%
Unrestricted Fund	\$ 69,789,686	\$ 72,054,706	\$ 72,054,706	3.2%	\$ 76,725,158	6.5%
Restricted Fund	3,772,912	3,739,561	3,739,561	(0.9%)	3,657,582	(2.2%)
Total Appropriations	\$ 73,562,598	\$ 75,794,267	\$ 75,794,267	3.0%	\$ 80,382,740	6.1%