

**R30B28**  
**University of Baltimore**  
**University System of Maryland**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$21,297	\$22,633	\$25,762	\$3,129	13.8%
Other Unrestricted Funds	43,801	47,343	49,882	2,539	5.4%
Total Unrestricted Funds	65,098	69,976	75,644	5,668	8.1%
Restricted Funds	<u>7,321</u>	<u>8,294</u>	<u>8,351</u>	<u>58</u>	<u>0.7%</u>
<b>Total Funds</b>	<b>\$72,419</b>	<b>\$78,270</b>	<b>\$83,995</b>	<b>\$5,726</b>	<b>7.3%</b>

- General funds increase by \$3.1 million or 13.8% over fiscal 2006.
- Other unrestricted funds grow mostly from \$2.5 million in new tuition and fee revenues.

***Personnel Data***

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>
Regular Positions	519.27	554.77	557.77	3.00
Contractual FTEs	<u>134.02</u>	<u>151.00</u>	<u>149.21</u>	<u>-1.79</u>
<b>Total Personnel</b>	<b>653.29</b>	<b>705.77</b>	<b>706.98</b>	<b>1.21</b>

***Vacancy Data: Regular Positions***

Turnover, Excluding New Positions	34.25	6.14%
Positions Vacant as of 12/31/05	39.50	7.12%

- Three regular positions are proposed for fiscal 2007.
- 35 new positions were added during fiscal 2006.

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

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## ***Analysis in Brief***

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### **Major Trends**

***Increases in Information Technology Expected to Continue:*** The number of University of Baltimore (UB) information technology students enrolled and graduated is expected to increase in fiscal 2006 and 2007.

### **Issues**

***Expansion Plans for UB:*** UB has proposed a change in its mission statement that will allow the institution to serve lower-division students. The full Maryland Higher Education Commission will consider the proposal in February 2006.

***Faculty Instructional Workload Levels:*** Increasing faculty workload is a key part of the University System of Maryland (USM) efficiency initiatives. Comprehensive faculty should carry a workload of 7 – 8 course units. As part of the efficiency initiative, each institution is charged with meeting the mid-point of workload standards in fiscal 2006. UB, with 6.9 course units taught in fiscal 2005, is below this goal.

***Affordability at UB and Across USM:*** Tuition and fee increases at UB are less than the USM average in fiscal 2007 while institutional need-based aid increases slightly but remains below the USM average.

***Personnel Changes:*** Instructional personnel have declined as a share of all personnel since fiscal 2002.

### **Recommended Actions**

1. Concur with Governor's allowance.

## **Updates**

***Towson and UB Joint MBA Program:*** A joint Masters in Business Administration program between Towson and University of Baltimore has been approved and will begin accepting students in fall 2006.

***Implementing Administrative and Academic Efficiency Initiatives:*** In 2005, USM began implementing many of the efficiency initiatives developed by the Board of Regents Effectiveness and Efficiency workgroup, which results in cost savings. For fiscal 2007, USM's estimated efficiency savings is \$18.7 million, or 1% of USM's estimated current services cost increases. UB's share of the administrative savings in fiscal 2007 is \$670,665, or 3.6% of USM's total.



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## ***Operating Budget Analysis***

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### **Program Description**

University of Baltimore (UB) emphasizes career-oriented educational programs in the areas of law, business, public administration, and related professional applications of the liberal arts at the doctoral, master's, and undergraduate levels. UB is located in the Mt. Vernon/Mt. Royal neighborhood of Baltimore and attracts students with professional objectives. The student body is a mix of full- and part-time, day and evening, and traditional and returning students, reflecting the racial and ethnic diversity of the metropolitan region.

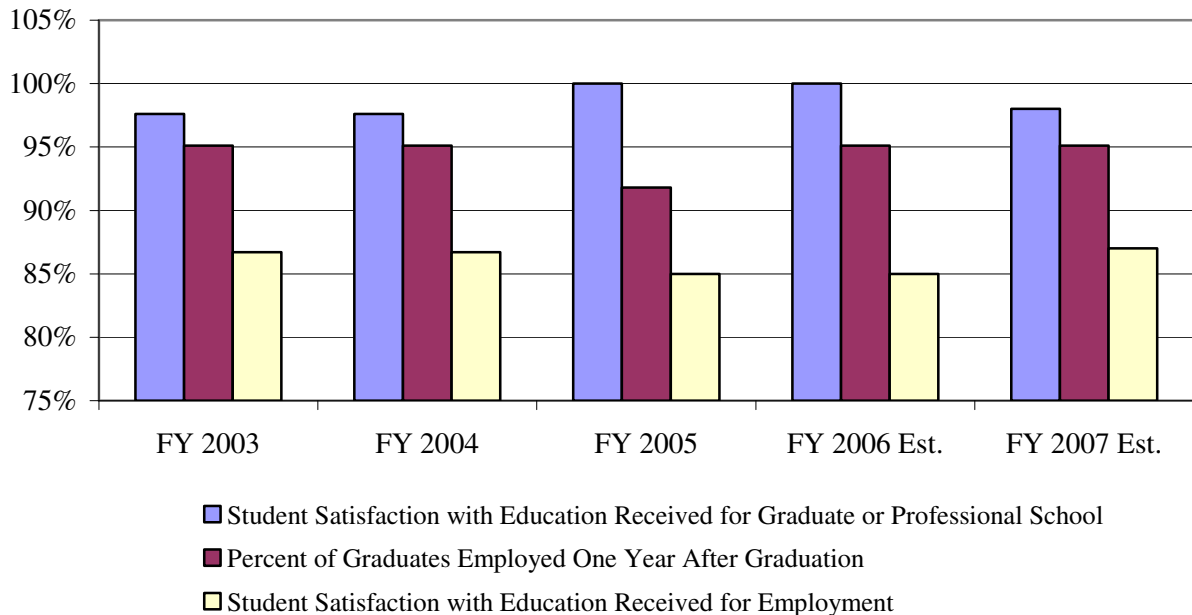
While both basic and applied research are encouraged and supported at UB, applications-oriented research is emphasized. For example, economic and policy analysis is provided as a public service by faculty at such centers as the Schaefer Center for Public Policy and Jacob France Center for Business and Economic Studies, examination of values in professional settings is conducted by the Hoffberger Center for Professional Ethics, and analysis of Maryland and national legal issues is conducted by the law faculty

### **Performance Analysis: Managing for Results**

Performance measurements for UB reflect the school's current unique, professional program focus. UB caters to non-traditional college-going students, such as graduate level and professional mid-career students. The performance analysis focuses on student satisfaction with their education and employment opportunities. It also examines the diversity of students enrolled at UB.

As shown in **Exhibit 1**, UB surveys its students after graduation to find out how many students are employed in their field, if they are satisfied with their employment, and if they feel that their career opportunities were enhanced by the education received at UB. The percentage of graduates employed one year after graduation dropped slightly in fiscal 2005 and is expected to return to the mid-90s in fiscal 2007. Student satisfaction with the education received reached 100% in fiscal 2005 but is expected to decrease to 98% in fiscal 2007. Students satisfied with the education received for employment fluctuated from fiscal 2003 through 2005 but is expected to increase in fiscal 2007.

**Exhibit 1**  
**Survey Measure of University of Baltimore Graduates**  
**Fiscal 2003 – 2007 Estimates**



Source: Maryland State budget books; University System of Maryland

The university continues to meet the educational needs in a changing world focusing on disciplines such as information technology (IT). **Exhibit 2** shows that the number of IT students enrolled and graduated continue to increase from fiscal 2003 to present, and this trend is expected to continue in fiscal 2007. Despite a commitment to providing qualified Marylanders with access to UB’s academic programs and services without regards to economic means or other circumstances, the percentage of students who are deemed economically disadvantaged fell from 73% in fiscal 2004 to 42% in fiscal 2005. UB expects this trend to reverse in fiscal 2006 and 2007. The percent of African American undergraduate students enrolled, which fluctuated from fiscal 2003 to 2005, is expected to increase for fiscal 2006 and 2007. **The President should comment on the significant decrease in the percentage of economically disadvantaged students between fiscal 2004 and 2005 and the expected increase in the number of undergraduate African American and economically disadvantaged students at the university in the future.**

**Exhibit 2**  
**Program Measurement Data**  
**University of Baltimore**  
**Fiscal 2003 – 2007**

	<u>FY 2003</u> <u>Actual</u>	<u>FY 2004</u> <u>Actual</u>	<u>FY 2005</u> <u>Actual</u>	<u>FY 2006</u> <u>Estimate</u>	<u>FY 2007</u> <u>Estimate</u>	<u>FY 03-05</u> <u>Ann. Chg.</u>	<u>FY 05-07</u> <u>Ann.Chg.</u>
Number of IT graduates	32	37	40	46	51	12.5%	13.8%
Number of IT undergraduates enrolled	188	185	203	210	215	4.0%	3.0%
Percent of African American undergraduates	33.7%	32.8%	31.6%	33%	35%	-3.1%	5.4%
Percentage of economically disadvantaged students	64.8%	73%	42.1%	60%	68%	-17.5%	30.8%
Percent of UB law graduates who pass the bar on the first attempt	74%	70%	62%	68%	72%	-8.1%	8.1%

Source: Maryland State budget books; University System of Maryland

UB also measures the percentage of law students who pass the bar exam on their first attempt. Between fiscal 2003 and 2005, the percentage of law graduates passing the bar on the first attempt declined at an annual average rate of 8.1%. The estimates for fiscal 2006 and 2007 assume improvement but are still below the fiscal 2003 performance. **The President should comment on what practices UB is incorporating to increase the percentage of law students who pass the bar on the first attempt.**

### **Governor’s Proposed Budget**

As **Exhibit 3** shows, the general fund allowance for fiscal 2007 is \$25.8 million. This reflects an increase of approximately \$3.1 million from the fiscal 2006 level. UB intends to utilize the additional general funds to support enrollment increases, program enhancements and mandatory expenses such as healthcare and retirement expenses. Other unrestricted funds grow by \$2.5 million, or 5.4% over fiscal 2006. Tuition and fee revenues account for 88% of other unrestricted funds in fiscal 2007. Overall, the UB budget increases 7.3%.

**Exhibit 3**  
**Governor’s Proposed Budget**  
**University of Baltimore**  
**(\$ in Thousands)**

	<b>FY 2005</b> <b><u>Actual</u></b>	<b>FY 2006</b> <b><u>Working</u></b>	<b>FY 2007</b> <b><u>Allowance</u></b>	<b>FY 06-07</b> <b><u>\$ Change</u></b>	<b>% Change</b> <b><u>Prior Year</u></b>
General Funds	\$21,298	\$22,633	\$25,762	\$3,129	13.8%
Other Unrestricted Funds	43,800	47,343	49,882	2,539	5.4%
Total Unrestricted Funds	65,098	69,976	75,644	5,668	8.1%
Restricted Funds	7,321	8,294	8,351	57	0.7%
<b>Total Funds</b>	<b>\$72,419</b>	<b>\$78,270</b>	<b>\$83,995</b>	<b>\$5,725</b>	<b>7.3%</b>

Note: Numbers may not sum due to rounding.

Unrestricted fund budget changes in the allowance by program are shown in **Exhibit 4**. This exhibit considers only unrestricted funds, which are comprised mostly of general funds and tuition and fee revenues. Between fiscal 2002 through 2006, current unrestricted funds for institutional support and operation and maintenance of plant increased by 38% and 30% respectively. The increase in institutional support is attributed to increases in salaries and fringe benefits, position additions due to re-organization, enhancements to meet the university’s goals, and implementation of the PeopleSoft resource enterprise software. Operation and maintenance of plant increases were due to growth in utilities, contractual services, debt service, and maintenance contract fees. Additional funds were allocated to scholarships and fellowships which has the largest increase at 149%. Funding is mainly attributed to UB’s allocation to need-based institutional aid which has increased 165% from fiscal 2002 to 2006.

Instruction and institutional support will receive the largest funding increases for fiscal 2007, with \$1.9 million and \$2.5 million, respectively. Instruction increases are expected because of increases in salaries and fringe benefits and contractual services. The employee compensation increases are due to merit and healthcare expenses and the contractual services, which are primarily attributed to the Lower Division Initiative planning and implementation. Institutional support is expected to increase due to healthcare expenses and staffing changes to meet efficiency goals for the university. Increases are also for planning purposes in respect to the university’s goals and the implementation of the PeopleSoft resource enterprise software.

**Exhibit 4**  
**University of Baltimore**  
**Budget Changes for Current Unrestricted Funds by Program**  
**Fiscal 2002, 2006, and 2007**  
**(\$ in Thousands)**

<u>Expenditures</u>	<u>FY 2002</u> <u>Actual</u>	<u>FY 2006</u> <u>Working</u>	<u>FY 02-06</u> <u>% Change</u>	<u>FY 2007</u> <u>Allowance</u>	<u>FY 06-07</u> <u>\$ Change</u>	<u>FY 06-07</u> <u>% Change</u>
Instruction	\$22,643	\$27,122	19.8%	\$29,065	\$1,943	7.2%
Research	392	409	4.3%	496	87	21.3%
Academic Support	8,664	10,353	19.5%	10,461	108	1.0%
Student Services	4,225	4,596	8.8%	4,992	396	8.6%
Institutional Support	9,042	12,434	37.5%	14,921	2,487	20.0%
Operation and Maintenance of Plant	6,610	8,581	29.8%	8,806	225	2.6%
Scholarships and Fellowships	1,335	3,323	148.9%	3,244	-79	-2.4%
<b>Subtotal</b>	<b>\$52,911</b>	<b>\$66,818</b>	<b>26.3%</b>	<b>\$71,985</b>	<b>\$5,167</b>	<b>7.7%</b>
<b>Auxiliary Enterprises</b>	<b>\$2,780</b>	<b>\$3,159</b>	<b>13.6%</b>	<b>\$3,659</b>	<b>\$500</b>	<b>15.8%</b>
<b>Total</b>	<b>\$55,691</b>	<b>\$69,977</b>	<b>25.7%</b>	<b>\$75,644</b>	<b>\$5,667</b>	<b>8.1%</b>
<b>Revenues</b>						
Tuition and Fees	\$24,977	\$41,169	64.8%	\$43,752	\$2,583	6.3%
General Funds	24,474	22,633	-7.5%	25,762	3,129	13.8%
Other	2,223	3,348	50.6%	3,230	-118	-3.5%
<b>Subtotal</b>	<b>\$51,674</b>	<b>\$67,150</b>	<b>29.9%</b>	<b>\$72,744</b>	<b>\$5,594</b>	<b>8.3%</b>
Auxiliary Enterprises	\$4,144	\$3,148	-24.0%	\$3,600	\$452	14.4%
Transfers (to) from Fund Balance	-127	-322	153.5%	-700	-378	100.0%
<b>Total</b>	<b>\$55,691</b>	<b>\$69,976</b>	<b>25.7%</b>	<b>\$75,644</b>	<b>\$5,668</b>	<b>8.1%</b>

Note: Unrestricted funds only.

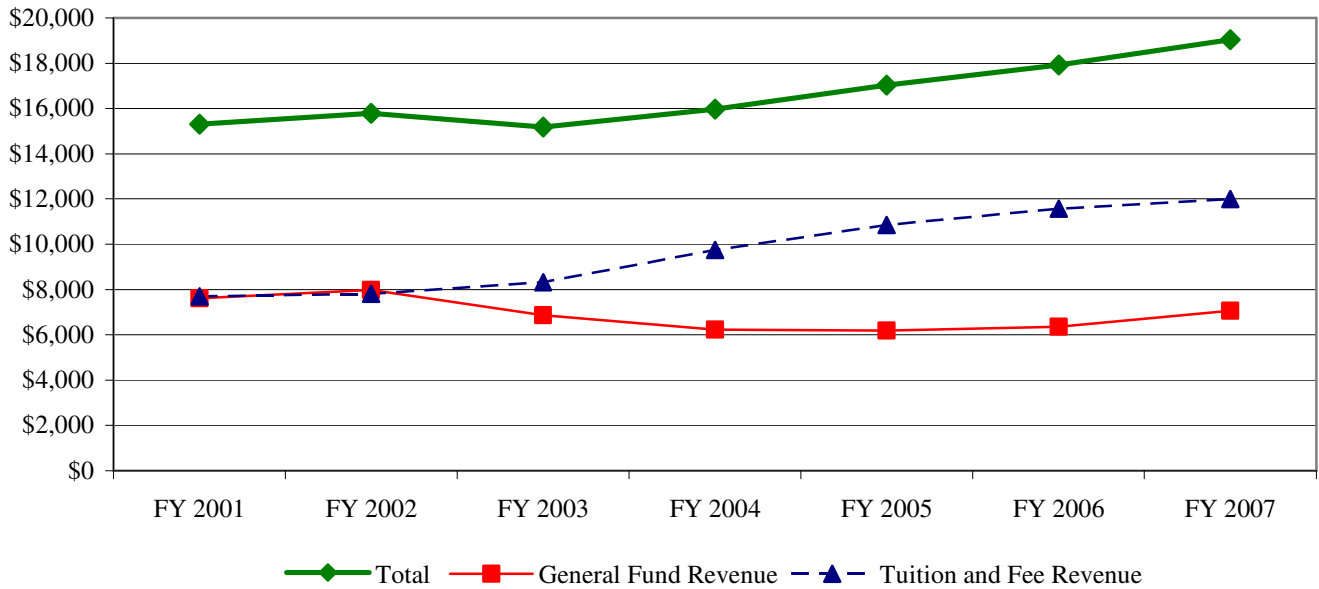
Source: Maryland State Budget

Tuition and fee revenues increased 65% between fiscal 2002 and 2006. During the same period, general fund support declined by \$1.9 million (7.5%), and revenue from auxiliary enterprises declined by 24%. The change is due to a change in the revenue category in which fee revenue for the student center is being reflected in unrestricted revenue.

## Tuition and Fees and General Fund Revenues

**Exhibit 5** shows tuition and fee and general fund revenues per full-time equivalent student (FTES) between fiscal 2001 and 2007. Between fiscal 2001 and 2002, general fund revenue per FTES and tuition and fees revenue per FTES were virtually identical. In fiscal 2003, tuition and fee revenue per FTES increased slightly and surpassed general fund revenue per FTES, which declined by 14%. In fiscal 2004, tuition and fees revenue per FTES continued to rise by 17%, while general fund support decreased by 9.2%. The level of general fund revenue per FTES has remained fairly consistent from fiscal 2004 to 2006 but is expected to increase in fiscal 2007 by 11.7% while tuition and fee revenue per FTES increases by 3.7%.

**Exhibit 5**  
**Tuition and Fees and General Fund Revenues Per Full-time Equivalent Student**  
( \$ in Thousands)



Source: Governor's Budget Books, fiscal 2004 through 2007

USM is planning to increase enrollment in fiscal 2007 by adding 3,386 full-time equivalent students. Each campus is projected to take on additional students. UB is projected to enroll 100 additional students, and \$623,906 of general funds is allocated to UB based on the estimated enrollment increase. In terms of space, 82.3% of UB's total academic space need is currently covered, but UB has an excess of classroom space (112.3% of need covered). **The President should comment on how UB will spend the additional future and general fund support, focusing on any programmatic enhancements, and accommodate an additional 100 students in fiscal 2007.**

## *Issues*

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### **1. Expansion Plans for UB**

USM recognized the need to direct enrollment growth through low-cost alternatives captured in its E&E plan. In order to meet the enrollment demand, USM Board of Regents instructed UB to explore the feasibility of admitting lower-division (freshman and sophomore) students. UB proposed to assist the University System of Maryland in addressing its capacity needs and developed the Lower Division Initiative (LDI), which would expand its undergraduate programs and make UB a four-year institution. The university contends that there is some excess capacity during the daytime hours that would help meet Maryland's increasing demand for higher education by extending its current program to offer the first two years of the baccalaureate degree.

In December 2005, the USM Board of Regents approved a new mission statement for UB that includes serving lower division students. Despite objections by Morgan State University, the Maryland Higher Education Commission's Education Policy Committee approved the new mission in January 2006. The full commission will consider the mission change in February 2006.

**The President should discuss the budgetary and staffing impact of the LDI and indicate how many students UB could accommodate. The President should also comment on whether UB will require future funding from the State to address physical space needs for the LDI.**

### **2. Faculty Instructional Workload Levels**

Increasing faculty workload is a key part of the USM efficiency initiative. USM reports the best example of the incremental rollout of these initiatives has been the change in faculty workload over the last three years. Comprehensive faculty should carry a workload of 7-8 course units. As part of the efficiency initiative, each institution is charged with meeting the mid-point of workload standards in fiscal 2006. Some institutions have more rapidly moved to increase their workload while others have only begun increasing their workload. **Exhibit 6** shows the average course units (CU) taught by tenure-track faculty at UB from fiscal 2001 to 2005.

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**Exhibit 6**  
**Average Course Units Taught by Tenured and Tenure-track Faculty**

	<u>2000-2001</u> <u>Courses/FTEF</u>	<u>2001-2002</u> <u>Courses/FTEF</u>	<u>2002-2003</u> <u>Courses/FTEF</u>	<u>2003-2004</u> <u>Courses/FTEF</u>	<u>2004-2005</u> <u>Courses/FTEF</u>
University of Baltimore	6.5	7.8	7.0	7.0	6.9
Avg. all University System of Maryland Comprehensives	7.4	7.0	7.0	7.5	7.7

Note: Tenured and tenure-track faculty include those on sabbatical and exclude department chairs. The Board of Regents standard for instructional workload at comprehensive institutions is 7 – 8 course units annually.

Source: University System of Maryland

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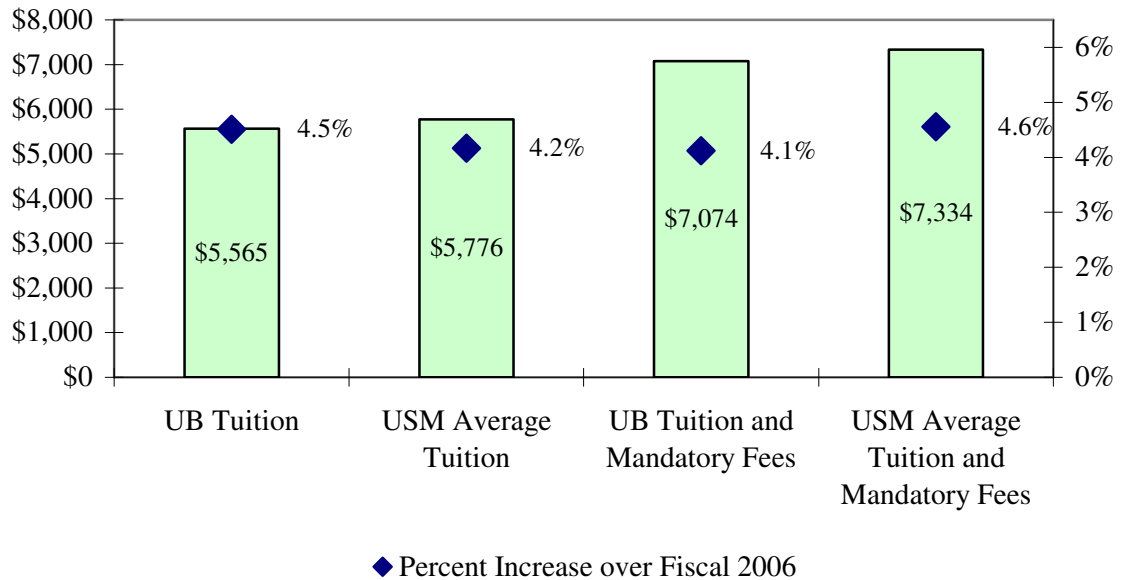
In fiscal 2002, UB exceeded the workload standards with a 7.8 average CUs taught but the average declined in fiscal 2003. Although the average declined to 7.0 CUs in fiscal 2003, it was still within the recommended workload range. In fiscal 2005, faculty workload declined once again, but this time it placed UB below the recommended workload and the overall USM faculty workload average.

**The President should comment on how UB plans to achieve compliance with USM’s recommended faculty workload for fiscal 2007.**

### **3. Affordability at UB and Across USM**

Affordability continues to be a concern for Maryland public education. A factor that directly affects affordability is tuition and fee rates. UB’s tuition and fees are less than the USM average in fiscal 2007, but percent increases over fiscal 2006 are slightly higher than USM’s average percent increase. USM’s weighted average tuition rate increases 4.2%, while UB tuition increased by 4.5% as shown in **Exhibit 7**. Considering tuition and mandatory fees combined, the USM weighted average increases 4.6%, 1% lower than last year’s rate. UB tuition and mandatory fees increase 4.1%.

**Exhibit 7**  
**Tuition and Mandatory Fees for Resident Undergraduates**  
 (\$ in Thousands)



Note: USM averages are weighted.

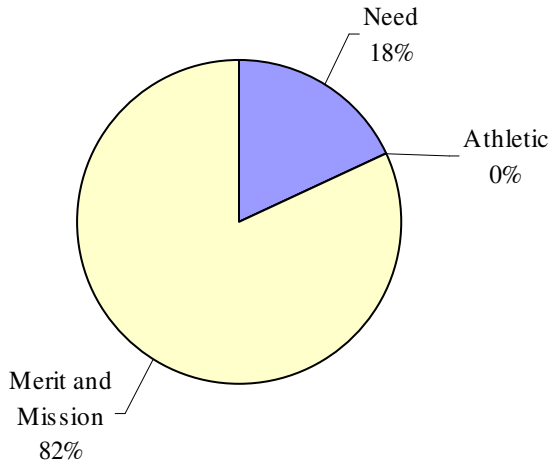
Source: University System of Maryland fiscal 2007 Board of Regents budget request

**Trends in Institutional Aid**

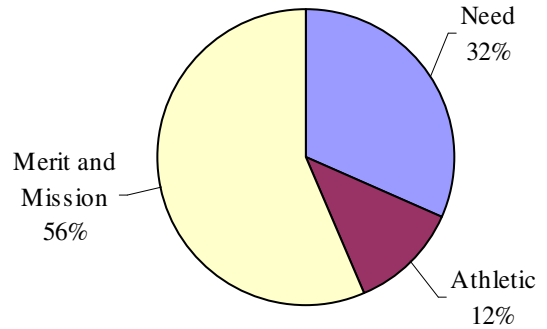
Another factor that affects affordability is financial aid. Categories of institutional financial aid include merit, need, athletic, and mission. Data on funding amounts is available only in categories of need, athletic, and a combination of merit and mission. At UB, 82% of institutional aid is merit and mission-based and 18% is need-based as shown in **Exhibit 8**. UB’s need-based aid increased 7% from fiscal 2005 compared to in-state tuition which increased by 6%. Although need-based aid increased, it remains relatively low compared to merit- and mission-based aid. **Exhibit 9** examines UB’s trend in institutional aid by each category from fiscal 2004 to 2007. Need-based and merit and mission aid have fluctuated up and down since fiscal 2004, with need-based slightly increasing while merit-based slightly decreases. There does not appear to be an upward trend in need-based aid, although the USM financial task force task force is recommending that USM institutions direct more aid to the need-based category. **The President should comment on the distribution of UB institutional aid and on the school’s future goal to provide more need-based aid to students.**

**Exhibit 8  
Institutional Financial Aid  
Fiscal 2006**

**University of Baltimore**



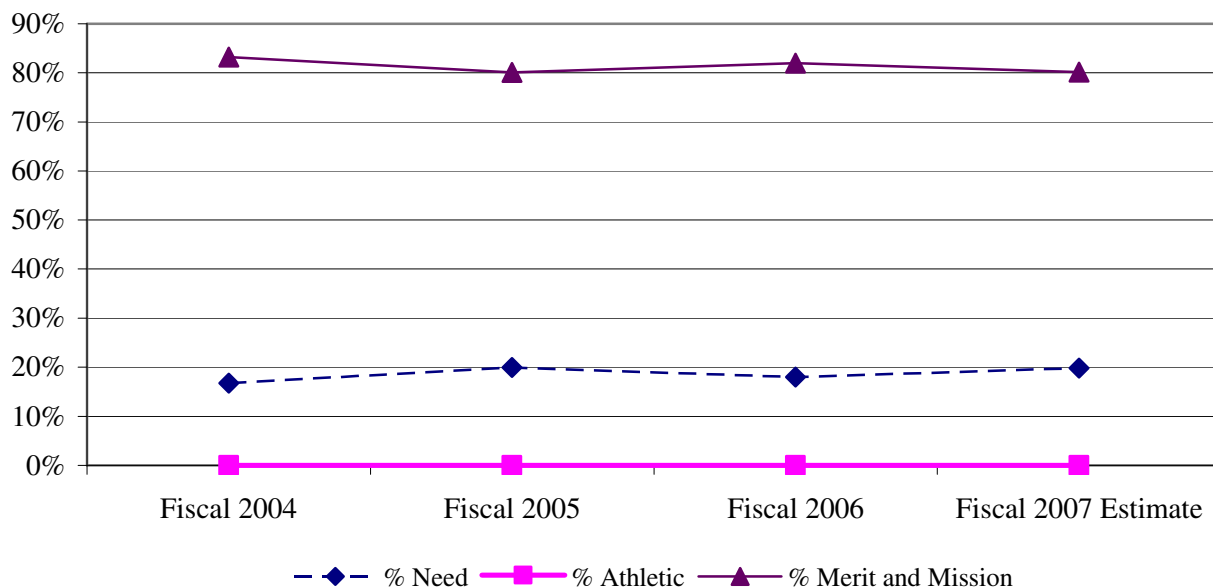
**University System of Maryland**



	<u>Need</u>	<u>Athletic</u>	<u>Merit and Mission</u>
UB	\$230,261	\$0	\$1,050,120
USM Total	22,854,957	8,668,262	40,860,045

Source: University System of Maryland

**Exhibit 9**  
**Trends in Institutional Aid by Category**  
**Fiscal 2004 – 2007 Estimate**



Source: University System of Maryland

#### 4. Personnel Changes

Three regular positions are proposed in the fiscal 2007 allowance. The total UB workforce, regular and contractual, is 707 in the fiscal 2007 allowance. Thirty-five regular positions were added during fiscal 2006. The percent change for contractual positions in the allowance decreased by 1.2% from fiscal 2006.

UB, as of December 2005, has a vacancy rate of 7.1%. This is the third highest vacancy rate of the USM institutions. The system average for fiscal 2006 is 3.14% and is budgeted at 3.46% for fiscal 2007. There are 32.5 State-support vacancies, of which 7 are faculty and 7 are non-State support vacancies. The number of vacancies are about the same as the number of new positions added during fiscal 2006.

**Exhibit 10** shows how the composition of UB personnel (filled regular positions only) has changed from fiscal 2002 to 2006. Instructional personnel – who fulfill the institution’s core mission – have decreased slightly since fiscal 2002. While instructional personnel decreased from 45% of total personnel in fiscal 2002 to 41% in fiscal 2006, the instructional share is still higher than the USM average of 33%.

**Exhibit 10**  
**University of Baltimore**  
**Filled Full-time Equivalent Personnel by Budget Program**  
**Fiscal 2002, 2005, and 2006**

<b><u>Budget Program</u></b>	<b>FY 2002</b>		<b>FY 2005</b>		<b>FY 2006</b>		<b><u>Change in Share of Total FY 02-06</u></b>
	<b><u>FTEs</u></b>	<b><u>% FTEs</u></b>	<b><u>FTEs</u></b>	<b><u>% FTEs</u></b>	<b><u>FTEs</u></b>	<b><u>% FTEs</u></b>	
Instruction	209.27	44.8%	193.96	41.3%	203.00	40.9%	-3.9%
Research	2.00	0.4%	3.07	0.7%	2.00	0.4%	0.0%
Academic Support	79.50	17.0%	82.00	17.4%	81.50	16.4%	-0.6%
Student Services	51.00	10.9%	46.00	9.8%	48.00	9.7%	-1.2%
Institutional Support	82.00	17.6%	96.00	20.4%	111.50	22.5%	4.9%
Operations and Plant Maintenance	32.00	6.9%	36.00	7.7%	34.00	6.8%	-0.1%
Auxiliary Enterprises	11.00	2.4%	13.00	2.8%	16.50	3.3%	0.9%
<b>Total</b>	<b>466.77</b>	<b>100.0%</b>	<b>470.03</b>	<b>100.0%</b>	<b>496.50</b>	<b>100.0%</b>	

Source: 2007 Maryland State Budget

## ***Recommended Actions***

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1. Concur with Governor's allowance.

## **Updates**

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### **1. Towson and UB Joint MBA Program**

In December 2004 UB received approval from the Board of Regents to pursue a joint Masters in Business Administration (MBA) program with Towson University, which had an existing MBA program. The Higher Education Secretary approved the joint program in May 2005. Morgan State University, which is in the geographic vicinity of Towson, already offers an MBA program and objected to the decision. The commissioners of MHEC upheld the decision in November 2005 but expressed disappointment that the three institutions could not come to an agreement on a collaborative approach to graduate business education.

The joint MBA program will begin enrolling students in fall 2006. When the program begins, new students enrolling at UB for fall 2006 will no longer be offered the UB MBA program; they will only be able to enroll in the joint program. Therefore, initial enrollment in the joint program will consist mostly of UB students. Over the first few years of the joint program, enrollment is expected to increase by 30 to 90 students beyond UB students. Total enrollment is expected to be between 650 and 750 students for the first few years of the program. Students that have enrolled in the program at either Towson or UB will be able to register for course offerings that will be available at either Towson or UB. Faculty of each school can teach at either school.

### **2. Implementing Administrative and Academic Efficiency Initiatives**

The University System of Maryland (USM) Board of Regents examined how the system can improve its efficiency. After more than a year of study, USM unveiled its Efficiency and Effectiveness (E&E) plan in October 2004. In 2005 USM began implementing many of the efficiency initiatives developed by the Board of Regents E&E workgroup, which results in cost savings and avoidance of \$17.8 million in fiscal 2005 and an estimated \$17.1 million in fiscal 2006. For fiscal 2007, the estimated efficiency savings is \$18.7 million, or 1% of USM's State supported budget. UB's share of the administrative savings in fiscal 2007 is \$670,665.

The university has discretion as to how they will achieve the savings. Many efficiency initiatives are still being developed with recommendations expected at the end of fiscal 2006. Some initiatives will continue through 2008. These initiatives are diverse but in general have the goal of improving capacity to accommodate more students. Some initiatives include higher faculty workloads, expanding on-line learning, moving undergraduate students through their courses of study more quickly, increasing collaboration among institutions, and boosting the use of technology. To achieve these savings, UB will implement several administrative efficiency measures. The administrative efficiencies will be primarily cost saving practices such as, credit card processing that will transfer credit card processing fees to the card holder and e-billing student tuition and fee invoices.

One of the ways to measure efficiency savings is in terms of how many additional FTES are served with no additional State support. USM has established the goal of accommodating an additional 2,127 students at its institutions by fiscal 2008 at no cost to the State. **Exhibit 11** shows in fiscal 2005, USM served an additional 739 students with no additional cost to the State. UB served 64 students of the 739 in fiscal 2005. USM estimates an additional 709 students will be served fiscal 2006 through 2008. UB will be responsible for 27 additional students from fiscal 2006 through 2008, with 9 students each fiscal year.

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**Exhibit 11**  
**University of Baltimore Additional Students at No Additional Cost to the State**  
**Fiscal 2005 – 2008**

	<u>FY 2005</u> <u>Actual</u>	<u>FY 2006</u> <u>Estimated</u>	<u>FY 2007</u> <u>Estimated</u>	<u>FY 2008</u> <u>Estimated</u>	<u>FY 06-08</u> <u>Total</u>
University of Baltimore	64	9	9	9	27
Overall University System of Maryland	739	709	709	709	2127

Source: University System of Maryland

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**The President should comment on how UB plans will accommodate additional students at no cost with the prospect of expanding the undergraduate program in fiscal 2008 through the Lower Division Initiative (LDI).**

## *Current and Prior Year Budgets*

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### Current and Prior Year Budgets University of Baltimore (\$ in Thousands)

	<u>General Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
<b>Fiscal 2005</b>					
Legislative Appropriation	\$20,896	\$43,575	\$64,471	\$8,150	\$72,621
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	402	245	647	0	647
Reversions and Cancellations	0	-20	-20	-829	-849
<b>Actual Expenditures</b>	<b>\$21,298</b>	<b>\$43,800</b>	<b>\$65,098</b>	<b>\$7,321</b>	<b>\$72,419</b>
<b>Fiscal 2006</b>					
Legislative Appropriation	\$22,259	\$47,215	\$69,474	\$8,294	\$77,768
Budget Amendments	374	128	502	0	502
<b>Working Appropriation</b>	<b>\$22,633</b>	<b>\$47,343</b>	<b>\$69,976</b>	<b>\$8,294</b>	<b>\$78,270</b>

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

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## **Fiscal 2005**

- UB's general funds were increased \$401,504 to cover costs associated with the fiscal 2005 general salary increase. Other unrestricted funds increased by \$245,932 through budget amendments due to higher than expected tuition and fee revenue related to an additional 41 FTES.
- Restricted funds decreased \$828,887 due primarily to the net effect of less than anticipated research grant expenditures. For revenue, federal grants and contracts were \$1.9 million, and private grants and contracts were \$215,000 over-budget; offset by State grants and contracts being \$2.9 million under budget.

## **Fiscal 2006**

- A budget amendment increased general funds by \$374,216 to cover costs associated with the fiscal 2006 general salary increase.
- A budget amendment added a net increase of \$128,250 to other current unrestricted funds due to increase in tuition and fee revenue related to increased summer school enrollment (19 FTES).

## ***Audit Findings***

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Audit Period for Last Audit:	February 9, 2001 – June 17, 2004
Issue Date:	Month Year
Number of Findings:	14
Number of Repeat Findings:	2
% of Repeat Findings:	14.3%
Rating: (if applicable)	n/a

- Finding 1:*** UB did not properly reconcile its accounting records with the related records of the State Comptroller and, as a result, failed to identify and resolve reconciling items.
- Finding 2:*** UB had not properly identified critical transactions and controlled related access.
- Finding 3:*** Procedures and controls over the processing and collection of student accounts were inadequate.
- Finding 4:*** The propriety of certain sole source awards for executive search services and related payments was questionable.
- Finding 5:*** UB did not execute a formal contract or obtain competitive bids for purchases of library reference materials.
- Finding 6:*** Proper internal control was not established for certain collections.
- Finding 7:*** UB did not have adequate programs, policies, and procedures addressing information systems resource security and disaster recovery.
- Finding 8:*** Certain critical operating aspects of UB’s financial, student administration, and human resources applications were not sufficiently controlled.
- Finding 9:*** System accounts and vendor updates to critical software were not adequately controlled.
- Finding 10:*** UB’s internal computer network was not adequately secured.
- Finding 11:*** Account, password, and monitoring controls over critical applications were inadequate.
- Finding 12:*** UB lacked adequate procedures and controls over certain student loans.

**Finding 13:** UB did not adequately maintain property records and did not investigate missing equipment items.

**Finding 14:** Independent verifications of certain grades recorded in UB’s computer systems were not performed.

**Object/Fund Difference Report  
University of Baltimore**

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	519.27	554.77	557.77	3.00	0.5%
02 Contractual	134.02	151.00	149.21	-1.79	-1.2%
<b>Total Positions</b>	<b>653.29</b>	<b>705.77</b>	<b>706.98</b>	<b>1.21</b>	<b>0.2%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 38,870,749	\$ 44,614,154	\$ 49,052,601	\$ 4,438,447	9.9%
02 Technical & Spec Fees	7,504,349	9,753,057	9,533,659	-219,398	-2.2%
03 Communication	286,265	373,800	389,665	15,865	4.2%
04 Travel	611,931	332,992	482,792	149,800	45.0%
06 Fuel & Utilities	1,294,907	1,471,686	1,748,190	276,504	18.8%
07 Motor Vehicles	92,571	81,447	81,447	0	0%
08 Contractual Services	6,599,692	6,213,160	7,257,376	1,044,216	16.8%
09 Supplies & Materials	2,458,702	1,954,706	2,224,446	269,740	13.8%
10 Equip - Replacement	1,244,646	571,367	595,567	24,200	4.2%
11 Equip - Additional	1,785,678	869,109	934,359	65,250	7.5%
12 Grants, Subsidies, and Contributions	3,865,427	4,937,118	4,208,798	-728,320	-14.8%
13 Fixed Charges	7,467,972	6,097,008	6,449,593	352,585	5.8%
14 Land & Structures	336,606	1,000,000	1,036,700	36,700	3.7%
<b>Total Objects</b>	<b>\$ 72,419,495</b>	<b>\$ 78,269,604</b>	<b>\$ 83,995,193</b>	<b>\$ 5,725,589</b>	<b>7.3%</b>
<b>Funds</b>					
40 Unrestricted Fund	\$ 65,098,382	\$ 69,975,921	\$ 75,643,748	\$ 5,667,827	8.1%
43 Restricted Fund	7,321,113	8,293,683	8,351,445	57,762	0.7%
<b>Total Funds</b>	<b>\$ 72,419,495</b>	<b>\$ 78,269,604</b>	<b>\$ 83,995,193</b>	<b>\$ 5,725,589</b>	<b>7.3%</b>

**Fiscal Summary  
University of Baltimore**

<u>Program/Unit</u>	<u>FY05 Actual</u>	<u>FY06 Wrk Approp</u>	<u>FY07 Allowance</u>	<u>Change</u>	<u>FY06 - FY07 % Change</u>
01 Instruction	\$ 25,902,133	\$ 27,211,633	\$ 29,073,292	\$ 1,861,659	6.8%
02 Research	5,619,437	6,738,586	7,108,767	370,181	5.5%
04 Academic Support	9,145,546	10,461,772	10,495,864	34,092	0.3%
05 Student Services	4,409,761	4,745,537	5,141,595	396,058	8.3%
06 Institutional Support	13,035,329	12,441,327	14,927,777	2,486,450	20.0%
07 Operation and Maintenance of Plant	6,889,948	8,581,012	8,805,699	224,687	2.6%
08 Auxiliary Enterprises	2,985,951	3,158,619	3,659,401	500,782	15.9%
17 Scholarships And Fellowships	4,431,390	4,931,118	4,782,798	-148,320	-3.0%
<b>Total Expenditures</b>	<b>\$ 72,419,495</b>	<b>\$ 78,269,604</b>	<b>\$ 83,995,193</b>	<b>\$ 5,725,589</b>	<b>7.3%</b>
Unrestricted Fund	\$ 65,098,382	\$ 69,975,921	\$ 75,643,748	\$ 5,667,827	8.1%
Restricted Fund	7,321,113	8,293,683	8,351,445	57,762	0.7%
<b>Total Appropriations</b>	<b>\$ 72,419,495</b>	<b>\$ 78,269,604</b>	<b>\$ 83,995,193</b>	<b>\$ 5,725,589</b>	<b>7.3%</b>