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# **Higher Education Fiscal 2010 Budget Overview**

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**Department of Legislative Services  
Office of Policy Analysis  
Annapolis, Maryland**

**January 2009**

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*Analysis of the FY 2010 Maryland Executive Budget, 2009*

*Higher Education – Fiscal 2010 Budget Overview*

## Higher Education Fiscal 2010 Budget Overview

### State Funding Changes for Higher Education

	<u>2009 Working Approp.</u>	<u>2010 Allowance</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
<b>Public Four-year Institutions</b>				
University System of Maryland (USM)	\$1,008,781,736	\$1,028,863,443	\$20,081,707	2.0%
Morgan State University (MSU)	74,711,721	75,174,516	462,795	0.6%
Tuition Freeze for In-state Undergraduates <sup>1</sup>	16,308,684	16,911,022	602,338	3.7%
USM Regional Higher Education Centers	9,312,015	9,393,310	81,295	0.9%
St. Mary's College	17,050,016	17,372,261	322,245	1.9%
<b>Subtotal – Public Four-year</b>	<b>\$1,126,164,172</b>	<b>\$1,147,714,552</b>	<b>\$21,550,380</b>	<b>1.9%</b>
USM Research Institutes	\$38,509,791	\$39,646,938	\$1,137,147	3.0%
USM Office	\$10,418,831	\$10,498,124	\$79,293	0.8%
<b>Other Higher Education</b>				
Maryland Higher Education Commission (MHEC)				
Administration <sup>2</sup>	\$6,096,326	\$6,367,692	\$271,366	4.5%
Financial Aid	105,366,420	106,260,201	893,781	0.8%
Educational Grant	8,597,809	6,292,809	-2,305,000	-26.8%
MHEC Regional Higher Education Centers	1,250,000	850,000	-400,000	-32.0%
Workforce Initiatives <sup>3</sup>	\$2,000,000	\$1,500,000	-\$500,000	-25.0%
Private Incentive Donation Program	2,272,242	265,640	-2,006,602	-88.3%
Independent Institutions	50,445,958	66,079,480	15,633,522	31.0%
Aid to Community Colleges	254,713,279	301,338,743	46,625,464	18.3%
Baltimore City Community College	41,001,037	45,024,545	4,023,508	9.8%
<b>Subtotal – Other Higher Education</b>	<b>\$471,743,071</b>	<b>\$533,979,110</b>	<b>\$62,236,039</b>	<b>13.2%</b>
<b>Total Higher Education</b>	<b>\$1,646,835,865</b>	<b>\$1,731,838,724</b>	<b>\$85,002,859</b>	<b>5.2%</b>
Changes Contingent on Board of Public Works Actions, Legislation, or Back of the Bill Language <sup>3</sup>	-\$32,368,719	-\$70,629,980		
<b>Total Higher Education with Post-allowance Changes</b>	<b>\$1,614,467,146</b>	<b>\$1,661,208,744</b>	<b>\$46,741,598</b>	<b>2.9%</b>

<sup>1</sup> The fiscal 2009 tuition freeze was provided for by the Higher Education Investment Fund while the fiscal 2010 freeze is funded by general funds for USM and MSU.

<sup>2</sup> Includes \$163,796 deficiency appropriation for litigation costs.

<sup>3</sup> Figures presented are the current budget figures, but reductions are either anticipated or specified for most agencies in the Governor's budget plan for fiscal 2009 and 2010. See Exhibit 2 for detailed reductions and Exhibit 3 for the underlying growth

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State support for public universities grows by \$22.8 million in the Governor's allowance or 1.9%, as shown in **Exhibit 1**. Of this increase, \$16.9 million is for a tuition freeze, which every institution receives a portion of, except St. Mary's College of Maryland (SMCM). The largest percentage increases occur at Coppin State University (CSU), growing 10.6% (\$3.7 million) and the University of Maryland University College (UMUC), growing 8.8% (\$2.6 million). The largest dollar increase is at the University of Maryland, College Park (UMCP), growing \$4.5 million, or 1.1%.

However, the allowance indicates a number of changes for both fiscal 2009 as well as 2010, and **Exhibit 2** outlines these changes to fiscal 2009 and the Governor's plan for fiscal 2010. The exhibit's first column shows reductions taken by the Board of Public Works (BPW) prior to January 2009. The second column is additional fiscal 2009 reductions anticipated in the Governor's plan and from expected underattainment of the Higher Education Investment Funds (HEIF). For the four-year institutions, Baltimore City Community College (BCCC), and the Maryland Higher Education Commission (MHEC), the proposed reductions represent their portion of the statewide furloughs, for a total of \$17.6 million. The \$8.1 million proposed reduction to the Senator John A. Cade Community College Grant program would level fund the grant at the fiscal 2008 actual. An additional \$6.6 million is expected to be reduced throughout the agencies due to HEIF underattainment.

**Exhibit 1**  
**State Support for Public Universities**  
**Fiscal 2006-2010 Allowance**  
**(\$ in Thousands)**

<u>Institution</u>	<u>2006 Actual</u>	<u>2007 Actual</u>	<u>2008 Actual</u>	<u>2009 Working</u>	<u>2010 Allowance</u>	<u>2006-09 Annual % Change</u>	<u>2009-10 \$ Change</u>	<u>2009-10 % Change</u>
Univ. of Maryland, Baltimore	\$145,702	\$157,679	\$170,642	\$184,716	\$186,871	8.2%	\$2,155	1.2%
Univ. of Maryland, College Park	328,810	370,689	396,174	420,029	424,493	8.5%	4,464	1.1%
Bowie State University	22,270	31,111	33,232	35,857	36,330	17.2%	473	1.3%
Towson University	63,122	76,171	82,442	91,384	93,678	13.1%	2,294	2.5%
Univ. of Maryland Eastern Shore	23,322	28,616	30,877	33,037	33,420	12.3%	383	1.2%
Frostburg State University	26,434	29,667	31,117	33,457	34,412	8.2%	955	2.9%
Coppin State University	20,802	30,428	31,813	35,139	38,864	19.1%	3,726	10.6%
Univ. of Baltimore	22,710	26,242	27,844	31,380	31,729	11.4%	349	1.1%
Salisbury University	27,571	32,928	35,019	39,641	40,808	12.9%	1,167	2.9%
Univ. of Maryland University College	15,191	20,069	24,691	28,987	31,551	24.0%	2,564	8.8%
Univ. of Maryland Baltimore County	70,491	79,270	84,488	91,465	92,761	9.1%	1,296	1.4%
Univ. of Maryland Center for Environmental Science	14,054	15,450	17,286	17,885	18,455	8.4%	570	3.2%
Univ. of Maryland Biotechnology Institute	17,401	20,771	19,960	20,625	21,192	5.8%	567	2.8%
University System of Maryland Office	13,710	14,447	19,433	19,731	19,891	12.9%	161	0.8%
<b>Subtotal, University System of Maryland</b>	<b>\$811,588</b>	<b>\$933,537</b>	<b>\$1,005,018</b>	<b>\$1,083,331</b>	<b>\$1,104,455</b>	<b>10.1%</b>	<b>\$21,124</b>	<b>1.9%</b>
Morgan State University	51,929	62,985	67,634	74,712	76,033	12.9%	1,321	1.8%
St. Mary's College	14,593	15,906	16,367	17,050	17,372	5.3%	322	1.9%
<b>Total</b>	<b>\$878,109</b>	<b>\$1,012,428</b>	<b>\$1,089,019</b>	<b>\$1,175,093</b>	<b>\$1,197,860</b>	<b>10.2%</b>	<b>\$22,767</b>	<b>1.9%</b>

Note: Fiscal 2009 includes the Higher Education Investment Fund. The exhibit does not include reductions proposed by the Governor for fiscal 2009 and 2010 that have not yet occurred.

Source: Governor's Budget Books, Fiscal 2008-2010

**Exhibit 2**  
**Board of Public Works Reductions and Contingent Reductions**  
**General Fund, Fiscal 2009 and 2010**

	<u>Prior FY 2009 BPW Actions<sup>1</sup></u>	<u>FY 2009 Planned BPW Actions</u>	<u>Total FY 2009 Reductions</u>	<u>FY 2010 Contingent Budget &amp; BRFA</u>
Univ. of Maryland, Baltimore	\$2,766,530	\$3,452,515	\$6,219,045	\$292,460
Univ. of Maryland, College Park	7,900,802	9,106,871	17,007,673	\$724,367
Bowie State University	413,998	629,766	1,043,764	\$15,778
Towson University	1,753,827	1,995,165	3,748,992	\$211,601
Univ. of Maryland Eastern Shore	452,829	614,251	1,067,080	\$53,358
Frostburg State University	629,012	622,422	1,251,434	\$112,180
Coppin State University	437,764	423,338	861,102	\$54,468
Univ. of Baltimore	607,933	809,294	1,417,227	\$54,809
Salisbury University	727,429	871,258	1,598,687	\$95,141
Univ. of Maryland University College	581,960	571,385	1,153,345	\$25,411
Univ. of Maryland Baltimore County	1,829,281	1,871,054	3,700,335	\$183,636
Univ. of Maryland Center for Environmental Science	325,392	203,654	529,046	\$29,202
Univ. of Maryland Biotechnology Institute	361,830	240,218	602,048	\$21,899
University System of Maryland Office	317,355	163,775	481,130	\$24,015
<b>Subtotal, University System of Maryland</b>	<b>\$19,105,942</b>	<b>\$21,574,966</b>	<b>\$40,680,908</b>	<b>\$1,898,325</b>
Morgan State University	880,270	1,682,622	2,562,892	73,789
St. Mary's College	29,160	124,700	153,860	
<b>Total Public Four-year Institutions</b>	<b>\$20,015,372</b>	<b>\$23,382,288</b>	<b>\$43,397,660</b>	<b>\$1,972,114</b>
Maryland Higher Education Commission	577,262	301,736	878,998	102,813
MHEC Scholarship and Grant Programs	2,892,825		2,892,825	265,640
Sellinger Program for Independent Institutions	8,133,658		8,133,658	15,633,522
John A. Cade Community College Grant Program	8,182,970	8,182,970	16,365,940	49,912,643
Baltimore City Community College		\$501,725	501,725	2,743,248
<b>Total Higher Education</b>	<b>\$39,802,087</b>	<b>\$32,368,719</b>	<b>\$72,170,806</b>	<b>\$70,629,980</b>

BPW: Board of Public Works  
BRFA: Budget Reconciliation and Financing Act

<sup>1</sup>These actions are reflected in the fiscal 2009 working appropriation.

Note: Fiscal 2009 planned actions include the statewide furlough, Higher Education Investment Fund underattainment, and reduction to community colleges, but do not include an additional \$54.2 million of unspecified agency reductions to the Governor's budget plan, some of which may affect higher education budgets. Fiscal 2010 figures do not include reductions for \$14.8 million general funds and \$1.8 million unrestricted funds of reduced health care spending, some of which may affect higher education budgets.

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An additional \$54.2 million of fiscal 2009 BPW reductions is referenced in the Governor's overall budget plan, although it does not specify how the reductions will be allocated among the agencies. It is possible some of the reductions will affect higher education budgets.

The right-hand column of Exhibit 2 represents across-the-board reductions as well as reductions contingent on passage of House Bill 101 – Budget Reconciliation and Financing Act of 2009 (BRFA). Position reductions at MHEC and BCCC, reductions in MHEC grant programs and BCCC's funding formula, and other statewide reductions add up to a total of \$70.7 million. It should be noted that statewide actions for the funding of employee health insurance for fiscal 2010 are not specified which will affect higher education budgets. A total of \$14.8 million in general funds and \$1.8 million in unrestricted funds are reduced in the budget bill. While only a portion of the general funds may affect higher education budgets, all of the unrestricted funds will be reduced.

Two additional reductions are contingent on reauthorization of the Higher Education Investment Fund (HEIF). MHEC's educational grant programs will be reduced by \$1.5 million and State support to public four-year institutions by \$45.0 million. These funds would be replaced by budget amendment from money generated by HEIF.

**Exhibit 3** shows the underlying growth in the higher education budget from fiscal 2008 to 2010, accounting for anticipated fiscal 2009 and 2010 reductions shown in Exhibit 2. For fiscal 2009 and 2010, growth is expected to be 3.4%. For the four-year institutions, growth between fiscal 2009 and 2010 averages between 2.6% for SMCM and 11.8% for CSU. For the formula grants to community colleges, BCCC, and independent institutions, fiscal 2009-2010 growth slows considerably compared to what is required to be put in the allowance, as shown in this analysis's opening exhibit. The Sellinger grant to independent institutions falls from 31.0% growth to no increase. Likewise, the aid to community colleges slows from 18.3 to 2.0%, due to growth in the teachers' retirement programs, and BCCC's growth slows from 9.8 to 4.0%.

Growth between fiscal 2008 and 2010 is 10.3%, after accounting for adjustments in 2010. Growth is highest at UMUC, which grows 27.7%, and the overall public four-year average is 9.8%. There is only one reduction in funding, a 10.0% decrease in the Sellinger grant program for independent institutions.

**Exhibit 3**  
**Underlying Changes in Budget After 2009 Reductions in Allowance and**  
**House Bill 101 – Budget Reconciliation & Financing Act of 2009**  
**(\$ in Thousands)**

	<u>2008</u> <u>Actual</u>	<u>2009</u> <u>Adjusted</u>	<u>2010</u> <u>Adjusted</u>	<u>2009-10</u> <u>% Change</u>	<u>2008-10</u> <u>% Change</u>
Univ. of Maryland, Baltimore	\$170,642	\$181,263	\$186,578	2.9%	9.3%
Univ. of Maryland, College Park	396,174	410,922	423,769	3.1%	7.0%
Bowie State University	33,232	35,227	36,314	3.1%	9.3%
Towson University	82,442	89,389	93,466	4.6%	13.4%
Univ. of Maryland Eastern Shore	30,877	32,423	33,367	2.9%	8.1%
Frostburg State University	31,117	32,834	34,299	4.5%	10.2%
Coppin State University	31,813	34,715	38,810	11.8%	22.0%
Univ. of Baltimore	27,844	30,778	31,674	2.9%	13.8%
Salisbury University	35,019	38,769	40,713	5.0%	16.3%
University of Maryland University College	24,691	28,415	31,526	10.9%	27.7%
Univ. of Maryland Baltimore County	84,488	89,594	92,577	3.3%	9.6%
Univ. of Maryland Center for Environmental Science	17,286	17,681	18,426	4.2%	6.6%
Univ. of Maryland Biotechnology Institute	19,960	20,385	21,170	3.9%	6.1%
University System of Maryland Office	19,433	19,567	19,867	1.5%	2.2%
<b>Subtotal, University System of Maryland</b>	<b>\$1,005,018</b>	<b>\$1,061,963</b>	<b>\$1,102,556</b>	<b>3.8%</b>	<b>9.7%</b>
Morgan State University	67,634	73,029	75,959	4.0%	12.3%
St. Mary's College	16,367	16,925	17,372	2.6%	6.1%
<b>Total Public Four-year Institutions</b>	<b>\$1,089,019</b>	<b>\$1,151,917</b>	<b>\$1,195,887</b>	<b>3.8%</b>	<b>9.8%</b>
Sellinger Program for Independent Institutions	56,051	50,446	50,446	0.0%	-10.0%
Aid to Community Colleges	241,701	246,530	251,426	2.0%	4.0%
Baltimore City Community College	40,448	40,499	42,214	4.2%	4.4%
<b>Total Higher Education</b>	<b>\$1,427,219</b>	<b>\$1,522,245</b>	<b>\$1,574,097</b>	<b>3.4%</b>	<b>10.3%</b>

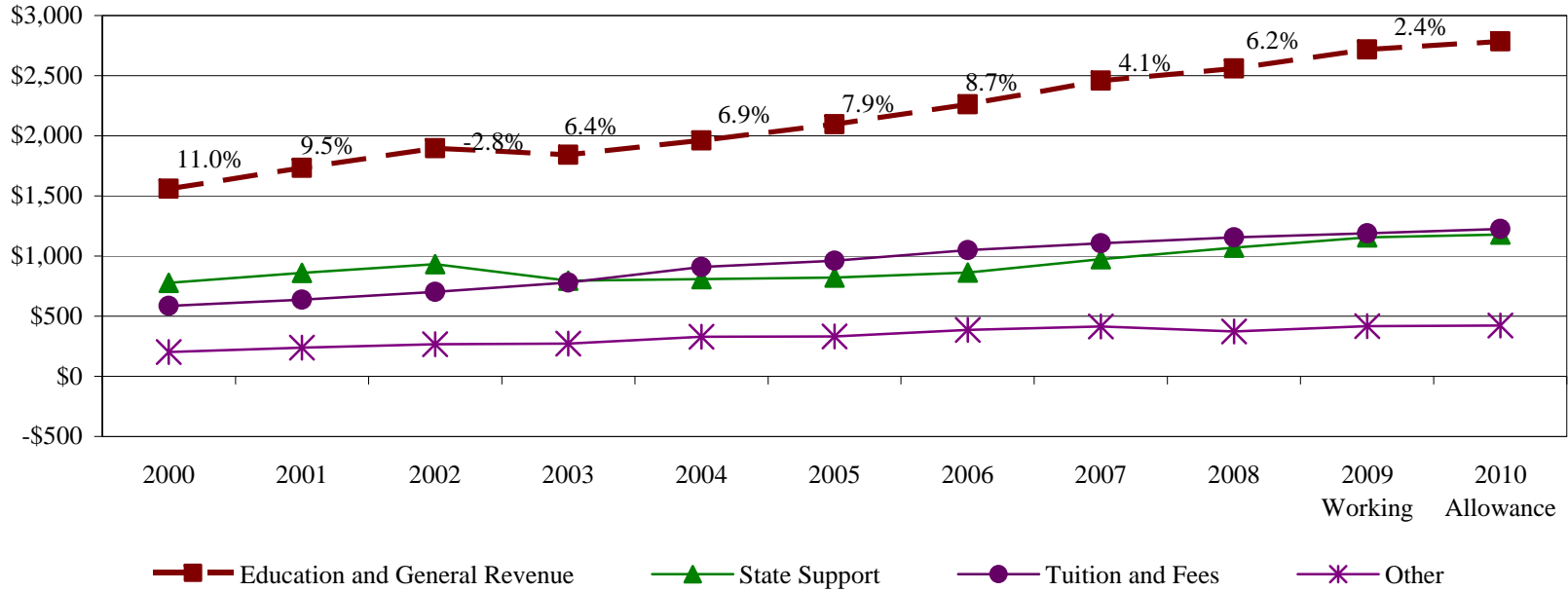
Note: Fiscal 2009 includes anticipated furlough reductions and Higher Education Investment Fund underattainment, but does not include \$54.2 million in additional unspecified reductions, which may affect higher education budgets. Fiscal 2010 includes deletion of the deferred compensation match and formula reductions to the BCCC, Community Colleges, and Sellinger grant programs, but not \$14.8 million general funds and \$1.8 million unrestricted funds of reduced health care spending, which may affect higher education budgets.

## **Education and General Revenues**

**Exhibit 4** shows total education and general (E&G) revenues at public four-year institutions from fiscal 2000 to the 2010 allowance. E&G revenue is made up of tuition and fees, State funds, and other education-related expenses. Not included is auxiliary income from sources such as dining halls, bookstores, athletics, and dormitories. Hospital-related expenditures are also excluded, affecting the University of Maryland, Baltimore (UMB).

Total E&G revenue grew from fiscal 2000 to 2002, declined in fiscal 2003, and again increased from fiscal 2004 through 2009. The 2010 allowance continues that trend, although increasing at the slowest rate since 2003, at 2.4%. Tuition and fee revenue has grown through the entire period, although the largest increases were between fiscal 2003 and 2006. This growth has flattened since fiscal 2007 due to a tuition freeze for most in-state undergraduates. State funds, on the other hand, stayed flat from fiscal 2003 to 2006, then began to increase in fiscal 2007 as State funds replaced forgone tuition revenue from frozen tuition rates. Additionally, tuition and fees began to exceed State appropriations in fiscal 2004 for the first time in recent history. Although that gap has narrowed since fiscal 2007, it widens slightly in the Governor's allowance.

**Exhibit 4**  
**Education and General Revenues<sup>1</sup>**  
**Fiscal 2000-2010**  
**(\$ in Millions)**



<sup>1</sup>Education and general revenues represent tuition and fees, State support (general funds or Higher Education Investment Funds) grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary program enterprise revenue. For the University of Maryland, Baltimore, hospital expenditures are excluded from educational and general revenue. Fiscal 2009 working appropriation and fiscal 2010 allowance do not include actions not yet taken by the Board of Public Works or statewide reductions.

Source: Governor's Budget Books, Fiscal 2008-2010; Department of Legislative Services

E&G revenue also includes other revenue from unrestricted federal, State, local, and private grants and contracts; educational sales and services; investment income; and transfers to and from fund balance. The largest source of income in this category is the sale and service of educational activities. Trends in E&G revenue by institution can be found in **Appendices 1** through **3**.

### **American Recovery and Reinvestment Act**

There could be major changes to 2010 funding levels if the United States Congress passes the American Recovery and Reinvestment Act (ARRA). Several provisions propose significant federal funding that could benefit Maryland's higher education institutions. The State Fiscal Stabilization Fund, for example, is to ensure rollbacks in funding are not realized and otherwise supplement funding. Of the \$79 billion the states may receive, both the House bill and the Senate version require at least 61% of it be spent on K-12 and higher education, and all of it could be spent on education.

The State's research institutions in particular will be eligible for up to \$11.1 billion in research and capital funding. The National Science Foundation and National Institutes of Health receive \$4.4 billion in the Senate version and \$6.5 billion in the House version for grants in many fields including medicine and clean energy research. An additional \$4.0 to \$6.0 billion may be included for capital projects. The State's research universities should be well situated to receive a share of this money. **The Secretary and Chancellor should comment on how ARRA funds would be spent, if received.**

### **Tuition and Mandatory Fee Costs**

The fiscal 2010 allowance provides for the fourth consecutive year a tuition freeze for in-state undergraduate students enrolled at University System of Maryland (USM) institutions and Morgan State University (MSU). This freeze is funded by general funds and equates to approximately a 4.0% increase at USM schools and a 5.0% increase at MSU. St. Mary's College of Maryland (SMCM) is unaffected by the freeze, and tuition will increase by 5.0% in fall 2009. **Exhibit 5** shows tuition rates at the State's public four-year institutions since fall 2001. The average annual increase over the period ranges from 2.0% at UMUC to 6.8% at SMCM.

**Exhibit 5**  
**Tuition Rates at Public Four-year Institutions**  
**In-state Full-time Undergraduate Students**

	<u>Fall</u>	<u>Fall</u>	<u>%</u>	<u>Fall</u>	<u>Fall</u>	<u>Fall</u>	<u>Proposed</u>	<u>Average</u>
	<u>2001</u>	<u>2005</u>	<u>Change</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Fall 2009</u>	<u>%</u>
			<u>2001-05</u>					<u>2001-09</u>
Coppin State University	\$2,727	\$3,527	29.3%	\$3,527	\$3,527	\$3,527	\$3,527	3.3%
Univ. of Maryland Eastern Shore	2,871	4,112	43.2%	4,112	4,112	4,112	4,112	4.6%
Bowie State University	2,941	4,286	45.7%	4,286	4,286	4,286	4,286	4.8%
Salisbury University	3,216	4,814	49.7%	4,814	4,814	4,814	4,814	5.2%
Frostburg State University	3,444	5,000	45.2%	5,000	5,000	5,000	5,000	4.8%
Towson University	3,605	5,180	43.7%	5,180	5,180	5,180	5,180	4.6%
University of Baltimore	3,684	5,325	44.5%	5,325	5,325	5,325	5,325	4.7%
Univ. of Maryland, College Park	4,334	6,566	51.5%	6,566	6,566	6,566	6,566	5.3%
Univ. of Maryland Baltimore County	4,374	6,484	48.2%	6,484	6,484	6,484	6,484	5.0%
Univ. of Maryland Univ. College*	4,728	5,520	16.8%	5,520	5,520	5,520	5,520	2.0%
Morgan State University	3,150	4,280	35.9%	4,280	4,280	4,280	4,280	3.9%
St. Mary's College	6,474	9,063	40.0%	9,498	9,973	10,472	10,995	6.8%

\*Based on 24 credit hours.

Source: University System of Maryland Schedule of Tuition and Mandatory Fees; Governor's Budget Books, Fiscal 2009-2010; Fall 2009 rates pending governing board approval

Although tuition rates are frozen, student fees are not, and the cost to attend college for in-state residents will increase in fall 2009. **Exhibits 6 and 7** show the growth in tuition and fee rates for both in-state and out-of-state students between fall 2001 and 2009. The highest increase in fall 2009 at a school affected by the tuition freeze is CSU at 2.6%. UMUC is the lowest with no increase. Between fall 2001 and 2005, tuition and fees increased more than 35.0% at every school with the exception of UMUC at 19.3%. With tuition rates frozen, in-state tuition and fee costs have moderated, averaging a 7.7% increase from fall 2005 to 2009.

Exhibit 7 shows tuition and fee rates for out-of-state students at Maryland's public four-year institutions. The total increase between fall 2001 and 2005 was highest at SMCM at 57.0% and lowest at UMUC with 17.6%. For fall 2008 to 2009, only one school, SMCM, has an increase above 4.5%. The lowest is UMUC with no increase.

**Exhibit 6**  
**Tuition and Mandatory Fee Rates at Maryland Public Institutions**  
**In-state Undergraduate Full-time Tuition and Mandatory Fees**  
**Fall 2001-2009**

	<u>Fall</u>	<u>Fall</u>	<u>%</u>	<u>Fall</u>	<u>Fall</u>	<u>%</u>	<u>%</u>
	<u>2001</u>	<u>2005</u>	<u>Change</u>	<u>2008</u>	<u>2009</u>	<u>Change</u>	<u>Change</u>
Coppin State University	\$3,477	\$4,714	35.6%	\$5,140	\$5,276	2.6%	11.9%
Bowie State University	3,782	5,481	44.9%	6,005	6,040	0.6%	10.2%
Univ. of Maryland Eastern Shore	4,128	5,808	40.7%	6,042	6,072	0.5%	4.5%
Salisbury University	4,486	6,376	42.1%	6,492	6,618	1.9%	3.8%
Frostburg State University	4,256	6,230	46.4%	6,614	6,684	1.1%	7.3%
Univ. of Baltimore	4,504	6,795	50.9%	7,054	7,171	1.7%	5.5%
Towson University	4,984	7,096	42.4%	7,314	7,418	1.4%	4.5%
Univ. of Maryland, College Park	5,341	7,821	46.4%	8,005	8,075	0.9%	3.2%
Univ. of Maryland Baltimore County	5,910	8,520	44.2%	8,780	8,872	1.0%	4.1%
Univ. of Maryland Univ. College*	4,728	5,640	19.3%	5,760	5,760	0.0%	2.1%
Morgan State University	4,508	6,110	35.5%	6,420	6,546	2.0%	7.1%
St. Mary's College of Maryland	7,609	10,896	43.2%	12,604	13,234	5.0%	21.5%

\*Based on 24 credit hours.

Source: University of Maryland budget requests for fiscal 2002-2007; Governor's Budget Books, Fiscal 2008-2010; Fall 2009 rates pending University System of Maryland Board of Regents approval and St. Mary's College of Maryland and Morgan State University Board of Trustees approval

**Exhibit 7**  
**Out-of-state Undergraduate Full-time Tuition and Mandatory Fees**  
**Fall 2001-2009**

	<u>Fall</u> <u>2001</u>	<u>Fall</u> <u>2005</u>	<u>%</u> <u>Change</u> <u>2001-05</u>	<u>Fall</u> <u>2008</u>	<u>Fall</u> <u>2009</u>	<u>%</u> <u>Change</u> <u>2008-09</u>	<u>%</u> <u>Change</u> <u>2005-09</u>
Coppin State University	\$8,604	\$11,235	30.6%	\$13,365	\$13,971	4.5%	24.4%
Univ. of Maryland Eastern Shore	8,612	11,964	38.9%	12,830	13,296	3.6%	11.1%
Salisbury University	9,942	14,054	41.4%	14,794	15,114	2.2%	7.5%
Bowie State University	9,864	14,786	49.9%	16,226	16,479	1.6%	11.5%
Frostburg State University	9,754	14,480	48.5%	16,810	16,880	0.4%	16.6%
Univ. of Maryland Baltimore County	11,290	16,596	47.0%	17,512	18,213	4.0%	9.7%
Towson University	11,870	16,030	35.0%	17,860	18,323	2.6%	14.3%
Univ. of Baltimore	12,594	18,373	45.9%	20,559	20,678	0.6%	12.5%
Univ. of Maryland, College Park	13,413	20,154	50.3%	23,076	24,011	4.1%	19.1%
Univ. of Maryland Univ. College*	8,736	10,272	17.6%	12,000	12,000	0.0%	16.8%
Morgan State University	10,718	13,520	26.1%	14,871	15,376	3.4%	13.7%
St. Mary's College of Maryland	12,594	19,773	57.0%	23,454	24,627	5.0%	24.5%

\*Based on 24 credit hours.

Source: University System of Maryland budget requests for fiscal 2002-2007; Governor's Budget Books, Fiscal 2008-2010

**Exhibit 8** shows anticipated tuition and fee revenue for fiscal 2010 at the State's public four-year universities. USM tuition and fee revenue is expected to increase \$34.6 million over the 2009 working appropriation. Total tuition and fee revenue for all public four-year institutions is projected to be over \$1.2 billion.

**Exhibit 8**  
**Tuition and Fee Revenue**  
**Public Four-year Institutions**

	<u>USM</u>	<u>All Four-year Institutions</u>
Fiscal 2008 Actual	\$1,083,735,823	\$1,155,375,014
Fiscal 2009 Working	1,114,958,805	1,187,962,052
Fiscal 2010 Allowance	1,149,562,507	1,226,420,074
Increase Fiscal 2009 to 2010	\$34,603,702	\$38,458,022
Growth Rate	3.1%	3.2%

USM: University System of Maryland

Note: Tuition and fees are pending final University System of Maryland, Morgan State University, and St. Mary's College governing board approval.

Source: Governor's Budget Books, Fiscal 2010

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## How Do Maryland Institutions Compare Nationally?

**Exhibits 9 and 10** compare UMCP to the top 18 public doctoral universities in the “Top National Universities” ranking by *U.S. News and World Report*. Also included on this list are UMCP's aspirational peers, or institutions UMCP would most like to emulate. The universities are ordered by most to least expensive in-state tuition and fees for fall 2008. Each school's overall *U.S. News and World Report* ranking is also shown. UMCP ranks as the eleventh most expensive school for in-state students, down four spots from seventh most expensive a year ago. Among aspirational peers, two have higher in-state tuition and fee rates and three are lower. In terms of rate increases, UMCP's in-state tuition and fees have been increasing slower than its aspirational peers. For out-of-state students, UMCP ranks fifteenth most expensive among public doctoral universities ranked, compared to fourteenth most expensive in fall 2007.

**Exhibit 9**  
**University of Maryland, College Park Tuition and Mandatory Fees as**  
**Compared to the Top Public Doctoral Universities in the**  
**2009 U.S. News and World Report Ranking**  
**In-state Undergraduate Full-time Tuition and Mandatory Fees**

	<u>Fall</u>	<u>Fall</u>	<u>Fall</u>	<u>Fall</u>	<u>%</u>	<u>\$</u>	<u>%</u>
	<u>2001</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
					<u>2007-08</u>	<u>2001-08</u>	<u>2001-08</u>
Pennsylvania State Univ. – Univ. Park (47)	\$7,376	\$12,164	\$12,844	\$13,706	6.7%	\$6,330	85.8%
Univ. of Illinois – Urbana Champaign* (40)	5,754	9,882	11,130	12,240	10.0%	6,486	112.7%
Univ. of Michigan – Ann Arbor* (26)	6,935	9,723	10,447	11,037	5.6%	4,102	59.1%
College of William and Mary (VA) (32)	4,780	8,490	9,120	10,246	12.3%	5,466	114.4%
Univ. of Virginia (23)	4,248	7,845	8,500	9,505	11.8%	5,257	123.8%
Univ. of California – Davis (44)	4,601	7,593	8,109	8,635	6.5%	4,034	87.7%
Univ. of California – Santa Barbara (44)	3,841	7,010	7,896	8,386	6.2%	4,545	118.3%
Univ. of Texas – Austin (47)	3,776	7,630	7,670	8,090	5.5%	4,314	114.2%
Univ. of California – San Diego (35)	4,358	6,888	7,435	8,062	8.4%	3,704	85.0%
Univ. of California – Irvine (44)	4,556	6,794	7,555	8,046	6.5%	3,490	76.6%
<b>Univ. of Maryland, College Park (53)</b>	<b>5,341</b>	<b>7,906</b>	<b>7,969</b>	<b>8,005</b>	<b>0.5%</b>	<b>2,664</b>	<b>49.9%</b>
Univ. of California – Berkeley* (21)	4,091	6,654	7,164	7,656	6.9%	3,565	87.1%
Univ. of Wisconsin – Madison (35)	4,086	6,726	7,188	7,568	5.3%	3,482	85.2%
Univ. of California – Los Angeles* (25)	4,230	6,522	7,038	7,551	7.3%	3,321	78.5%
Univ. of Washington (41)	3,984	5,985	6,385	6,802	6.5%	2,818	70.7%
Georgia Institute of Technology (35)	3,454	4,926	5,642	6,040	7.1%	2,586	74.9%
Univ. of North Carolina – Chapel Hill* (30)	3,302	5,034	5,340	5,397	1.1%	2,095	63.4%
Univ. of Florida (49)	2,444	3,206	3,256	3,790	16.4%	1,346	55.1%
Unweighted average	\$4,340	\$6,989	\$7,520	\$8,062	7.2%	\$3,722	85.8%

\*Aspirational peer institution.

Note: Among public four-year institutions, the University of Maryland, College Park is ranked 18.

Source: The Chronicle of Higher Education web site database, <http://chronicle.com/premium/stats/tuition/2008>  
*U.S. News and World Report – America’s Best Colleges, 2009*

**Exhibit 10**  
**Out-of-state Undergraduate Full-time Tuition and Mandatory Fees**

	<u>Fall</u> <u>2001</u>	<u>Fall</u> <u>2006</u>	<u>Fall</u> <u>2007</u>	<u>Fall</u> <u>2008</u>	<u>% Change</u> <u>2007-08</u>	<u>\$</u> <u>Change</u> <u>2001-08</u>	<u>%</u> <u>Change</u> <u>2001-08</u>
Univ. of Michigan – Ann Arbor* (26)	\$21,645	\$29,131	\$31,301	\$33,069	5.6%	\$11,424	52.8%
Univ. of Virginia (23)	18,280	25,945	27,545	29,798	8.2%	11,518	63.0%
Univ. of California – Davis (44)	15,674	26,277	27,729	29,243	5.5%	13,569	86.6%
College of William and Mary (VA) (32)	17,778	25,048	27,515	29,116	5.8%	11,338	63.8%
Univ. of California – Santa Barbara (44)	14,915	25,694	27,516	28,994	5.4%	14,079	94.4%
Univ. of California – San Diego (35)	15,878	25,372	27,019	28,670	6.1%	12,792	80.6%
Univ. of California – Irvine (44)	15,630	25,478	27,175	28,654	5.4%	13,024	83.3%
Univ. of California – Berkeley* (21)	15,163	25,338	26,784	28,264	5.5%	13,101	86.4%
Univ. of California – Los Angeles* (25)	15,303	25,206	26,658	28,162	5.6%	12,859	84.0%
Univ. of Texas – Austin (47)	10,106	20,364	24,554	26,672	8.6%	16,566	163.9%
Univ. of Illinois – Urbana Champaign* (40)	13,574	23,968	25,216	26,024	3.2%	12,450	91.7%
Georgia Institute of Technology (35)	12,350	20,272	23,366	25,182	7.8%	12,832	103.9%
Pennsylvania State Univ. – Univ. Park (47)	15,502	22,712	23,712	24,940	5.2%	9,438	60.9%
Univ. of Washington (41)	13,257	21,283	22,131	23,219	4.9%	9,962	75.1%
<b>Univ. of Maryland, College Park (53)</b>	<b>13,413</b>	<b>21,345</b>	<b>22,208</b>	<b>23,076</b>	<b>3.9%</b>	<b>9,663</b>	<b>72.0%</b>
Univ. of North Carolina – Chapel Hill* (30)	13,269	19,682	20,988	22,295	6.2%	9,026	68.0%
Univ. of Wisconsin – Madison (35)	15,973	20,726	21,438	21,818	1.8%	5,845	36.6%
Univ. of Florida (49)	9,956	17,791	17,841	20,640	15.7%	10,684	107.3%
Unweighted average	\$14,870	\$23,424	\$25,039	\$26,546	6.0%	\$11,676	78.5%

\*Aspirational peer institution.

Note: Among public four-year institutions, the University of Maryland, College Park is ranked 18.

Source: The Chronicle of Higher Education web site database, <http://chronicle.com/premium/stats/tuition/2008>; *U.S. News and World Report – America’s Best Colleges 2009*

**Exhibits 11 and 12** compare Towson University (TU) and SU to the top 11 public schools within *U.S. News and World Report’s* “Top Northern Master’s University” category along with each school’s overall ranking. It is important to note that many schools from previous years that were used to compare tuition and fee rates did not rank in this category this year. Nevertheless, TU and SU remain highly ranked among public master’s universities. In the exhibits, the schools are ranked from most expensive to least expensive in terms of fall 2008 tuition and fee rates. For in-state tuition and fees, TU and SU are ranked sixth and seventh, respectively, out of 11. SU increased one place this year, as it was ranked eighth a year ago. In out-of-state tuition, TU is fourth most expensive and SU seventh.

**Exhibit 11**  
**Towson University and Salisbury University Tuition and Mandatory Fees as**  
**Compared to the Top Northern Public Master’s Universities in the**  
**2009 U.S. News and World Report Ranking and Several Peers**  
**In-state Undergraduate Full-time Tuition and Mandatory Fees**

	<u>Fall</u>	<u>Fall</u>	<u>Fall</u>	<u>Fall</u>	<u>%</u>	<u>\$</u>	<u>%</u>
	<u>2001</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
					<u>2007-08</u>	<u>2001-08</u>	<u>2001-08</u>
College of New Jersey** (6)	\$6,666	\$10,553	\$11,307	\$12,308	8.9%	\$5,642	84.6%
Rutgers – Camden (NJ) (26)	6,484	9,758	10,532	11,358	7.8%	4,874	75.2%
Rowan Univ. (NJ)* (28)	5,779	9,330	10,068	10,908	8.3%	5,129	88.8%
Ramapo College of New Jersey (29)	6,178	9,545	9,965	10,765	8.0%	4,587	74.2%
Montclair State University* (40)	5,026	8,402	8,895	9,429	6.0%	4,403	87.6%
<b>Towson Univ. (40)</b>	<b>4,984</b>	<b>7,164</b>	<b>7,234</b>	<b>7,314</b>	<b>1.1%</b>	<b>2,330</b>	<b>46.7%</b>
<b>Salisbury Univ. (35)</b>	<b>4,486</b>	<b>6,412</b>	<b>6,412</b>	<b>6,492</b>	<b>1.2%</b>	<b>2,006</b>	<b>44.7%</b>
SUNY Col. Arts and Sci. – Geneseo** (11)	4,310	5,560	5,616	5,658	0.7%	1,348	31.3%
SUNY College – Oneonta (49)	4,186	5,447	5,470	5,485	0.3%	1,299	31.0%
SUNY Col. Arts and Sci. – New Paltz (40)	4,075	5,340	5,390	5,419	0.5%	1,344	33.0%
CUNY – Baruch College (33)	3,350	4,320	4,320	4,370	1.2%	1,020	30.4%
Unweighted Average	\$5,048	\$7,439	\$7,746	\$8,137	5.0%	\$3,089	61.2%

CUNY: City University of New York  
SUNY: State University of New York

\* Towson University peer institution  
\*\* Salisbury University peer institution

Note: Among public schools, Towson ranks 8 and Salisbury ranks 7.

Source: The Chronicle of Higher Education web site database, <http://chronicle.com/premium/stats/tuition/2008>  
*U.S. News and World Report – America’s Best Colleges 2009*

**Exhibit 12**  
**Out-of-state Undergraduate Full-time Tuition and Mandatory Fees**

	<u>Fall</u> <u>2001</u>	<u>Fall</u> <u>2006</u>	<u>Fall</u> <u>2007</u>	<u>Fall</u> <u>2008</u>	<u>%</u> <u>Change</u> <u>2007-08</u>	<u>\$</u> <u>Change</u> <u>2001-08</u>	<u>%</u> <u>Change</u> <u>2001-08</u>
Rutgers – Camden (NJ) (26)	\$11,922	\$18,263	\$19,700	\$21,306	8.2%	\$9,384	78.7%
College of New Jersey** (6)	10,414	17,099	18,530	20,415	10.2%	10,001	96.0%
Rowan Univ. (NJ)* (28)	10,279	16,128	17,376	18,016	3.7%	7,737	75.3%
<b>Towson Univ. (40)</b>	<b>11,870</b>	<b>16,522</b>	<b>17,174</b>	<b>17,860</b>	4.0%	<b>5,990</b>	50.5%
Ramapo College of New Jersey (29)	9,564	14,805	15,536	17,476	12.5%	7,912	82.7%
Montclair State University* (40)	7,418	13,758	14,798	17,207	16.3%	9,789	132.0%
<b>Salisbury Univ. (35)</b>	<b>9,942</b>	<b>14,306</b>	<b>14,500</b>	<b>14,794</b>	2.0%	<b>4,852</b>	48.8%
SUNY Col. Arts and Sci. – Geneseo** (11)	9,210	11,820	11,876	11,918	0.4%	2,708	29.4%
SUNY College – Oneonta (49)	9,086	11,707	11,730	11,745	0.1%	2,659	29.3%
SUNY Col. Arts and Sci. – New Paltz (40)	8,975	11,600	11,650	11,679	0.2%	2,704	30.1%
CUNY – Baruch College (33)	6,950	11,120	11,120	11,170	0.4%	4,220	60.7%
Unweighted Average	\$9,603	\$14,284	\$14,908	\$15,781	5.9%	\$6,178	64.3%

CUNY: City University of New York  
SUNY: State University of New York

\* Towson University peer institution

\*\* Salisbury University peer institution

Note: Among public schools, Towson ranks 8 and Salisbury ranks 7.

Source: The Chronicle of Higher Education web site database, <http://chronicle.com/premium/stats/tuition/2008>  
*U.S. News and World Report – America’s Best Colleges 2009*

Maryland’s top ranked public historically black institutions (HBI) ranked in *U.S. News and World Report’s* “Historically Black Colleges and Universities” are shown in **Exhibits 13** and **14**. In Exhibit 13, the top 16 public universities are ordered from most to least expensive fall 2008 in-state tuition and fee rates and by fall 2008 out-of-state rates in Exhibit 14. Each college’s overall *U.S. News and World Report* ranking is also shown. The State’s universities are among the most expensive HBIs in the country. MSU and UMES, respectively, have the fourth and fifth most expensive in-state tuition rates in the country, down from second and third a year ago. In terms of rate increases from fall 2001 to 2008, however, they are more moderate, raising rates the third and sixth slowest, respectively. In out-of-state tuition, MSU is ranked as fourth most expensive and UMES eleventh.

**Exhibit 13**  
**Morgan State University and University of Maryland Eastern Shore Tuition and Mandatory Fees as Compared to the Top Historically Black Institutions in the 2009 U.S. News and World Report Ranking and Several Peers**  
**In-state Undergraduate Full-time Tuition and Mandatory Fees**

	Fall <u>2001</u>	Fall <u>2006</u>	Fall <u>2007</u>	Fall <u>2008</u>	% Change <u>2007-08</u>	\$ Change <u>2001-08</u>	% Change <u>2001-08</u>
Lincoln State University (PA) (27)	\$5,632	\$7,122	\$7,762	8,240	6.2%	\$2,608	46.3%
South Carolina State University (15) <sup>2</sup>	4,096	7,161	7,318	7,806	6.7%	3,710	90.6%
Deleware State University (22)	3,682	5,746	6,146	6,481	5.5%	2,799	76.0%
<b>Morgan State University (19)</b>	<b>4,508</b>	<b>6,204</b>	<b>6,318</b>	<b>6,438</b>	1.9%	<b>1,930</b>	42.8%
<b>University of Maryland Eastern Shore (27)</b>	<b>4,128</b>	<b>5,908</b>	<b>5,988</b>	<b>6,042</b>	0.9%	<b>1,914</b>	46.4%
Virginia State University (14) <sup>2</sup>	3,312	5,440	5,655	5,903	4.4%	2,591	78.2%
Tennessee State University (11) <sup>1</sup>	2,969	4,534	4,856	5,102	5.1%	2,133	71.8%
Alabama A&M University (24) <sup>2</sup>	3,600	4,430	4,930	4,930	0.0%	1,330	36.9%
Jackson State University (MS) (20)	3,206	4,224	4,432	4,634	4.6%	1,428	44.5%
Alcorn State University (MS) (25) <sup>2</sup>	3,173	4,152	4,320	4,448	3.0%	1,275	40.2%
North Carolina Central University* (15)	2,035	3,456	3,666	3,751	2.3%	1,716	84.3%
Albany State University (GA) (25)	2,476	3,154	3,470	3,710	6.9%	1,234	49.8%
North Carolina A&T State University* (15) <sup>1,2</sup>	1,939	3,414	3,500	3,593	2.7%	1,654	85.3%
Florida A&M University (15) <sup>1</sup>	2,667	3,264	3,264	3,572	9.4%	905	33.9%
Winston-Salem State University* (12)	1,805	3,108	3,299	3,389	2.7%	1,584	87.8%
Elizabeth City State University* (12)	1,686	2,765	2,898	2,914	0.6%	1,228	72.8%
Unweighted Average	\$3,019	\$4,464	\$4,671	\$4,848	8.6%	\$1,829	60.6%

\*Fall 2001 figure unavailable, figure represents fall 2000 rate.

<sup>1</sup> Morgan State University (MSU) peer institution.

<sup>2</sup> University of Maryland Eastern Shore (UMES) peer institution.

Note: Among public schools, MSU is ranked eighth, and UMES is fourteenth.

Source: The Chronicle of Higher Education web site database, <http://chronicle.com/premium/stats/tuition/2008>, *U.S. News and World Report – America's Best Colleges 2009*

**Exhibit 14**  
**Out-of-state Undergraduate Full-time Tuition and Mandatory Fees**

	<u>Fall</u> <u>2001</u>	<u>Fall</u> <u>2006</u>	<u>Fall</u> <u>2007</u>	<u>Fall</u> <u>2008</u>	<u>%</u> <u>Change</u> <u>2007-08</u>	<u>\$</u> <u>Change</u> <u>2001-08</u>	<u>%</u> <u>Change</u> <u>2001-08</u>
Tennessee State University (11) <sup>1</sup>	\$9,441	\$14,228	\$15,123	\$15,994	5.8%	\$6,553	69.4%
Florida A&M University (15) <sup>1</sup>	10,179	16,239	15,186	15,513	2.2%	5,334	52.4%
South Carolina State University (15) <sup>2</sup>	7,902	14,322	14,322	15,298	6.8%	7,396	93.6%
<b>Morgan State University (19)</b>	<b>10,718</b>	<b>13,964</b>	<b>14,438</b>	<b>14,928</b>	<b>3.4%</b>	<b>4,210</b>	<b>39.3%</b>
Virginia State University (14) <sup>2</sup>	9,738	12,570	13,185	14,018	6.3%	4,280	44.0%
Deleware State University (22)	7,956	12,054	13,100	13,742	4.9%	5,786	72.7%
North Carolina Central University* (15)	9,457	13,200	13,411	13,495	0.6%	4,038	42.7%
North Carolina A&T State University* (15) <sup>1,2</sup>	9,209	12,856	12,942	13,035	0.7%	3,826	41.5%
Albany State University (GA) (25)	8,272	10,738	12,074	13,002	7.7%	4,730	57.2%
Lincoln State University (PA) (27)	8,462	10,926	11,602	12,846	10.7%	4,384	51.8%
<b>University of Maryland Eastern Shore (27)</b>	<b>8,612</b>	<b>12,475</b>	<b>12,555</b>	<b>12,830</b>	<b>2.2%</b>	<b>4,218</b>	<b>49.0%</b>
Winston-Salem State University* (12)	8,351	11,748	11,940	12,029	0.7%	3,678	44.0%
Elizabeth City State University* (12)	8,104	11,104	11,779	11,928	1.3%	3,824	47.2%
Jackson State University (MS) (20)	7,376	9,540	9,976	10,970	10.0%	3,594	48.7%
Alcorn State University (MS) (25) <sup>2</sup>	7,345	9,336	9,816	10,692	8.9%	3,347	45.6%
Alabama A&M University (24) <sup>2</sup>	6,400	8,330	9,220	9,220	0.0%	2,820	44.1%
Unweighted Average	\$6,393	\$7,040	\$6,028	\$4,399	-27.0%	-\$1,993	-31.2%

\*Fall 2001 figure unavailable, figure represents fall 2000 rate.

<sup>1</sup> Morgan State University (MSU) peer institution

<sup>2</sup> University of Maryland Eastern Shore (UMES) peer institution

Note: Among public schools, MSU is ranked eighth, and UMES is fourteenth.

Source: The Chronicle of Higher Education web site database, <http://chronicle.com/premium/stats/tuition/2008>  
*U.S. News and World Report – America's Best Colleges 2009*

The rankings of the other institutions in Maryland are shown in **Exhibit 15** as well as their *U.S. News and World Report* category and rank. Johns Hopkins University is the only other school in the State to be ranked in the National Universities category, fifteenth. Its tuition and fees are also the most expensive, however, at \$38,000 for fall 2008. Loyola College of Maryland is ranked second in the Top Northern Masters College category, the top for a Maryland college, with a tuition and fee rate of \$36,240. In liberal arts colleges, the United States Naval Academy is highest, ranked twenty-second. Stephenson University is the only Maryland school to be ranked in the Northern Baccalaureate College category, thirteenth.

**Exhibit 15**  
**Other Ranked Public and Private Institutions in 2009 U.S. News and World Report**  
**In-state Undergraduate Full-time Tuition and Mandatory Fees**

	<u>Ranking</u>	<u>Fall 2007 Tuition and Fees</u>
<b>National Universities</b>		
Johns Hopkins University	15	\$38,000
<b>Top Northern Master's Universities</b>		
Loyola College of Maryland	2	36,240
Hood College	19	26,580
McDaniel College	22	30,780
Mount St. Mary's University	26	20,750
College of Notre Dame of Maryland	30	25,750
<b>Liberal Arts Colleges</b>		
United States Naval Academy <sup>1</sup>	22	0
St. Mary's College of Maryland <sup>2</sup>	84	12,604
Washington College	94	34,005
Goucher College	111	32,636
<b>Northern Baccalaureate Colleges</b>		
Stephenson University <sup>3</sup>	13	19,200

<sup>1</sup>There is no tuition and fee cost at United States Military Academies.

<sup>2</sup>Among public schools, St. Mary's College of Maryland is ranked fourth; out-of-state tuition is \$23,454.

<sup>3</sup> Formerly Villa Julie College.

Source: The Chronicle of Higher Education web site database, <http://chronicle.com/premium/stats/tuition/2008>  
*U.S. News and World Report – America's Best Colleges 2009*

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## Issues

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### 1. Higher Education Investment Fund Revenue Lower than Expected

One of the actions taken during the 2007 special session was the creation of the HEIF as part of the Tax Reform Act of 2007 (Chapter 2). The Act increased the corporate income tax rate from 7.0 to 8.25% with 6% of this new revenue allocated to higher education through the fund. The HEIF expires after fiscal 2009 unless the General Assembly determines the fund to be affordable and fiscally prudent and reauthorizes it. **Exhibit 16** outlines the HEIF revenue estimates from the 2008 and current legislative sessions as well as the appropriations using the fund.

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**Exhibit 16**  
**Underattainment of the Higher Education Investment Fund**  
**(\$ in Millions)**

	<u>Estimate of 2008 Session</u>	<u>Estimate of 2009 Session</u>	<u>2009 Difference</u>
<b>Revenues</b>			
Fiscal 2008	\$16.0		
Fiscal 2009	54.3	\$47.4	-\$6.9
Fiscal 2010*		46.5	
<b>Appropriations</b>			
Fiscal 2009	69.9	69.9	
Fiscal 2010*		46.5	

\* Fiscal 2010 appropriations are contingent on the reauthorization of the Higher Education Investment Fund. The \$46.5 million appropriation is based on what is outlined in the fiscal 2010 budget bill.

Source: Department of Legislative Services; Department of Budget and Management

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A total of \$69.9 million of HEIF funds was appropriated for fiscal 2009 during the 2008 session. This was based on expected revenue of \$70.3 million from the HEIF – \$16.0 million specified in the legislation as well as expected revenue of \$54.3. A BPW cost containment action reduced MHEC’s fiscal 2009 HEIF appropriation by \$1.0 million for Base Realignment and Closure preparedness. These funds replaced a \$1.0 million general fund reduction to the Workforce Shortage Student Assistance Program.

However, due to the weakening economy, corporate income taxes have been lower than expected. Fiscal 2009 revenue is now estimated to be \$47.4 million, a difference of \$6.9 million. USM already began preparing for this cancellation and has informed its member institutions not to spend a portion of the money they were expecting. Its share of the \$6.9 million shortfall is estimated to be \$5.6 million. The only other institution to receive HEIF funds is MSU, who will not receive \$0.7 million from HEIF’s underattainment. MHEC is also not expected to receive \$0.3 million.

It should be noted that the fiscal 2010 appropriation of \$46.5 million is contingent upon reauthorization of the HEIF and is based on a December 2008 Department of Budget and Management revenue estimate using current law. The operating budget bill includes contingent reductions that would replace general funds with HEIF funds, if reauthorized. Of the \$46.5 million, \$45.0 million is to replace general fund appropriations to the four-year institutions and MSU. The remaining \$1.5 million would replace general funds for MHEC's workforce investment grants.

The HEIF's underattainment demonstrates the risk of tying budgets to a sometimes unstable funding source. Although the HEIF was not meant to be the sole source of revenue for higher education, it was intended to provide capital and enhancement funding to the public four-year universities. Similar to relying on temporary federal funds for long-term State functions, when funding levels drop, uncertainty enters into the budgeting process. **The Secretary should comment on the underattainment of the HEIF and the expected revenues for fiscal 2010 pending its reauthorization.**

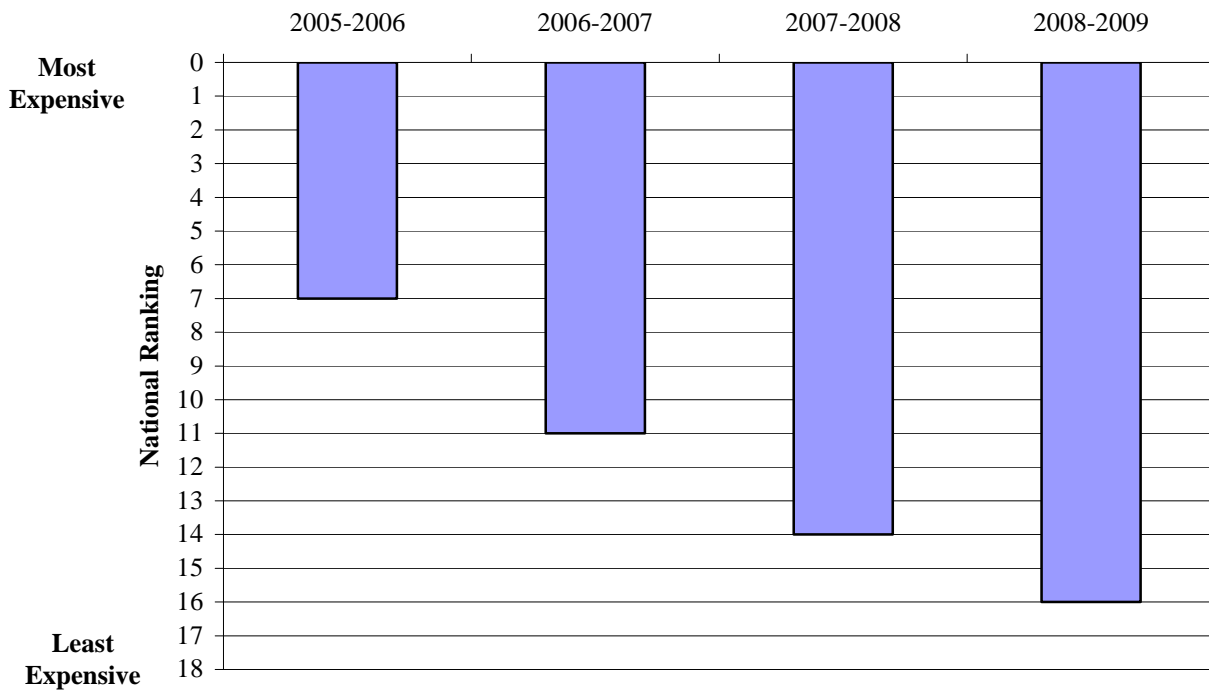
## **2. Allowance Includes \$16.1 Million for Fourth Consecutive Tuition Freeze**

Tuition and fee rates at Maryland's public four-year colleges and universities are among the highest in the nation, but with three years of tuition freezes, they have become comparatively more affordable. Based on data from the Washington Higher Education Coordinating Board, among public flagship universities, UMCP ranked thirteenth most expensive in 2006-2007 and fell to nineteenth in 2007-2008. Comprehensive institutions also became more affordable, but not by as much; in 2006-2007, the State's average tuition and fee rate was fifth most expensive, which dropped to seventh most expensive in 2007-2008.

Between fiscal 2002 and 2006, the average in-state tuition increase at all four-year institutions was 41.1%. In response to these rapid increases, the Tuition Affordability Act of 2006 (Chapters 57 and 58) was enacted for fiscal 2007, holding in-state tuition levels at fiscal 2006 rates for USM institutions and MSU and to only a 4.8% increase at SMCM. The freeze was continued in fiscal 2008 and 2009, and the Governor has proposed an extension for fiscal 2010. The Governor's allowance includes \$16.1 million in general funds to offset a 4.0% tuition increase at the USM institutions and a 5.0% increase at MSU. Although not participating in the freeze, SMCM has proposed to hold its tuition increase to 5.0%, which it had done for fiscal 2009 as well.

To demonstrate the impact the tuition freeze has had on in-state tuition compared to the rest of the nation, **Exhibit 17** shows the State's national rank in terms of average tuition and fee cost over the past four years, according to the College Board. Before the freeze was enacted, Maryland had the seventh most expensive schools in the country. After just one year of a freeze, it fell to eleventh. Currently, Maryland's colleges are the sixteenth most expensive in the nation.

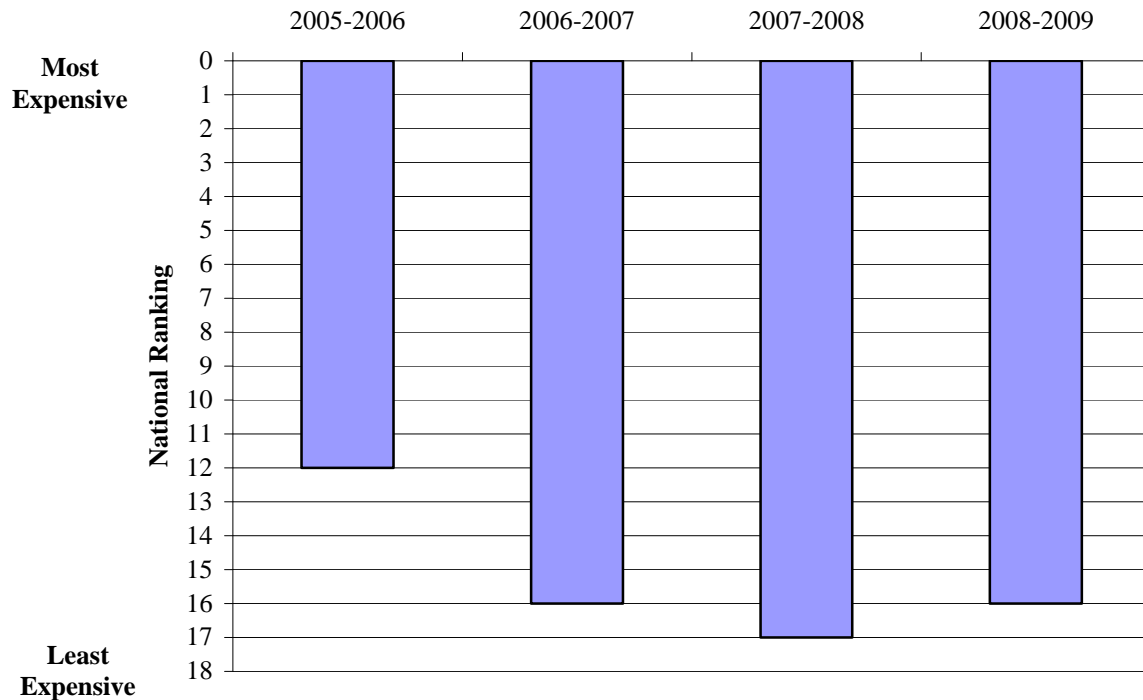
**Exhibit 17**  
**Maryland's Rank in Average Tuition and Fee at Public Four-year Institutions**



Source: College Board

A similar comparison can be made for Maryland's community colleges. Like the four-year institutions, Maryland is among the most expensive in the nation. **Exhibit 18** shows that although the tuition freeze does not affect the State's community colleges, overall they have become more affordable. During the 2005-2006 academic year, Maryland's community colleges averaged the twelfth most expensive in the nation. Their ranking dropped to seventeenth in 2007-2008 but increased one spot to sixteenth most expensive in 2008-2009.

**Exhibit 18**  
**Maryland Rank in Average Tuition and Fee at Community Colleges**

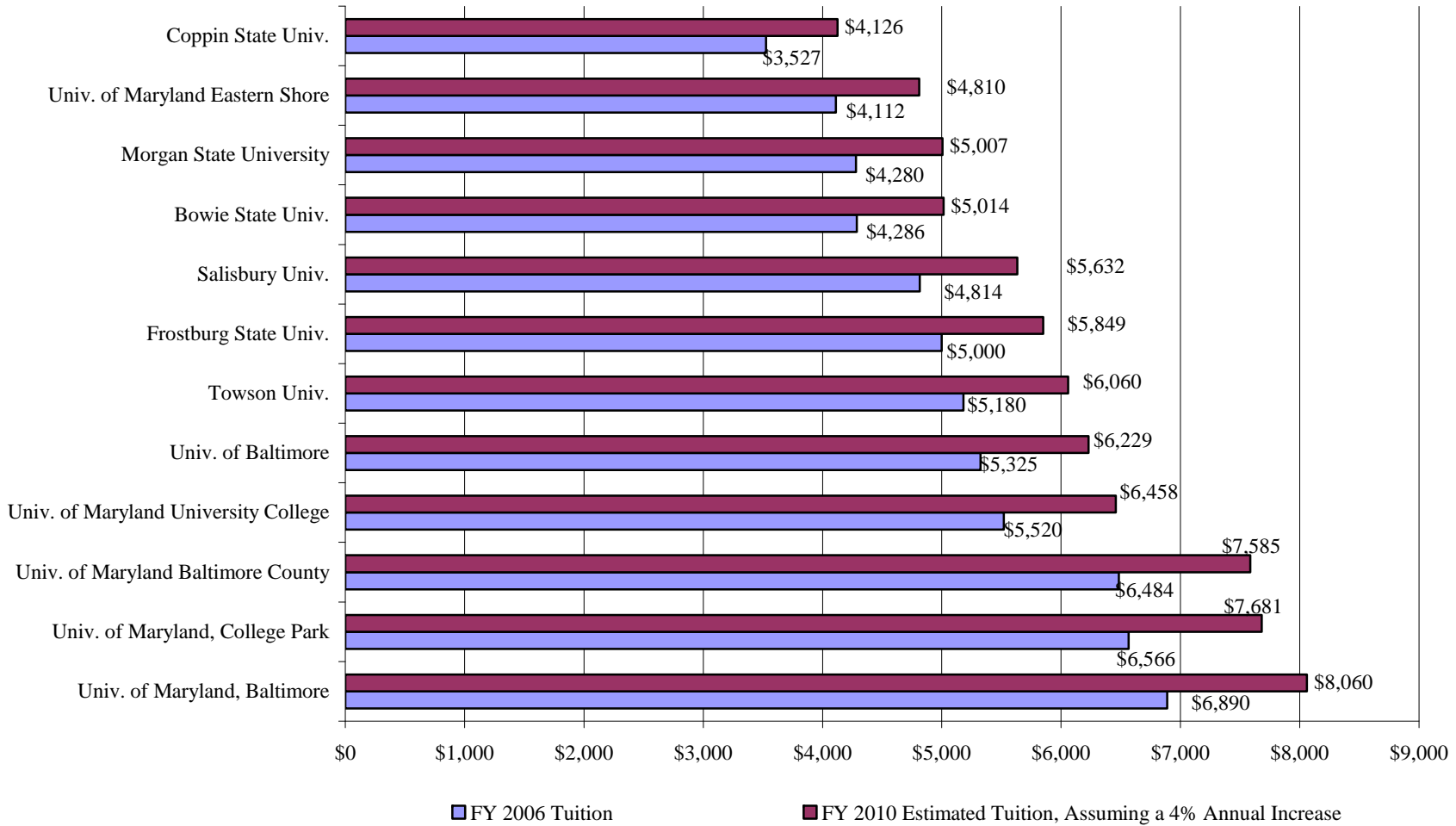


Source: College Board

**Tuition Freeze Improves Affordability of Maryland Institutions**

The three-year tuition freeze has made four-year public institutions more affordable for Maryland students and families. **Exhibit 19** compares the proposed fall 2009 tuition rates with estimated rates assuming annual 4.0% increases since fall 2005. The gap between the two is the estimated savings to Maryland residents. Combined with fees, the cost of a higher education in Maryland will increase 1.8% in fall 2009, well below the national average of 6.2% as reported by the Washington Higher Education Coordinating Board for 2007-2008, the most recent year available. **The Secretary should comment on the effect the tuition freeze has had upon four-year institutions as well as upon affordability to students in the State.**

**Exhibit 19**  
**Estimated Impact of Resident Tuition Freeze at USM and MSU**  
**Fall 2009**



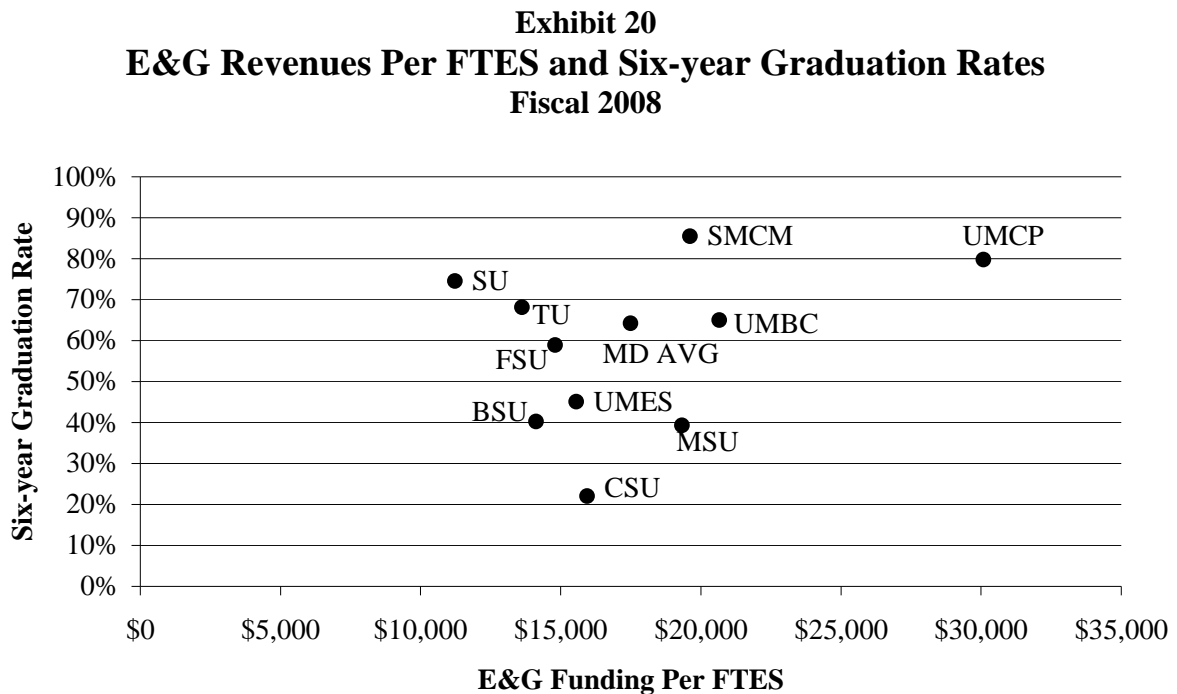
MSU: Morgan State University  
 USM: University System of Maryland

Source: University System of Maryland; Department of Legislative Services

The fiscal 2010 tuition freeze is not proposed to be mandated in statute, making it possible for the institutions to increase tuition mid-year and replace lost State funds if cost containment measures are taken. Given the State’s projected structural budget deficit, the question of how long the State can continue a tuition freeze is raised. **The Secretary should comment on the viability of a fourth consecutive tuition freeze.**

### 3. Graduation and Retention Rates at Maryland Institutions Compare Well Nationally

In times of fiscal constraint, states tend to renew their focus on higher education institutions and what is produced for their investment. One way to do this is to compare E&G funding with graduation rates. **Exhibit 20** shows each of the State’s traditional four-year institution’s E&G funds per full-time equivalent student (FTES) and the corresponding six-year graduation rate.



E&G: Education and General  
FTES: Full-time Equivalent Student

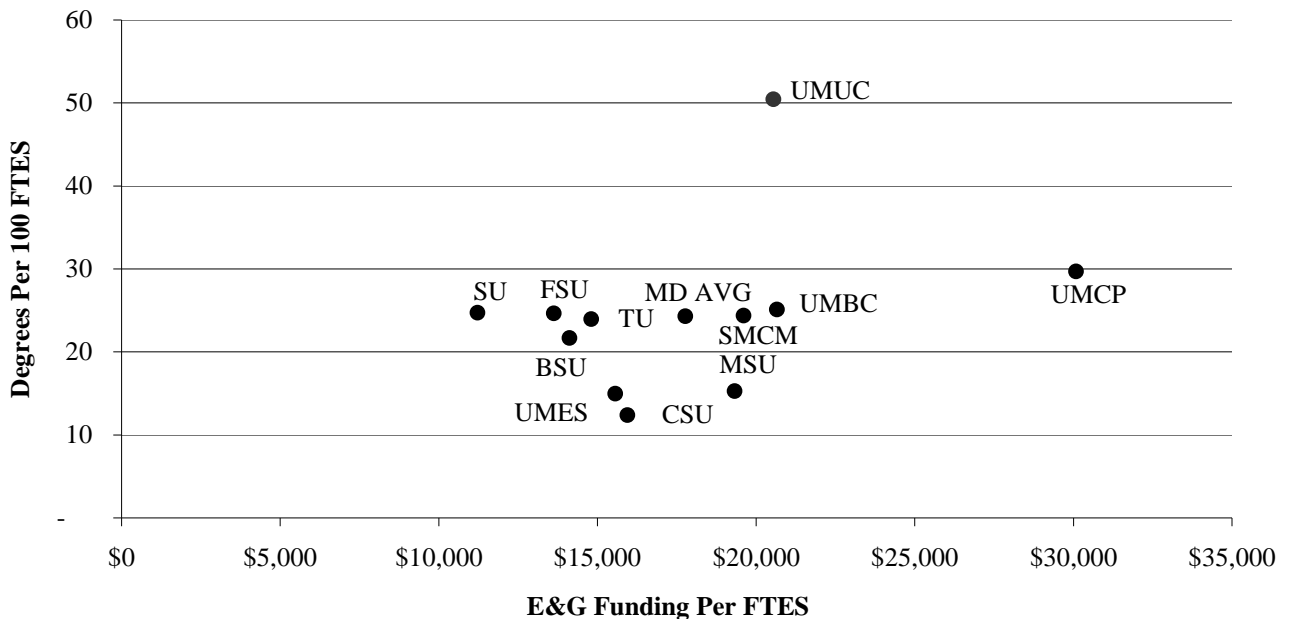
Source: Maryland Higher Education Commission; Governor’s Budget Books, Fiscal 2010

*Higher Education – Fiscal 2010 Budget Overview*

Maryland’s average four-year institution received \$17,495 per student in fiscal 2008 and had a six-year graduation rate of 64.2%. SU was the most efficient institution, with six-year graduation rates over 65% and spending less than \$12,000 per FTES. UMCP received the most per FTES, \$30,083 but also had the second highest six-year graduation rate, at 79.8%. CSU, on the other hand, receives just under the State’s average in E&G per FTES, but has the lowest six-year graduation rate, at 22.0%.

Degree production is a different way to view the State’s return on investment. **Exhibit 21** shows each public four-year institution’s E&G funds per FTES and the corresponding number of degrees awarded per 100 FTES. The data includes all undergraduate and graduate degrees awarded. In the exhibit, Maryland’s average is pulled up by UMUC, which awards far more degrees per 100 FTES (50) than the other institutions but received a little more than the State’s average in E&G funding per FTES. SU, on the other hand, received far less than the State’s average per FTES but awarded about the average of degrees.

**Exhibit 21**  
**E&G Revenues Per FTES and Degrees Awarded Per 100 FTES**  
**Fiscal 2008**



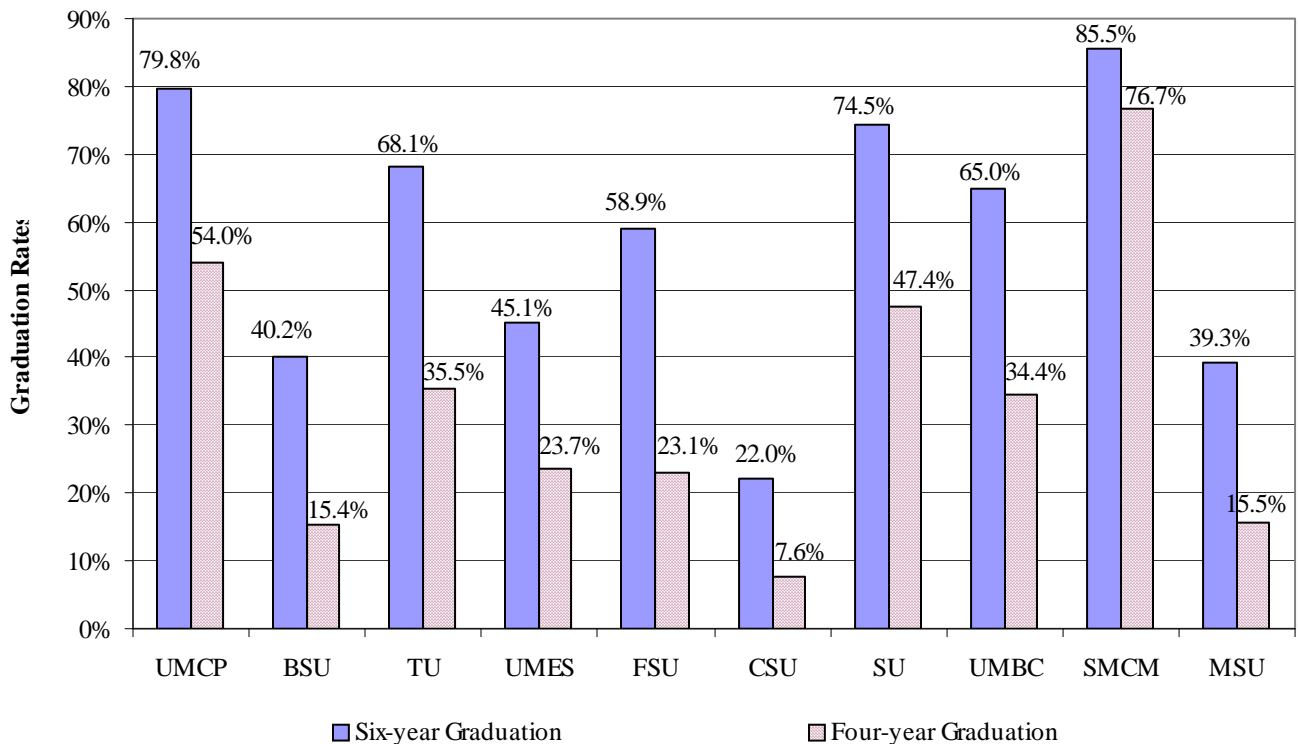
E&G: Education and General  
 FTES: Full-time Equivalent Student

Source: Governor’s Budget Books, Fiscal 2010

## Record High Graduation Rate

Graduation rates are a critical outcome by which colleges are measured. Although each institution will have different kinds of students and educational goals, the national and individual measure of success is usually degree achievement. Six- and four-year graduation rates for the 2001 cohort are illustrated in **Exhibit 22**. Three institutions have exceptionally high graduation rates compared to their statewide peers. SMCM has the highest six-year graduation rate, at 85.5%. UMCP is second highest at 79.8%, and SU is the other high performer, at 74.5%. These three schools' rates grew by several percentage points last year, but this year increased by only fractions. TU, whose six-year graduation rate grew by 4.2 percentage points from fiscal 2008 to 2009, grew another 3.2 points in fiscal 2010, to 68.1%. Four-year graduation rates are significantly lower at all schools except SMCM, which had a 76.7% four-year graduation rate, higher than most colleges' six-year rate. These figures include students who transfer and complete a degree at any Maryland public four-year institution and are also the highest graduation rates in the State's history, averaging 64.2% and continuing an eight-year trend of year-over-year increases in the graduation rate.

**Exhibit 22**  
**Four- and Six-year Graduation Rates**  
**2001 Cohort**



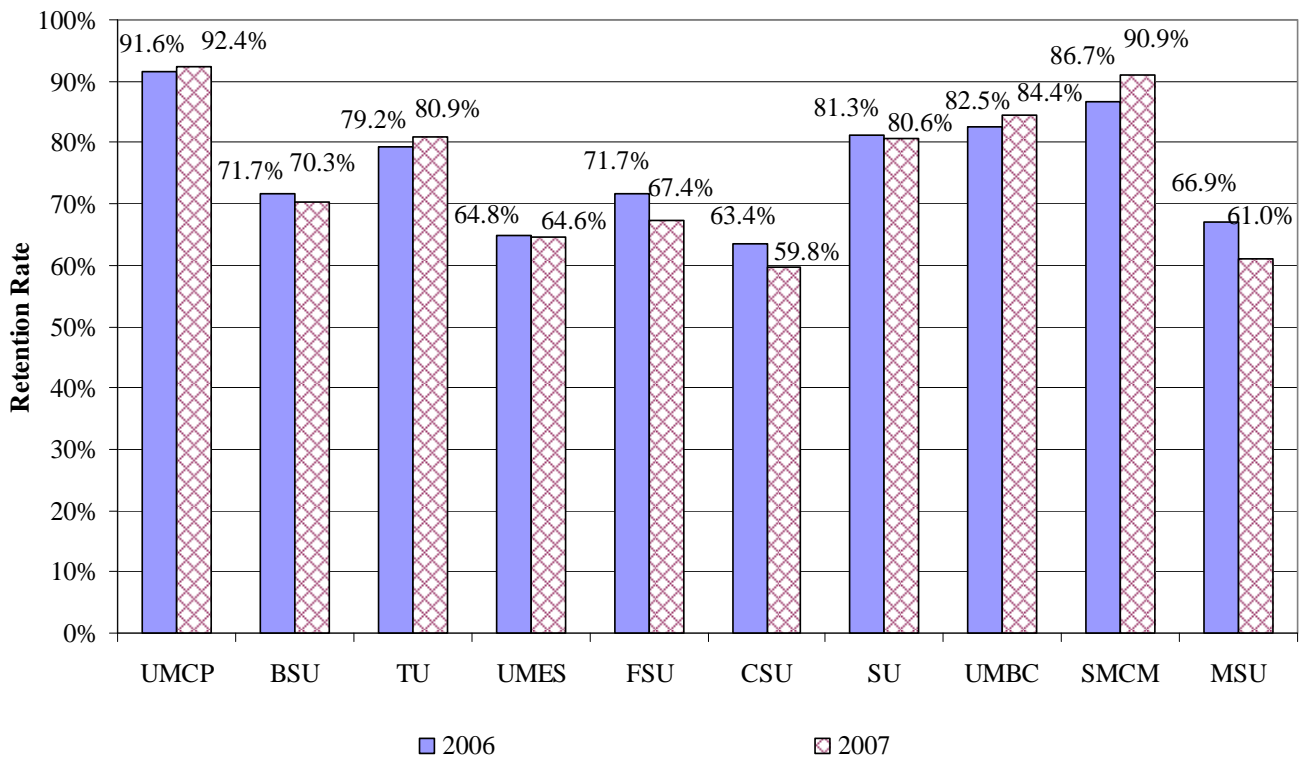
Source: Maryland Higher Education Commission *Retention and Graduation Rates at Maryland Public Four Year Institutions*, June 2008

## Change in Second-year Retention Rates Mixed

Retention rates are an important statistic because they tend to foreshadow graduation rates – the schools with higher retention rates tend to also have higher graduation rates. Retention rates show the percentage of students who enter college and return to the same institution the following fall.

A comparison of fall 2006 and 2007 freshmen retention rates is shown in **Exhibit 23**. On average, 78.5% of all students returned in fall 2007. This is the third consecutive decline in this rate and the second year below 80%. UMCP has the highest retention rate at 92.4%, and CSU the lowest, at 59.8%, a decline of 3.6 percentage points. The largest decline was at MSU, which went from 66.9% to 61.0%, a decline of 5.9 percentage points. Only four institutions experienced an increase in second-year retention, and SMCM was the highest, increasing 4.2 percentage points to 90.9%.

**Exhibit 23**  
**Second-year Retention Rate Comparison**  
**Fiscal 2006-2007**



Source: Maryland Higher Education Commission *Retention and Graduation Rates at Maryland Public Four Year Institutions*, June 2008

Graduation rates have continued to set record highs while retention rates continue to fall. The foreshadowing effect of retention rates may be reflected in lower graduation rates within a few years. **The Secretary should comment on continued efforts to improve second-year retention rates and to increase graduation rates at the State’s public colleges and universities.**

#### **4. Enrollment Growth and a Look at Demand**

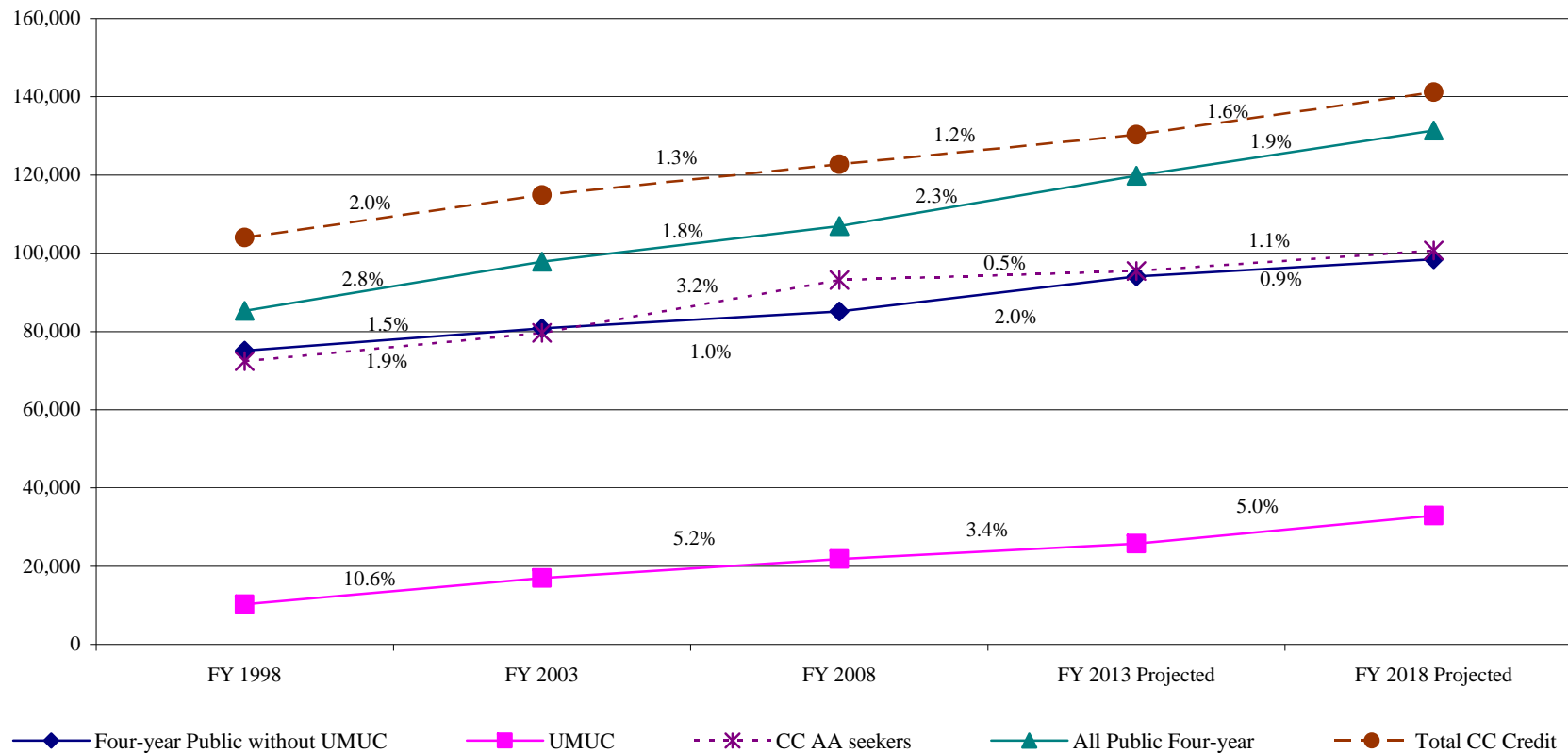
Public undergraduate headcount enrollment growth from fiscal 2009 to 2018 is expected to grow 16.6%, or an average of 1.7% per year according to the Maryland Higher Education Commission’s June 2008 projections. This 10-year projection is just 0.1 percentage point lower than last year’s projected growth of 16.7% for fiscal 2008 to 2017. Public undergraduate enrollment counts include the USM institutions, Morgan State University, St. Mary’s College of Maryland, and community colleges.

**Exhibit 24** shows undergraduate headcount enrollment growth over the past 10 years and projections through fiscal 2018. For community colleges, the data shows all credit enrollments and also breaks out students pursuing an associate’s degree, as these are the students most likely to transfer to a four-year institution. At public four-year institutions, enrollment from fiscal 2008 to 2013 is expected to grow 2.3% annually and 1.9% from fiscal 2013 to 2018. UMUC is projected to have the greatest rates of growth, at 3.4% annually from fiscal 2008-2013 and at 5.0% from fiscal 2013-2018.

Community colleges are expected to continue to make up the largest share of Maryland’s college students. Community college credit enrollments are expected to grow 1.2% annually between fiscal 2008 and 2013 and increase to 1.6% annual growth from fiscal 2013 to 2018. For students pursuing an associate’s degree specifically, after a 3.2% annual increase from fiscal 2003 to 2008, growth is expected to slow to 0.5% between fiscal 2008 and 2013. This rate rebounds slightly, to 1.1%, through fiscal 2018.

It should be noted that in fiscal 2010 only five public four-year institutions plan to grow enrollment over fiscal 2009 resulting in 0.7% increase in FTES. (See **Appendix 4** for more detail). Most public four-year institutions that enroll the bulk of undergraduate students will not increase enrollment in 2010.

**Exhibit 24**  
**Average Annual Growth of Public Undergraduate Headcount Enrollment**  
**Fiscal 1998-2018**



AA: Associates of Arts  
 CC: Community College  
 UMUC: University of Maryland University College

Source: Maryland Higher Education Commission; Maryland Association of Community Colleges; Department of Legislative Services

## A Look at Demand

In the past, demand for the public higher education institutions in Maryland has been measured by reviewing the number of applications received by the institutions. Another way to gauge student demand is the yield rates of the universities. Yield refers to the number of applicants who are accepted to an institution and also choose to enroll. Although this is not a direct picture of the demand, presumably if yield rates are going up (a greater percentage of accepted students are enrolling at a specific university), demand for that university has increased. Conversely, if yield rates are falling (a smaller percentage of accepted students are choosing to enroll), demand is falling.

The exact reasons yield rates change from year to year can vary, however. A trend in higher education, for example, has seen applications from certain student demographics applying to more schools than they had in previous years, which could affect both sides of the fraction: the number of applications received by institutions as well as the number of schools to which a student was accepted but does not enroll. However, this would not have a major effect for year-to-year comparisons.

**Exhibit 25** shows the yield rates for in-state and out-of-state students in fall 2006 and 2007 at Maryland’s four-year institutions as well as the percentage point change in those rates. A negative number reflects a presumed decline in demand. It is important to note this data does not include applications for transfer. TU, for example, has grown in part because of robust transfers from community colleges and other four-year institutions. Demand from transfer students is not shown.

**Exhibit 25**  
**Yield Rates at Public Four-year Institutions**  
**Fall 2006 and 2007**

	In-state			Out-of-state		
	<u>Fall</u> <u>2006</u>	<u>Fall</u> <u>2007</u>	<u>Change</u>	<u>Fall</u> <u>2006</u>	<u>Fall</u> <u>2007</u>	<u>Change</u>
Bowie State University	53.2%	54.5%	1.3	20.5%	20.3%	-0.2
Coppin State University	43.7%	40.3%	-3.4	15.2%	16.7%	1.5
Frostburg State University	40.7%	43.2%	2.5	27.2%	26.9%	-0.3
Salisbury University	35.8%	34.0%	-1.8	21.4%	23.2%	1.8
Towson University	32.5%	33.6%	1.0	22.8%	22.6%	-0.2
Univ. of Maryland Baltimore County	38.4%	37.9%	-0.4	30.7%	25.3%	-5.4
Univ. of Maryland, College Park	50.7%	49.9%	-0.9	24.1%	25.5%	1.4
University of Maryland Eastern Shore	59.5%	53.2%	-6.3	32.3%	25.6%	-6.7
Morgan State University	46.2%	49.1%	2.9	24.4%	25.8%	1.4
St. Mary’s College	36.4%	38.7%	2.3	26.6%	28.4%	1.7
<b>Average</b>	<b>42.3%</b>	<b>42.1%</b>	<b>-0.1</b>	<b>24.1%</b>	<b>24.2%</b>	<b>0.2</b>

Source: Maryland Higher Education Commission

For the most part, changes are relatively minor. UMES, however, appears to have declining demand. The yield rates in this period fell 6.3 percentage points for in-state applicants and 6.7 percentage points for out-of-state students. UMBC also had a significant decline in out-of-state yield, by 5.4 percentage points. CSU's yield rates for in-state applicants fell 3.4 percentage points. As a reflection of demand, declining yield rates could suggest that costs (tuition and fee rates) are higher than the student is willing to pay for the perceived benefits of the institution.

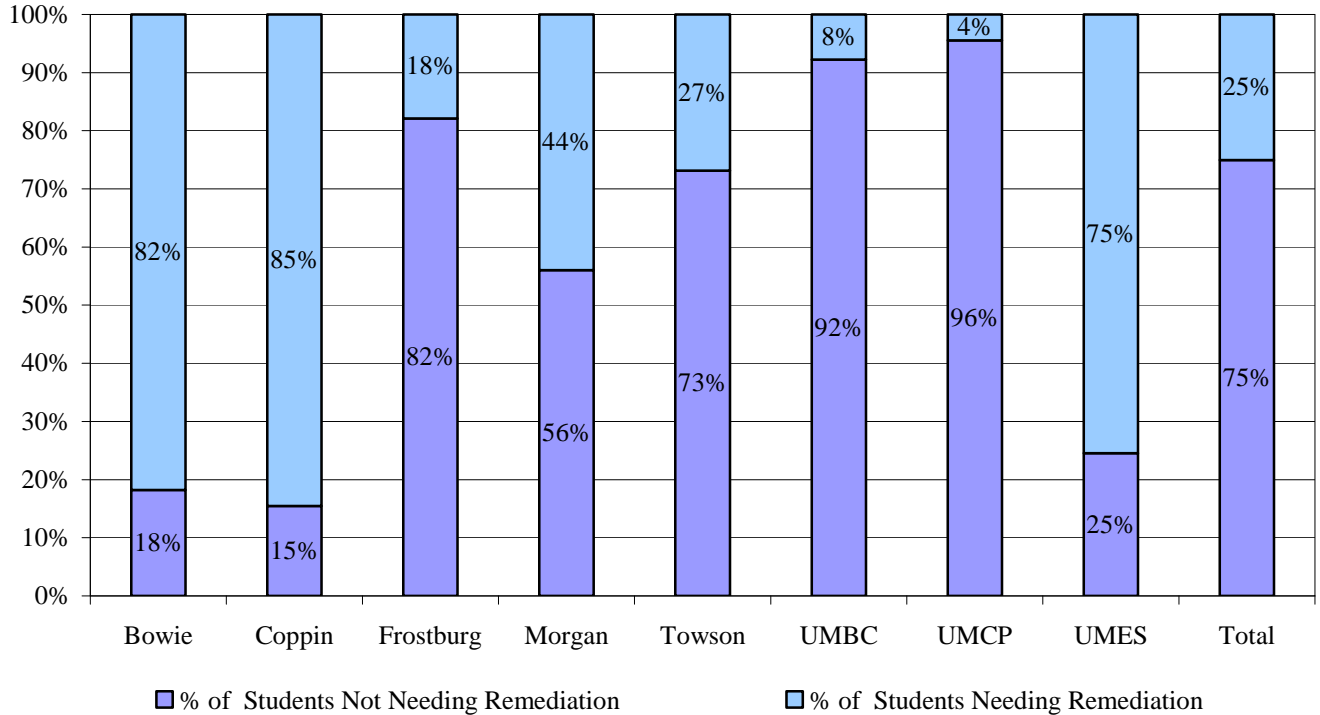
On the other hand, yield rates are going up at other universities, possibly showing an increase in demand. FSU, for example, increases 2.5 percentage points for in-state applicants. MSU increases for both in-state and out-of-state students, by 2.9 and 1.4 percentage points, respectively. Yield rates at SMCM increase as well, by 2.3 percentage points for in-state applicants and 1.7 percentage points for out-of-state applicants. **The Secretary should comment on using yield rates to measure student demand for an institution as well as the overall demand for a higher education in the State.**

## **5. Uniform Standards in College Remediation**

Remedial education, known also as developmental education or basic skills training, is provided to students who enter college without the necessary reading, writing, or math skills to study alongside their peers. Remediation can take several forms – from testing to determine where the gaps are, to modifying curriculum, to providing tutoring and other support services, and evaluating success upon completion of remedial work. Remedial education at the college level is considered an inefficient use of college and student resources since the skills being developed should have been learned earlier in the educational process.

According to the most recent biennial Student Outcome and Achievement Report (SOAR) from October 2006, more than half of all first-time students need remediation in at least one subject area. At public four-year institutions, there is wide variation. In fall 2005, the data set used in SOAR, only 4% of students at UMCP required remediation. At Bowie State University (BSU) and CSU, more than 80% of first-time students required remediation. Two schools did not offer remediation in fall 2005 – Salisbury University and St. Mary's College of Maryland. SU reports it offered a math remediation course during the current academic year, but SMCM continues the practice of no remediation. **Exhibit 26** shows remediation rates at the four-year institutions in fall 2005.

**Exhibit 26**  
**First-time Students Requiring Remediation at Public Four-year Institutions**  
**Fall 2005**



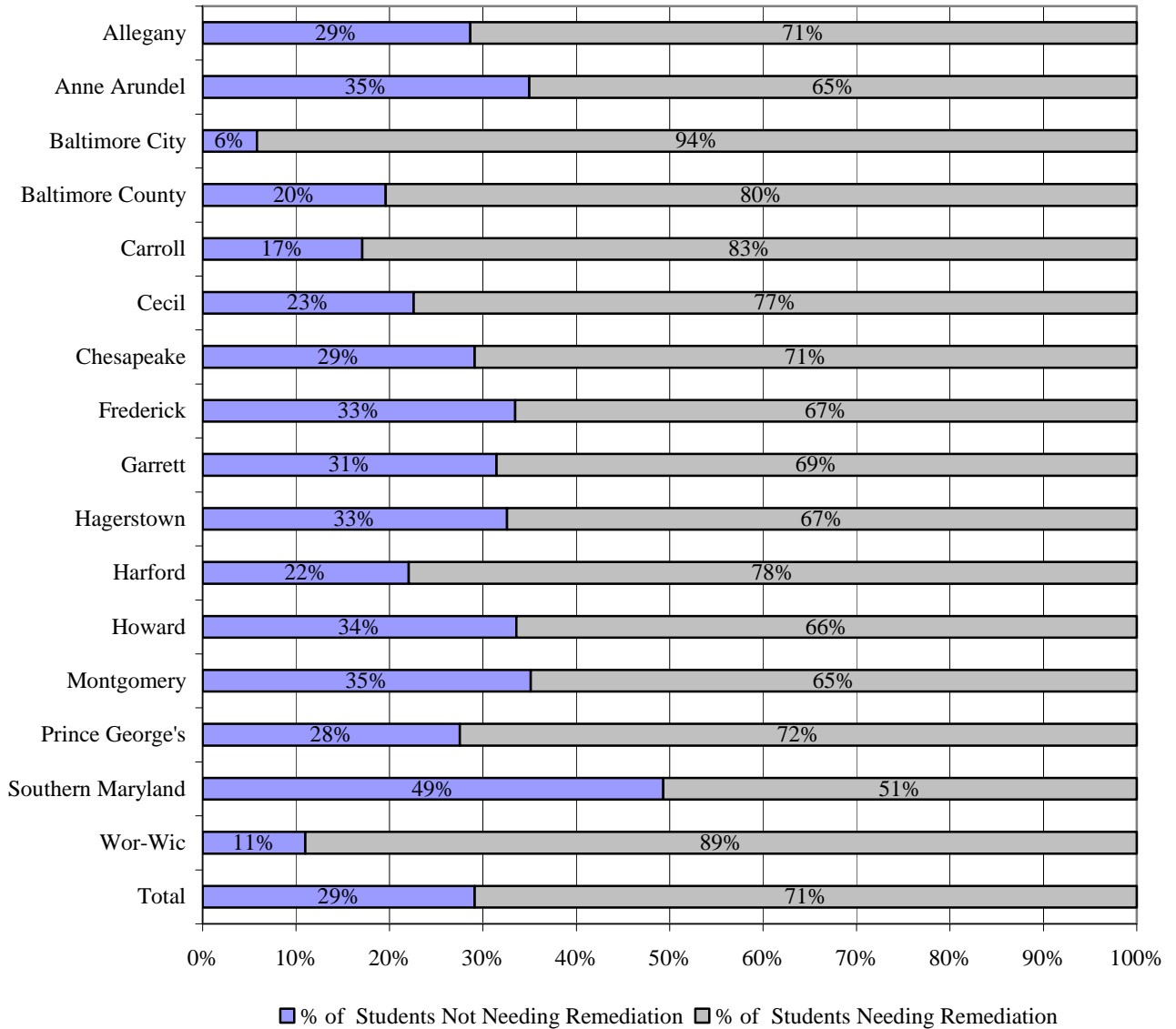
Source: Maryland Higher Education Commission Student Outcome and Achievement Report

Additionally, not all schools offer remediation in all three common subject areas – math, English, and reading. Although all have courses in math, some choose between English and reading. UMBC, UMES, and BSU offer remediation in all subject areas.

Every public community college in the State offers remedial courses, programs, and other remedial activities, including skills labs, learning centers, and tutoring. As shown in **Exhibit 27**, in fall 2005, 12,570, or 71%, of all incoming first-time community college freshmen who graduated from a Maryland high school needed some form of remediation at community colleges. The number of students requiring remediation remains consistent over the last several years with the average being 11,000, or 68%, since fall 1999.

These numbers does not include older students that return to school or transfer from another school. Since the community colleges have an open door policy, the percentage of students receiving remedial education may be slightly higher than shown in Exhibit 27. However, according to a national survey done by the Education Commission of the States in 2002, students who are 19 years or younger are more likely to take remedial courses than older students because higher percentages of them are pursuing degrees, which require specified levels of preparation.

**Exhibit 27**  
**First-time Students Requiring Remediation at Community Colleges**  
**Fall 2005**



Source: Maryland Higher Education Commission Student Outcome and Achievement Report

**No Uniform Identification at Four-year Institutions**

The public four-year institutions do not have a standard definition of what constitutes a “college-ready” student. A student deemed in need of remediation at TU may be deemed college-ready at FSU. Likewise, if that same student were to be accepted to both TU and SU, TU would deem him or her in need of remediation while SU would enroll the student directly into credit-bearing

coursework. Although BSU identifies more students in need of remediation than UMCP, it may not be solely because of the kind of student that enrolls at each university – BSU may also have stricter standards for what a “college-ready” student is.

This can be contrasted with the method used by the State’s community colleges. In 1993, the Maryland Community College Council of Instructional Deans (MCCCID) began developing uniform standards for assessment and placement of students into remedial or credit-bearing coursework. They agreed that it would make transferring between the colleges and four-year institutions smoother and also make comparative data more meaningful.

All community colleges use the same placement exams and methods. MCCCID agreed the assessment instruments (placement exams) must be standardized, as well as the grading of writing samples. A cutoff score was agreed upon, so that any student who scores below a 63 on the Compass math placement exam is placed in a remedial course, for example.

The standards for who needs to be tested are also uniform. Only students with a score of 550 or higher out of 1600 on the SAT or 21 or higher on the ACT may be exempt. A student’s high school grade point average is not a factor. Community colleges began testing their system in fall 1998 and fully implemented it the following year.

As the Commission to Develop the Maryland Model for Funding Higher Education identified in its December 2008 report, the State has an interest in graduating college-ready students from high school and also identifying those students who are not college-ready after they have enrolled. The community colleges currently have common standards, but the commission was referring to a common statewide definition. **The Secretary should comment on developing and implementing a statewide definition of a “college-ready” student.**

### **Quantifying Cost and Success**

The commission’s report also mentions the cost to colleges of offering remedial courses. This cost falls disproportionately on the community colleges and HBIs and their students since the students are paying tuition for noncredit courses and require greater developmental work before beginning credit bearing coursework. Unfortunately, there is little data on the cost to colleges and universities for offering remediation. MHEC has been planning on updating its cost study on this subject, but it has not yet been completed. **The Secretary should comment on the status of the remediation cost study. Additionally, the four-year institutions and the community colleges should report to MHEC the number of students taking remedial courses and associated costs of offering remedial education.**

The community colleges’ Managing for Results submission includes a four-year successful persistence rate as well as a graduation and transfer rate – those students who began their study needing developmental coursework and are either still enrolled four years later and graduated or transferred. This is an important statistic to review because students who enter college needing remedial work tend to have much lower graduation rates. This same data is not available for students at the four-year institutions. **MHEC should begin tracking the six-year graduation rates of students requiring remediation before beginning college level coursework.**

## Update

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### 1. Another “F” in Affordability

Maryland received an “F” for the affordability of a college degree for the third time in a row in *Measuring Up 2008*, the national report card for higher education. The report gave 49 states an “F” in affordability, sparing only California, which received a “C.” The affordability category measures whether students and families can afford to pay for a postsecondary education given income levels, financial aid, and the types of colleges and universities in the state. The category also examines the amount of need-based aid students receive to offset expenses and the loan burden associated with their higher education expenses. Overall, the report notes that since the early 1990s, higher education in the United States has become less affordable when college costs are considered relative to family income.

**Exhibit 28** compares Maryland’s affordability indicators from the 2000, 2004, and 2008 reports with those of California, the only non-failing state. The 2008 report notes that Maryland’s investment in need-based aid is very low compared to top performing states, though it has more than doubled since 1992, increasing from 27 to 59% of federal Pell Grant funding. The 2008 report determined that, after financial aid, Maryland families of all income groups devoted a large share of their income to pay for college expenses in academic 2007-2008: 23% at community colleges; 25% at public four-year institutions; and 68% at private four-year institutions. In addition, the financial burden to pay for college varies widely among different income families in the State. Low- and middle-income Marylanders (40% of the population with the lowest incomes) devoted 33% of their income to expenses at community colleges and 36% of their income to college expenses at public four-year institutions.

California was the only state to receive above an F in the 2008 *Measuring Up* national report card. The report attributes California’s overall affordability grade to the low price of its community colleges which enroll 65% of all students in California. After factoring in financial aid, low- and middle-income families devoted 38% of their income to attend its community colleges and 40% of their income to attend public four-year institutions.

**Exhibit 28**  
**Measuring UP 2008 Report Card on Affordability**

<u>Affordability</u>	Maryland			California		
	<u>2000</u>	<u>2004</u>	<u>2008</u>	<u>2000</u>	<u>2004</u>	<u>2008</u>
<b>Family Ability to Pay (50%)</b>						
Percent of income (average of all income groups) needed to pay for college expenses minus financial aid:						
at community colleges	22%	22%	23%	20%	25%	25%
at public four-year colleges/universities	19%	29%	25%	21%	32%	28%
at private four-year colleges/universities	55%	59%	68%	60%	71%	85%
<b>Strategies for Affordability (40%)</b>						
State investment in need-based financial aid as compared to the federal investment	27%	33%	59%	27%	48%	56%
At lowest-priced colleges, the share of income that the poorest families need to pay for tuition	17%	16%	19%	2%	4%	5%
<b>Reliance on Loans (10%)</b>						
Average loan amount that undergraduate students borrow each year	\$3,178	\$3,810	\$4,299	\$3,280	\$3,710	\$4,437

Note: In the affordability category, the lower the figures, the better the performance for all indicators except “State investment in need-based financial aid.”

Source: *Measuring Up* 2004, 2006, 2008 Report

**Trends in Education and General Revenues<sup>1</sup>**  
**Public Four-year Institutions**  
**(\$ in Thousands)**

<u>Institution</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Working 2009</u>	<u>Allowance 2010</u>	<u>Annual % 2006-09</u>	<u>% Change 2009-10</u>
Univ. of Maryland, Baltimore <sup>2</sup>	\$358,759	\$364,782	\$414,941	\$434,062	\$446,641	6.6%	2.9%
Univ. of Maryland, College Park	788,298	832,663	907,884	963,320	978,379	6.9%	1.6%
Bowie State University	50,951	59,217	60,939	67,495	67,994	9.8%	0.7%
Towson University	182,447	206,080	219,406	241,113	248,970	9.7%	3.3%
Univ. of Maryland Eastern Shore	45,811	50,537	53,653	55,799	56,566	6.8%	1.4%
Frostburg State University	55,742	60,053	63,138	64,789	65,903	5.1%	1.7%
Coppin State University	36,937	47,922	47,833	51,817	56,653	11.9%	9.3%
University of Baltimore	66,284	72,244	81,346	83,671	87,527	8.1%	4.6%
Salisbury University	60,390	76,545	76,615	88,596	90,075	13.6%	1.7%
Univ. of Maryland University College	220,245	234,336	265,730	273,680	282,633	7.5%	3.3%
Univ. of Maryland Baltimore County	179,935	188,116	194,411	209,307	2,133,972	5.2%	919.5%
Univ. of Maryland Center for Env. Science	19,932	20,805	22,270	24,097	24,703	6.5%	2.5%
Univ. of Maryland Biotechnology Institute <sup>2</sup>	32,933	36,228	30,501	30,663	31,230	-2.4%	1.9%
<b>Subtotal, USM</b>	<b>\$2,098,662</b>	<b>\$2,249,526</b>	<b>\$2,438,667</b>	<b>\$2,588,410</b>	<b>\$2,650,670</b>	<b>7.2%</b>	<b>2.4%</b>
St. Mary's College of Maryland	33,512	36,326	39,932	44,798	46,216	10.2%	3.2%
Morgan State University	97,934	107,731	118,569	126,763	129,701	9.0%	2.3%
<b>Total</b>	<b>\$2,230,108</b>	<b>\$2,393,583</b>	<b>\$2,597,168</b>	<b>\$2,759,971</b>	<b>\$2,826,588</b>	<b>7.4%</b>	<b>2.4%</b>

<sup>1</sup>Education and general revenues represent tuition and fees, State funds (general and HEIF), grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary program enterprise revenue. For the University of Maryland, Baltimore, hospital expenditures are excluded from educational and general revenue.

<sup>2</sup>Transfer of the Institute for Human Virology from the University of Maryland Biotechnology Institute accounted for \$8.4 million of the increase between fiscal 2007 and 2008 in the University of Maryland, Baltimore and a decrease of that amount in the University of Maryland Biotechnology Institute.

Numbers may not sum due to rounding.

Source: Governor's Budget Books, Fiscal 2008-2010

**Education and General Revenues<sup>1</sup>**  
**Per Full-time Equivalent Student**  
**Public Four-year Institutions**

<u>Institution</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Working</u>	<u>Allowance</u>	<u>Annual %</u>	
						<u>2009</u>	<u>2010</u>
						<u>2006-09</u>	<u>2009-10</u>
Univ. of Maryland, Baltimore	\$66,253	\$65,833	\$71,951	\$73,921	\$75,041	3.7%	1.5%
Univ. of Maryland, College Park	27,181	28,476	30,083	31,716	32,212	5.3%	1.6%
Bowie State University	11,927	14,248	14,116	15,281	15,394	8.6%	0.7%
Towson University	12,678	13,428	13,624	13,969	14,425	3.3%	3.3%
Univ. of Maryland Eastern Shore	13,708	14,172	15,561	15,599	15,814	4.4%	1.4%
Frostburg State University	13,253	14,429	14,804	15,043	15,301	4.3%	1.7%
Coppin State University	11,186	15,661	15,944	16,398	17,928	13.6%	9.3%
University of Baltimore	20,068	21,242	21,838	21,482	21,142	2.3%	-1.6%
Salisbury University	9,759	11,708	11,221	12,339	12,545	8.1%	1.7%
Univ. of Maryland University College <sup>(2)</sup>	19,829	18,836	20,548	21,174	21,493	2.2%	1.5%
Univ. of Maryland Baltimore County	19,616	20,247	20,658	22,016	22,446	3.9%	2.0%
<b>Average, USM</b>	<b>20,496</b>	<b>21,662</b>	<b>22,759</b>	<b>23,540</b>	<b>23,976</b>	<b>4.7%</b>	<b>1.9%</b>
St. Mary's College of Maryland	16,435	18,136	19,613	\$21,282	\$21,903	9.0%	2.9%
Morgan State University	16,724	17,617	19,324	20,253	20,115	6.6%	-0.7%
<b>Average</b>	<b>\$19,894</b>	<b>\$21,079</b>	<b>\$22,253</b>	<b>\$23,113</b>	<b>\$23,520</b>	<b>5.1%</b>	<b>1.8%</b>

<sup>1</sup>Education and general revenues represent tuition and fees, general funds, non-capital Higher Education Investment Fund, grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary program enterprise revenue. For the University of Maryland, Baltimore, hospital expenditures are excluded from education and general revenue.

<sup>2</sup>University of Maryland University College full-time equivalent students exclude nonresident online students.

Source: Department of Budget and Management

**Fiscal 2010 Revenues Per Full-time Equivalent Student  
By Revenue Source  
Public Four-year Institutions**

<u>Institution</u>	<u>E&amp;G Revenues</u>	<u>State Funds</u>	<u>Tuition and Fees</u>	<u>FTES</u>	<u>E&amp;G Revenues Per FTES</u>	<u>General Funds Per FTES</u>	<u>Tuition and Fees Per FTES</u>	<u>ST as % of E&amp;G</u>	<u>T&amp;F as % of E&amp;G</u>
Univ. of Maryland, Baltimore	\$446,641,173	\$186,870,746	\$92,069,806	5,952	\$75,041	\$31,396	\$15,469	42%	21%
Univ. of Maryland, College Park	\$978,379,213	\$424,493,028	394,393,634	30,373	32,212	13,976	12,985	43%	40%
Bowie State University	\$67,994,357	\$36,329,591	31,396,472	4,417	15,394	8,225	7,108	53%	46%
Towson University	\$248,969,609	\$93,677,969	146,574,924	17,260	14,425	5,427	8,492	38%	59%
Univ. of Maryland Eastern Shore	\$56,565,724	\$33,420,307	22,222,560	3,577	15,814	9,343	6,213	59%	39%
Frostburg State University	\$65,902,790	\$34,411,536	29,170,125	4,307	15,301	7,990	6,773	52%	44%
Coppin State University	\$56,652,618	\$38,864,219	17,031,399	3,160	17,928	12,299	5,390	69%	30%
University of Baltimore	\$87,526,982	\$31,729,303	53,807,403	4,140	21,142	7,664	12,997	36%	61%
Salisbury University	\$90,075,386	\$40,807,843	48,517,411	7,180	12,545	5,684	6,757	45%	54%
Univ. of Maryland Univ. College	\$282,632,614	\$31,551,046	225,404,146	13,150	21,493	2,399	17,141	11%	80%
Univ. of Maryland Baltimore County	\$213,396,782	\$92,760,877	88,974,627	9,507	22,446	9,757	9,359	43%	42%
<b>Total USM</b>	<b>\$2,594,737,248</b>	<b>\$1,044,916,465</b>	<b>\$1,149,562,507</b>	<b>103,023</b>	<b>\$23,976</b>	<b>\$10,378</b>	<b>\$9,880</b>	<b>40%</b>	<b>44%</b>
St. Mary's College of Maryland	\$46,215,746	\$17,372,261	\$28,230,924	2,110	\$21,903	\$8,233	\$13,380	38%	61%
Morgan State University	\$129,701,463	\$76,032,516	48,626,643	6,448	20,115	11,792	7,541	59%	37%
<b>Total Higher Education</b>	<b>\$2,770,654,457</b>	<b>\$1,138,321,242</b>	<b>\$1,226,420,074</b>	<b>111,581</b>	<b>\$23,520</b>	<b>\$10,134</b>	<b>\$10,267</b>	<b>41%</b>	<b>44%</b>

E&G: Education and General  
 FTES: Full-time Equivalent Student  
 GF: General Funds  
 HEIF: Higher Education Investment Fund  
 ST: State Funds  
 T&F: Tuition and Fees

<sup>1</sup>Includes non-capital Higher Education Investment Fund funds

Source: Governor's Budget Books, Fiscal 2009

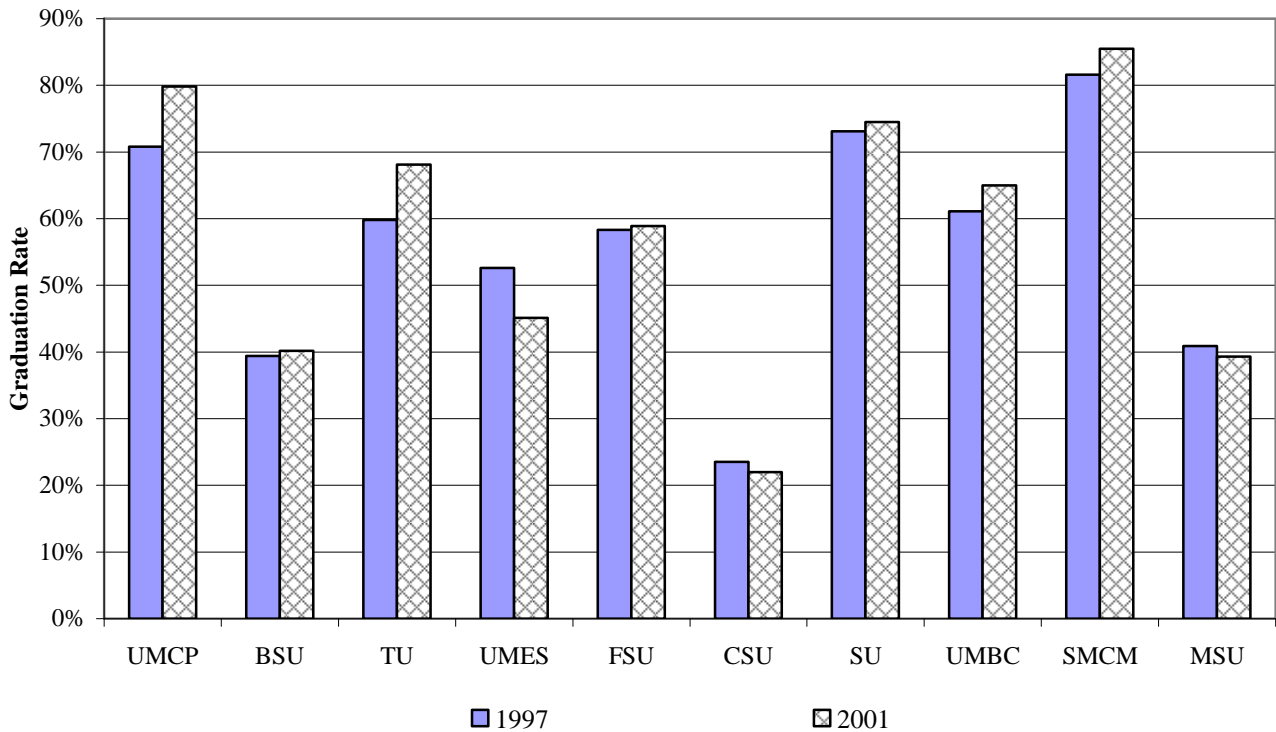
**Higher Education Enrollment Trends**  
**Public Four-year Institutions**  
**Full-time Equivalent Students**

<u>Institution</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Annual % 2005-09</u>	<u>% Change 2009-10</u>
Univ. of Maryland, Baltimore	5,140	5,242	5,415	5,541	5,767	5,872	5,952	3.9%	1.4%
Univ. of Maryland, College Park	28,254	28,088	29,002	29,241	30,179	30,373	30,373	2.6%	0.0%
Bowie State University	3,970	4,059	4,272	4,156	4,317	4,417	4,417	2.9%	0.0%
Towson University	13,561	14,021	14,391	15,347	16,104	17,260	17,260	7.2%	0.0%
Univ. of Maryland Eastern Shore	3,261	3,277	3,342	3,566	3,448	3,577	3,577	3.0%	0.0%
Frostburg State University	4,503	4,401	4,206	4,162	4,265	4,307	4,307	-0.7%	0.0%
Coppin State University	2,840	3,035	3,302	3,060	3,000	3,160	3,160	1.4%	0.0%
University of Baltimore	3,355	3,349	3,303	3,401	3,725	3,895	4,140	5.2%	6.3%
Salisbury University	5,950	6,078	6,188	6,538	6,828	7,180	7,180	5.7%	0.0%
Univ. of Maryland University College	10,028	11,411	11,107	12,441	12,932	12,925	13,150	4.2%	1.7%
Univ. of Maryland Baltimore County	9,271	9,331	9,173	9,291	9,411	9,507	9,507	0.6%	0.0%
<b>Subtotal, USM</b>	<b>90,133</b>	<b>92,292</b>	<b>93,701</b>	<b>96,744</b>	<b>99,976</b>	<b>102,473</b>	<b>103,023</b>	<b>3.5%</b>	<b>0.5%</b>
St. Mary's College of Maryland	1,990	1,995	2,039	2,003	2,036	2,105	2,110	1.8%	0.2%
Morgan State University	6,092	6,312	5,856	6,115	6,136	6,259	6,448	-0.3%	3.0%
<b>Total</b>	<b>98,215</b>	<b>100,599</b>	<b>101,596</b>	<b>104,862</b>	<b>108,148</b>	<b>110,837</b>	<b>111,581</b>	<b>3.3%</b>	<b>0.7%</b>

Note: University of Maryland University College enrollment excludes non-Maryland on-line.

Source: Governor's Budget Books, Fiscal 2007-2010

**Six-year Graduation Rate for First-time Full-time Students**

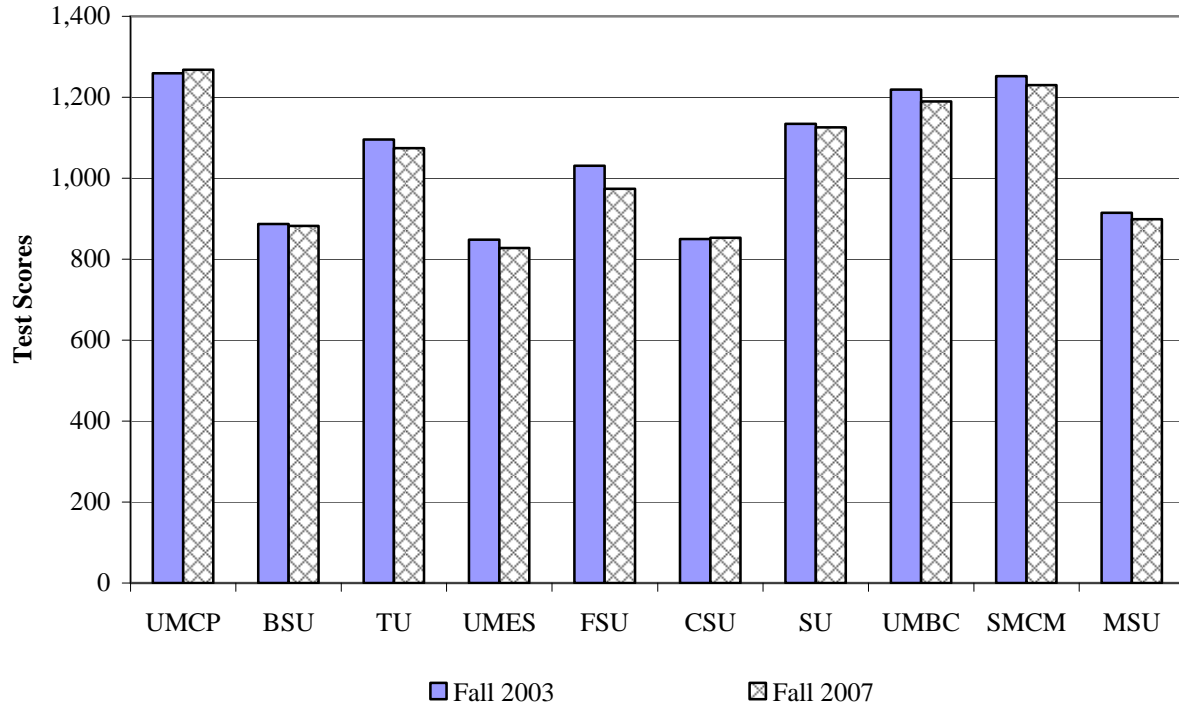


	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Univ. of Maryland, College Park	70.8	72.9	75.9	79.4	79.8
Bowie State University	39.4	41.1	40.8	39.4	40.2
Towson University	59.8	63.9	60.7	64.9	68.1
Univ. of Maryland Eastern Shore	52.6	49.5	49.6	40.9	45.1
Frostburg State University	58.3	57.1	55.7	55.0	58.9
Coppin State University	23.5	26.5	24.7	20.7	22.0
Salisbury University	73.1	72.8	73.0	75.1	74.5
Univ. of Maryland Baltimore County	61.1	61.8	63.3	63.7	65.0
St. Mary's College of Maryland	81.6	79.9	74.9	84.1	85.5
Morgan State University	40.9	41.2	43.8	42.3	39.3
All Students Average	61.1	62.1	62.6	64.0	64.2

Note: The data show the percentage of first-time students who had graduated from any campus within six years after starting in the fall of the year and institution indicated.

Source: Maryland Higher Education Commission

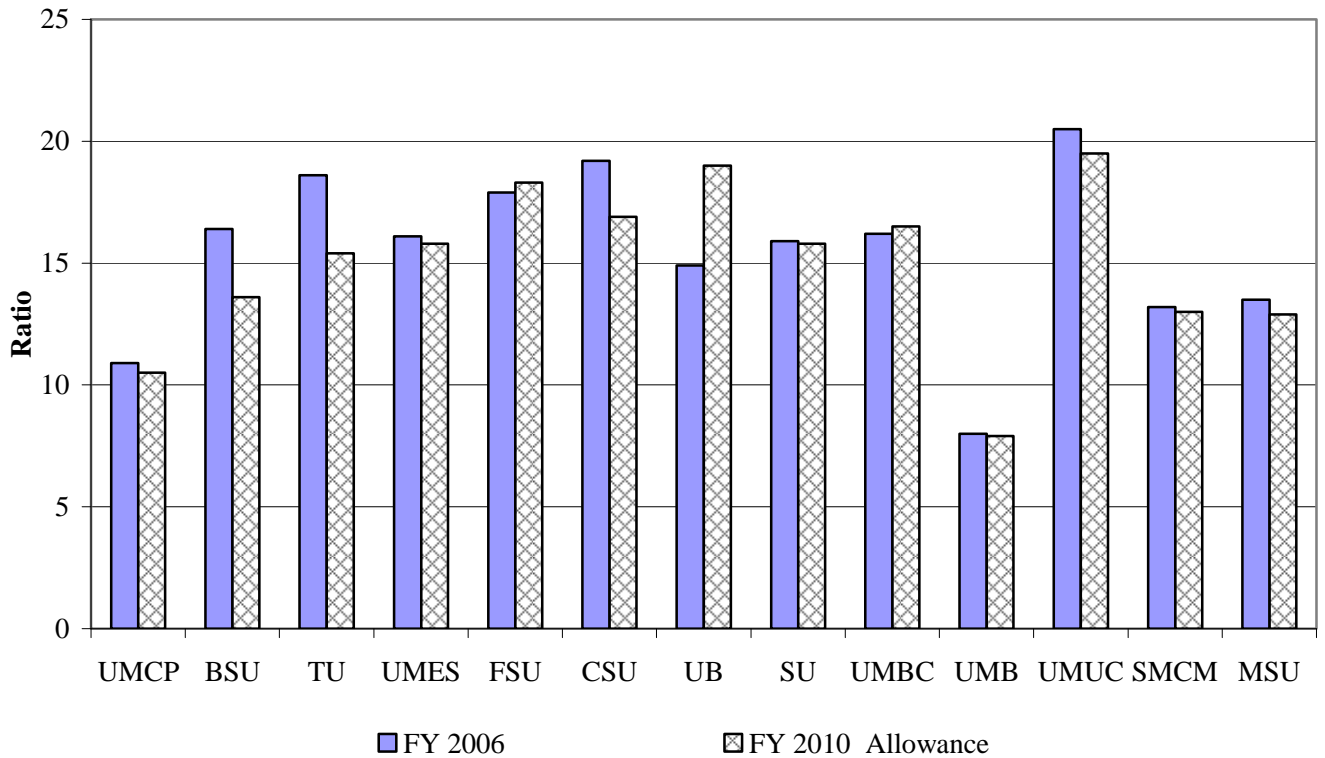
**Scholastic Aptitude Test Scores of First-year Students**



	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Univ. of Maryland, College Park	1,259	1,254	1,271	1,263	1,268
Bowie State University	887	892	890	870	882
Towson University	1,096	1,078	1,087	1,084	1,074
Univ. of Maryland Eastern Shore	848	838	815	818	828
Frostburg State University	1,031	1,016	1,005	967	974
Coppin State University	850	858	856	850	853
Salisbury University	1,134	1,121	1,136	1,120	1,126
Univ. of Maryland Baltimore County	1,219	1,221	1,216	1,191	1,190
St. Mary's College of Maryland	1,252	1,248	1,227	1,221	1,230
Morgan State University	915	904	974	909	899
Average (not weighted)	1,049	1,043	1,048	1,029	1,032

Source: Maryland Higher Education Commission

**Student-to-faculty Ratio**



	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 Working</u>	<u>2010 Allowance</u>
Univ. of Maryland, College Park	10.9	10.5	10.3	10.5	10.5
Bowie State University	16.4	14.1	13.7	13.8	13.6
Towson University	18.6	15.5	15.6	15.4	15.4
Univ. of Maryland Eastern Shore	16.1	16.9	16.8	16.8	15.8
Frostburg State University	17.9	17.7	18.1	18.3	18.3
Coppin State University	19.2	17.1	16.5	16.5	16.9
University of Baltimore	14.9	13.4	16.8	17.9	19.0
Salisbury University	15.9	16.0	15.6	16.2	15.8
Univ. of Maryland Baltimore County	16.2	17.0	16.2	16.5	16.5
<b>System Average</b>	<b>16.2</b>	<b>15.4</b>	<b>15.5</b>	<b>15.8</b>	<b>15.8</b>
St. Mary's College of Maryland	13.2	12.9	12.7	13.0	13.0
Morgan State University	13.5	14.1	12.3	12.5	12.9
<b>Four-year Average</b>	<b>15.7</b>	<b>15.0</b>	<b>15.0</b>	<b>15.2</b>	<b>15.2</b>
Univ. of Maryland, Baltimore	8.0	7.7	8.2	7.7	7.9
Univ. of Maryland Univ. College	20.5	17.9	23.8	19.1	19.5

Note: University of Maryland University College reflects stateside enrollment and faculty only.

Source: Department of Budget and Management; University of Maryland University College