

R30B28
University of Baltimore
University System of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Working</u>	<u>FY 10</u> <u>Allowance</u>	<u>FY 09-10</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$27,844	\$28,820	\$31,729	\$2,910	10.1%
Contingent & Back of Bill Reductions	0	0	-55	-55	
Adjusted General Fund	\$27,844	\$28,820	\$31,674	\$2,855	9.9%
Special Funds	0	2,561	0	-2,561	-100.0%
Adjusted Special Fund	\$0	\$2,561	\$0	-\$2,561	-100.0%
Other Unrestricted Funds	59,087	59,721	63,342	3,621	6.1%
Contingent & Back of Bill Reductions	0	0	-3	-3	
Adjusted Other Unrestricted Fund	\$59,087	\$59,721	\$63,340	\$3,619	6.1%
Total Unrestricted Funds	86,930	91,101	95,072	3,970	4.4%
Contingent & Back of Bill Reductions	0	0	-57	-57	
Adjusted Total Unrestricted Funds	\$86,930	\$91,101	\$95,014	\$3,913	4.3%
Restricted Funds	8,458	6,784	6,795	11	0.2%
Contingent & Back of Bill Reductions	0	0	-4	-4	
Adjusted Restricted Fund	\$8,458	\$6,784	\$6,791	\$7	0.1%
Adjusted Grand Total	\$95,388	\$97,885	\$101,805	\$3,920	4.0%

- General funds increase \$2.9 million, or 10.1%, in the fiscal 2010 allowance. However, after adjusting for \$2.6 million of Higher Education Investment Funds in fiscal 2009 that are budgeted as general funds in fiscal 2010 and contingent reductions to deferred compensation, the underlying increase is \$294,000, or 0.9%, over fiscal 2009.
- Other unrestricted funds increased \$3.6 million, or 6.1%, in the fiscal 2010 allowance.
- The Administration's budget plan assumes additional reductions to fiscal 2009 and 2010, some of which could affect higher education.

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

For further information contact: Rachel N. Silberman

Phone: (410) 946-5530

Personnel Data

	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Working</u>	<u>FY 10</u> <u>Allowance</u>	<u>FY 09-10</u> <u>Change</u>
Regular Positions	620.77	641.00	650.00	9.00
Contractual FTEs	<u>162.98</u>	<u>145.68</u>	<u>141.79</u>	<u>-3.89</u>
Total Personnel	783.75	786.68	791.79	5.11

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	26.46	4.07%
Positions and Percentage Vacant as of 12/31/08	49.50	7.61%

- As of December 31, 2008, the University of Baltimore (UB) had 49.5 vacant positions, of which 47.5 are State-supported; 3.5 of these State-supported positions have been vacant for over a year.
- The allowance reflects an increase of 9.0 regular positions of which 8.0 are State-supported contractual conversions. The remaining position is an auxiliary contractual conversion.

Analysis in Brief

Major Trends

Number of Information Technology Graduates Fluctuates: The number of students graduating with degrees in information technology fluctuated between fiscal 2004 and 2008 but is expected to increase in fiscal 2009 and 2010.

Percent of Economically Disadvantaged Students Enrolled Remains Level: The percentage of students who are considered economically disadvantaged remained flat from fiscal 2005 to 2008 and is expected to remain level in fiscal 2009 and 2010.

Issues

Institutional Aid: UB offers 31% institutional aid as need-based, slightly less than the University System of Maryland average. Merit- and mission-aid is evenly spread across expected family contribution levels, with 28% of awards going to students with no demonstrated financial need.

Lower Division Initiative Enters Its Second Year: Until 2007, UB programs served only third- and fourth-year undergraduate students. In fall 2007, the university began a lower division initiative enrolling freshmen undergraduates for the first time. Sophomore students were enrolled for the first time in fall 2008.

Closing the Achievement Gap: As a follow-up to the University System of Maryland’s symposium held in November 2007, each campus identified and developed strategies to address institution-specific factors leading to the gaps in retention and graduation rates for low-income and minority students. UB plans to close its achievement gap by focusing on improving the success of older, part-time, working, minorities, and community college students. The plan creates a Working Adult Center to provide academic, career, and financial aid advice, and expands the Early Alert System to identify at-risk students.

Recommended Actions

1. Concur with Governor’s allowance.

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Operating Budget Analysis

Program Description

The University of Baltimore (UB) provides career-oriented educational programs in law, business, liberal arts, and related professional applications of the liberal arts at the doctoral, master's, and undergraduate levels. UB applies the expertise of the faculty, staff, and students and other resources to address current economic, social, and political problems in Baltimore City and the State. 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.

UB strives to be a leader in the development and dissemination of knowledge in the applied disciplines and provides services through a variety of campus-based and distance education programs. Any qualified Marylander has access to UB's academic programs and services without regard to geographic location, economic means, or other limiting circumstances.

Carnegie Classification: Master's L: Master's College and Universities (larger programs)

Fall 2008 Undergraduate Enrollment Headcount		Fall 2008 Graduate Enrollment Headcount	
Male	42.4%	Male	42%
Female	59.6%	Female	58%
Total	2,680 (54 at RHECs)	Total	3,163 (70 at RHECs)
Fall 2008 New Students Headcount		Campus (Main Campus)	
First-time	171	Acres	8.25
Transfers/Others	740	Buildings	11
Graduate	964	Average Age	61.5
Total	1,875	Oldest	1894
Programs		Degrees Awarded (2007-2008)	
Bachelor's	18	Bachelor's	517
Professional	3	Professional	292
Master's	20	Master's	426
Doctoral	3	Doctoral	2
		Total Degrees	1,249

RHECs: Regional Higher Education Centers

Performance Analysis: Managing for Results

The university is committed to meeting the workforce needs of the Baltimore metropolitan area and Maryland. **Exhibit 1** shows the percentage of UB law graduates who pass the bar on the first attempt, which fluctuated between fiscal 2004 and 2007 before increasing to 75% in fiscal 2008. It is expected to remain level in fiscal 2009 and 2010. UB increased the passage rate by encouraging students to devote at least four weeks of study without working at any job. In addition, the university developed a program called “Skills for Success” to reinforce the writing and analytic skills taught in the curriculum and established a number of courses, workshops, and seminars under the rubric of a Bar Pass Taskforce, including a semester-long “Writing for the Bar Exam” course, a “Pre-bar Writing Workshop” the week before the exam, and a two-day “Bar Exam Workshop.”

Exhibit 1
Program Measurement Data
Fiscal 2004-2010

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Est.</u> <u>2009</u>	<u>Est.</u> <u>2010</u>	<u>Avg. Annual</u> <u>Percent Change</u>
Number of IT graduates	37	40	35	55	42	50	55	6.9%
Number of minority students who graduate from UB	310	344	427	426	436	446	450	6.5%
Percent of African American undergraduates	32.8%	31.6%	30.4%	34.9%	34.2%	35.0%	36.0%	1.4%
Percentage of economically disadvantaged students	73.0%	62.0%	62.0%	62.5%	62.2%	62.3%	62.5%	-2.1%
Percent of UB law graduates who pass the bar on the first attempt	70.0%	62.0%	72.0%	65.0%	75.0%	75.0%	75.0%	1.0%

IT: information technology
UB: University of Baltimore

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

The number of information technology graduates at UB has fluctuated from fiscal 2004 to 2008 but is expected to grow in fiscal 2009 and 2010. To increase the number of information technology graduates, UB has hired additional faculty to expand course offerings, especially in the areas of information assurance and network security, and created a new program called Simulation and Digital Entertainment (SDE). The number of graduates is expected to increase due to growth in the SDE program, particularly if freshman and sophomore students follow through on their expressed intent to choose SDE as their major.

It is the goal of UB to provide qualified Marylanders with access to UB's academic programs and services without regard to economic means or other circumstances. As shown in Exhibit 1, the percentage of economically disadvantaged students attending UB significantly declined in fiscal 2005 to 62% and has remained flat since. The number of minority students graduating from UB significantly increased from fiscal 2004 to 2006, though growth slowed in 2008. This trend is expected to continue in fiscal 2009 and 2010.

Pursuant to language in the 2008 *Joint Chairmen's Report*, each public four-year institution submitted disaggregated minority enrollment data for African American, Asian, Hispanic, and Native American students. Projected data for minority enrollment was not included in institutional Managing for Results reports to avoid the suggestion that they are performance goals. Between fiscal 2007 and 2008, the percentage of African American students declined slightly, though it is expected to increase in fiscal 2009 and 2010. The percentage of Hispanic and Asian students increased between fiscal 2007 and 2008 and is expected to remain relatively level in fiscal 2009 and 2010. The percentage of Native American students did not change between fiscal 2007 and 2008. This trend is expected to continue in fiscal 2009 and 2010.

The President should comment on how the Lower Division Initiative is expected to impact the student body's percentage of economically disadvantaged and African American students.

Fiscal 2009 Actions

Impact of Cost Containment

In June 2008, the Board of Public Works (BPW) approved cost containment measures resulting in a \$153,738 reduction in UB's general funds which were to be replaced with revenues previously restricted for Other Post Employment Benefits liability costs. In October 2008, BPW approved a second cost containment measure resulting in a \$454,195, or 1.6%, decrease in UB's State appropriations. To absorb the reduction, UB reduced expenditures in facility renewal, administrative expenses such as communication, travel and contractual services, contractual payroll, and realigned positions.

Furthermore, UB was requested to reduce the current salary and wage budget by \$602,251 as part of a statewide furlough plan. According to UB's plan, the number of furlough days an employee takes is based on his or her annual salary. University police and security officers, adjunct faculty,

part-time contingent employees, student employees, and H-1B visa employees are exempt from the furlough. Employees have until June 30, 2009, to take their assigned number of furlough days. Classes will not be cancelled due to the furlough.

In addition, an unexpected fiscal 2009 shortfall in Higher Education Investment Funds (HEIF) funds due to lower than expected corporate tax revenues may lead to a \$207,043 cancellation of funds at the end of the fiscal year. Further reductions may occur as part of \$54 million of unspecified reductions to the Executive Branch expected in fiscal 2009.

Proposed Budget

As shown in **Exhibit 2**, UB’s total State allowance for fiscal 2010, including general funds and HEIF, is \$31.7 million. This reflects a 1.6% increase from fiscal 2009 when accounting for the HEIF. The fiscal 2010 allowance includes \$405,702 to continue to hold undergraduate resident tuition at fiscal 2006 rates. Other unrestricted funds increase 6.1% while restricted funds increase 0.1%. UB reports that the decline in fiscal 2009 restricted revenues is primarily due to the end of a federal grant supporting the university’s new forensics lab. The grant has been extended into fiscal 2009; however, the additional revenue will be recognized through a budget amendment in fiscal 2009, increasing the fiscal 2009 restricted revenue appropriation to \$9.8 million.

Contingent across-the-board reductions of \$61,532 to delete the deferred compensation match are effected in UB’s fiscal 2010 budget. Additional personnel reductions may occur at UB as part of a statewide \$30 million unallocated across-the-board reduction.

Exhibit 2
Proposed Budget
University of Baltimore
(\$ in Thousands)

	Actual FY 08	Working FY 09	Adjusted Allowance FY 10	Change FY 09-10	% Change Prior Year
General Funds	\$27,844	\$28,820	\$31,674	\$2,855	9.9%
HEIF*	0	2,354	0	-2,354	-100.0%
Total State Funds	27,844	31,173	31,674	501	1.6%
Other Unrestricted Funds	59,087	59,721	63,340	3,619	6.1%
Total Unrestricted Funds	86,930	90,894	95,014	4,120	4.5%
Restricted Funds	8,458	6,784	6,791	7	0.1%
Total Funds	\$95,388	\$97,678	\$101,805	\$4,127	4.2%

HEIF: Higher Education Investment Fund

*It is expected HEIF appropriations in fiscal 2009 will be reduced by \$207,043 due to under attainment of revenues. Does not include pending furlough reductions.

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

Unrestricted fund budget changes by program are shown in **Exhibit 3**. This exhibit considers only unrestricted funds which are comprised mostly of general funds and tuition and fee revenues. In fiscal 2009, operation and maintenance of plant and scholarships and fellowships increased the most at 23.1 and 29.7%, respectively. In fiscal 2010, operation and maintenance of plant and scholarships and fellowships again experience the greatest percentage increase at 7.5 and 26.1%, respectively. Research declines 24.3% in fiscal 2010, though this represents only \$167,000 of the budget. Instruction, the largest budget item, increases 1.7% in the fiscal 2010 allowance. Tuition and fee revenue increases 6.9% in fiscal 2010 while budgeted full-time equivalent student (FTES) enrollment increases 6.3%.

Exhibit 3
Budget Changes for Current Unrestricted Funds by Program
Fiscal 2008-2010

	<u>2008</u>	<u>Working 2009</u>	<u>% Change 2008-09</u>	<u>Allowance 2010</u>	<u>\$ Change 2009-10</u>	<u>% Change 2009-10</u>
<u>Expenditures</u>						
Instruction	\$30,729	\$30,440	-0.94%	\$30,947	\$508	1.67%
Research	232	221	-4.67%	167	-54	-24.33%
Academic Support	10,112	10,812	6.92%	11,162	350	3.24%
Student Services	6,213	7,528	21.17%	7,838	310	4.12%
Institutional Support	19,491	19,483	-0.04%	19,949	466	2.39%
Operation and Maintenance of Plant	10,567	13,006	23.08%	13,981	975	7.50%
Scholarships and Fellowships	3,953	5,129	29.74%	6,469	1,340	26.13%
Subtotal Education and General	\$81,297	\$86,619	6.55%	\$90,514	\$3,895	4.50%
Auxiliary Enterprises	5,633	4,482	-20.43%	4,558	75	1.68%
Pending Unrestricted Reductions ¹		-207		-57	150	
Total	\$86,930	\$90,894	4.56%	\$95,014	\$4,120	4.53%
<u>Revenues</u>						
Tuition and Fees	48,310	50,359	4.24%	53,807	3,449	6.85%
General Funds	27,844	28,820	3.51%	31,674	2,855	9.91%
Higher Education Investment Fund	n/a	2,354	n/a	n/a	n/a	n/a
Other	4,073	2,581	-36.62%	2,638	56	2.18%
Subtotal	\$80,226	\$84,114	4.85%	\$88,119	\$4,006	4.76%
Auxiliary Enterprises	5,584	7,431	33.06%	7,545	114	1.53%
Transfers (to) from Fund Balance	1,120	-650	-158.03%	-650	0	0.00%
Total	\$86,930	\$90,894	4.56%	\$95,014	\$4,120	4.53%

¹Does not include pending furlough reductions.

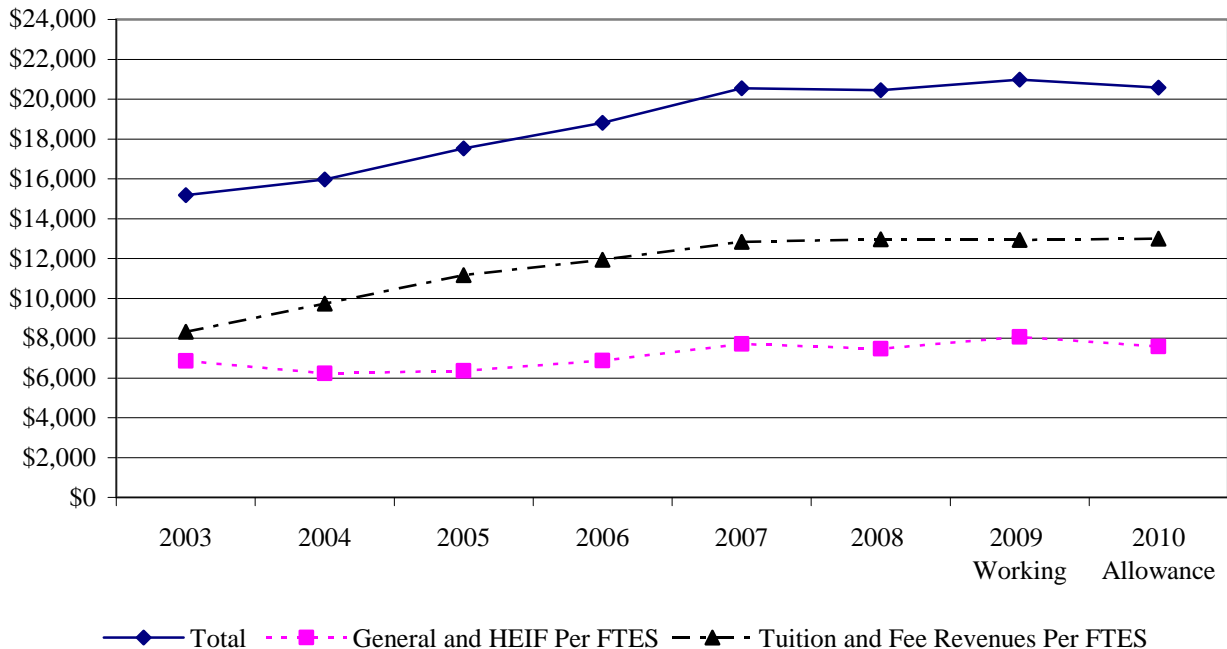
Source: Governor's Budget Books, Fiscal 2010

The University System of Maryland (USM) collects annual data on a series of performance measures to help assess the progress and enhance the accountability of each institution in a report called the *Dashboard Indicators*. According to the *2008 Dashboard Indicators*, UB’s expenditure for administration as a percentage of total operating expenditures at 22% in fiscal 2007 is higher than most other USM institutions. UB attributes this in part to the fact that it classifies most Office of Technology Services as administrative, though these expenditures are directly related to academic support services. When technology expenses are removed, administrative costs account for 18% of operating expenditures. UB also expects the percentage of expenditures attributed to instruction, academic support, and student-service programs to increase as enrollment grows.

Tuition and Fees and State Revenues

Exhibit 4 shows tuition and fees and State revenues per FTES between fiscal 2003 and 2010. In fiscal 2010, UB’s proposed in-state undergraduate full-time tuition and mandatory fee rate is \$7,171, a 1.7% increase over fiscal 2009 due to an increase in fees. Tuition and fee revenues increased from fiscal 2003 to 2008 and remained relatively level in 2009, which is expected to continue in 2010. After declining in fiscal 2004, State funding increased from fiscal 2005 to 2007 and fluctuated in fiscal 2008 and 2009. State funding per FTES is expected to decline in fiscal 2010 because enrollment is growing while State support remains relatively flat.

Exhibit 4
Tuition and Fees and State Revenues Per Full-time Equivalent Student
Fiscal 2003-2010



Source: Governor’s Budget Books, Fiscal 2010

Issues

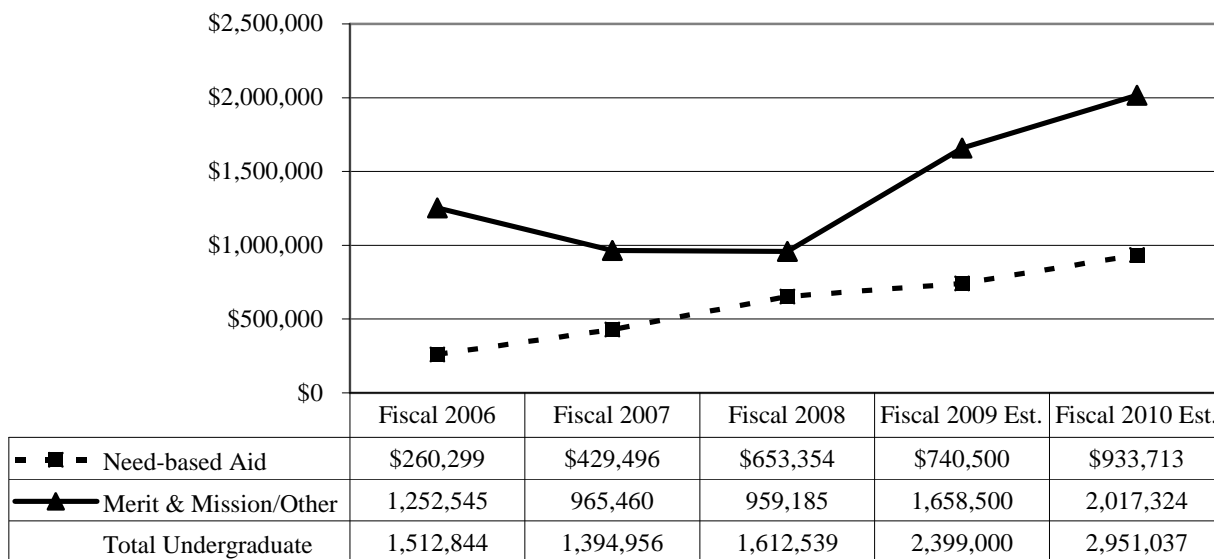
1. Institutional Aid

Financial aid is important in helping many students to achieve their educational goals. A lack of financial support is one of the many factors attributing to students dropping out of school. Along with federal and State financial aid, UB provides financial assistance to students in categories which include need, merit, and mission. USM institutions have committed to increasing institutional need-based aid for students.

In fiscal 2009, 33% of institutional aid across USM was need-based, 57% was merit and mission, and 10% was athletic. **Exhibit 5** shows the amount of institutional aid UB has appropriated to each type of aid. UB does not provide athletic scholarships and offers a slightly lower percentage of institutional aid as need-based than the USM average. Overall, in fiscal 2009, 31% of UB's total institutional aid was awarded based on need. The remaining 69% was awarded as merit and mission aid. Merit and mission aid increased 73% over fiscal 2008. In fiscal 2008, UB discontinued a requirement that all students applying for financial aid, including merit and mission aid, submit a Free Application for Federal Student Aid (FAFSA). This opened merit and mission aid to students without demonstrated financial need. UB budgeted a larger amount for merit and mission aid in fiscal 2009 to accommodate applicants who may not have applied under the old system, though the university expects to shift resources to need-based aid throughout fiscal 2009 as comprehensive financial aid packages are developed. UB expects to increase need-based and merit-based aid by 26 and 22%, respectively, in fiscal 2010.

The President should comment on the expected impact of discontinuing the FAFSA requirement for merit and mission aid on the financial aid resources available for students with the largest demonstrated financial need.

**Exhibit 5
Institutional Financial Aid
Fiscal 2006-2010**



Source: University System of Maryland

The Maryland Higher Education Commission collects annual data for the Financial Aid Information System (FAIS) database that provides a profile of those students receiving financial aid. The FAIS data has information for institutional aid awarded at UB for fiscal 2007 to students that completed the FAFSA to determine the students’ expected family contribution (EFC). In general, the lower a student’s EFC, the greater a student’s financial need. Students with an EFC of \$0 to \$3,850 are eligible for the Federal Pell Grant program and have the most need. **Exhibit 6** shows the percent of awards made in need-based aid and merit, mission, and other aid at UB for each EFC category. Approximately 42% of the awards for need-based aid were to students in the \$0 to \$3,850 range, which are the students with the most financial need, down from 57% in fiscal 2006. UB attributes this decline to an increase in the average student EFC between fiscal 2006 and 2007. “Other” awards are evenly spread across EFC categories with 28% going to students in the lowest two EFC categories, 44% to students with EFC greater than \$3,850, and 28% awarded to students who did not file a FAFSA and, therefore, had not demonstrated financial need. Overall, 66% of aid whether need-based or merit and mission, went to students with EFCs under \$7,000 in fiscal 2007.

Exhibit 6
Percent of Institutional Financial Aid Awards by EFC
Fiscal 2007

<u>EFC Category</u>	<u>Percent of All Need-based Aid</u>	<u>Percent of All Other Aid</u>	<u># of Awards</u>
\$0	18.7%	11.6%	124
\$1 – 3,850	23.5%	16.1%	164
\$3,851 – 6,999	36.4%	12.2%	186
\$7,000 – 9,999	10.2%	7.7%	75
\$10,000 – 14,999	6.9%	10.5%	79
\$15,000 – 19,999	1.5%	4.9%	31
\$20,000 +	2.7%	9.4%	59
Total	100.0%	72.3%	718

EFC: expected family contribution

Note: Total may not sum to 100% due to students receiving awards who did not file a Free Application for Federal Student Aid.

Source: Maryland Higher Education Commission, Financial Aid Information System 2006-2007

USM’s 2008 *Dashboard Indicators* shows that UB had the third lowest percentage of undergraduates receiving financial aid among public four-year institutions in fiscal 2007, at 59%. The recent expansion of UB’s undergraduate program through the Lower Division Initiative will result in greater demands on financial aid resources due to the full-time attendance requirement and higher cost of attendance. The university plans to prevent a reduction in the percentage of undergraduates receiving financial aid by targeting federal resources such as the Federal College Work Study Program. **The President should comment on how much student financial need is expected to grow as a result of the Lower Division Initiative and whether federal resources will be sufficient to cover this additional need.**

The *Dashboard Indicators* also measure average undergraduate debt burden upon graduation. The Board of Regents recommends decreasing the debt burden for all undergraduate students, particularly those with the highest need, by increasing institutional grants. Furthermore, the debt burden for students with the highest need should be at least 25% less than the institutional average debt burden for undergraduate students. The 2008 *Dashboard Indicators* shows that average undergraduate debt burden at UB is significantly lower than other USM public four-year institutions, due largely to the fact that until fall 2007, all undergraduates transferred to the institution from community colleges or other four-year institutions. Average undergraduate debt burden in

fiscal 2006 was \$8,059, a slight increase over the fiscal 2004 average of \$7,957. USM's fiscal 2006 average undergraduate debt burden, excluding UB, which has a unique undergraduate program, was \$16,768. Average undergraduate debt burden at UB will most likely increase as the number of traditional full-time, four-year students increases.

2. Lower Division Initiative Enters Its Second Year

USM recognized the need to direct enrollment growth through low-cost alternatives identified in its Effectiveness and Efficiency plan. In order to meet the enrollment demand, the USM Board of Regents instructed UB to explore the feasibility of admitting lower-division (freshman and sophomore) students. In response, UB developed the Lower Division Initiative making the university a four-year institution using available daytime classroom space. In fall 2007, the university enrolled the first freshman class since becoming a public institution in 1975. Sophomore students were enrolled for the first time in fall 2008.

Freshman Profile and Retention

Over 850 students applied for places in UB's inaugural freshman class in academic year 2007-2008. UB accepted 293 applicants and 151 students enrolled. Of the students enrolled, 98% were Maryland residents and over half were from Baltimore City or Baltimore County. Freshman students in the first cohort attended their first year for free through UB First Scholars, a scholarship that applied to all degree-seeking Maryland residents who enrolled as full-time, first-year students made possible by an anonymous donor. In future years, the 2007 cohort will be eligible for three renewable, merit-based scholarships:

- University Scholarship, \$5,000 annual award, 3.5 + grade point average (GPA)
- Deans Scholarship, \$3,000 annual Award, 3.0 – 3.49 GPA
- Chair's Scholarship, \$1,500 annual award, 2.5 – 2.99 GPA

Students in the 2007 cohort had a mean high school GPA slightly over 3.0 and a 1050 Scholastic Aptitude Test (SAT). The mean high school GPA and SAT scores for African American freshman were 3.1 and 1008, respectively. The cohort is 35% Caucasian, 35% African American, and 35% other ethnicities or unspecified. Second-year retention for the 2007 cohort was comparable to the State average at 70%, though retention among African American male students at 77% was above the State average.

The 2008 freshman cohort has 172 students and is 30% Caucasian, 40% African American, and 30% other ethnicities or unspecified. Admissions for the 2008 class were slightly less selective with an average SAT of 1000 and an average GPA of 3.1. African American students in this group had mean high school GPA and SAT scores of 2.8 and 881, respectively. UB expects to eventually cap each lower division class at 350 students.

First-year Programs

The first-year program offers coursework through thematically linked courses called learning communities taught by teams of interdisciplinary faculty members. Learning communities are designed to ease students' transition from high school by promoting cooperation, intellectual development, and reading and writing skills. In addition, first- and second-year students receive individualized advisement through an Early Alert Program which tracks student attendance and achievement online in real time, allowing faculty and staff to identify at-risk students and coordinate services and interventions when appropriate.

Impact on Transfer Students

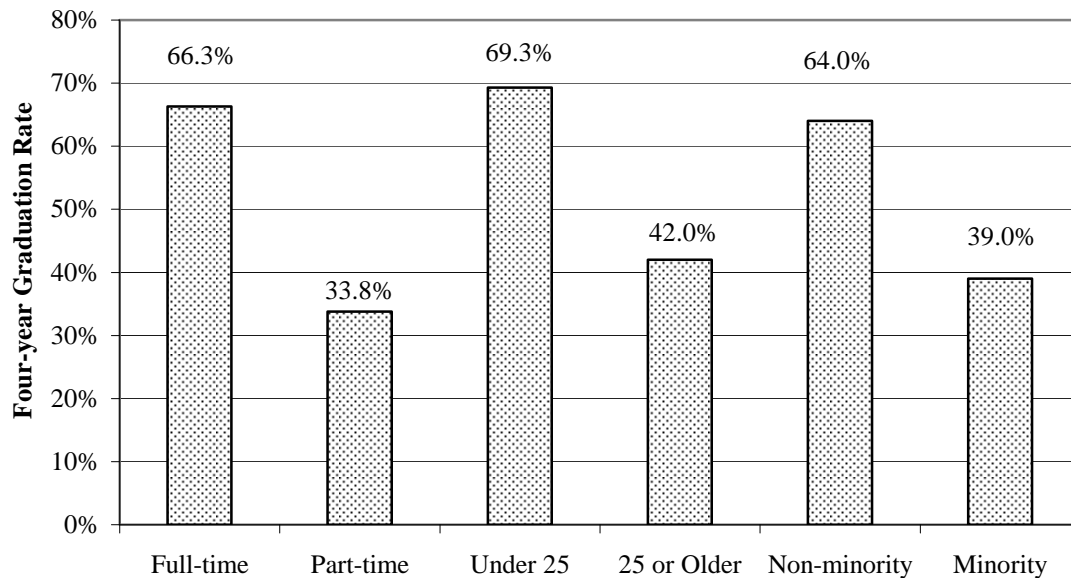
Prior to the Lower Division Initiative, all third- and fourth-year undergraduates came to UB as transfer students from community colleges or four-year institutions. UB has a number of articulation agreements that guarantee admissions to students at Maryland community colleges on a space available basis for students with a minimum cumulative 2.0 GPA and at least 56 transferable credits, or an associate's degree. Beginning in fall 2009, transfer students will compete with "home-grown" students for space in upper division classes. Because students enrolled through the Lower Division Initiative are full-time students that attend primarily day-time classes, UB does not expect Lower Division enrollment to impact the number of spaces available to transfer students who often attend night classes. **The President should comment on how the Lower Division Initiative will impact the space available to community college transfer students in future years.**

3. Closing the Achievement Gap

As a follow-up to USM's symposium held in November 2007, each campus identified and developed strategies to address institution-specific factors leading to gaps in retention and graduation rates for low-income and minority students. This resulted in the development of an Achievement Gap Action Plan and Funding Initiative which campuses implemented in fall 2008 to reduce the achievement gap by one-half by 2015.

The University of Baltimore submitted a report to USM in April 2008 that defines the achievement gap, sets a goal for reduction, and identifies strategies to meet the goal. While UB defines the achievement gap as the difference in retention and graduation rates between white undergraduate students and minority undergraduate students, a study conducted by the university found that age and part-time status were the most significant factors in predicting student persistence and graduation. **Exhibit 7** shows the average four-year graduation rates for the 1995-2003 cohorts. The four-year graduation gap is greatest between full-time and part-time students, younger and older students, and non-minority and minority students. As a result, UB plans to close the achievement gap by focusing on improving the success of older, part-time, working, minority, and community college transfer students. It aims to close the gap between minority and white students by one-half by 2015.

Exhibit 7
Four-year Graduation Rate Achievement Gap Cohorts
1995-2003 Average



Source: University of Baltimore

Plan Summary

According to the report, UB has already implemented remedial courses, tutoring, writing, and math coaches and learning consultants to help at-risk students succeed. To further support adult part-time minority students, UB plans to create a Working Adult Student Center opened until 9:00 p.m. on weekday evenings. The center will:

- provide academic and career advising prior to matriculation;
- expand the Early Alert System to identify at-risk students and provide additional counseling and tutoring;
- evaluate the readiness of all transfer students in reading, writing, and math;
- provide financial aid information; and

- implement a new orientation program for transfer students.

The plan also identified support services for students struggling in “Gatekeeper” courses such as statistics, college algebra, introductory accounting and finance, and developed faculty seminars on retention, minority student issues, and diversity in the classroom as ways to address the achievement gap.

Progress

In the 2008-2009 academic year, UB worked to identify “Gatekeeper” courses but found that UB does not have any courses in which 40 to 50% of students receive “D” or “F” grades. The university also began exploring the development of a virtual Working Adult Center via PeopleSoft. The creation of a physical center is planned for summer 2009 depending on the availability of funds.

Budgetary Impact

In fiscal 2009, \$29,460 was budgeted for the first year of implementation by reallocating funds from the Provost’s Office. As shown in **Exhibit 8**, UB has estimated the annual cost of fully implementing this plan to be \$232,590. Because funding is not provided in the fiscal 2010 allowance, UB would need to reallocate money from other sources or include the funding in next year’s budget request to support these activities. **The President should comment on how the plan will be implemented given the constraints of the fiscal 2010 allowance.**

Exhibit 8
Annual Achievement Gap Expenses
Fiscal 2010-2013

<u>Activity</u>	<u>Budget</u>
Retention Coordinator and Advisor (\$50,000 salary + fringe)	\$65,050
Academic Advisor/Counselor (2 @ \$45,000 salary + fringe)	117,090
Additional Activities	30,000
Faculty/Development Programs	5,000
Diversity in the Classroom Series	5,000
Applied Learning and Study Skills Course (1 credit)	4,350
Placement Testing For All At-risk Transfer Students	5,500
Annual Dues for Council for Adult and Experiential Learning	600
Total	\$232,590

Source: University of Baltimore

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budget USM – University of Baltimore

	<u>General Fund</u>	<u>Special Fund</u>	<u>Unrestricted Fund</u>	<u>Total Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2008						
Legislative Appropriation	\$27,336	\$0	\$51,219	\$78,555	\$8,351	\$86,906
Deficiency Appropriation	0	0	\$2,755	\$2,755	0	\$2,755
Budget Amendments	840	0	6,625	7,465	954	\$8,419
Cost Containment	-332	0	0	-332	0	-\$332
Reversions and Cancellations	0	0	-1,513	-1,513	-848	-\$2,360
Actual Expenditures	\$27,844	\$0	\$59,087	\$86,930	\$8,458	\$95,388
Fiscal 2009						
Legislative Appropriation	\$28,512	\$1,737	\$59,721	\$89,970	\$6,784	\$96,754
Cost Containment	-608	0	0	-608	0	-\$608
Budget Amendments	916	824	0	1,740	0	\$1,740
Working Appropriation	\$28,820	\$2,561	\$59,721	\$91,101	\$6,784	\$97,885

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

Fiscal 2008

General Funds: General funds increased \$840,250 to cover costs associated with the fiscal 2008 general salary increase and decreased \$332,489 due to cost containment actions.

Unrestricted Funds: Unrestricted funds increased \$9,380,000 due to the following changes:

- \$250,000 increase in State and local contract and grants;
- \$750,000 increase due to sales and services of educational activities;
- \$500,000 increase in sales and services of auxiliary enterprises;
- \$2,000,000 increase in miscellaneous income related to Mt. Washington property lease;
- \$4,480,000 increase due to additional tuition and fee revenue from a change in enrollment patterns across graduate programs and the enrollment of additional students from the new freshman program;
- \$500,000 decrease due to transfer to fund balance; and
- \$1,512,522 decrease from cancellations due primarily to the timing of expenses incurred on facilities projects crossing fiscal 2008 and 2009.

Restricted Funds: Restricted funds decreased \$847,685 due to a cancellation of funds related to a grant extension of funds for a new forensics lab into fiscal 2009.

Fiscal 2009

General Funds: General funds declined \$607,933 due to cost containment actions and increased \$915,849 to cover costs associated with the fiscal 2009 general salary increase.

Special Funds: Special funds increased \$823,844 from HEIF authorized by the General Assembly to replace general funds cut during the 2008 legislative session.

Audit Findings

Audit Period for Last Audit:	June 18, 2004 – August 31, 2007
Issue Date:	July 2008
Number of Findings:	11
Number of Repeat Findings:	3
% of Repeat Findings:	27%
Rating: (if applicable)	n/a

- Finding 1:** UB did not properly reconcile its accounting records with the related records of the State Comptroller.
- Finding 2:** UB did not adequately monitor computer user access capabilities and, as a result, numerous individuals unnecessarily had the ability to process critical transactions.
- Finding 3:** Procedures and controls over the maintenance and collection of student accounts were inadequate.
- Finding 4:** Internal controls over student residency status determinations were not adequate, and residency status determinations were not adequately supported as required by University System of Maryland policy.
- Finding 5:** Independent verifications were not performed of the propriety of financial aid awards posted to student accounts, and student refund checks were not adequately secured.
- Finding 6:** Changes to student grades recorded in the automated system were not always properly authorized as required, and independent verifications of recorded grade changes were not always documented.
- Finding 7:** UB’s internal network was not adequately secured by its firewall, which was also not properly administered and monitored.
- Finding 8:** Certain critical operational aspects of UB’s financial, student administration, and human resource applications were not sufficiently controlled.
- Finding 9:** Database access control and monitoring, reporting, and reviewing critical security events were not adequate.

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Finding 10: Payments for contractual services were not always made in accordance with the related agreements, resulting in overpayments of \$23,200, and were not always adequately supported.

Finding 11: Adequate internal control had not been established over collections.

*Bold denotes item repeated in full or part from preceding audit report.

**Personnel by Budget Program
University of Baltimore
Fiscal 2007-2009**

<u>Budget Program</u>	Fiscal 2007		Fiscal 2008		Fiscal 2009		Fiscal 08-09
	<u>FTEs</u>	<u>%FTEs</u>	<u>FTEs</u>	<u>%FTEs</u>	<u>FTEs</u>	<u>%FTEs</u>	<u>% Change in FTEs</u>
Instruction	202.00	36.3%	205.00	36.28%	214.42	36.28%	4.60%
Research	12.00	2.2%	16.00	2.83%	18.09	3.06%	13.06%
Academic Support	89.00	16.0%	83.00	14.69%	90.50	15.31%	9.04%
Student Services	53.00	9.5%	55.00	9.73%	55.50	9.39%	0.91%
Institutional Support	141.00	25.4%	144.00	25.49%	146.50	24.79%	1.74%
Operations and Maintenance of Plant	41.00	7.4%	41.00	7.26%	43.00	7.28%	4.88%
Auxiliary Enterprises	18.00	3.2%	21.00	3.72%	23.00	3.89%	9.52%
Total	556.00	100.0%	565	100.00%	591.01	100.00%	4.60%

Note: Data are for filled regular positions only.

Source: University System of Maryland

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

<u>Object/Fund</u>	<u>FY08 Actual</u>	<u>FY09 Working Appropriation</u>	<u>FY10 Allowance</u>	<u>FY09 - FY10 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	620.77	641.00	650.00	9.00	1.4%
02 Contractual	162.98	145.68	141.79	-3.89	-2.7%
Total Positions	783.75	786.68	791.79	5.11	0.6%
Objects					
01 Salaries and Wages	\$ 52,268,205	\$ 55,786,959	\$ 57,473,705	\$ 1,686,746	3.0%
02 Technical and Spec. Fees	9,382,013	8,476,163	8,589,265	113,102	1.3%
03 Communication	523,825	498,418	497,565	-853	-0.2%
04 Travel	903,474	876,411	873,911	-2,500	-0.3%
06 Fuel and Utilities	1,992,260	2,089,231	2,367,036	277,805	13.3%
07 Motor Vehicles	111,615	105,579	102,821	-2,758	-2.6%
08 Contractual Services	7,433,116	6,240,029	6,246,089	6,060	0.1%
09 Supplies and Materials	3,325,238	3,107,297	3,128,297	21,000	0.7%
10 Equipment – Replacement	889,647	787,170	819,920	32,750	4.2%
11 Equipment – Additional	905,922	811,050	830,500	19,450	2.4%
12 Grants, Subsidies, and Contributions	6,771,515	7,002,744	8,262,754	1,260,010	18.0%
13 Fixed Charges	9,068,523	8,433,891	8,559,153	125,262	1.5%
14 Land and Structures	1,812,507	3,670,442	4,115,541	445,099	12.1%
Total Objects	\$ 95,387,860	\$ 97,885,384	\$ 101,866,557	\$ 3,981,173	4.1%
Funds					
40 Unrestricted Fund	\$ 86,930,277	\$ 91,101,320	\$ 95,071,557	\$ 3,970,237	4.4%
43 Restricted Fund	8,457,583	6,784,064	6,795,000	10,936	0.2%
Total Funds	\$ 95,387,860	\$ 97,885,384	\$ 101,866,557	\$ 3,981,173	4.1%

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.

**Fiscal Summary
University of Baltimore**

<u>Program/Unit</u>	<u>FY08 Actual</u>	<u>FY09 Wrk. Approp.</u>	<u>FY10 Allowance</u>	<u>Change</u>	<u>FY09 - FY10 % Change</u>
01 Instruction	\$ 30,757,741	\$ 30,484,546	\$ 30,992,080	\$ 507,534	1.7%
02 Research	5,645,414	4,773,694	4,807,434	33,740	0.7%
04 Academic Support	10,160,730	10,882,231	11,232,096	349,865	3.2%
05 Student Services	6,346,500	7,712,934	8,023,103	310,169	4.0%
06 Institutional Support	19,529,237	19,547,705	20,014,008	466,303	2.4%
07 Operation and Maintenance of Plant	10,569,713	13,016,085	13,990,904	974,819	7.5%
08 Auxiliary Enterprises	5,633,253	4,482,445	4,557,678	75,233	1.7%
17 Scholarships and Fellowships	6,745,272	6,985,744	8,249,254	1,263,510	18.1%
Total Expenditures	\$ 95,387,860	\$ 97,885,384	\$ 101,866,557	\$ 3,981,173	4.1%
Unrestricted Fund	\$ 86,930,277	\$ 91,101,320	\$ 95,071,557	\$ 3,970,237	4.4%
Restricted Fund	8,457,583	6,784,064	6,795,000	10,936	0.2%
Total Appropriations	\$ 95,387,860	\$ 97,885,384	\$ 101,866,557	\$ 3,981,173	4.1%

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.