

R30B25
University of Maryland Eastern Shore
University System of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$30,523	\$30,689	\$32,396	\$1,707	5.6%
Contingent & Back of Bill Reductions	0	0	-524	-524	
Adjusted General Fund	\$30,523	\$30,689	\$31,872	\$1,183	3.9%
Special Funds	1,834	1,226	0	-1,226	-100.0%
Adjusted Special Fund	\$1,834	\$1,226	\$0	-\$1,226	-100.0%
Other Unrestricted Funds	49,829	45,780	50,334	4,554	9.9%
Contingent & Back of Bill Reductions	0	0	-392	-392	
Adjusted Other Unrestricted Fund	\$49,829	\$45,780	\$49,943	\$4,162	9.1%
Total Unrestricted Funds	82,186	77,696	82,730	5,035	6.5%
Contingent & Back of Bill Reductions	0	0	-916	-916	
Adjusted Total Unrestricted Funds	\$82,186	\$77,696	\$81,814	\$4,118	5.3%
Restricted Funds	27,958	30,605	32,105	1,500	4.9%
Adjusted Restricted Fund	\$27,958	\$30,605	\$32,105	\$1,500	4.9%
Adjusted Grand Total	\$110,144	\$108,301	\$113,919	\$5,618	5.2%

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board reductions. A portion of the reduction is to be transferred from the fund balance. The actual allocations are to be developed by the Administration.

- A proposed deficiency transferring \$865,729 in general funds designated for the Office for Civil Rights enhancement funds from the Maryland Higher Education Commission to the University of Maryland Eastern Shore (UMES) is not reflected above.
- General funds increase \$1.7 million, or 5.6%, in the fiscal 2011 allowance. However, after adjusting for \$1.2 million of Higher Education Investment Funds in fiscal 2010 that are budgeted as general funds in fiscal 2011 and across-the-board reductions related to employee furloughs and health insurance savings, there is an underlying decrease of \$43,684, or 0.1%, from fiscal 2010.

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

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- Other unrestricted funds increase \$4.6 million, or 9.9%, in the fiscal 2011 allowance. However, after adjusting for across-the-board reductions related to employee furloughs and health insurance savings, the underlying increase is \$4.1 million, or 9.1%, over fiscal 2010.

Personnel Data

	<u>FY 09 Actual</u>	<u>FY 10 Working</u>	<u>FY 11 Allowance</u>	<u>FY 10-11 Change</u>
Regular Positions	703.77	712.77	712.77	0.00
Contractual FTEs	<u>125.00</u>	<u>125.00</u>	<u>125.00</u>	<u>0.00</u>
Total Personnel	828.77	837.77	837.77	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	21.10	2.96%
Positions and Percentage Vacant as of 12/31/09	36.0	5.10%

- As of December 31, 2009, UMES had 36.0 vacant positions, of which 19.1 are State-supported.
- The fiscal 2011 allowance provides no new positions for UMES.

Analysis in Brief

Major Trends

Six-year Graduation Rate Stabilizes: UMES’s six-year graduation rate increased in fiscal 2009 to 46% after declining significantly in fiscal 2007. The six-year graduation rate at UMES has been higher than the statewide average for African American students since fiscal 2002 in all years except 2007 and 2008.

Campus Diversity Declines: The percentage of non-African American undergraduate students declined to 18% in fiscal 2009 since its peak in fiscal 2005.

Issues

Making College Affordable: In fiscal 2010, undergraduate institutional aid at UMES decreased 4.9% due to cost containment actions, although need-based aid increased 28.9% over fiscal 2009. While UMES plans to increase institutional aid 4.7% in fiscal 2011, all of this increase is expected to be

used for merit and mission aid, despite a 3.0% in-state undergraduate tuition increase planned for fiscal 2011.

Best Practices for Accelerating Student Success at Maryland’s Public Historically Black Institutions: The General Assembly added budget language to the fiscal 2010 budget bill restricting the expenditure of \$1.5 million in general funds from each of the historically black institutions’ (HBIs) Access and Success programs until a report was submitted on the programs needed to improve graduation and retention among underprepared students. Each HBI was also to submit a report on how those best practices would be implemented and what measures would be used to evaluate their effectiveness. To implement the best practices outlined in the joint Maryland Higher Education Commission-HBI report, UMES plans to continue existing programs such as the Summer Enrichment Academy, an Early Alert System, tutorial support for students in science, technology, mathematics and engineering courses, and course redesign. UMES will also implement learning communities.

Undergraduate Headcount Enrollment Increases in Fiscal 2010 Despite Decline in First-time Students: Undergraduate enrollment at UMES increased 2.8% in fiscal 2010, despite a 15.6% decline in the number of first-time students. UMES attributes the undergraduate increase to improved student retention.

Recommended Actions

1. Adopt committee narrative requesting that a report on the Outcomes of Students Participating in Access and Success Programs by cohort.

R30B25 – USM – University of Maryland Eastern Shore

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University System of Maryland

Operating Budget Analysis

Program Description

The University of Maryland Eastern Shore (UMES) is the State's 1890 Land-Grant institution. Founded as an historically black institution (HBI), UMES is committed to providing quality education to persons who demonstrate the potential to become quality students, particularly from minority communities and those of disadvantaged backgrounds, while fostering multicultural diversity.

UMES offers selected baccalaureate programs in the liberal arts, sciences, and career fields with particular relevance to the Eastern Shore and its land grant mandate. The university also offers programs at the master's and doctoral levels. The academic emphasis at UMES is on agriculture, environmental and marine sciences, hospitality, technology, computer sciences, business, and allied health. The university serves the educational and research needs of government agencies, businesses, and industries, while also focusing on the economic development needs of the Eastern Shore. UMES aspires to become a Carnegie Doctoral/Research University.

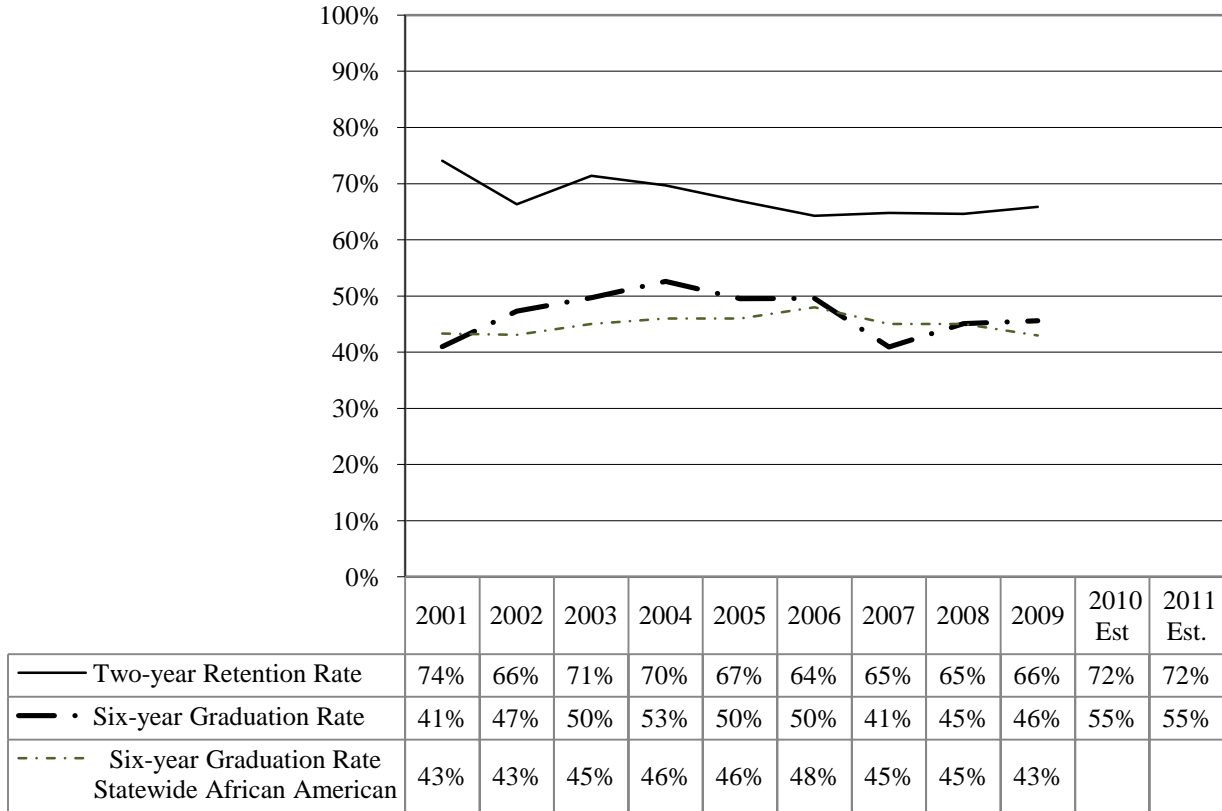
Carnegie Classification: Master's S: Master's Colleges and Universities (smaller programs)

Fall 2009 Undergraduate Enrollment Headcount		Fall 2009 Graduate Enrollment Headcount	
Male	1,600	Male	197
Female	2,322	Female	314
Total	3,922	Total	511
Fall 2009 New Students Headcount		Campus (Main Campus)	
First-time	921	Acres	745
Transfers/Others	231	Buildings	91
Graduate	119	Average Age	33
Total	1,271	Oldest	1900
Programs		Degrees Awarded (2008-2009)	
Bachelor's	31	Bachelor's	429
Master's	10	Master's	76
Doctoral	7	Doctoral	28
		Total Degrees	533

Performance Analysis: Managing for Results

Exhibit 1 shows the six-year graduation and two-year retention rates for all students at UMES and African American students statewide from fiscal 2001 to 2009. The six-year graduation rate declined between fiscal 2004 and 2007, when it reached a low of 41%. Graduation rates increased in

**Exhibit 1
University of Maryland Eastern Shore Retention and Graduation
Fiscal 2001-2011**



Note: Fiscal 2009 two-year retention data reflects the 2007 cohort and six-year graduation rate data reflects the 2002 cohort.

Source: Maryland Higher Education Commission Retention and Graduation Rates at Maryland Four-year Institutions, June 2009; Fiscal 2010 and 2011 data is from the Governor’s Budge Books, Fiscal 2011

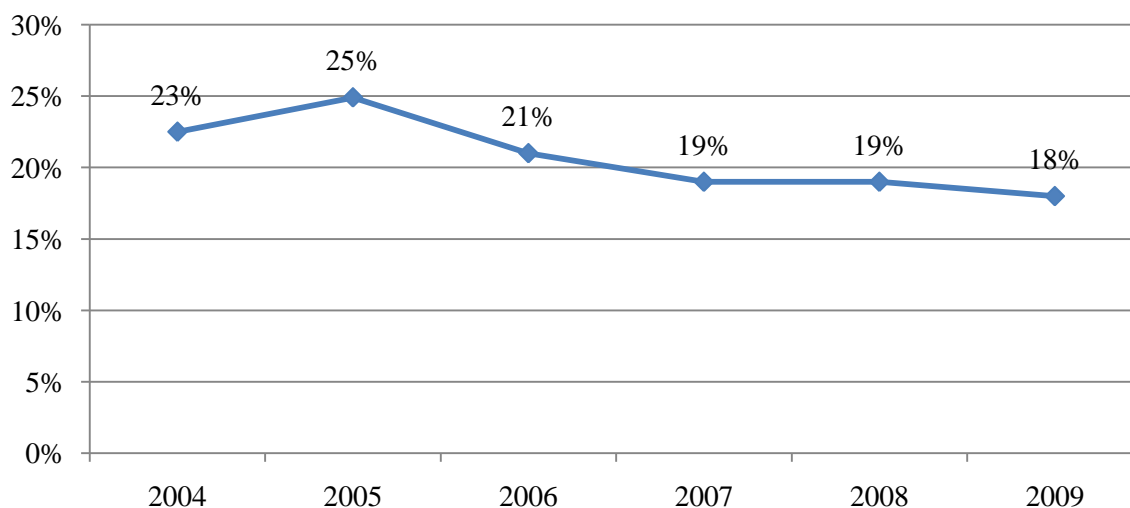
fiscal 2008 and 2009, rising to 46%. UMES’s six-year graduation rate has been higher than the statewide average for African American students since fiscal 2002 in all years except 2007 and 2008. The two-year retention rate steadily declined from fiscal 2003 to 2006 and increased to 66% by fiscal 2009, although it remains below the fiscal 2001 level of 74%.

UMES attributes the decline in graduation rates to inadequate financial aid, increasing college fees, and underpreparedness among admitted students. UMES reports that two-year retention has increased to 70% for students who entered fall of 2008. UMES attributes the increase to an institutional review of grade point average (GPA) requirements for admission, providing first-year courses in math, reading, and writing for credit through the summer bridge program, and mentor

programs that assist first-year students with the transition to college. In addition, UMES has implemented an Early Warning system that tracks student attendance and allows faculty to refer students to support services online. The system also flags students that may not be planning to return based on certain risk factors, allowing the university to recruit back students in danger of dropping out.

The university strives to promote and sustain access to higher education for diverse students. **Exhibit 2** shows trends in non-African American undergraduate enrollment between fiscal 2004 and 2009. The percentage of non-African American undergraduates peaked in fiscal 2005 and declined steadily to 18% in fiscal 2009. UMES attributes this decline to insufficient marketing of high-demand programs such as Physician Assistant, Engineering, Hotel and Restaurant Management, Golf Management, and the Doctor of Pharmacy program. In addition, the tightening of student visas has reduced the university’s ability to recruit foreign students. To address these issues, UMES plans to increase recruitment at predominately non-African American high schools and use non-African American students to assist in university recruiting. UMES also plans to add a non-African American to the admissions staff, a strategy used by traditionally white institutions to attract minority students, though this effort has been delayed by recent budget cuts. UMES increased student diversity in fiscal 2010 by enrolling 100 Nigerian students through the Delta State Oil Producing Areas Development Commission.

Exhibit 2
UMES Trends in Non-African American Undergraduate Enrollment
Fiscal 2004-2009



UMES: University of Maryland Eastern Shore

Source: Governor’s Budget Books, Fiscal 2006, 2007, 2009, and 2011

Fiscal 2010 Actions

Proposed Deficiency

A deficiency appropriation for the fiscal 2010 budget transfers \$2.45 million in general funds designated for the Office for Civil Rights (OCR) enhancement funds from the Maryland Higher Education Commission (MHEC) to Bowie State University, Coppin State University, Morgan State University, and UMES to sustain American Recovery and Reinvestment Act of 2009 (ARRA) maintenance of effort requirements. UMES's portion of this total is \$865,729. While the amount and use of these funds will not change, moving general funds to the institutions raises fiscal 2010 State support for higher education to 2009 levels as required by the ARRA. In fiscal 2011 and in future years, OCR enhancement funds will be appropriated to MHEC and distributed as an educational grant.

Impact of Cost Containment

The Board of Public Works (BPW) approved two cost containment measures resulting in a \$883,756 reduction of UMES's State appropriations. In July 2009, BPW approved the first cost containment measure which resulted in a \$581,531, or 1.8%, decrease in UMES's State appropriations. A second reduction was approved in August, which led to a \$302,225 decrease in federal stimulus funds, or 0.9% of UMES's State appropriations. To accommodate these reductions, UMES eliminated 6 filled and 11 vacant positions and reduced financial aid.

Additionally, UMES reduced its current salary and wage budget by \$771,347, \$166,490 in federal stimulus funds and \$604,857 in current unrestricted funds as part of the statewide furlough. According to UMES's plan, the number of required furlough days is based on annual salary. Adjunct faculty, graduate assistants, contingent-1 employees, and employees with H-1B visa status are exempt. The campus closed four days over the winter break and will close three days during spring break to satisfy furlough requirements. Employees who earn less than \$60,000 and are not required to take seven furlough days may elect to use annual or personal leave days to cover the selected university closure days. Classes will not be cancelled due to the furlough.

UMES will move \$604,857 of unrestricted funds related to the furlough to the fund balance which will then be transferred via the Administration's Budget Reconciliation and Financing Act (BRFA) of 2010 to the general fund. In addition, the BRFA of 2010 includes a \$65.0 million reduction of the University System of Maryland's (USM) fund balance, of which UMES's portion is \$2.0 million. After the transfer, UMES will have a negative \$1.9 million State-supported fund balance. Each institution with a negative State-supported fund balance will be required to submit a multi-year plan to USM describing how the outstanding State-supported fund balance will be returned.

Federal Stimulus Fund

UMES was awarded two grants from the ARRA totaling \$212,056 in fiscal 2010. One research grant for \$164,637 will support the development of course curriculum on population genetics and modern approaches to the epidemiology and control of infectious diseases, which will then be included in the Minority Biomedical Research Support Research Initiative for Scientific Enhancement curriculum. This curriculum will be used to introduce two new courses at UMES. Funding will also support the establishment of an Associate Professorship. A \$47,419 non-research grant provides additional funds for Federal work-study programs.

Proposed Budget

As shown in **Exhibit 3**, UMES's total State allowance for fiscal 2011, including general funds and Higher Education Investment Funds (HEIF), is \$31.9 million. This reflects a 0.1% decrease from fiscal 2010 when general fund across-the-board reductions for employee furloughs and health insurance savings of \$524,429 are included. Other unrestricted funds increase \$4.1 million or 9.1% when accounting for \$391,696 in fiscal 2011 furlough and health insurance savings. The increase in other unrestricted funds is largely due to \$1.5 million for debt service payments in the Office of Residential Life, a \$1.5 million increase in expenditures due to a rise in the number of students living off-campus and in on-campus apartments on the meal plan, the 3.0% in-state undergraduate tuition increase, and a \$50 recreational facilities fee increase for undergraduate students. Restricted funds increase \$1.5 million, or 4.9%, to account for an increase in the maximum federal Pell award and the number of Pell recipients.

Exhibit 3
Governor's Proposed Budget
University of Maryland Eastern Shore
(\$ in Thousands)

	<u>FY 09</u>	<u>Working FY 10</u>	<u>Adjusted Allowance FY 11</u>	<u>\$ Change FY 10-11</u>	<u>% Change Prior Year</u>
General Funds	\$30,523	\$30,689	\$31,872	\$1,183	3.9%
HEIF*	1,834	1,226	0	-1,226	-100.0%
Total State Funds	32,357	31,915	31,872	-44	-0.1%
Other Unrestricted Funds	49,829	45,780	49,943	4,162	9.1%
Total Unrestricted Funds	82,186	77,696	81,814	4,118	5.3%
Restricted Funds	27,958	30,605	32,105	1,500	4.9%
Total Funds	\$110,144	\$108,301	\$113,919	\$5,618	5.2%

HEIF: Higher Education Investment Fund

*Higher Education Investment Fund appropriations in fiscal 2010 were reduced \$121,584 due to revenue underattainment.

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

Unrestricted funds budget changes in the allowance by program are show in **Exhibit 4**. This exhibit considers only unrestricted funds, which are comprised mostly of State funds and tuition and fee revenues. In fiscal 2010, spending in all programs except instruction and scholarships and fellowships decreased. In fiscal 2011, spending in all programs increases, except operation and maintenance of plant, which decreases 2.2%. Institutional support and student services experience the biggest fiscal 2011 increases at 5.6 and 5.7%, respectively. Spending in the largest category, instruction, increases 4.3%, or \$874,734.

The fiscal 2011 allowance provides \$43,324 in unrestricted funds to support association dues and other requirements related to the new Pharmacy Program. UMES has also assumed additional costs in the fiscal 2011 allowance associated with fiscal 2010 enrollment growth, which are estimated to total \$93,941.

HBI Enhancement Funds

In fiscal 2010, UMES received \$1.7 million in HBI Enhancement Funds, which were established as part of Maryland's partnership with the United States Department of Education, Office of Civil Rights to eliminate the vestiges of segregation in Maryland's public colleges and universities. The funds are intended for one-time expenditures to enhance educational and support services. The 2010 appropriation is being used to support start-up costs associated with the Doctor of Pharmacy program, including initial faculty funding, supplies and materials, and travel, in addition to technology infrastructure improvements, such as computer laboratory upgrades and phone switch software upgrades.

Exhibit 4
Budget Changes for Current Unrestricted Funds by Program
Fiscal 2009-2011

	<u>2009</u>	<u>Working 2010</u>	<u>% Change 2009-10</u>	<u>Allowance 2011</u>	<u>\$ Change 2010-11</u>	<u>% Change 2010-11</u>
Expenditures						
Instruction	\$19,919	\$20,136	1.09%	\$21,011	\$875	4.34%
Research	1,145	1,213	5.96%	1,251	38	3.15%
Academic Support	7,193	6,784	-5.69%	7,011	228	3.36%
Student Services	2,561	2,158	-15.73%	2,282	124	5.74%
Institutional Support	8,822	8,221	-6.81%	8,683	461	5.61%
Operation and Maintenance of Plant	11,831	11,298	-4.50%	11,053	-246	-2.17%
Scholarships and Fellowships	5,263	5,455	3.65%	5,710	254	4.66%
Subtotal Education and General	\$56,735	\$55,266	-2.59%	\$57,001	\$1,735	3.14%
Auxiliary Enterprises	25,451	22,430	-11.87%	25,730	3,300	14.71%
Pending Unrestricted Reductions				-916	-916	
Total	\$82,186	\$77,696	-5.46%	\$81,814	\$4,118	5.30%
Funds Specific to HBIs*	\$1,755	\$1,731	-1.36%	\$1,580	-152	-8.76%
Adjusted Total	\$83,941	\$79,427	-5.38%	\$83,394	\$3,967	4.99%
Revenues						
Tuition and Fees	22,400	22,222	-0.80%	22,870	649	2.92%
General Funds	30,523	30,689	0.54%	31,872	1,183	3.85%
Higher Education Investment Fund	1,834	1,226	-33.11%	0	-1,226	-100.00%
Other	1,832	1,734	-5.35%	1,343	-392	-22.59%
Subtotal	\$56,589	\$55,871	-1.27%	\$56,085	214	0.38%
Auxiliary Enterprises	27,141	23,218	-14.45%	26,524	3,305	14.24%
Transfers (to) from Fund Balance	-1,544	-1,394	-9.74%	-794	599	-43.01%
Total	\$82,186	\$77,696	-5.46%	\$81,814	\$4,118	5.30%
Funds Specific to HBIs*	\$1,755	\$1,731	-1.36%	\$1,580	-152	-8.76%
Adjusted Total	\$83,941	\$79,427	-5.38%	\$83,394	\$3,967	4.99%

HBI: historically black institution

*HBI enhancement funds

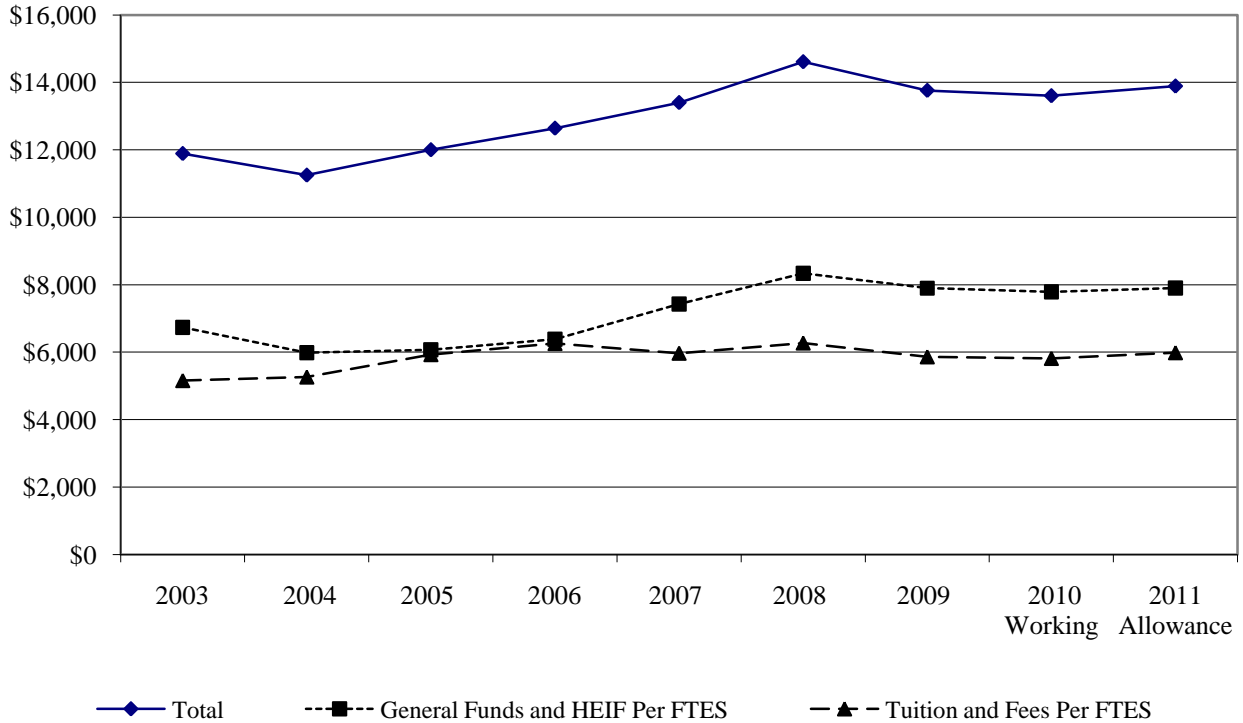
Note: Fiscal 2011 revenues are reduced by \$524,429 in general funds and \$391,696 in other unrestricted funds to reflect across-the-board reductions; \$346,855 of this amount is to be transferred from the fund balance.

Source: Governor's Budget Books, Fiscal 2011

Tuition and Fees and State Revenues

Exhibit 5 shows tuition and fees and general fund and HEIF revenues per full-time equivalent student (FTES) between fiscal 2003 and 2011. After declining in fiscal 2004, State funding per FTES increased through fiscal 2008 and declined in fiscal 2009 due in part to a 10.8% increase in FTES. State funding per FTES is expected to remain level in 2011. Tuition and fees per FTES increased from fiscal 2003 to 2006, and declined from 2008 to 2010 due to a growing percentage of in-state students. The anticipated 3.0% in-state undergraduate tuition hike slightly increases expected tuition and fee revenues per FTES in fiscal 2011.

Exhibit 5
UMES Tuition and Fees and State Revenues Per FTES
Fiscal 2003-2011



FTES: full-time equivalent student
 HEIF: Higher Education Investment Fund
 UMES: University of Maryland Eastern Shore

Source: Governor’s Budget Books, Fiscal 2010 and 2011

Impact of Cost Containment

In addition to the \$11.7 million cash transfer from USM's fund balance related to the furlough, the BRFA of 2010 includes a \$40.0 million reduction of the fund balance of which UMES's portion is \$1.2 million. After the transfer, UMES's negative State-supported fund balance increases to \$3.3 million. UMES expects to transfer \$784,303 to the fund balance in fiscal 2011. After the reductions and transfers, the total ending State and non-State supported fund balance in fiscal 2011 is estimated to be \$5.4 million.

Additionally, for fiscal 2011, language in the BRFA prohibits bonuses related to individual performance, merit increases, or cost-of-living adjustments but allows salary increases necessary for faculty retention.

Issues

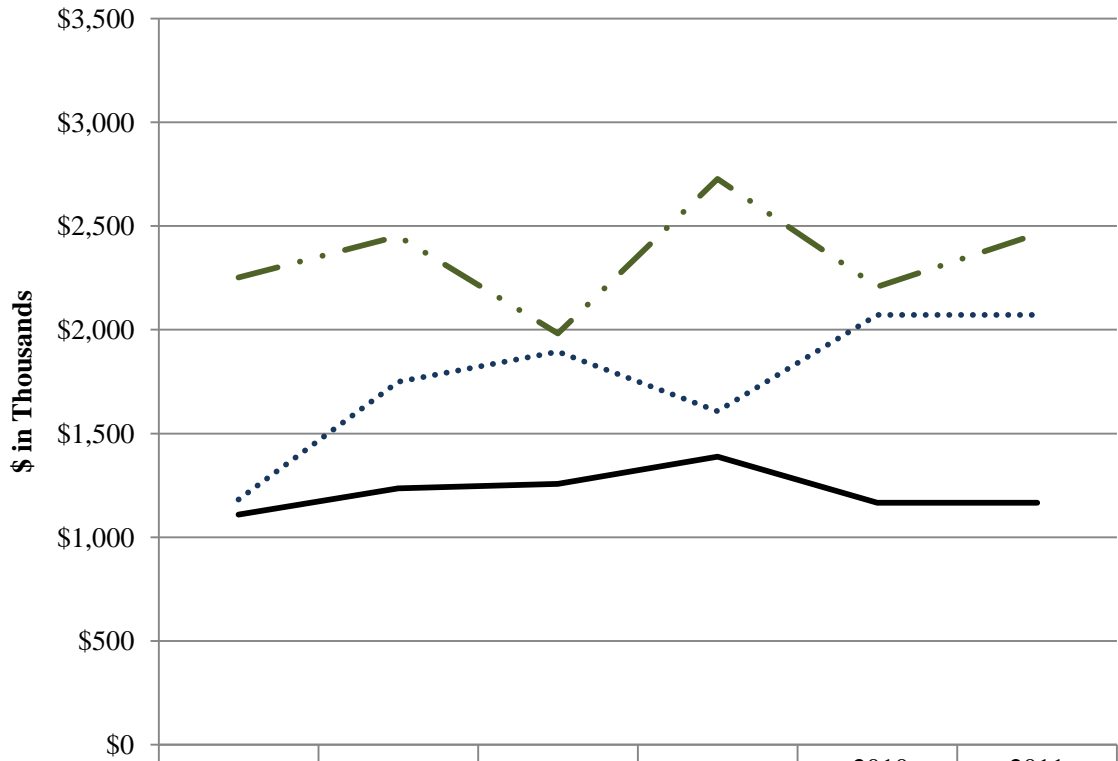
1. Making College Affordable

Financial aid is important in helping many students achieve their educational goals. A lack of financial support is one of the many contributing factors to some students' decision to drop out of school. Along with federal and State financial aid, UMES provides institutional financial assistance to students through need, athletic, and merit and mission aid. USM institutions have committed to increasing institutional need-based aid.

Exhibit 6 shows UMES's distribution of undergraduate institutional aid between need-based, athletic, and merit and mission from fiscal 2006 to 2011. In fiscal 2010, institutional aid was reduced 4.9%, to \$5.4 million, due to cost containment actions. Despite the decline, need-based institutional aid increased 28.9% over fiscal 2009, while athletic and merit and mission aid decreased 16.0 and 19.1%, respectively. In fiscal 2010, 40.5% of UMES's institutional aid was awarded as merit and mission aid, followed by need-based aid, which received 38.0% of budgeted undergraduate aid. Athletic aid was appropriated the least amount of aid at 21.4%. Since fiscal 2006, UMES's undergraduate institutional aid budget has increased \$901,504, or 19.8%, and the distribution of that funding between need, merit and mission, and athletic aid has shifted significantly. Funding for need-based aid over that period increased 75.2%, while athletic aid increased 5.1%, and merit and mission aid decreased 2.0%. In fiscal 2011, UMES expects to increase institutional aid \$254,462, or 4.7%. All of this increase is budgeted for merit and mission aid, though in-state undergraduate tuition is expected to increase 3.0%. UMES reports that a small increase in endowed need-based aid will be available in fiscal 2011, though it is not known whether it will be sufficient to cover the tuition increase.

MHEC collects annual data for the Financial Aid Information System (FAIS) database, which provides a profile of students receiving financial aid. The 2008 FAIS data has information for institutional aid awarded at UMES in fiscal 2008 for undergraduate students that completed the Free Application for Federal Student Aid, from which MHEC calculates the student's expected family contribution (EFC). In general, the lower a student's EFC, the greater their financial need. Students with an EFC of \$0 to \$3,850 are eligible for the Federal Pell Grant program and have the most need. **Exhibits 7 and 8** show the number of undergraduate recipients of institutional aid and the percentage of undergraduate student need met by institutional aid at UMES by EFC. UMES provided 82% of its institutional awards to students with EFCs between \$0 and \$3,850 in fiscal 2008. These awards on average met 21% of need for students with \$0 EFC and 13% for those between \$1 and \$3,850. In comparison, public four-year institutions in Maryland on average meet 20% of student need for students with \$0 EFC and 15% for those between \$1 and \$3,850.

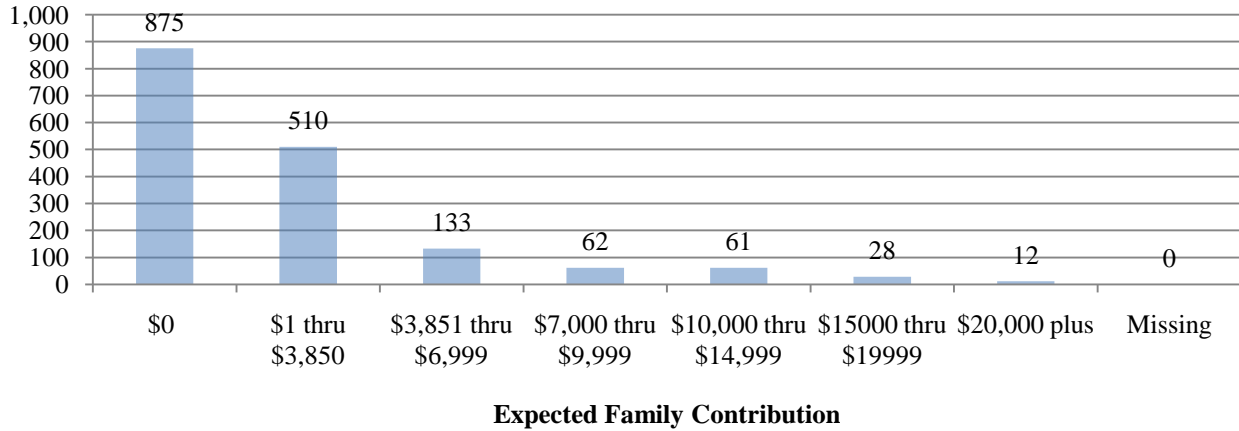
**Exhibit 6
Institutional Financial Aid
Fiscal 2006-2011**



	2006	2007	2008	2009	2010 Working	2011 Estimate
..... Need-based Grant Aid	\$1,182,144	\$1,749,138	\$1,894,849	\$1,607,075	\$2,071,255	\$2,071,255
———— Athletic Scholarships	1,109,537	1,235,759	1,257,038	1,388,324	1,166,000	1,166,000
- . - . Merit and Mission Aid	2,251,206	2,450,448	1,981,829	2,726,830	2,207,136	2,461,598
Total	\$4,542,887	\$5,435,345	\$5,133,716	\$5,722,229	\$5,444,391	\$5,698,853

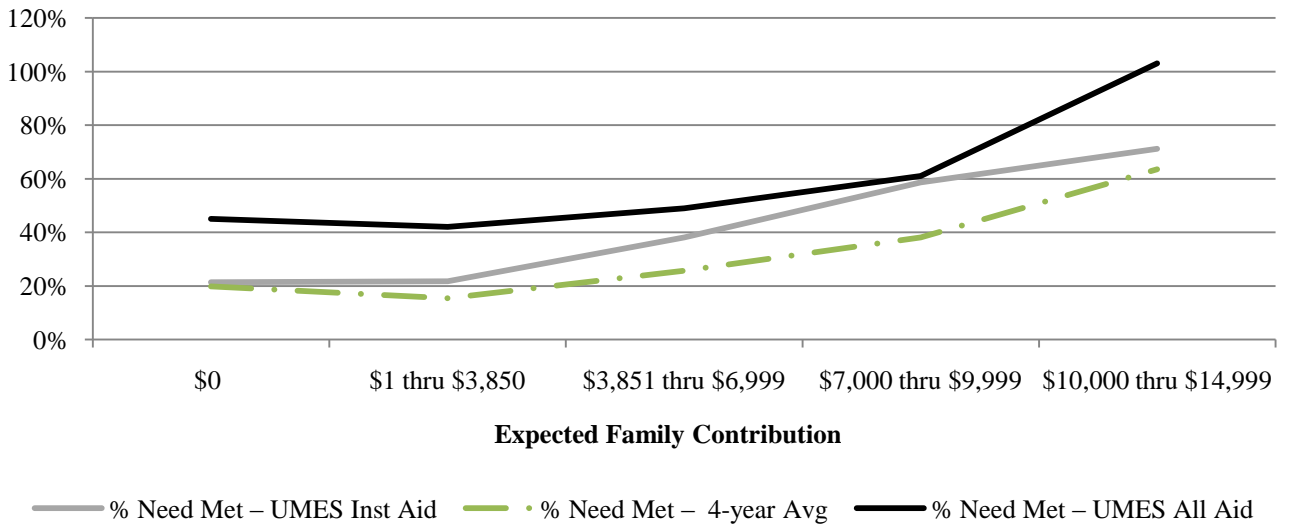
Source: University System of Maryland

**Exhibit 7
Institutional Aid Recipients by Expected Family Contribution
Fiscal 2008**



Source: Maryland Higher Education Commission; Financial Aid Information System, 2007-2008

**Exhibit 8
Need Met by Expected Family Contribution
Fiscal 2008**



Source: Maryland Higher Education Commission; Financial Aid Information System, 2007-2008

After all aid sources are considered, UMES students with EFCs of \$0 and \$1 to \$3.850 on average had 45 and 42% of their need met in fiscal 2008. At higher EFC levels, students have less financial need. As a result, small awards can satisfy a very large proportion of student need. Although UMES provides very few institutional aid awards to students with EFCs above \$15,000, students that do receive aid are likely to have far more of their need satisfied than those in lower EFC categories.

The President should comment on plans to level-fund need-based institutional aid despite the planned 3% tuition increase for undergraduate resident students and the university’s efforts to decrease the amount of unmet need among the lowest income students.

2. Best Practices for Accelerating Student Success at Maryland’s Public Historically Black Institutions

The General Assembly added budget language to the fiscal 2010 budget bill restricting the expenditure of \$1.5 million in general funds from each of the HBIs Access and Success programs until a report was submitted from MHEC in conjunction with the HBIs on the programs needed at the HBIs to improve graduation and retention among underprepared students. The request specified that the programs identified should be best practices, having “shown success in promoting academic achievement” among underprepared students. The Access and Success programs were created by the State in 1999 to increase underprepared students’ access to the HBIs and improve their success rates. Each HBI was also required to submit a report on how these funds would be spent to support the programs outlined in the MHEC-HBI report, and identify measures common to all HBIs that would be used to evaluate these programs. According to the 2009 *Joint Chairmen’s Report* request, the program measures were to include graduation rate as the primary criterion.

MHEC submitted a report on October 1, 2009, identifying seven best practices that HBIs should implement or enhance as part of the revised Access and Success Program. The following best practices were highlighted in the report:

- **Summer Bridge Programs:** On-campus intervention programs that take place before the official start of the academic year allowing students to receive academic support in areas of weakness, complete required developmental course work, and become acclimated to campus.
- **Effective Advising Policies and Practices:** Utilize academic advising centers and/or make special provisions for undeclared students, ensure that all students take placement tests and enroll in appropriate courses, and implement early alert tracking programs to identify and assist at-risk students.
- **First-year Experience Seminars:** An extension of a university’s orientation program that promotes student engagement in curricular and cocurricular life on campus, familiarizes students with available resources and support services, and facilitates successful transition by conveying faculty and university expectations.

- **Course Redesign:** Reorganize the way high enrollment courses, particularly introductory level “killer” courses, are delivered by introducing online tutoring, continuous assessment and feedback, on-demand support, increased interaction among students, and adequate structure to allow steady progress toward course completion.
- **Learning Communities:** Small cohorts of students taking the same cluster of courses taught by faculty members who integrate thematic concepts across various classes. Effective structures include team teaching, freshmen interest groups, and coordinated studies.
- **Honor’s Programs:** Promote academic success among students from different backgrounds by challenging the most academically talented students.
- **Supplemental Instruction:** Target courses with failure and withdrawal rates of at least 30% and provide regularly scheduled out-of-class, peer facilitated sessions that offer students an opportunity to discuss and process course information.

UMES Implementation

Each HBI subsequently submitted a report explaining how the campus would employ the best practices outlined in the MHEC-HBI report. On November 30, 2009, UMES submitted a report identifying how the restricted funds would be used to improve student retention and graduation, and the measures that will be used to evaluate these programs. Funds will support existing programs as well as learning communities and course redesign. UMES’s funds will be allocated among the following initiatives:

- **Summer Bridge** (\$183,755): Six-week Summer Enrichment Academy (SEA) allows students to complete developmental mathematics and English courses and receive tutoring and mentoring services.
- **Advising Policies and Practices** (\$515,652): Early Alert System allows faculty to refer students electronically for academic support from the Center for Access and Academic Success.
- **Learning Communities** (\$136,570): A nonresidential fall semester learning community for first-time, full-time, at-risk students participating in the SEA program.
- **Supplemental Instruction** (\$233,326): Support for science, technology, engineering, and math students; UMES also plans to introduce tutorial support for “killer courses” and student incentives for participation such as extra credit. Will establish math, reading, and writing labs to work in conjunction with specific academic content areas.

- **Course Redesign** (\$124,185): Funding for two chemistry instructors for course redesign to increase course availability.

Two-year retention will be used to evaluate the Summer Bridge Program, Early Alert System, and advising activities. Supplemental Instruction will be evaluated using success rates (defined as a minimum 2.0 GPA) for students enrolled in developmental mathematics, and graduation rate will be used to determine the success of learning communities and course redesign efforts.

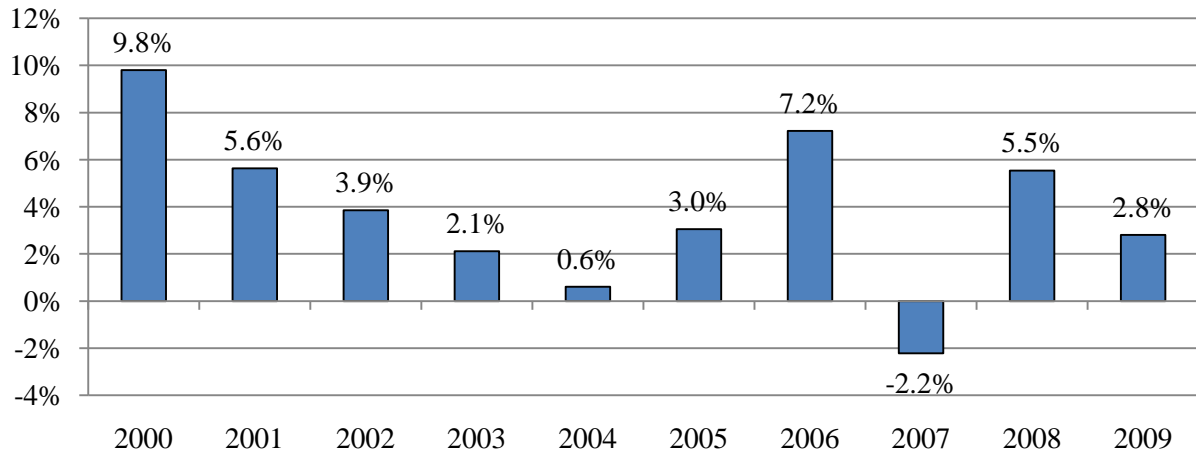
The President should comment on how the existing programs have been enhanced using guidance provided by the MHEC-HBI report to improve graduation and retention among underprepared students.

3. Undergraduate Headcount Enrollment Increases in Fiscal 2010 Despite Decline in First-time Students

In fiscal 2010 and 2011, enrollment growth at all USM institutions except the University of Maryland University College and the University of Baltimore was put on hold due to budget constraints. While UMES is not an institution designated to grow by USM, undergraduate enrollment has increased in every year except 2007, as shown in **Exhibit 9**. This exhibit displays UMES's actual and estimated year-over-year growth in undergraduate students from fall 2000 to 2009 as reported by MHEC. Since fall 2000, undergraduate enrollment has increased 32.1%. Although UMES budgeted level enrollment in fiscal 2010 due to budget constraints, MHEC's 2009 Opening Fall Enrollments indicate that undergraduate enrollment increased 2.8% in fiscal 2010, which UMES attributes to improved student retention. Enhanced retention activities include the Early Alert Tracking System that provides online attendance monitoring and student support referral capabilities, and recruit-back strategies to retain students at risk of dropping out.

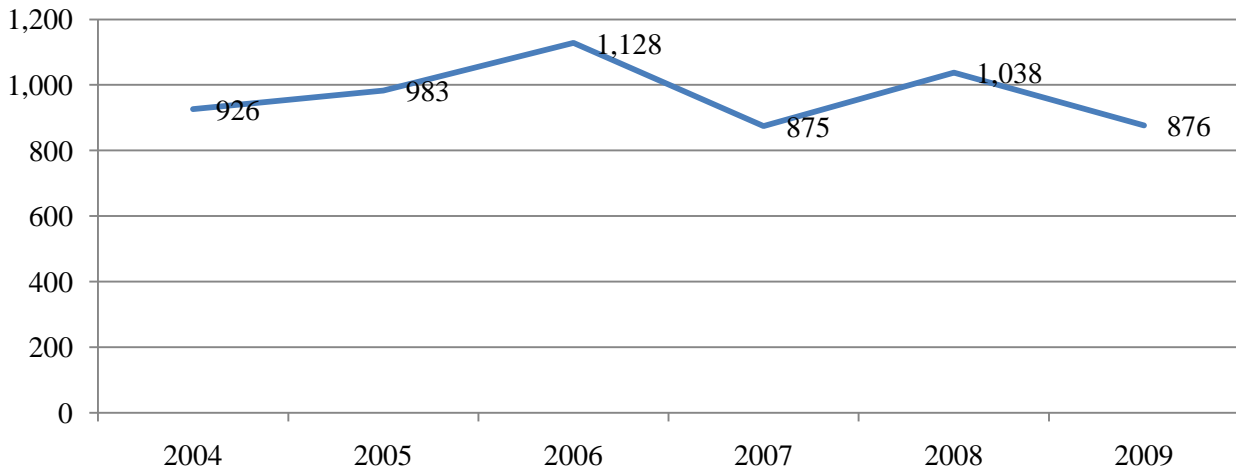
Exhibit 10 shows first-time student headcount enrollments from fall 2004 to 2009. The number of first-time students has fluctuated significantly since fall 2004, with year-over-year changes ranging from 6.2 to 22.4 percentage points. In fall 2009, first-time student enrollment declined 15.6%, to 876. The university reports reducing the number of first-time students in fiscal 2010 to enhance retention and graduation by concentrating resources among existing students. Such large year-over-year changes in the number of first-time students could present challenges in providing services to such students, particularly as the University looks to expand first-year programs such as learning communities, summer bridge programs, and first-year experience seminars as described in Issue 2. **The President should comment on the impact that fluctuations in first-time student enrollment has on appropriately planning to provide expanded services to this population.**

Exhibit 9
Change in Undergraduate Enrollment
Calendar 2000-2009



Source: Maryland Higher Education Commission (MHEC), 2009 Trends in Enrollment by Race and Gender, 2000-2008; MHEC 2009 Opening Fall Enrollment, 2009.

Exhibit 10
First-time and Transfer Undergraduate Student Headcount Growth
Fall 2004-2008



Source: Maryland Higher Education Commission, 2009 Opening Fall Enrollment

Recommended Actions

1. Adopt the following narrative:

Report on Outcomes of Students Participating in Access and Success Programs by Cohort: The committees request that Bowie State University (BSU), Coppin State University (CSU), Morgan State University (MSU), and the University of Maryland Eastern Shore (UMES) each annually submit progression, retention, and graduation data on all students participating in Access and Success programs. In this first year of data collection, baseline data from fiscal 2009 should be submitted along with fiscal 2010 data, in accordance with a framework developed by the Maryland Higher Education Commission (MHEC) to facilitate the collection and analysis of data evaluating the impact of Access and Success programs across the historically black institutions (HBI). Data should be submitted to MHEC by August 15, 2010. MHEC should submit the data and analysis to the budget committees by October 15, 2010.

Information Request	Authors	Due Date
Report on fiscal 2009 and 2010 data by cohort of all students participating in Access and Success programs	BSU CSU MSU UMES	To MHEC by August 15, 2010
Consolidated report on fiscal 2009 and 2010 outcomes by cohort of students participating in Access and Success programs across the HBIs	MHEC	October 15, 2010

Current and Prior Year Budgets

Current and Prior Year Budgets University of Maryland Eastern Shore (\$ in Thousands)

Fiscal 2009	General Fund	Special Fund	Federal Fund	Other Unrestricted Fund	Total Unrestricted Fund	Restricted Fund	Total
Legislative Appropriation	\$30,818	\$1,198	\$0	\$44,821	\$76,837	\$26,962	\$103,798
Deficiency Appropriation	0	0	0	0	0	0	0
Budget Amendments	605	635	0	6,478	7,718	2,367	10,085
Cost Containment	-900	0	0	0	-900	0	-900
Reversions and Cancellations	0	0	0	-1,469	-1,469	-1,370	-2,840
Actual Expenditures	\$30,523	\$1,834	\$0	\$49,829	\$82,186	\$27,958	\$110,144
Fiscal 2010							
Legislative Appropriation	\$31,334	\$0	\$399	\$45,824	\$77,557	\$29,994	\$107,551
Cost Containment	-582	0	-399	-605	-1,585	0	-1,585
Budget Amendments	-63	1,226	0	561	1,724	610	2,334
Working Appropriation	\$30,689	\$1,226	\$0	\$45,780	\$77,696	\$30,605	\$108,301

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

Fiscal 2009

General funds increased \$604,523 to cover costs associated with the fiscal 2009 general salary increase but also decreased \$899,624 due to cost containment actions, including replacing general funds with revenues previously restricted for Other Post Employment Benefits liability costs, reducing expenditures for equipment, student employment, contractual services in institutional support and operation and maintenance of plant, and employee furloughs.

Special funds increased \$869,026 from the HEIF authorized by the General Assembly to replace general funds reduced during the 2008 legislative session but later decreased \$233,675 to reflect a revised estimate of these corporate tax collections.

Unrestricted funds experienced a net increase of \$4,451,740. Of this total, a change in enrollment ratios across graduate and undergraduate students, additional auxiliary revenue from residential life and dining services, and miscellaneous income increased unrestricted funds \$478,192. The leasing of additional residence halls and associated dining services contracts added \$6,000,000 in auxiliary revenue, though \$1,469,464 of this total was cancelled due to lower than anticipated demand for additional university room rentals off campus.

Restricted funds increased \$2,367,035 overall, due primarily to additional federal financial aid including Pell Grants, Supplemental Educational Opportunity Grants, and an increase in contracts and grants which added \$2,000,000. A \$1,370,211 cancellation due to deferred expenditures on federal contracts and grants with the National Oceanic and Atmospheric Administration and Defense Information Systems Agency decreased restricted funds.

Fiscal 2010

General funds declined by a total of \$644,776 through budget amendments and cost containment actions. This included \$581,531 in cost containment measures and a decrease of \$69,954 from a USM reallocation of general funds among USM institutions.

Special funds increased \$1,226,410 from the HEIF authorized by the General Assembly to replace general funds cut during the 2009 legislative session.

Federal funds declined \$398,761 due to cost containment measures, thereby cancelling the appropriation.

Unrestricted funds decreased \$43,947 overall due to a \$604,857 reduction from cost containment actions related to employee furloughs and a \$560,910 increase due primarily to additional auxiliary revenues from housing contracts.

Restricted funds increased \$610,395 from an increase in Title III grant funds for the new Pharmacy program.

**Object/Fund Difference Report
University of Maryland Eastern Shore**

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	703.77	712.77	712.77	0	0%
02 Contractual	125.00	125.00	125.00	0	0%
Total Positions	828.77	837.77	837.77	0	0%
Objects					
01 Salaries and Wages	\$ 59,916,103	\$ 61,852,923	\$ 63,530,847	\$ 1,677,924	2.7%
02 Technical and Spec. Fees	103,989	288,642	288,642	0	0%
03 Communication	778,148	616,417	616,392	-25	0%
04 Travel	2,128,097	1,397,939	1,397,939	0	0%
06 Fuel and Utilities	4,427,556	5,210,197	5,229,239	19,042	0.4%
07 Motor Vehicles	390,083	161,693	187,947	26,254	16.2%
08 Contractual Services	7,162,543	5,610,913	5,589,758	-21,155	-0.4%
09 Supplies and Materials	7,453,143	6,751,425	7,366,300	614,875	9.1%
10 Equipment – Replacement	172,115	160,366	160,366	0	0%
11 Equipment – Additional	2,381,544	2,449,536	2,449,536	0	0%
12 Grants, Subsidies, and Contributions	13,536,483	12,011,289	13,765,751	1,754,462	14.6%
13 Fixed Charges	9,340,901	9,142,330	12,052,503	2,910,173	31.8%
14 Land and Structures	2,353,589	2,647,036	2,200,000	-447,036	-16.9%
Total Objects	\$ 110,144,294	\$ 108,300,706	\$ 114,835,220	\$ 6,534,514	6.0%
Funds					
40 Unrestricted Fund	\$ 82,185,952	\$ 77,695,831	\$ 82,730,345	\$ 5,034,514	6.5%
43 Restricted Fund	27,958,342	30,604,875	32,104,875	1,500,000	4.9%
Total Funds	\$ 110,144,294	\$ 108,300,706	\$ 114,835,220	\$ 6,534,514	6.0%

Note: The fiscal 2010 appropriation does not include deficiencies.

**Fiscal Summary
University of Maryland Eastern Shore**

<u>Program/Unit</u>	<u>FY09 Actual</u>	<u>FY10 Wrk Approp</u>	<u>FY11 Allowance</u>	<u>Change</u>	<u>FY10 - FY11 % Change</u>
01 Instruction	\$ 24,138,290	\$ 24,922,364	\$ 25,797,098	\$ 874,734	3.5%
02 Research	12,868,503	17,331,227	17,369,450	38,223	0.2%
03 Public Service	283,713	673,865	673,865	0	0%
04 Academic Support	10,264,515	8,365,418	8,593,092	227,674	2.7%
05 Student Services	3,384,092	2,872,886	2,996,672	123,786	4.3%
06 Institutional Support	9,741,582	8,774,740	9,235,973	461,233	5.3%
07 Operation and Maintenance Of Plant	11,830,811	11,307,054	11,061,456	-245,598	-2.2%
08 Auxiliary Enterprises	25,451,182	22,429,567	25,729,567	3,300,000	14.7%
17 Scholarships and Fellowships	12,181,606	11,623,585	13,378,047	1,754,462	15.1%
Total Expenditures	\$ 110,144,294	\$ 108,300,706	\$ 114,835,220	\$ 6,534,514	6.0%
Unrestricted Fund	\$ 82,185,952	\$ 77,695,831	\$ 82,730,345	\$ 5,034,514	6.5%
Restricted Fund	27,958,342	30,604,875	32,104,875	1,500,000	4.9%
Total Appropriations	\$ 110,144,294	\$ 108,300,706	\$ 114,835,220	\$ 6,534,514	6.0%

Note: The fiscal 2010 appropriation does not include deficiencies.

**Personnel by Budget Program
University of Maryland Eastern Shore
Fiscal 2008, 2009, and 2010**

<u>Budget Program</u>	<u>Fiscal 2008</u>		<u>Fiscal 2009</u>		<u>Fiscal 2010</u>		<u>% Change in FTEs 2009-10</u>
	<u>FTEs</u>	<u>%FTEs</u>	<u>FTEs</u>	<u>%FTEs</u>	<u>FTEs</u>	<u>%FTEs</u>	
Instruction	211.76	31.5%	216.86	32.02%	217.91	31.96%	0.48%
Research	52.32	7.8%	55.42	8.18%	59.35	8.71%	7.09%
Public Service	0.00	0.0%	1.00	0.15%	0.00	0.00%	100.00%
Academic Support	85.60	12.7%	92.10	13.60%	89.50	13.13%	-2.82%
Student Services	41.40	6.2%	36.90	5.45%	36.00	5.28%	-2.44%
Institutional Support	93.69	13.9%	87.00	12.85%	92.00	13.49%	5.75%
Operations and Maintenance of Plant	82.00	12.2%	79.00	11.66%	80.00	11.73%	1.27%
Auxiliary Enterprises	105.00	15.6%	109.00	16.09%	107.00	15.69%	-1.83%
Total	671.77	100.0%	677.28	100.00%	681.76	100.00%	0.66%

Note: Data is for filled positions only.

Source: University System of Maryland