
Review of Higher Education Funding Approved in the 2007 Legislative Session

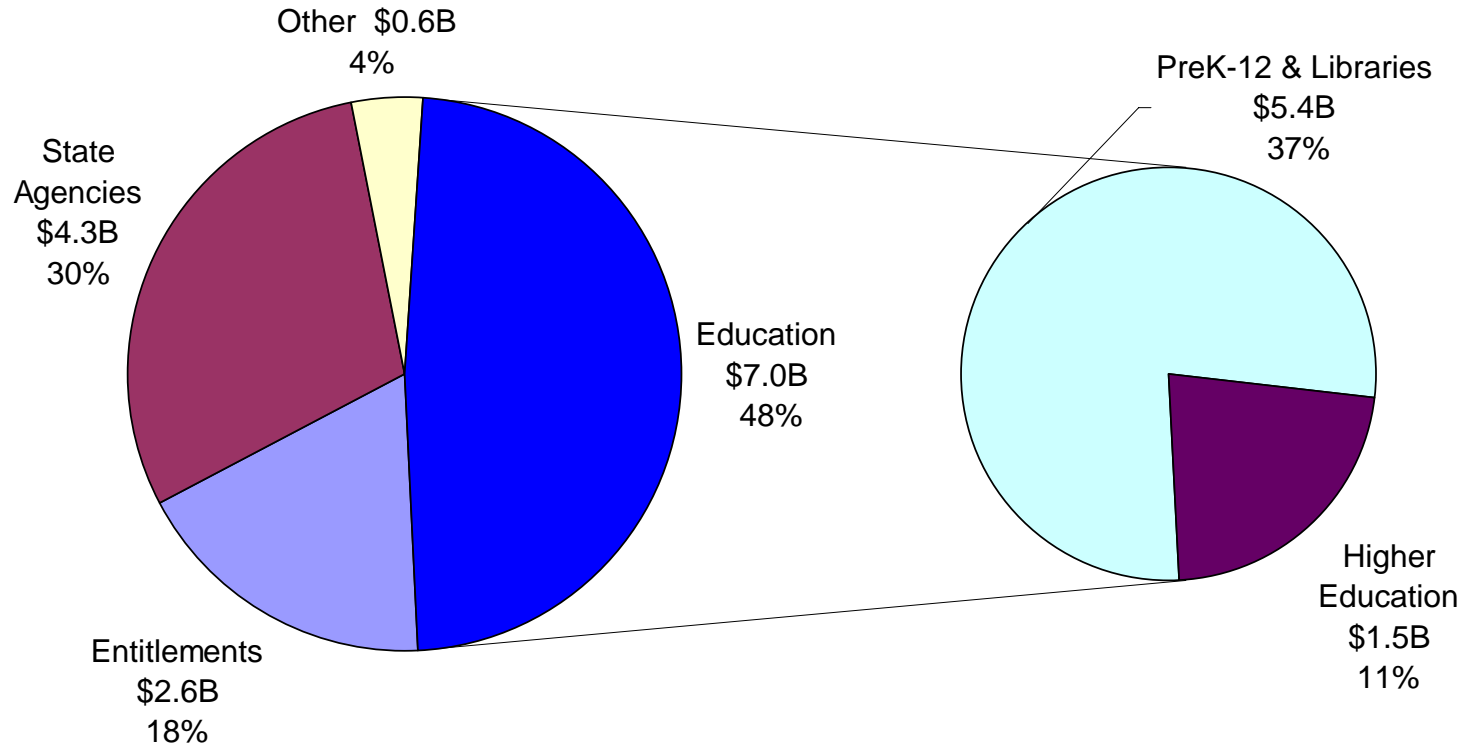
**Presentation to the
Commission to Develop the Maryland Model for
Funding Higher Education**

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

May 2007

Higher Education's Share of General Funds – Fiscal 2008

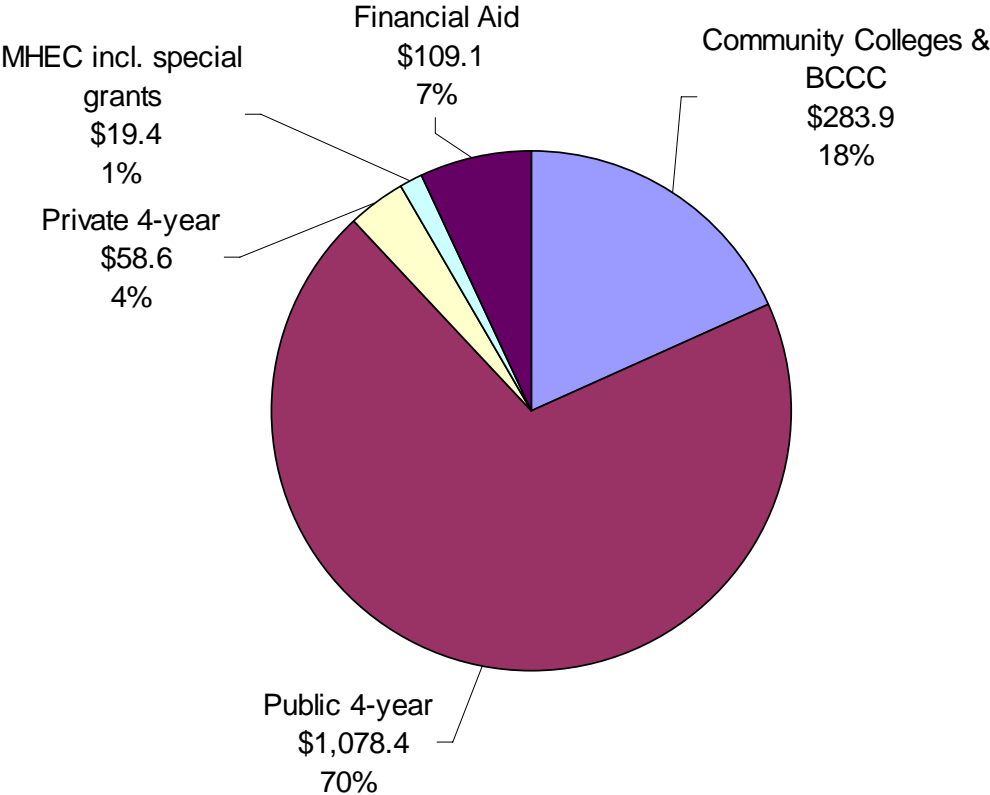
(\$ in Billions)



Note: Other includes non-education local aid, reversions, capital, and reserve funds.

Distribution of General Funds to Higher Education – Fiscal 2008

(\$ in Millions)



General Funds for Higher Education

(\$ in Thousands)

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Change</u> <u>FY 07-08</u>	<u>% Change</u> <u>FY 07-08</u>
University System of Maryland	\$937,037	\$1,017,000	\$79,963	8.5%
Morgan State University	62,915	68,134	5,219	8.3%
St. Mary's College	15,906	16,367	461	2.9%
Regional Higher Education Centers	850	850	0	0.0%
Community Colleges	205,883	244,201	38,317	18.6%
Baltimore City Community College	35,025	40,198	5,173	14.8%
Private Institutions	49,965	58,551	8,586	17.2%
Financial Aid	<u>107,753</u>	<u>107,902</u>	<u>149</u>	<u>0.1%</u>
Total	\$1,415,333	\$1,553,203	\$137,870	10.5%
Total Increase with One-time Health Savings			\$167,156	11.8%

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

General Funds Include...

- Cost-of-living adjustment funds
- Shady Grove and Hagerstown regional centers are included in USM
- Community Colleges include Cade formula, other operating aid, and retirement
- All State agencies will realize one-time health benefit savings. This equates to \$29.3 million (USM, MSU, and BCCC) in additional general funds that are available to spend in fiscal 2008

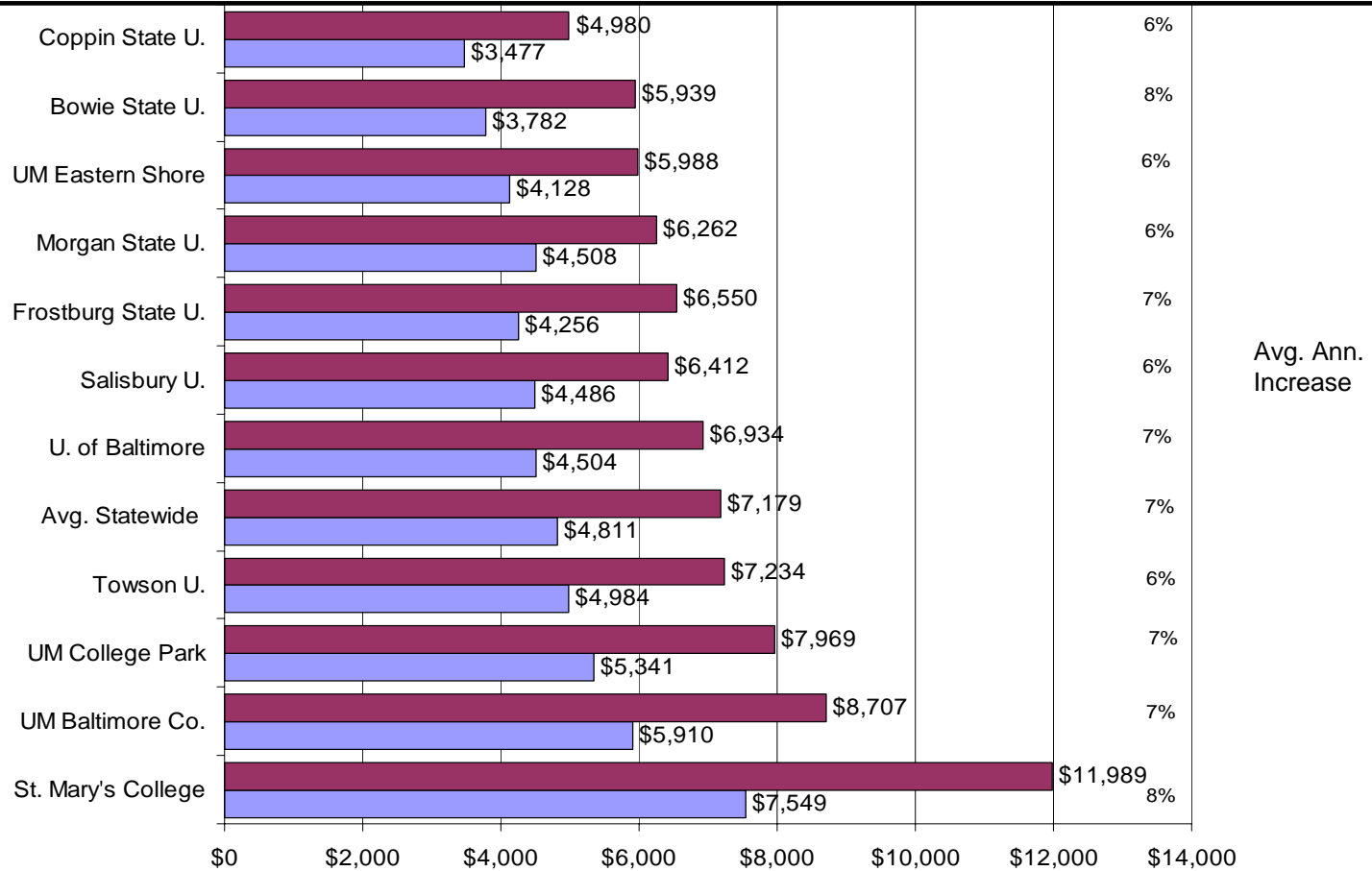
Budget Actions of the Legislature

- Supported Governor's proposal to freeze tuition rates for undergraduate resident students
- Expressed intent that the public four-year institutions transfer additional revenues to fund balance in anticipation of the structural budget deficit
- Supported enrollment growth of 1,740 students at USM institutions and enhancements, *e.g.*, financial aid, poison control, STEM, and other program enhancements

Resident Undergraduate Tuition Frozen at USM and Morgan

- For the second consecutive year, tuition rates will be frozen at fall 2006 rates for resident undergrads
- USM will receive \$15.4 million in general funds to subsidize the tuition freeze. This avoids a 4% increase in tuition rates
- Morgan will receive \$0.9 million in general funds. This avoids a 5% tuition increase
- Including mandatory fees, rates for resident undergrads will increase 1.5% on average

Resident Undergraduate Tuition and Mandatory Fees – Fiscal 2002 and 2008

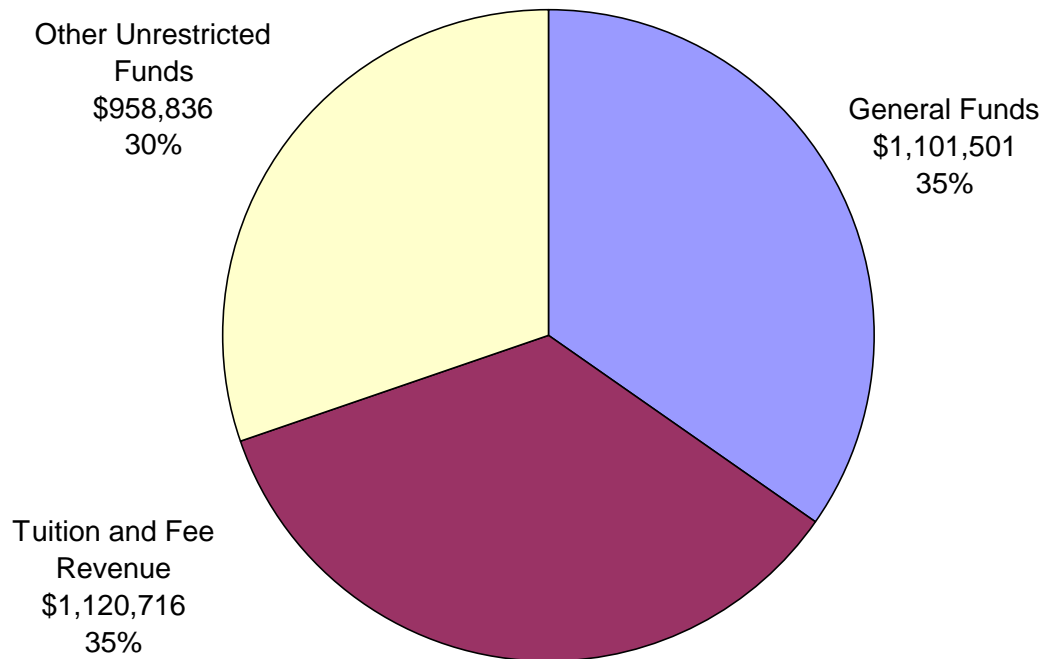


Note: Data exclude UM Baltimore and UM University College; statewide avg. is unweighted.

Source: Governor's Budget Books, Fiscal 2004 and 2008; USM; St. Mary's College; Morgan State University

Total Unrestricted Funds for Four-year Public Institutions – Fiscal 2008

(\$ in Thousands)



Source: Governor's *Budget Books*, Fiscal 2008

Community Colleges Fully Funded

- Cade and BCCC formulas are fully funded in fiscal 2008, including the first year of a six-year enhancement plan
- General Assembly approved maximum ESOL funding increase for BCCC similar to increase approved last year for 15 other colleges
- State-funded retirement for eligible employees

State Financial Aid Appropriations

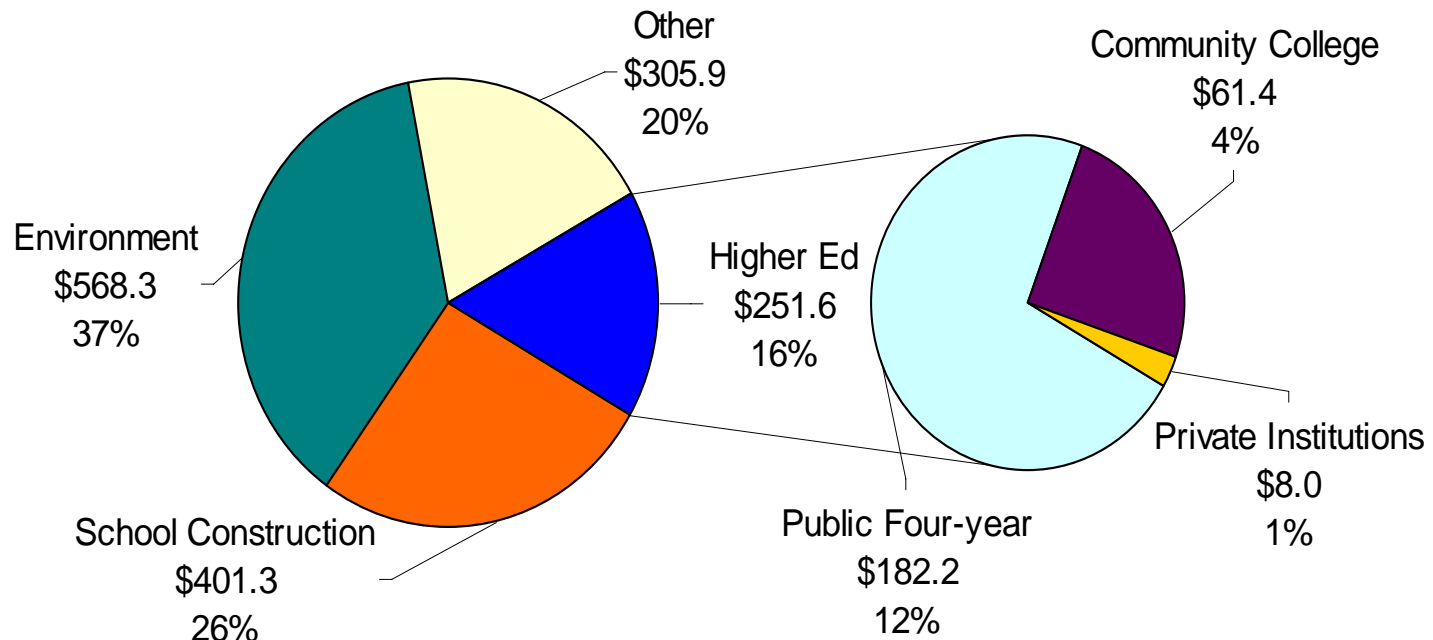
(\$ in Thousands)

	FY 2007	FY 2008	\$ Change	% Change
	<u>Working</u>	<u>Appropriation</u>	<u>FY 07-08</u>	<u>FY 07-08</u>
Need-based Aid	\$83,253	\$85,358	\$2,105	2.5%
Merit-based Aid	4,434	4,200	-234	-5.3%
Career-based Aid	9,578	7,456	-2,122	-22.2%
Legislative	11,540	11,349	-191	-1.7%
Unique Populations	<u>758</u>	<u>1,348</u>	<u>590</u>	<u>77.8%</u>
Total	\$109,563	\$109,711	148	0.1%

Note: Includes State, special, reimbursable, and federal funds.

Higher Education's Share of State Capital Authorizations Fiscal 2008

(\$ in Millions)

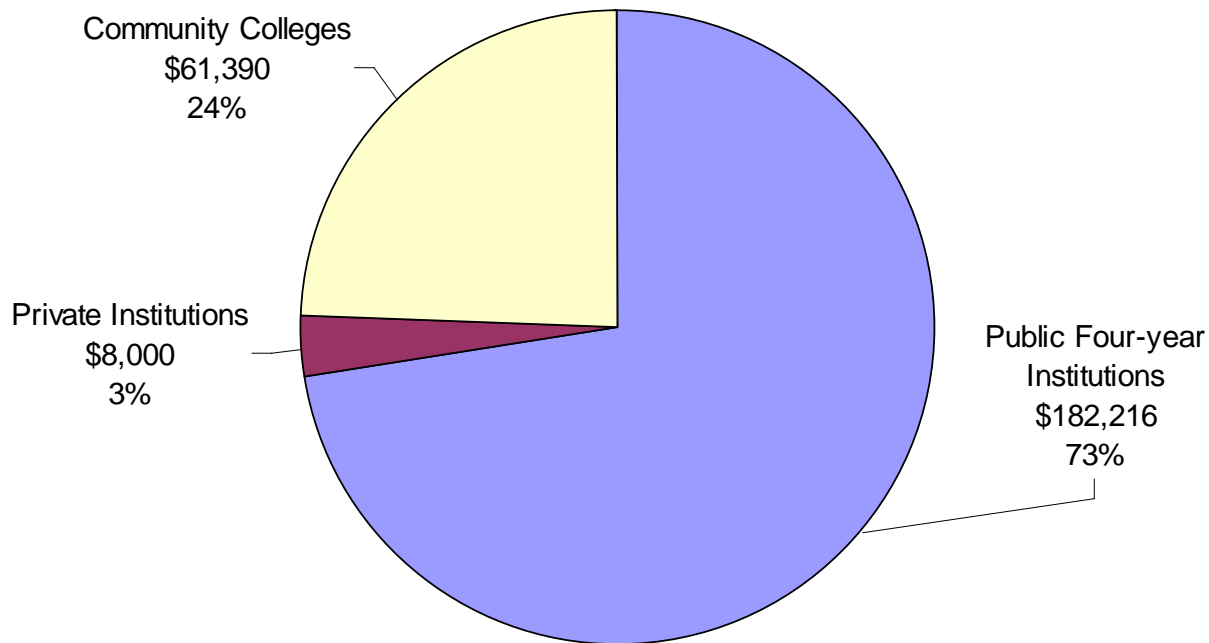


Notes: Does not include transportation capital funds. Includes General Obligation Bonds, Revenue Bonds, QZABs, and PAYGO funds.

Other includes Economic Development, Health and Social, Housing and Community Development, Local Projects, Public Safety, and State Facilities.

Fiscal 2008 Capital Funding for Institutions of Higher Education

(\$ in Thousands)



Note: Includes General Obligation Bonds and Revenue Bonds. Higher education institutions received no PAYGO funds for fiscal 2008.

Fiscal 2008 Four-year Public Institution Capital Funding (\$ in Thousands)

Coppin State U. - Phys. Ed. Complex, Health/Human Services, Utility Imprv.	\$87,064
UM College Park - Tawes Building Conversion	28,800
USM - Facility Renewal	15,000
Towson U. - Liberal Arts Complex	13,505
Salisbury U. - Teacher Education Complex, Perdue Business School	12,509
UM Center for Environmental Science - Oyster Production Pier	9,200
Morgan State U. - Built Environment, Site Improvements, Banneker	8,740
UM Baltimore County - Arts and Humanities Center	2,725
U. of Baltimore - N. Charles Bldg. Renovation	1,211
USM - Shady Grove	1,200
UM University College - Academic Tech. Center Acquisition	1,185
St. Mary's College of MD - New Academic Building	1,077