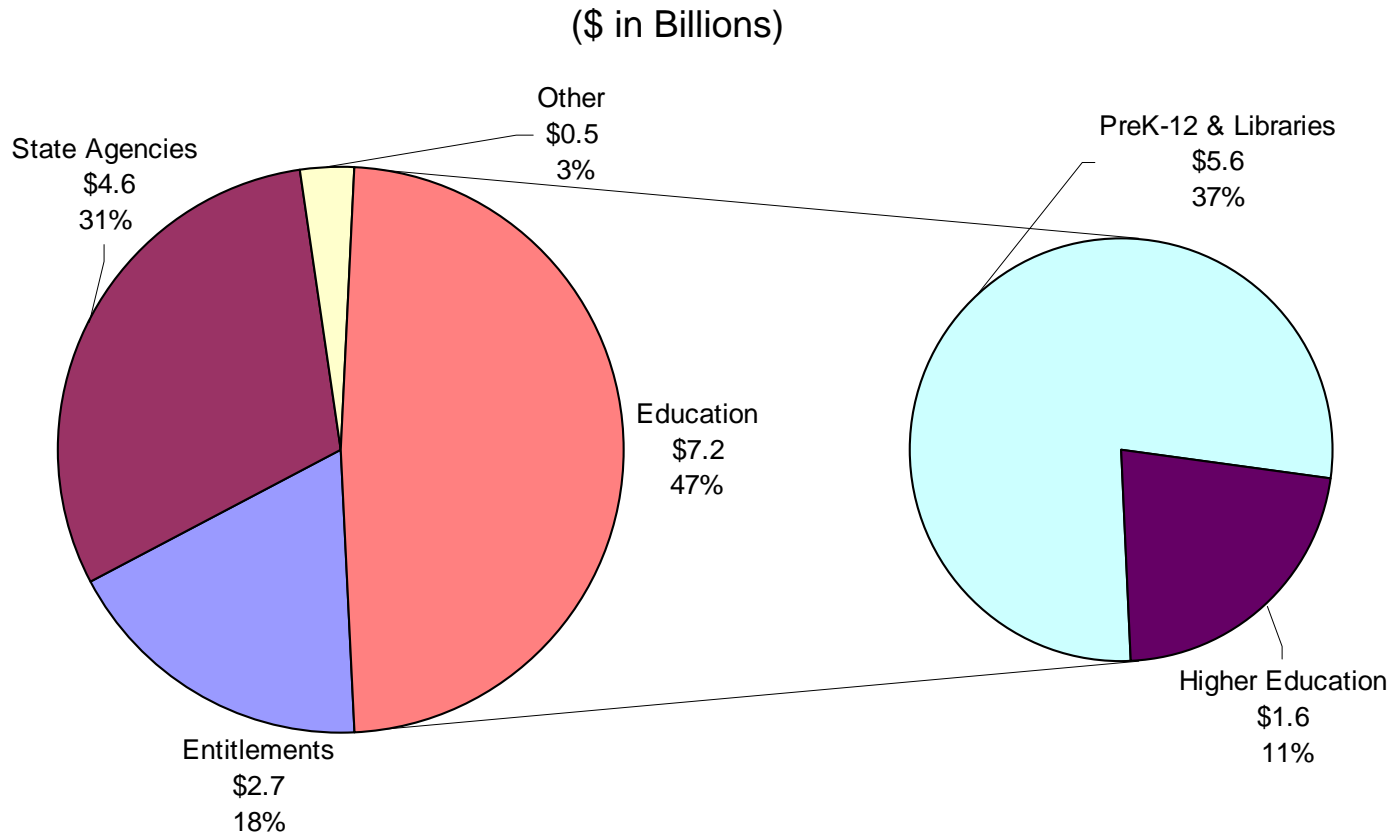

Review of Higher Education Funding Approved in 2008 Session

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

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

June 10, 2008

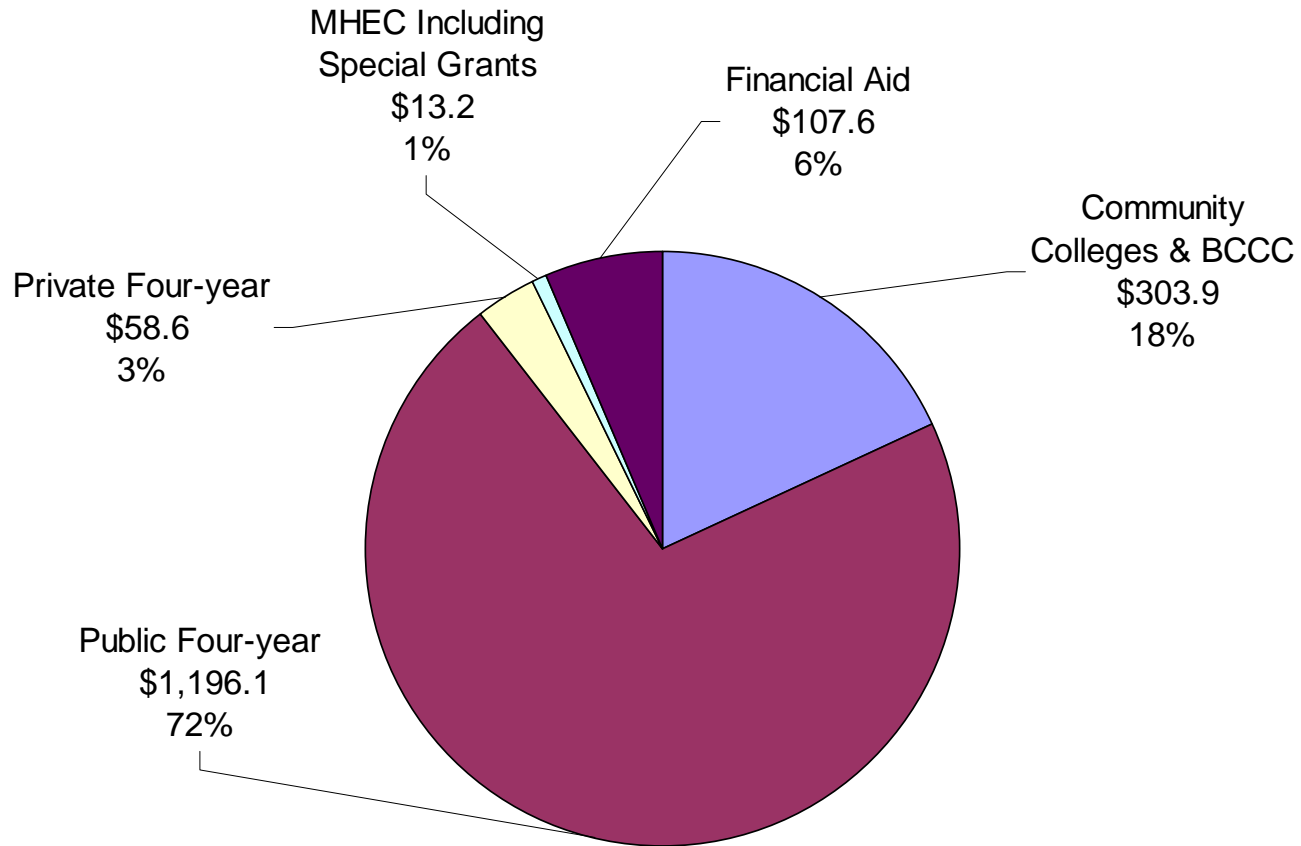
Higher Education's Share of General Funds – Fiscal 2009



Note: Other includes noneducation local aid, reversions, capital, and reserve funds.

Distribution of General and Higher Education Investment Funds to Higher Education – Fiscal 2009

(\$ in Millions)



General and Higher Education Investment Funds for Higher Education

(\$ in Millions)

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Change</u> <u>FY 08-09</u>	<u>% Change</u> <u>FY 08-09</u>
University System of Maryland	1,004.9	1,103.4	98.5	9.8%
Morgan State University	67.6	75.6	8.0	11.8%
St. Mary's College	16.4	17.1	0.7	4.3%
Maryland Higher Education Commission	10.4	13.2	2.8	27.0%
Community Colleges	241.7	262.9	21.2	8.8%
Baltimore City Community College	39.7	41.0	1.3	3.3%
Private Institutions	56.0	58.6	2.5	4.5%
Financial Aid	102.0	107.6	5.7	5.6%
Total	\$1,538.7	\$1,679.4	\$140.7	9.1%

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

State Financial Aid Appropriations

(\$ in Millions)

	<u>FY 2008</u> <u>Working</u>	<u>FY 2009</u> <u>Appropriation</u>	<u>FY 08-09</u> <u>\$ Change</u>	<u>FY 08-09</u> <u>% Change</u>
Need-based Aid	\$81.8	\$85.4	\$3.6	4.4%
Merit-based Aid	3.9	4.2	0.3	6.8%
Career-based Aid	6.0	7.3	1.2	20.7%
Legislative	11.2	11.3	0.1	0.9%
Unique Populations	1.5	1.6	0.1	8.4%
Total	\$104.5	\$109.8	\$5.3	5.1%

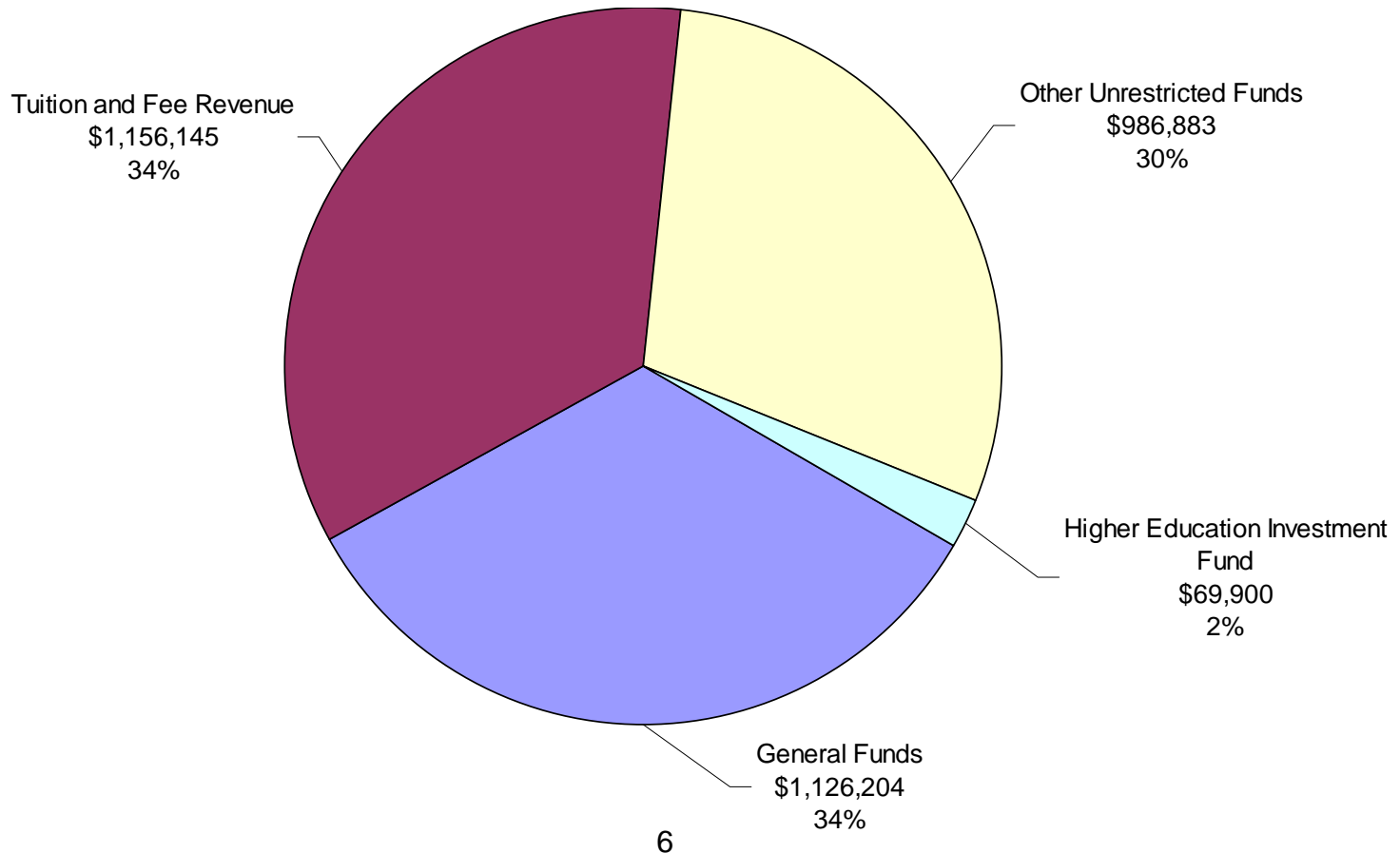
Note: Includes State, special, reimbursable, and federal funds

General and Higher Education Investment Funds Include...

- Cost-of-living adjustment funds
- Shady Grove and Hagerstown regional centers are included in USM
- Grants include funds for non-USM regional centers and BRAC initiatives
- Community colleges include Cade formula, other operating aid, and retirement

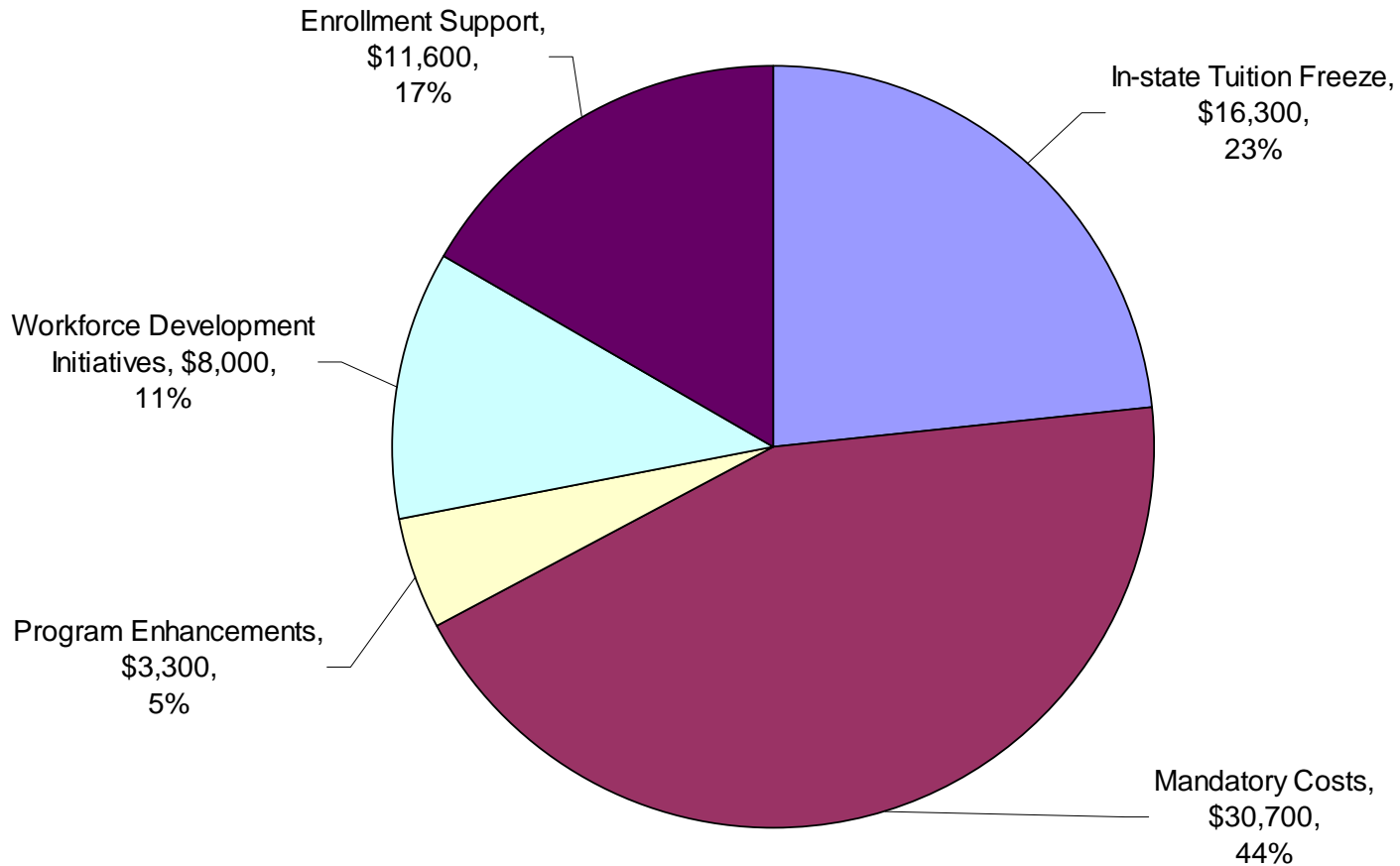
Total Unrestricted Funds for Four-year Public Institutions – Fiscal 2009

(\$ in Thousands)



Higher Education Investment Fund Fiscal 2009

(\$ in Thousands)



Budget Actions of the Legislature

- Supported Governor's proposal to freeze tuition rates for most undergraduate resident students
- Allows general funds and Higher Education Investment Fund (HEIF) revenues to grow 4% per full-time equivalent student (FTES) over fiscal 2008
- Supported enrollment growth of 1,529 students at USM institutions and enhancements, e.g., financial aid, closing the achievement gap, and other program enhancements

Funding Guideline Attainment

<u>Institutions</u>	<u>FY 2006 % Attained</u>	<u>FY 2007 % Attained</u>	<u>FY 2008 % Attained</u>	<u>FY 2009 % Attained</u>
Bowie State University	52%	94%	74%	79%
Coppin State University	70%	108%	93%	102%
Frostburg State University	78%	90%	82%	92%
Morgan State University	75%	91%	95%	98%
Salisbury University	74%	104%	79%	79%
Towson University	80%	100%	90%	92%
University of Baltimore	80%	141%	132%	138%
UM Baltimore	53%	72%	74%	83%
UM Baltimore County	64%	81%	74%	78%
UM Biotechnology Institute	74%	88%	70%	69%
UM Center for Env. Science	68%	81%	82%	80%
UM College Park	68%	82%	78%	81%
UM Eastern Shore	73%	99%	88%	83%
UM University College	34%	40%	61%	37%
Total	66%	84%	81%	83%

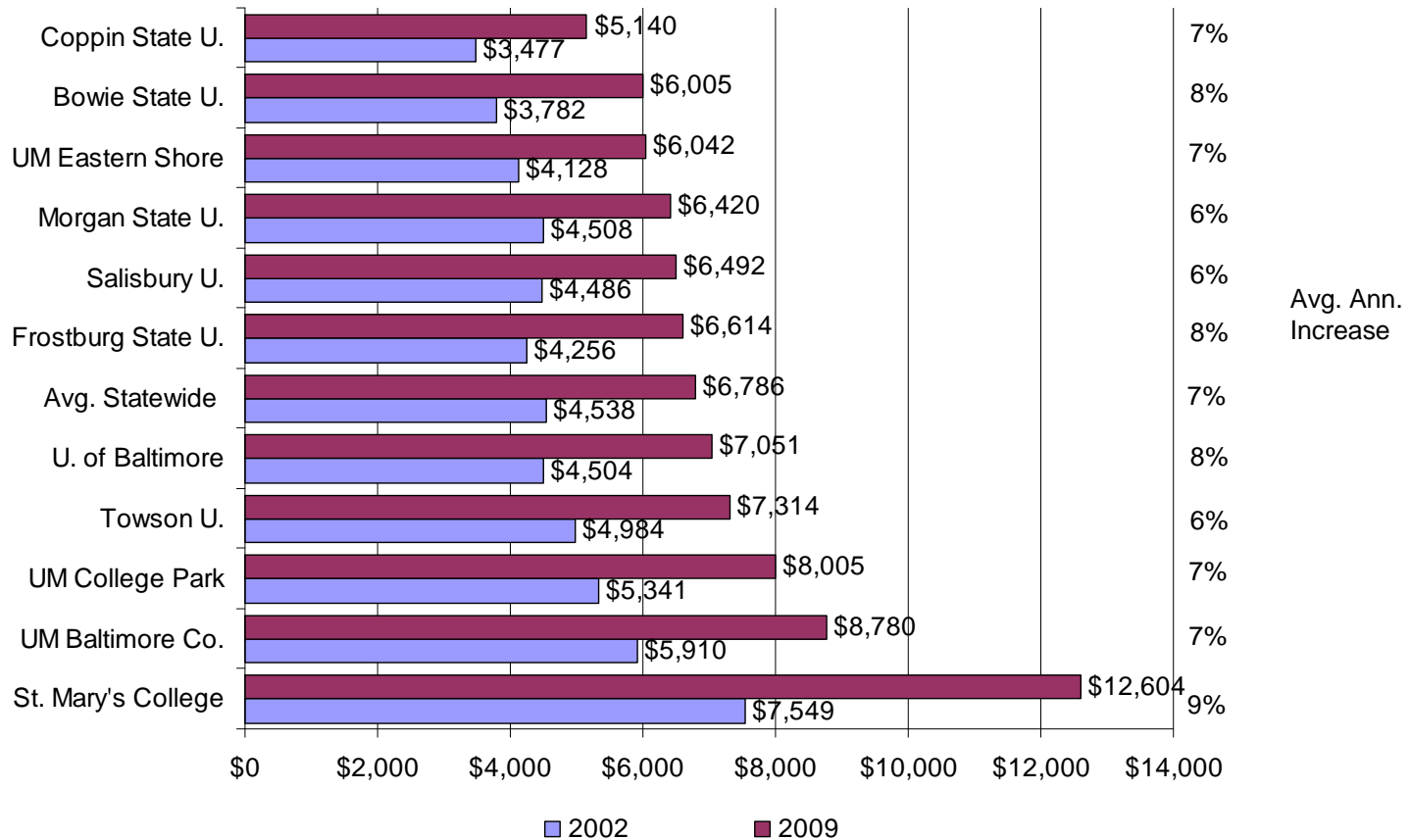
Note: Fiscal 2009 percent attainment includes HEIF and estimated cost-of-living adjustments.

Source: Maryland Higher Education Commission; University System of Maryland; Department of Budget and Management

Resident Undergraduate Tuition Frozen at USM and Morgan

- For the third consecutive year, tuition rates will be frozen at fall 2006 rates for resident undergrads.
- USM will receive \$15.5 million from HEIF to subsidize the tuition freeze. This avoids a 4% increase in tuition rates.
- Morgan will receive \$0.8 million from HEIF. This avoids a 5% tuition increase.
- Including mandatory fees, rates for resident undergrads will increase 1.3% on average.

Resident Undergraduate Tuition and Mandatory Fees – Fiscal 2002 and 2009



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

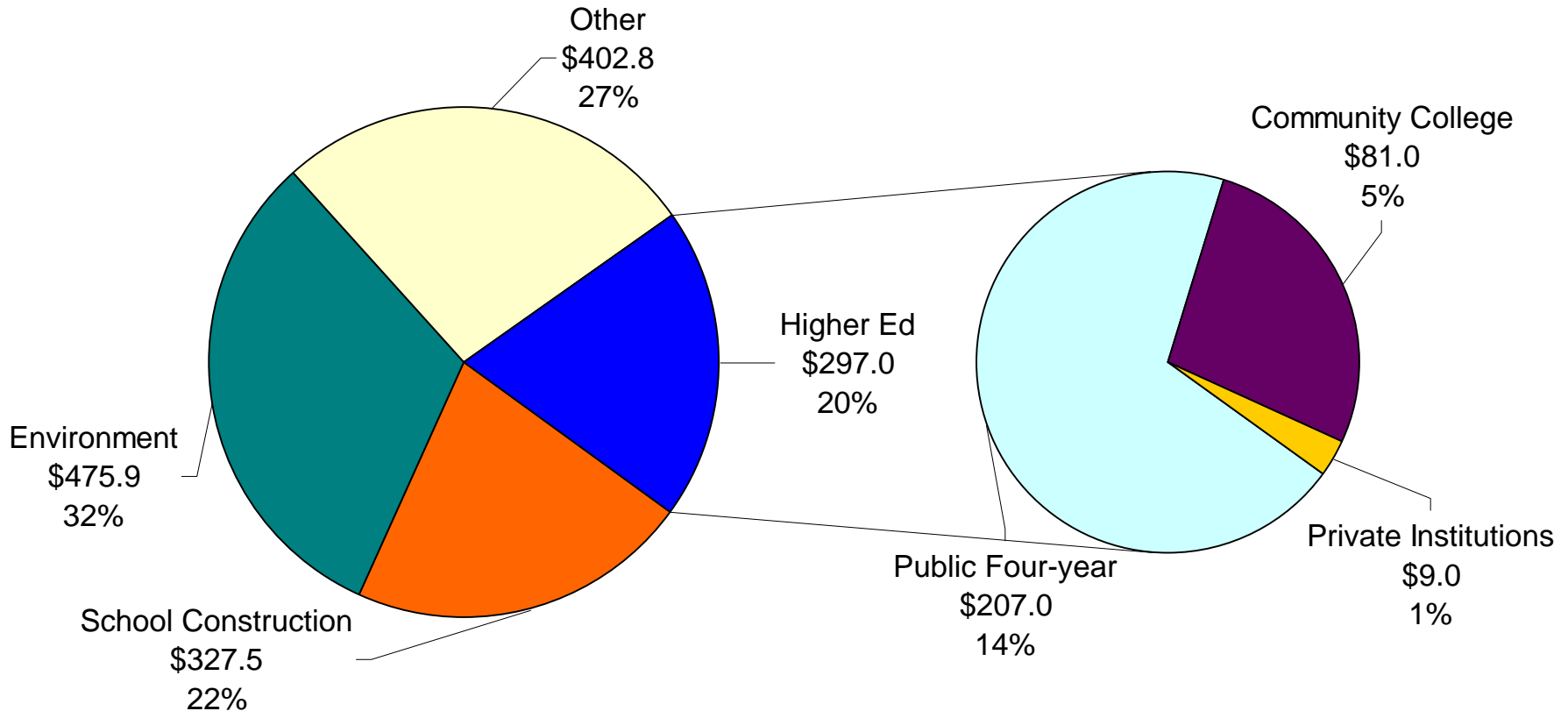
Source: *Governor's Budget Books*, Fiscal 2004 and 2009; USM; St. Mary's College; Morgan State University

Community Colleges

- Cade formula was funded at a 4.0% increase per student over the amount received per student in fiscal 2008, an overall increase of 8.4%.
- BCCC's formula was funded at a 6.0% increase per student over the amount received per student in fiscal 2008, resulting in a 3.3% increase overall.

Higher Education's Share of State Capital Authorizations – Fiscal 2009

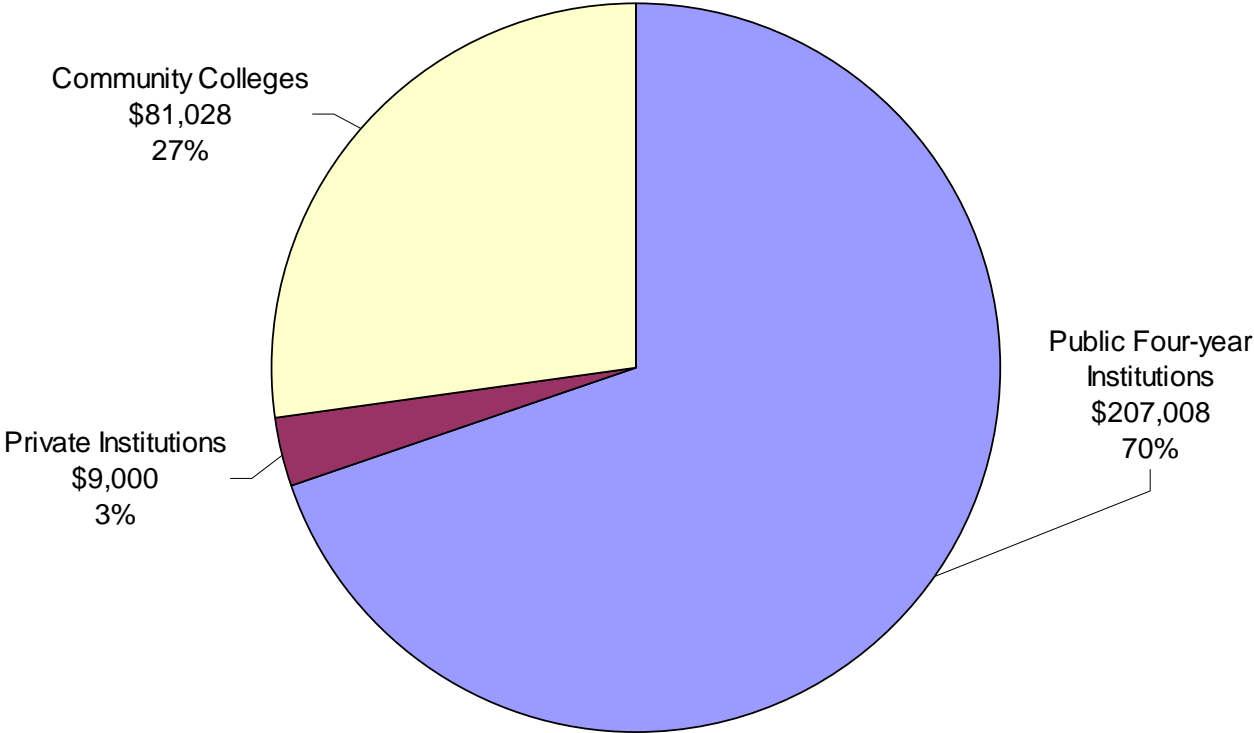
(\$ in Millions)



Notes: Does not include transportation capital funds. Includes general obligation bonds, revenue bonds, Qualified Zone Academy Bonds, and PAYGO funds. Other includes Economic Development, Health and Social, Housing and Community Development, Local Projects, Public Safety, and State Facilities.

Fiscal 2009 Capital Funding for Institutions of Higher Education

(\$ in Thousands)



Note: Includes general obligation bonds, revenue bonds, Higher Education Investment Funds and PAYGO funds.

Fiscal 2009 Higher Education Public Institution Capital Funding

(\$ in Thousands)

UM Baltimore – School of Pharmacy	\$62,227
Coppin State U. – Phys. Ed. Complex, Health/Human Services, Property Acq., Utility	56,172
Towson U. – Liberal Arts Complex, Campus Safety Circulation Imprv.	27,613
UM College Park – Tawes, Journalism, Physical Science, Public Health, Bio-Psych	21,450
USM – Facility Renewal	17,000
Morgan State U. – Business School, Site Improvements, Utilities Upgrade	11,873
St. Mary's College of MD – Arundel Hall, Student Services, Bruce Davis Theater	4,647
U. of Baltimore – Law School	4,033

15.5% Statutory Goal

Fiscal 2009 State Higher Education Funding:

- Total Appropriation \$1,688.9 million
- Capital Authorization \$ 297.0 million
- **Total** **\$1,985.9 million**

- 13.7% of estimated general fund revenues, a slight increase from 13.5% in fiscal 2009

- Additional \$259.2 million (operating and/or capital) is needed to reach 15.5% in fiscal 2009