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# **Higher Education Fiscal 2011 Budget Overview**

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**Department of Legislative Services  
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*Analysis of the FY 2011 Maryland Executive Budget, 2010*

*Higher Education – Fiscal 2011 Budget Overview*

## Higher Education Fiscal 2011 Budget Overview

### State Funding Changes for Higher Education

	<b>2010 Working Approp.</b>	<b>2011 Allowance</b>	<b>2011 Adjusted<sup>1</sup></b>	<b>2010 Working - 2011 Adjusted Change</b>	<b>% Change</b>
<b>Public Four-year Institutions<sup>2</sup></b>					
University System of Maryland	\$959,963,641	\$969,617,927	\$951,978,722	-\$7,984,919	-0.8%
USM Deficiency Appropriation	1,844,009			-1,844,009	-100.0%
Morgan State University	73,249,012	73,673,589	72,612,375	-636,637	-0.9%
MSU Deficiency Appropriation	605,991			-605,991	-100.0%
FY 2011 Tuition Replacement <sup>3</sup>		8,520,430	8,520,430	8,520,430	
USM Regional Higher Education Centers	9,132,065	9,164,763	9,164,763	32,698	0.4%
St. Mary's College	17,214,772	17,517,752	17,463,279	248,507	1.4%
<b>Subtotal – Public Four-year Institutions</b>	<b>\$1,062,009,490</b>	<b>\$1,078,494,461</b>	<b>\$1,059,739,569</b>	<b>-\$2,269,921</b>	<b>-0.2%</b>
USM Research Institutes <sup>4</sup>	\$38,306,596	\$17,949,266	\$17,911,694	-\$20,394,902	-53.2%
USM Office <sup>4</sup>	10,145,761	30,019,193	29,967,936	19,822,175	195.4%
<b>Other Higher Education</b>					
Maryland Higher Education Commission					
Administration	\$5,558,006	\$5,052,802	\$4,929,892	-\$628,114	-11.3%
Financial Aid	101,953,665	101,590,360	100,340,360	-1,613,305	-1.6%
Educational Grant	5,775,750	5,634,375	5,634,375	-141,375	-2.4%
HBI Enhancement Deficiency Appropriation	-2,450,000			2,450,000	-100.0%
MHEC Regional Higher Education Centers	1,750,000	1,500,000	1,500,000	-250,000	-14.3%
Workforce Initiatives	864,706	864,706	864,706	0	0.0%
Private Incentive Donation Program	145,909	214,580	214,580	68,671	47.1%
Independent Institutions	38,445,958	51,983,458	30,000,000	-8,445,958	-22.0%
Aid to Community Colleges <sup>5</sup>	256,173,696	279,200,300	256,115,238	-58,458	0.0%
Baltimore City Community College	40,202,531	40,828,695	40,753,368	550,837	1.4%
<b>Subtotal – Other Higher Education</b>	<b>\$448,420,221</b>	<b>\$486,869,276</b>	<b>\$440,352,519</b>	<b>-\$8,067,702</b>	<b>-1.8%</b>
<b>Total Higher Education</b>	<b>\$1,558,882,068</b>	<b>\$1,613,332,196</b>	<b>\$1,547,971,718</b>	<b>-\$10,910,350</b>	<b>-0.7%</b>

HBI: historically black institution

MHEC: Maryland Higher Education Commission

MSU: Morgan State University

USM: University System of Maryland

<sup>1</sup> 2011 adjusted reflects anticipated reductions as a result of a fiscal 2011 employee furlough and health insurance savings and proposed reductions contingent on legislation.

<sup>2</sup> State funding includes appropriations from the Higher Education Investment Fund. State funding for the Maryland Fire and Rescue Institute and cooperative and agricultural extension programs are excluded.

<sup>3</sup> Fiscal 2011 tuition replacement represents the part of the allowance allocated to replace a 2.0% tuition increase.

<sup>4</sup> Fiscal 2011 funding for the University of Maryland Biotechnology Institute (UMBI) is included in the University System of Maryland Office as the system determines which institutions will absorb UMBI's component parts.

<sup>5</sup> Includes a fiscal 2010 deficiency appropriation that represents an even exchange of general funds from public safety for federal stimulus funds from community colleges.

Source: Governor's Budget Books, Fiscal 2011: Senate Bill 140 – Budget Bill; Senate Bill 141 – Budget Reconciliation and Financing Act of 2010

*Higher Education – Fiscal 2011 Budget Overview*

In total, State funding for public higher education is level-funded from fiscal 2010 to 2011, as shown in the opening exhibit, after adjusting for changes made for fiscal 2010 and contingent and across-the-board reductions proposed by the Governor for fiscal 2011. An increase of approximately \$54.5 million across all of higher education in the fiscal 2011 allowance formula, which includes the statutory funding levels for independent and community colleges, is reduced to a decrease of \$10.9 million after across-the-board reductions for employee furloughs and health insurance savings and proposed reductions contingent on the Budget Reconciliation and Financing Act (BRFA) of 2010.

Before adjusting for across-the-board reductions, State support for public universities in the fiscal 2011 allowance grows by \$18.5 million, or 1.7%, as shown in **Exhibit 1**, which positions similar institutions together. The largest share of this increase is due to the restoration of salaries that were reduced in the fiscal 2010 employee furlough. Additionally, \$8.5 million is targeted toward avoiding greater tuition increases than the institutions would otherwise make. The Governor has proposed allowing tuition rates to increase 3.0% and providing additional State funds equivalent to a 2.0% tuition increase, or \$8.5 million. Every college and university receives a share of this money except for St. Mary's College of Maryland (SMCM), although SMCM also plans to hold the in-state tuition increase to 3.0%. A portion of the increase, \$4.2 million, replaces Higher Education Investment Funds (HEIF) that were not realized in fiscal 2010 with general funds.

The greatest percentage increases are at the University of Maryland University College (UMUC), growing 6.6% (\$2.0 million), and Towson University (TU) and Salisbury University (SU), both growing at 3.0% (\$2.7 million and \$1.2 million, respectively). The largest dollar increase is at the University of Maryland, College Park (UMCP), growing \$5.3 million, or 1.4%. Funding for the University System of Maryland (USM) Office increases 103.3%. However, this is due to the inclusion of State support for the University of Maryland Biotechnology Institute (UMBI). UMBI is in the process of being dissolved and absorbed by other USM institutions, and the USM Office is coordinating the effort. For fiscal 2011 budgeting purposes, UMBI's \$19.8 million in funding is included in USM office.

The allowance includes a number of changes for both fiscal 2010 and 2011, however, and **Exhibit 2** outlines these changes. The exhibit's first column shows reductions taken by the Board of Public Works (BPW) prior to January 2010. The second column is additional fiscal 2010 changes included in the Governor's proposed budget through deficiency appropriations. Enhancement funding of \$2.5 million currently budgeted in the Maryland Higher Education Commission (MHEC) will be distributed directly to the historically black institutions (HBIs) in fiscal 2010 only.

**Exhibit 1**  
**State Support for Public Universities**  
**Fiscal 2007-2011 Allowance**  
**(\$ in Thousands)**

<u>Institution</u>	<u>2007 Actual</u>	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2010 Working</u>	<u>2011 Allowance</u>	<u>2007-10 Annual % Change</u>	<u>2010-11 \$ Change</u>	<u>2010-11 % Change</u>
Univ. of Maryland, Baltimore	\$157,679	\$170,642	\$180,965	\$180,474	\$181,672	4.6%	\$1,199	0.7%
Univ. of Maryland, College Park	336,001	360,275	372,554	368,928	374,248	3.2%	5,320	1.4%
Univ. of Maryland Baltimore County	79,270	84,488	89,412	88,756	90,885	3.8%	2,129	2.4%
Morgan State University	62,985	67,634	72,784	73,249	74,057	5.2%	808	1.1%
Univ. of Baltimore	26,242	27,844	30,490	30,227	30,768	4.8%	540	1.8%
Univ. of Maryland University College	20,069	24,691	28,291	29,805	31,782	14.1%	1,977	6.6%
Towson University	76,171	82,442	89,152	88,709	91,406	5.2%	2,697	3.0%
Bowie State University	31,111	33,232	35,143	34,704	35,367	3.7%	663	1.9%
Salisbury University	32,928	35,019	38,667	38,662	39,818	5.5%	1,156	3.0%
Frostburg State University	29,667	31,117	32,765	32,646	33,441	3.2%	795	2.4%
Univ. of Maryland Eastern Shore	26,497	28,745	30,178	29,756	30,199	3.9%	443	1.5%
Coppin State University	30,428	31,813	34,669	37,183	38,170	6.9%	987	2.7%
St. Mary's College	15,906	16,367	16,925	17,215	17,518	2.7%	303	1.8%
Univ. of Maryland Center for Environmental Science	15,450	17,286	17,721	17,876	17,949	5.0%	73	0.4%
Univ. of Maryland Biotechnology Institute	20,771	19,960	20,430	20,543		-0.4%	-20,543	-100.0%
University System of Maryland Office <sup>1</sup>	14,447	19,433	19,549	19,278	39,184	10.1%	19,906	103.3%
<b>Total</b>	<b>\$975,620,167</b>	<b>\$1,050,988,948</b>	<b>\$1,109,694,920</b>	<b>\$1,108,011,847</b>	<b>\$1,126,462,920</b>	<b>4.3%</b>	<b>\$18,451</b>	<b>1.7%</b>

<sup>1</sup> Fiscal 2011 includes the University of Maryland Biotechnology Institute's appropriation, which will be dissolved and whose component parts will be being distributed among University System of Maryland (USM) institutions by the USM Office.

Note: Fiscal 2009 and 2010 includes the Higher Education Investment Fund. Figures exclude funding for cooperative and agricultural extension programs and the Maryland Fire and Rescue Institute.

Source: Governor's Budget Books, Fiscal 2008-2011

**Exhibit 2**  
**Board of Public Works Reductions and Contingent Reductions**  
**State Funds, Fiscal 2010 and 2011**  
**(\$ in Thousands)**

	<u>Prior 2010 BPW Actions<sup>1</sup></u>	<u>2010 Planned Actions</u>	<u>Total 2010 Actions</u>	<u>2011 Budget &amp; BRFA</u>
Univ. of Maryland, Baltimore	-\$4,692		-\$4,692	-\$3,495
Univ. of Maryland, College Park	-14,723		-14,723	-7,346
Univ. of Maryland Baltimore County	-3,569		-3,569	-1,573
Morgan State University	-1,815	\$606	-1,209	-1,061
Univ. of Baltimore	-1,114		-1,114	-582
Univ. of Maryland University College	-1,477		-1,477	-397
Towson University	-3,819		-3,819	-1,692
Bowie State University	-1,324	570	-754	-418
Salisbury University	-1,655		-1,655	-694
Frostburg State University	-1,318		-1,318	-545
Coppin State University	-1,328	409	-919	-372
Univ. of Maryland Eastern Shore	-1,165	866	-299	-524
St. Mary's College	-150		-150	-54
Univ. of Maryland Center for Environmental Science	-420		-420	-38
Univ. of Maryland Biotechnology Institute	-483		-483	
University System of Maryland Office	-453		-453	-51
<b>Total Public Four-year Institutions</b>	<b>-\$39,505</b>	<b>\$2,450</b>	<b>-\$37,055</b>	<b>-\$18,844</b>
Maryland Higher Education Commission	-\$670		-\$670	-\$123
MHEC Scholarship and Grant Programs	-3,479	-\$2,450	-5,929	-1,250
Sellinger Program for Independent Institutions	-13,732		-13,732	-21,983
John A. Cade Community College Grant Program	-10,516		-10,516	-23,085
Baltimore City Community College	-2,184		-2,184	-75
<b>Total Higher Education</b>	<b>-\$70,086</b>	<b>\$0</b>	<b>-\$70,086</b>	<b>-\$65,360</b>

BPW: Board of Public Works  
BRFA: Budget Reconciliation and Financing Act  
MHEC: Maryland Higher Education Commission

<sup>1</sup> These actions are reflected in the fiscal 2010 working appropriation.

Note: Fiscal 2010 Board of Public Works actions include the statewide furlough, Higher Education Investment Fund underattainment, and reductions to community colleges.

Source: Senate Bill 140 – Budget Bill; Senate Bill 141 – Budget Reconciliation and Financing Act of 2010

### *Higher Education – Fiscal 2011 Budget Overview*

The far right hand column of Exhibit 2 represents across-the-board budget reductions, as well as reductions contingent on passage of Senate Bill 141 – the BRFA of 2010. The reductions to the four-year institutions represent furlough savings reduced from of the institutions’ operating budgets, savings totaling \$15.3 million, and also savings in health insurance as estimated by the Department of Legislative Services (DLS). The BRFA also includes transfers of fund balance for both fiscal 2010 and 2011. In fiscal 2010, a total of \$87.0 million will be transferred from the fund balances of USM, Morgan State University (MSU), SMCMD, and Baltimore City Community College (BCCC). A part of this transfer, \$21.9 million, represents a portion of each segment’s furlough commitment. A similar action is proposed for fiscal 2011 – a second fund balance transfer of \$53.5 million, with \$13.5 million representing additional fiscal 2011 furlough savings.

Reductions to mandated spending in MHEC’s scholarship and grant programs save \$1.3 million, while the Sellinger grant to independent institutions decreases by \$22.0 million from the statutory funding level. The State’s support to community colleges, including retirement, is level-funded, reducing the allowance by \$23.1 million.

It should be noted that two fiscal 2010 deficiency appropriations, related to community college aid and HBI enhancement funds, are proposed as part of the Administration’s plan for the use of the federal American Recovery and Reinvestment Act of 2009 (ARRA) funds. In both cases, general funds are moved into a higher education budget that helps the State meet its maintenance of effort requirement under the ARRA.

**Exhibit 3** shows the underlying growth in the budget for the institutions and grant programs only from fiscal 2009 to 2011 by campus or program, accounting for the anticipated fiscal 2010 and 2011 changes shown in Exhibit 2. From fiscal 2010 and 2011, a decline of 0.7% is expected when Sellinger, community colleges, and BCCC are included. Four-year institutions decline 0.3%, although it ranges from a decrease of 1.6% at the University of Maryland Eastern Shore (UMES), to an increase of 5.3% at UMUC. Higher decreases at the HBIs are attributable to enhancement funding returning to MHEC’s budget in fiscal 2011. For the formula grants to community colleges and independent institutions, fiscal 2010-2011 growth reverses course compared to what is statutorily required to be included in the allowance. The Sellinger grant to independent institutions declines by 22.0%. Likewise, aid to community college is unchanged in the allowance, although funding through the Cade formula decreases \$5.4 million, or 2.7%.

Between fiscal 2009 and 2011, the budget declines by 1.4% after accounting for adjustments in fiscal 2011. Growth is highest at UMUC, which increases 10.9%, although the overall public four-year average is a relatively flat 0.2% decrease. Most of the State’s colleges experience declines over this period. The greatest decrease is to aid to independent institutions, however, which falls 40.5%.

**Exhibit 3**  
**Underlying Changes in Budget after 2010 Changes in Allowance and**  
**Senate Bill 141 – Budget Reconciliation and Financing Act of 2010**  
 (\$ in Thousands)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Adjusted</u>	<u>2011</u> <u>Adjusted</u>	<u>2010-11</u> <u>% Change</u>	<u>2009-11</u> <u>% Change</u>
Univ. of Maryland, Baltimore	\$180,965	\$180,474	\$178,177	-1.3%	-1.5%
Univ. of Maryland, College Park	372,554	368,928	366,902	-0.5%	-1.5%
Univ. of Maryland Baltimore County	89,412	88,756	89,312	0.6%	-0.1%
Morgan State University	72,784	73,855	72,995	-1.2%	0.3%
Univ. of Baltimore	30,490	30,227	30,186	-0.1%	-1.0%
University of Maryland University College	28,291	29,805	31,385	5.3%	10.9%
Towson University	89,152	88,709	89,714	1.1%	0.6%
Bowie State University	35,143	35,273	34,949	-0.9%	-0.6%
Salisbury University	38,667	38,662	39,124	1.2%	1.2%
Frostburg State University	32,765	32,646	32,896	0.8%	0.4%
Univ. of Maryland Eastern Shore	30,178	30,165	29,674	-1.6%	-1.7%
Coppin State University	34,669	38,049	37,798	-0.7%	9.0%
St. Mary's College	16,925	17,215	17,463	1.4%	3.2%
Univ. of Maryland Center for Environmental Science	17,721	17,876	17,912	0.2%	1.1%
Univ. of Maryland Biotechnology Institute	20,430	20,543		-100.0%	-100.0%
University System of Maryland Office <sup>1</sup>	19,549	19,278	39,133	103.0%	100.2%
<b>Total Public Four-year Institutions</b>	<b>\$1,109,695</b>	<b>\$1,110,462</b>	<b>\$1,107,619</b>	<b>-0.3%</b>	<b>-0.2%</b>
Sellinger Program for Independent Institutions	50,446	38,446	30,000	-22.0%	-40.5%
Aid to Community Colleges	254,713	256,174	256,115	0.0%	0.6%
Baltimore City Community College	40,367	40,203	40,753	1.4%	1.0%
<b>Total Higher Education</b>	<b>\$1,455,221</b>	<b>\$1,445,284</b>	<b>\$1,434,488</b>	<b>-0.7%</b>	<b>-1.4%</b>

<sup>1</sup> Fiscal 2011 includes the University of Maryland Biotechnology Institute's appropriation, which will be dissolved and whose component parts will be being distributed among University System of Maryland (USM) institutions by the USM Office.

Note: Fiscal 2010 Adjusted includes the statewide furlough, Higher Education Investment Fund underattainment, and reduction to community colleges.

Source: Governor's Budget Books, Fiscal 2011; Senate Bill 140 – Budget Bill; Senate Bill 141 – Budget Reconciliation and Financing Act of 2010

## Maryland's Higher Education Budget Situation Better Than National Average

Despite these modest reductions, Maryland is in a good position nationally. Most states' higher education funding is faring far worse, as shown in **Exhibit 4**. *Grapevine*, a higher education information resource based at Illinois State University and jointly maintained by the State Higher Education Executive Officers, recently released nationwide statistics on state support to higher education, including measurements of spending with and without federal stimulus funding.

**Exhibit 4**  
**Higher Education Support**  
**Maryland vs. Nationwide**

	<u>Fiscal</u> <u>2009-2010</u>	<u>Fiscal</u> <u>2008-2010</u>	<u>Fiscal</u> <u>2005-2010</u>
<b>Maryland</b>	1.3%	7.6%	41.1%
<b>California</b>	-6.8%	-6.0%	22.5%
<b>North Carolina</b>	5.3%	3.9%	43.3%
<b>Ohio</b>	-7.9%	-0.4%	8.4%
<b>Pennsylvania</b>	-3.8%	-2.2%	6.4%
<b>Virginia</b>	-10.4%	-9.7%	15.0%
<b>Nationwide</b>	-1.1%	-1.7%	21.9%

Source: *Grapevine*

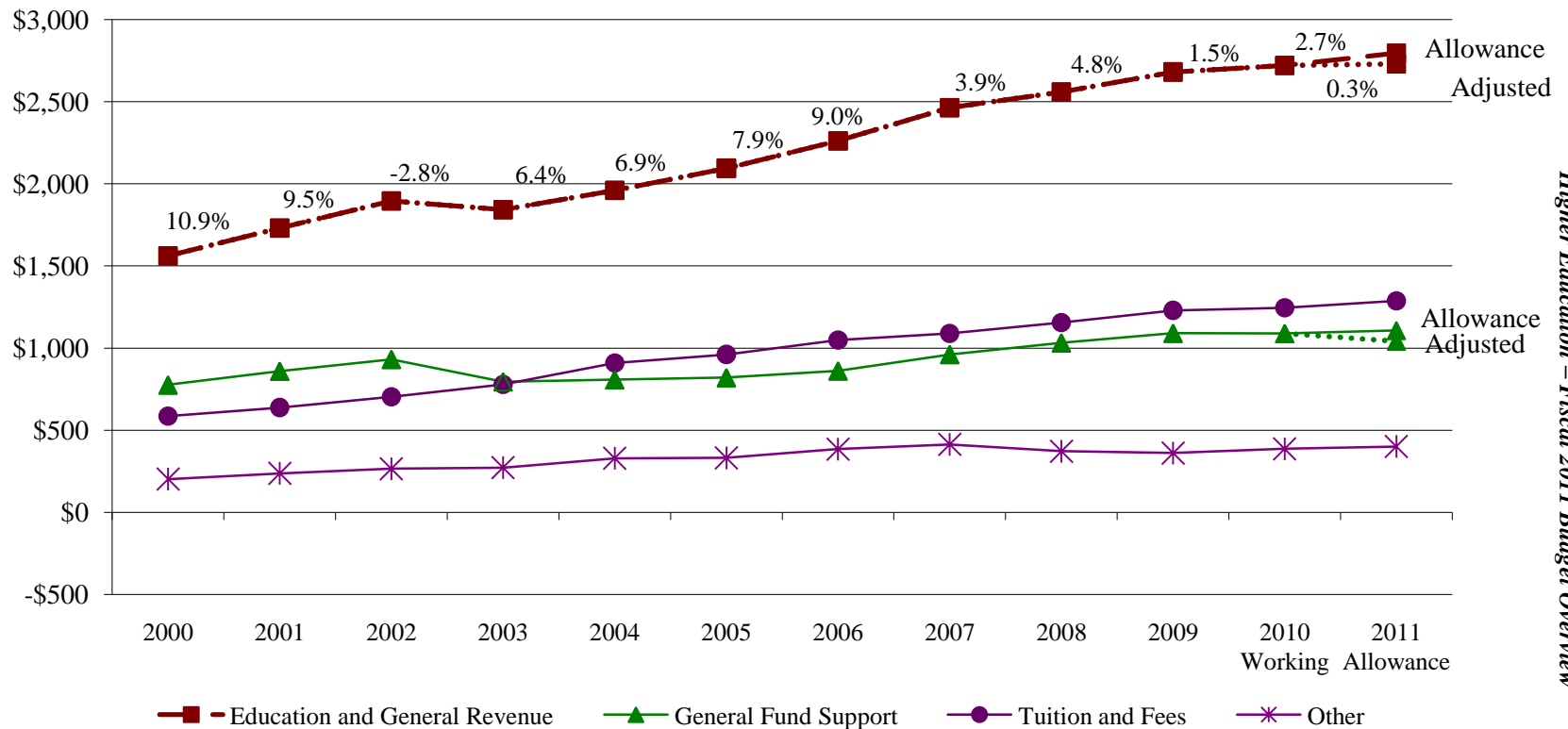
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Using *Grapevine's* measurements, Maryland's spending between fiscal 2009 and 2010 increased 1.3%, after accounting for federal stimulus spending. Ultimately, Maryland is not using any federal stimulus funds for higher education in fiscal 2010, and likewise no ARRA funds are included in the Governor's fiscal 2011 budget for higher education. Nationally, state support of higher education fell 1.1%. Eleven states experienced declines of over 5.0%, the greatest of which was Vermont, falling 16.4%. On tuition rates, Maryland's are growing 3.0% in the Governor's allowance. States with worse budget situations have been forced to allow greater tuition increases, however. The University of California, for example, increased tuition 32.0% for the spring 2010 semester. Maryland fares even better when looking at higher education spending over the past two and five years, growing 7.6% compared to an average decline nationally of 1.7% from fiscal 2008 to 2010 and from fiscal 2005 to 2010, growing 41.1% versus 21.9% nationally.

## **Education and General Revenues**

**Exhibit 5** shows total education and general (E&G) revenues at public four-year institutions from fiscal 2000 to the 2011 allowance. E&G revenue is made up of tuition and fees, State funds, and other education-related expenses. Not included is auxiliary income from sources such as dining halls, bookstores, athletics, and dormitories. Hospital-related expenditures are also excluded, affecting the University of Maryland, Baltimore (UMB). Also excluded are agricultural and cooperative extension programs at the State's two land grant institutions, UMCP and UMES.

**Exhibit 5**  
**Education and General Revenues<sup>1</sup>**  
**Fiscal 2000-2011**  
**(\$ in Millions)**



<sup>1</sup> Education and general revenues represent tuition and fees, State support (general funds and Higher Education Investment Funds), grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary program enterprise revenue. Figures exclude funding for cooperative and agricultural extension programs and the Maryland Fire and Rescue Institute. For the University of Maryland, Baltimore, hospital expenditures are excluded from educational and general revenue. The fiscal 2010 working appropriation does not include changes proposed in the Governor's budget plan. Fiscal 2011 Adjusted reflects across-the-board reductions for furloughs and health insurance proposed for fiscal 2011.

Source: Governor's Budget Books, Fiscal 2008-2011; Department of Legislative Services

### *Higher Education – Fiscal 2011 Budget Overview*

Total E&G revenue grew from fiscal 2000 to 2002, decreased in fiscal 2003, and again increased from fiscal 2004 through 2010, although the increase was relatively slow in fiscal 2010, 1.5%. The 2011 increase continues this trend, growing by 2.7%, although significantly slower than the 6.5% average from fiscal 2004-2009. After accounting for across-the-board reductions, growth slows to 0.3%.

Tuition revenue has grown though the entire period, although the largest increases were between fiscal 2003 and 2006. This growth has slowed somewhat since fiscal 2007 due to a tuition freeze for most in-state undergraduates. State funds, on the other hand, stayed flat from fiscal 2003 to 2006, and then began to increase in fiscal 2007 as State funds replaced foregone tuition revenue. General funds have actually decreased in the fiscal 2010 working appropriation by nearly \$2 million due to operating budget reductions and decline further in the allowance. Tuition and fees began to exceed State appropriations in fiscal 2004 for the first time in recent history. Although that gap narrowed in fiscal 2007 and 2008, it widens in the fiscal 2010 working appropriation and fiscal 2011 allowance.

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

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

The fiscal 2011 allowance assumes the State's four-year institutions increase tuition by 3.0%. To offset an additional 2.0% increase in tuition, the Governor's 2011 allowance provides \$8.5 million in increased operating budget support to USM and MSU. Similar to prior years, SMCM receives appropriations through a funding formula and is not a party to tuition limit agreements. SMCM also plans to increase tuition by 3.0%, however. **Exhibit 6** shows tuition rates at the State's public four-year institutions since fall 2001. The average annual increase over the period ranges from 2.1% at UMUC to 6.4% at SMCM.

**Exhibit 6**  
**Tuition Rates at Public Four-year Institutions**  
**In-state Full-time Undergraduate Students**

	<u>Fall</u> <u>2001</u>	<u>Fall</u> <u>2005</u>	<u>%</u> <u>Change</u> <u>2001-05</u>	<u>Fall</u> <u>2009</u>	<u>Proposed</u> <u>Fall 2010</u>	<u>% Change</u> <u>2009-2010</u>	<u>Average %</u> <u>Change</u> <u>2001-10</u>
Univ. of Maryland, College Park	\$4,334	\$6,566	51.5%	\$6,566	\$6,763	3.0%	5.1%
Univ. of Maryland Baltimore County	4,374	6,484	48.2%	6,484	6,679	3.0%	4.8%
Morgan State University	3,150	4,280	35.9%	4,280	4,408	3.0%	3.8%
University of Baltimore	3,684	5,325	44.5%	5,325	5,484	3.0%	4.5%
Univ. of Maryland Univ. College*	4,728	5,520	16.8%	5,520	5,688	3.0%	2.1%
Towson University	3,605	5,180	43.7%	5,180	5,335	3.0%	4.5%
Bowie State University	2,941	4,286	45.7%	4,286	4,415	3.0%	4.6%
Salisbury University	3,216	4,814	49.7%	4,814	4,958	3.0%	4.9%
Frostburg State University	3,444	5,000	45.2%	5,000	5,150	3.0%	4.6%
Univ. of Maryland Eastern Shore	2,871	4,112	43.2%	4,112	4,235	3.0%	4.4%
Coppin State University	2,727	3,527	29.3%	3,528	3,633	3.0%	3.2%
St. Mary's College	6,474	9,063	40.0%	10,995	11,325	3.0%	6.4%

\*Based on 24 credit hours.

Source: University System of Maryland Schedule of Tuition and Mandatory Fees; Governor's Budget Books, Fiscal 2009-2011; Fall 2010 rates pending governing board approval.

Although tuition increases are being held to 3.0%, the mandatory fees paid by students are not subject to such restrictions and increase at varying rates among the institutions. Fee rates do not increase at all institutions, however. The average increase in tuition and mandatory fee rates for in-state students is shown in **Exhibit 7**. For colleges that are not increasing fee rates, the average increase between fall 2009 and 2010 is under 3.0% – Coppin State University (CSU) and University of Baltimore (UB), for example. The greatest increase occurs at UMCP, at 4.5%.

**Exhibit 7**  
**Tuition and Mandatory Fee Rates at Maryland Public Institutions**  
**In-state Undergraduate Full-time Tuition and Mandatory Fees**  
**Fall 2001-2010**

	<u>Fall</u> <u>2001</u>	<u>Fall</u> <u>2005</u>	<u>%</u> <u>Change</u> <u>2001-05</u>	<u>Fall</u> <u>2009</u>	<u>Fall</u> <u>2010</u>	<u>%</u> <u>Change</u> <u>2009-10</u>	<u>%</u> <u>Change</u> <u>2005-10</u>
Univ. of Maryland, College Park	\$5,341	\$7,821	46.4%	\$8,053	\$8,415	4.5%	7.6%
Univ. of Maryland Baltimore County	5,910	8,520	44.2%	8,872	9,171	3.4%	7.6%
Morgan State University	4,508	6,110	35.5%	6,548	6,744	3.0%	10.4%
Univ. of Baltimore	4,504	6,795	50.9%	7,171	7,330	2.2%	7.9%
Univ. of Maryland Univ. College*	4,728	5,640	19.3%	5,760	6,000	4.2%	6.4%
Towson University	4,984	7,096	42.4%	7,418	7,656	3.2%	7.9%
Bowie State University	3,782	5,481	44.9%	6,040	6,203	2.7%	13.2%
Salisbury University	4,486	6,376	42.1%	6,618	6,908	4.4%	8.3%
Frostburg State University	4,256	6,230	46.4%	6,684	6,904	3.3%	10.8%
Univ. of Maryland Eastern Shore	4,128	5,808	40.7%	6,082	6,305	3.7%	8.6%
Coppin State University	3,477	4,714	35.6%	5,276	5,382	2.0%	14.2%
St. Mary's College of Maryland	7,609	10,896	43.2%	13,234	13,630	3.0%	25.1%

\*Based on 24 credit hours.

Source: University of Maryland budget requests for fiscal 2002-2007; Governor's Budget Books, Fiscal 2008-2011; Fall 2010 rates pending University System of Maryland Board of Regents approval and Morgan State University Board of Trustees approval

The exhibit also demonstrates how the State's four-year tuition freeze moderated tuition rate increases. Between fall 2001 and 2005, rates increased more than 35.0% at every college with the exception of UMUC at 19.3%. Since fall 2005, however, the greatest increase is at the one college that did not freeze rates, SMCM with an increase of 25.1%. Of colleges affected by the tuition freeze, the greatest increase is at CSU, 14.2%, due to fee increases related to opening new facilities.

A similar exhibit for out-of-state tuition and fees is shown in **Exhibit 8**. The total increase between fall 2001 and 2005 was highest at SMCM, with 57.0%, and lowest at UMUC with 17.6%. For fall 2009 to 2010, the greatest increase is found at UMBC, growing 4.9%. Frostburg State University (FSU) grows the least at 0.4%, and UB actually decreases by 18.5%. UB reports that it recently reevaluated its market position for fall 2010 and determined that tuition rates were priced too high.

**Exhibit 9** shows anticipated tuition and fee revenue for fiscal 2011 at the State's public four-year universities. USM tuition and fee revenue is expected to increase \$39.1 million over the working appropriation. Total tuition and fee revenue for all public four-year institutions is projected to top \$1.3 billion.

**Exhibit 8**  
**Out-of-state Undergraduate Full-time Tuition and Mandatory Fees**  
**Fall 2001-2010**

	<u>Fall</u> <u>2001</u>	<u>Fall</u> <u>2005</u>	<u>%</u> <u>Change</u> <u>2001-05</u>	<u>Fall</u> <u>2009</u>	<u>Fall</u> <u>2010</u>	<u>%</u> <u>Change</u> <u>2009-10</u>	<u>%</u> <u>Change</u> <u>2005-10</u>
Univ. of Maryland, College Park	\$13,413	\$20,154	50.3%	\$23,990	\$24,830	3.5%	23.2%
Univ. of Maryland Baltimore County	11,290	16,596	47.0%	18,213	19,108	4.9%	15.1%
Morgan State University	10,718	13,520	26.1%	15,418	15,881	3.0%	17.5%
Univ. of Baltimore	12,594	18,373	45.9%	20,678	16,846	-18.5%	-8.3%
Univ. of Maryland Univ. College*	8,736	10,272	17.6%	12,000	12,072	0.6%	17.5%
Towson University	11,870	16,030	35.0%	18,323	19,112	4.3%	19.2%
Bowie State University	9,864	14,786	49.9%	16,479	16,727	1.5%	13.1%
Salisbury University	9,942	14,054	41.4%	15,114	15,404	1.9%	9.6%
Frostburg State University	9,754	14,480	48.5%	16,880	16,950	0.4%	17.1%
Univ. of Maryland Eastern Shore	8,612	11,964	38.9%	13,306	13,746	3.3%	14.9%
Coppin State University	8,604	11,235	30.6%	13,971	14,582	4.4%	29.8%
St. Mary's College of Maryland	12,594	19,773	57.0%	24,627	25,023	1.6%	26.6%

\*Based on 24 credit hours.

Source: University System of Maryland budget requests for fiscal 2002-2007; Governor's Budget Books, Fiscal 2008-2011

**Exhibit 9**  
**Tuition and Fee Revenue**  
**Public Four-year Institutions**

	<u>USM</u>	<u>All Four-year</u> <u>Institutions</u>
Fiscal 2009 Actual	\$1,158,176,549	\$1,246,912,051
Fiscal 2010 Working	1,168,004,120	1,262,900,188
Fiscal 2011 Allowance	1,207,117,815	1,306,672,450
Increase Fiscal 2010 to 2011	\$39,133,695	\$43,772,262
Growth Rate	3.3%	3.5%

USM: University System of Maryland

Note: Tuition and fees are pending final University System of Maryland and Morgan State University governing board approval.

Source: Governor's Budget Books, Fiscal 2011

## Issues

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

Since HEIF was created during the 2007 special session, it has consistently generated less revenue than projected. The Tax Reform Act of 2007 (Chapter 2) increased the corporate income tax from 7.0 to 8.25%, mandated \$16.0 million for the fund in fiscal 2008, and directed 6.0% of corporate income tax revenue to HEIF in fiscal 2009. At the time, the fiscal 2009 projection totaled \$53.5 million. Instead, corporate income tax revenues fell significantly as the recession took hold late in 2008. Fiscal 2009 revenue actually came in \$7.1 million lower, as shown in **Exhibit 10**. To reflect this change, mid-year reductions were made to the institutions' budgets.

**Exhibit 10**  
**Higher Education Investment Fund Revenues**  
**Fiscal 2008-2011**  
**(\$ in Millions)**

<u>Revenues</u>		<u>Expenditures</u>	
Fiscal 2008 actual	\$16.0	Fiscal 2009 appropriation <sup>1</sup>	\$69.5
Fiscal 2009 estimated	53.5	Fiscal 2009 actual	60.4
Fiscal 2009 actual	46.4	Fiscal 2010 appropriation	46.5
Fiscal 2010 estimated	46.5	Fiscal 2010 working <sup>2</sup>	42.3
Fiscal 2010 working	40.3	Fiscal 2011 allowance <sup>3</sup>	42.1
Fiscal 2011 estimated	42.1		

<sup>1</sup> Figure includes \$16.0 million fund balance.

<sup>2</sup> Figure includes \$2.0 million fund balance.

<sup>3</sup> Fiscal 2011 appropriation of \$42.1 million in the budget bill is contingent upon reauthorization of the Higher Education Investment Fund.

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

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HEIF's original legislation stipulated that it would end after one year unless the General Assembly deemed it prudent to continue into fiscal 2010 and future budget years. The BRFA of 2009 continued HEIF in fiscal 2010, this time with revenue projected to be \$46.5 million. Originally intended to be used as enhancements to general fund support for higher education, only a tuition freeze was paid for with HEIF in fiscal 2010. The rest was used to offset general fund spending, freeing money to be spent on other State priorities.

## **Declines Continue in Fiscal 2010**

Corporate income tax revenues fell further in fiscal 2010. The current projection is \$40.3 million, a difference of \$6.2 million, and the Department of Budget and Management accounted for this difference in the budget amendment appropriating HEIF revenue. The institutions and MHEC received \$42.3 million, with \$2.0 million coming from HEIF fund balance.

## **Fiscal 2011 and Beyond**

Like fiscal 2009, HEIF's reauthorization for fiscal 2010 was for only one year. The General Assembly will have to again determine if continuing HEIF into fiscal 2011 is prudent given current economic conditions. If so, legislation must be enacted to extend it for one or more years. The current revenue projection for fiscal 2011 is \$42.1 million, although the first three years of HEIF indicate results may vary.

HEIF was not intended to be the sole source of revenue for higher education, but the institutions do set budgets based on the projections. When money does not materialize, programs and services suffer. The corporate income tax revenue's recent history has been volatile, demonstrating the risk of tying budgets to unstable revenue sources

## **Use of HEIF**

The original intention in establishing HEIF was to enhance State funding of higher education. The institutions would receive a regular general fund appropriation and then be given extra in HEIF money for special projects – increasing retention rates, improving workforce development programs, or helping to pay for capital projects. The only year this occurred was fiscal 2009, HEIF's inaugural appropriation year. Although HEIF has funded the State's tuition freezes since fiscal 2009, its remaining funds were used to offset general fund spending in fiscal 2010. The same is proposed for 2011 – appropriate HEIF revenue and cut an equal amount in general funds. Such budgeting impedes transparency and also makes the State's general fund support appear lower than it actually is. Presumably, if HEIF did not exist and the revenue went into the general fund, the institutions would still be appropriated the same amount of money.

HEIF's consistent revenue underattainment since 2008 has also impacted the institutions' budgets. Each year, the General Assembly approves an operating budget assuming a certain amount of HEIF revenue. As this money replaces general funds and HEIF revenues come in lower than expected, it represents a real and permanent budget reduction to colleges (to the extent it is not backfilled with general funds the following year, which has been the case in fiscal 2010 and proposed for fiscal 2011). Although many State agencies, including public colleges, have experienced spending reductions through BPW, higher education has had to take an additional reduction due to the underperforming corporate income tax. This can impact the quality of instruction, faculty retention, and the number of needed facility renewal projects completed.

As a further impediment to transparency, the allowance in both fiscal 2010 and 2011 has back-filled the HEIF's underattainment with general funds, further blurring the lines between the two fund sources. Although there was a \$9.1 million shortfall in fiscal 2009, this did not affect the institutions' base budget. The unrealized HEIF revenue was included as general funds in the fiscal 2010 allowance. The same is true in regards to the current budget's \$4.2 million shortfall. The fiscal 2011 allowance replaces this money as general funds.

**DLS recommends reducing the fund balances of the USM and MSU by their proportionate share of the \$4.2 million HEIF shortfall in fiscal 2010. Additionally, given the transparency and budgeting difficulties presented by the HEIF in its three-year history, DLS recommends against reauthorizing HEIF in fiscal 2011.**

## **2. Tuition Rates to Increase 3% in Fall 2010**

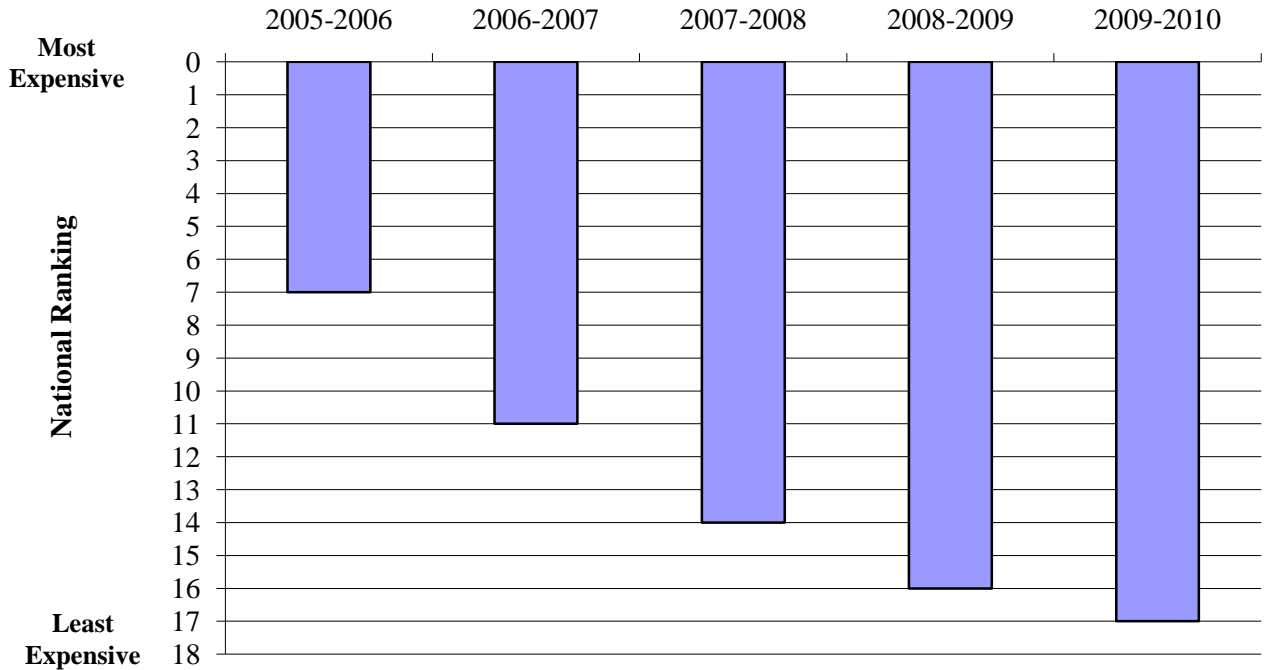
Tuition and fee rates at Maryland's public four-year institutions are among the highest in the nation. Between fiscal 2002 and 2006, the average in-state tuition increase at all four-year institutions was 41.1%, bringing the State's average rate to seventh highest in the nation. These increases were in response to reductions in State support of higher education as a result of the economic downturn in 2002-2003. Similarly high increases in tuition have not occurred during the current recession, however. In response to the rapid increases earlier in the decade, the Tuition Affordability Act of 2006 (Chapters 57 and 58) was enacted for fall 2007, holding in-state tuition levels at fall 2006 rates for USM institutions and MSU and to only a 4.8% increase at SMCM. The freeze has continued at the same tuition rates through fall 2009 (with SMCM exempt, increasing tuition 5.0% each year).

The Governor's fiscal 2011 budget plan proposes increasing tuition 3% and providing \$8.5 million in additional operating budget support to prevent further tuition rate increases. SMCM is, again, not included in this plan, although it too proposes to increase tuition 3% for fiscal 2011.

### **With Freezes, Maryland Becomes Comparatively More Affordable**

After four years of tuition freezes, the State's colleges have become comparatively more affordable. **Exhibit 11** demonstrates the impact of the policy, comparing Maryland's average tuition and fee rate with the rest of the country. In the 2005-2006 academic year, the year before the tuition freeze began, Maryland had the seventh most expensive tuition and fee rates in the nation. After four years of frozen tuition rates, the average has dropped to seventeenth.

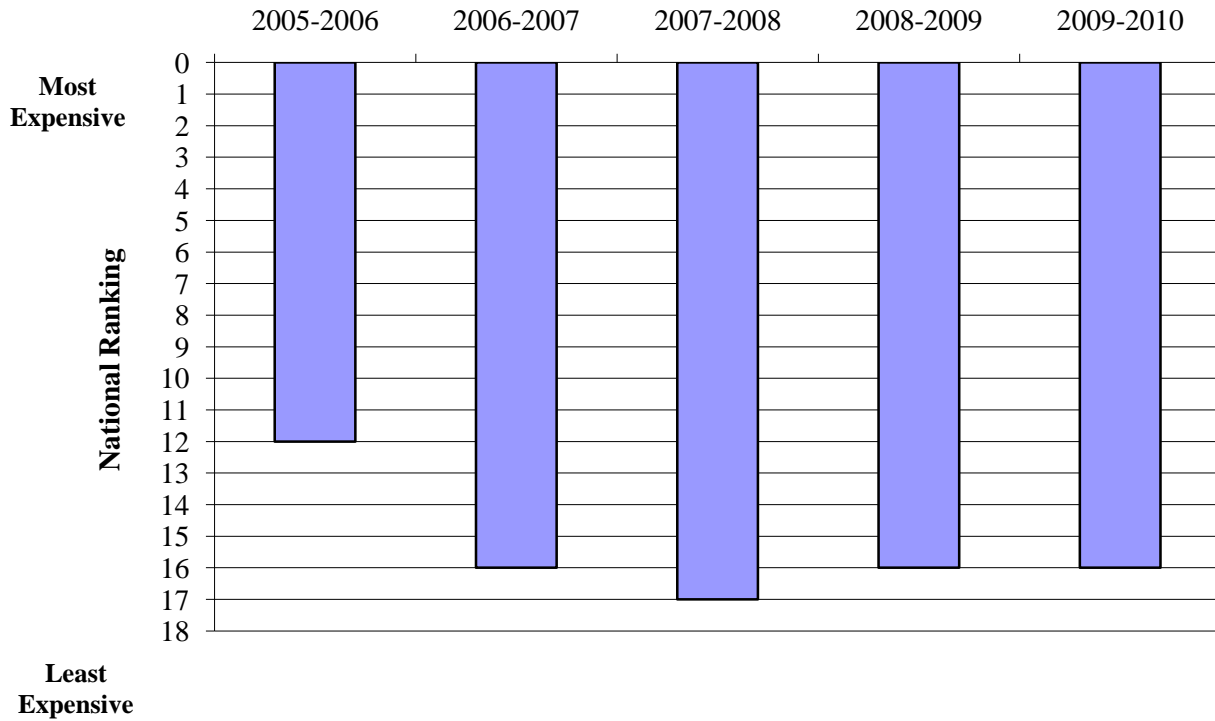
**Exhibit 11**  
**Maryland’s Rank in Average Tuition and Fees at Public Four-year Institutions**



Source: College Board

A similar comparison can be made for Maryland’s community colleges. Like the four-year institutions, Maryland community colleges are among the most expensive in the nation. **Exhibit 12** shows that although the tuition freeze did not affect the State’s community colleges, they too have become more affordable. During the 2005-2006 academic year, Maryland’s community colleges averaged the twelfth most expensive in the country. Their current ranking is sixteenth, unchanged from a year ago. This is due to several states being close in average tuition costs but increasing at about the same rate.

**Exhibit 12**  
**Maryland Rank in Average Tuition and Fees at Community Colleges**



Source: College Board

**Tuition Freeze Improves Affordability of Maryland Institutions**

The four year tuition freeze has made four-year public institutions more affordable for Maryland students and families. **Exhibit 13** compares the tuition rates proposed for fall 2010 with an estimate of what rates would have been in fall 2010 assuming rates had increased approximately 4.0% annually from fall 2005. The estimated savings to Maryland residents averages \$2,415. Combined with fees, the cost of a higher education in Maryland will increase at 3.3%, well below the national average of 6.5% as reported by the College Board.

**Exhibit 13**  
**Estimated Impact of Resident Tuition Freeze at USM and MSU**  
**Fall 2005-2010**

	<u>Tuition Fall 2005</u>	<u>Tuition without Tuition Freeze Estimated Fall 2010</u>	<u>Proposed Fall 2010 Tuition</u>	<u>Savings to Maryland Residents</u>
Univ. of Maryland, Baltimore	\$6,890	\$8,302	\$7,941	\$3,919
Univ. of Maryland, College Park	6,566	7,912	6,763	2,931
Univ. of Maryland Baltimore County	6,484	7,813	6,679	2,894
Morgan State University	4,280	5,358	4,408	2,378
Univ. of Baltimore	5,325	6,416	5,484	2,376
Univ. of Maryland University College	5,520	6,651	5,688	2,466
Towson Univ.	5,180	6,242	5,335	2,312
Bowie State Univ.	4,286	5,164	4,415	1,913
Salisbury Univ.	4,814	5,801	4,958	2,148
Frostburg State Univ.	5,000	6,025	5,150	2,232
Univ. of Maryland Eastern Shore	4,112	4,955	4,235	1,835
Coppin State Univ.	3,527	4,250	3,633	1,574
<b>Average</b>	<b>\$5,165</b>	<b>\$6,241</b>	<b>\$5,391</b>	<b>\$2,415</b>

MSU: Morgan State University  
 USM: University System of Maryland

Note: A 4% tuition increase was assumed for USM institutions in each year fall 2006-2009. For MSU, a 5% tuition increase was assumed for each year fall 2006-2009. For fall 2010, a 3% tuition increase was assumed, as proposed in the Governor's budget plan.

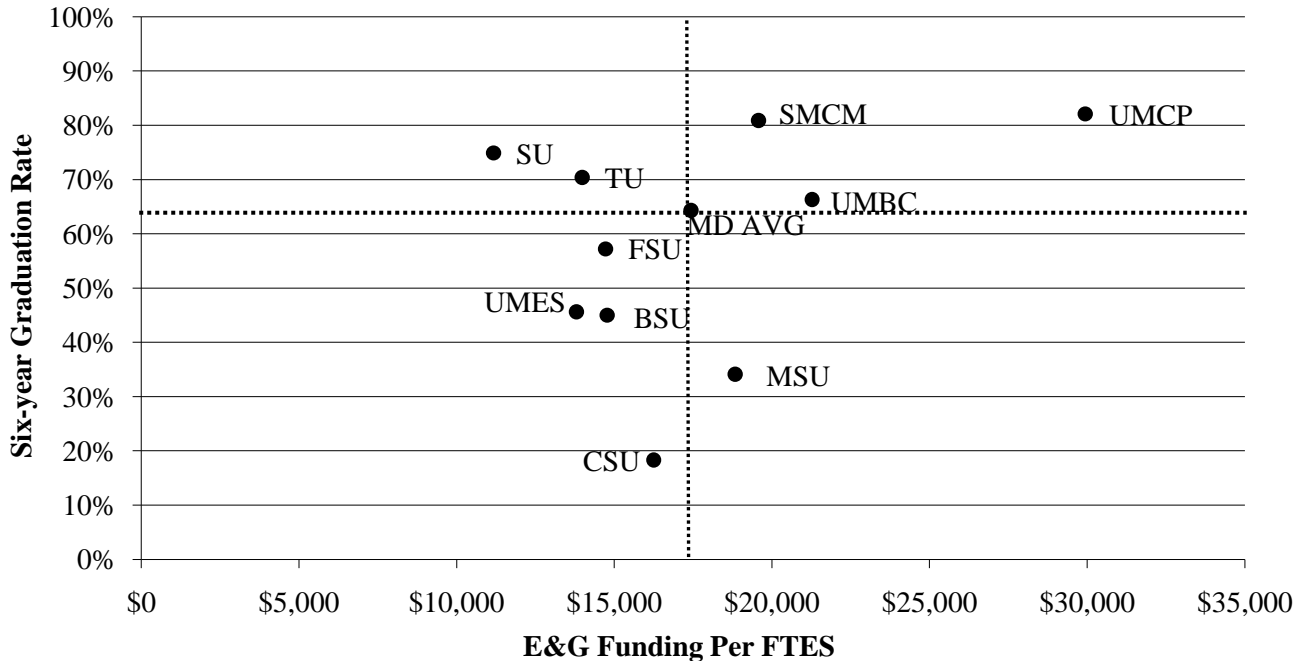
Source: University System of Maryland; Department of Legislative Services

Prior to the fiscal 2011 budget, the State was offsetting with general funds a 4% increase at USM institutions, and a 5% increase at MSU. Given the current economic conditions, however, it may not be viable for the State to spend \$8.5 million in an attempt to prevent greater tuition increases. **The Secretary, Chancellor, and presidents of MSU and St. Mary's College should comment on the effect a 3% increase in tuition would have for Maryland residents. They should also comment on balancing the economic conditions of the State with the viability of offsetting greater tuition increases.**

### 3. Graduation Rates Flatten While Retention Increases

Higher education productivity focuses on what is produced for how much money spent. The ultimate performance measure of traditional colleges and universities is degree attainment, which is shown in **Exhibit 14** as a six-year graduation rate, along with the corresponding amount of E&G funding per student invested in the institution.

**Exhibit 14**  
**E&G Revenues Per FTES and Six-year Graduation Rates**  
**Fiscal 2009**



Note: UMB, UMUC, and UB are not included.

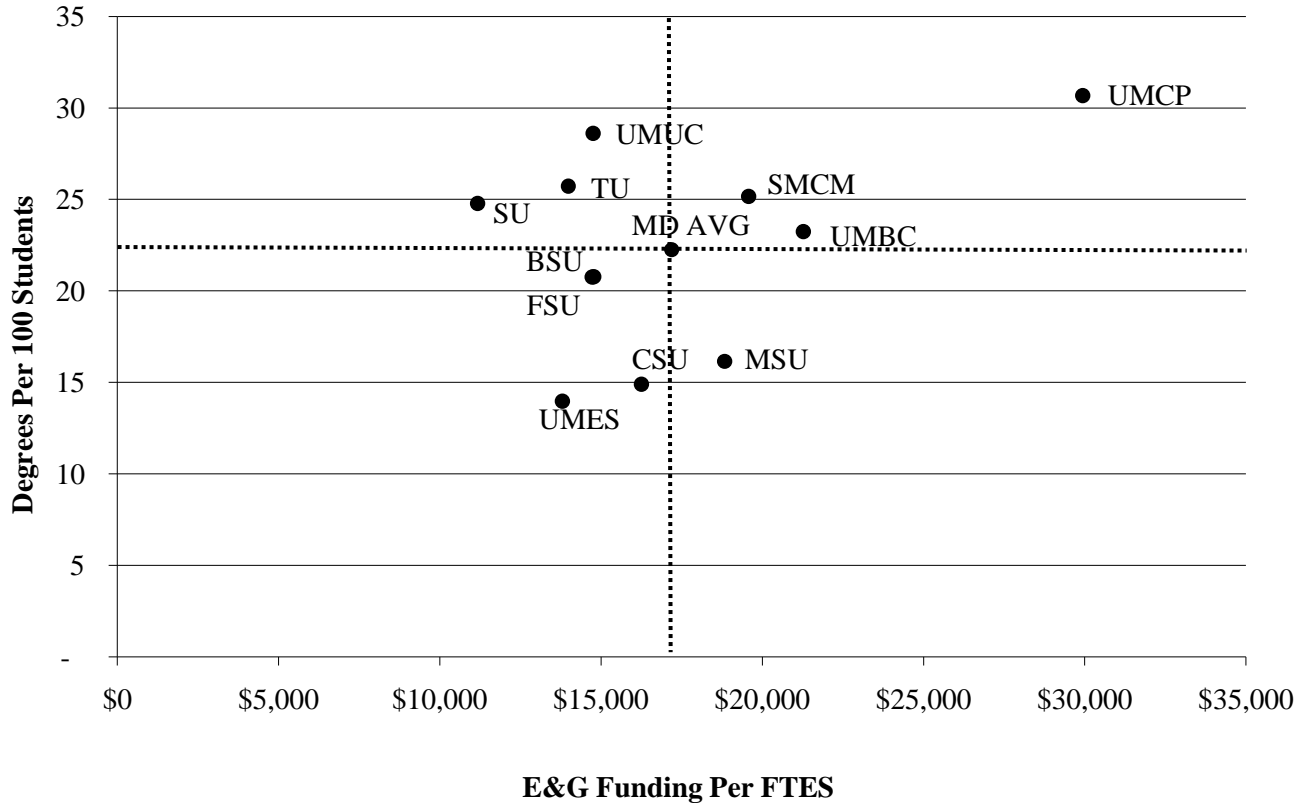
E&G: education and general  
 FTES: full-time equivalent student

Source: Maryland Higher Education Commission; Governor’s Budget Books, Fiscal 2011

Maryland’s four-year institutions received an average of \$17,432 per student in E&G funding in fiscal 2009. The institution with the least amount of funding per student, SU, also has the State’s third highest graduation rate at 74.9%. As the State’s flagship institution, UMCP receives the most funding per full-time equivalent student (FTES), \$29,939, but also has the highest six-year graduation rate, 82.1%. On the other hand, CSU is close to the State’s average in funding per FTES, but has the lowest six-year graduation rate, at 18.3%.

Degree production is a different way to view productivity and the State’s return on investment. **Exhibit 15** shows each public four-year institution’s E&G funds per FTES and the corresponding number of degrees awarded per 100 FTES. The data includes all undergraduate and graduate degrees awarded. Exhibit 15 also shows four quadrants on the graph. Institutions in the upper right quadrant (UMBC, SMCM, and UMCP) receive more and award more degrees than the Maryland average, for example. SU, which receive the least of all public universities, \$11,170, also awards 25 degrees per 100 FTES a year, above the 22-degree average of all Maryland Institutions.

**Exhibit 15**  
**E&G Revenues Per FTES and Degrees Awarded Per 100 FTES**  
**Fiscal 2009**



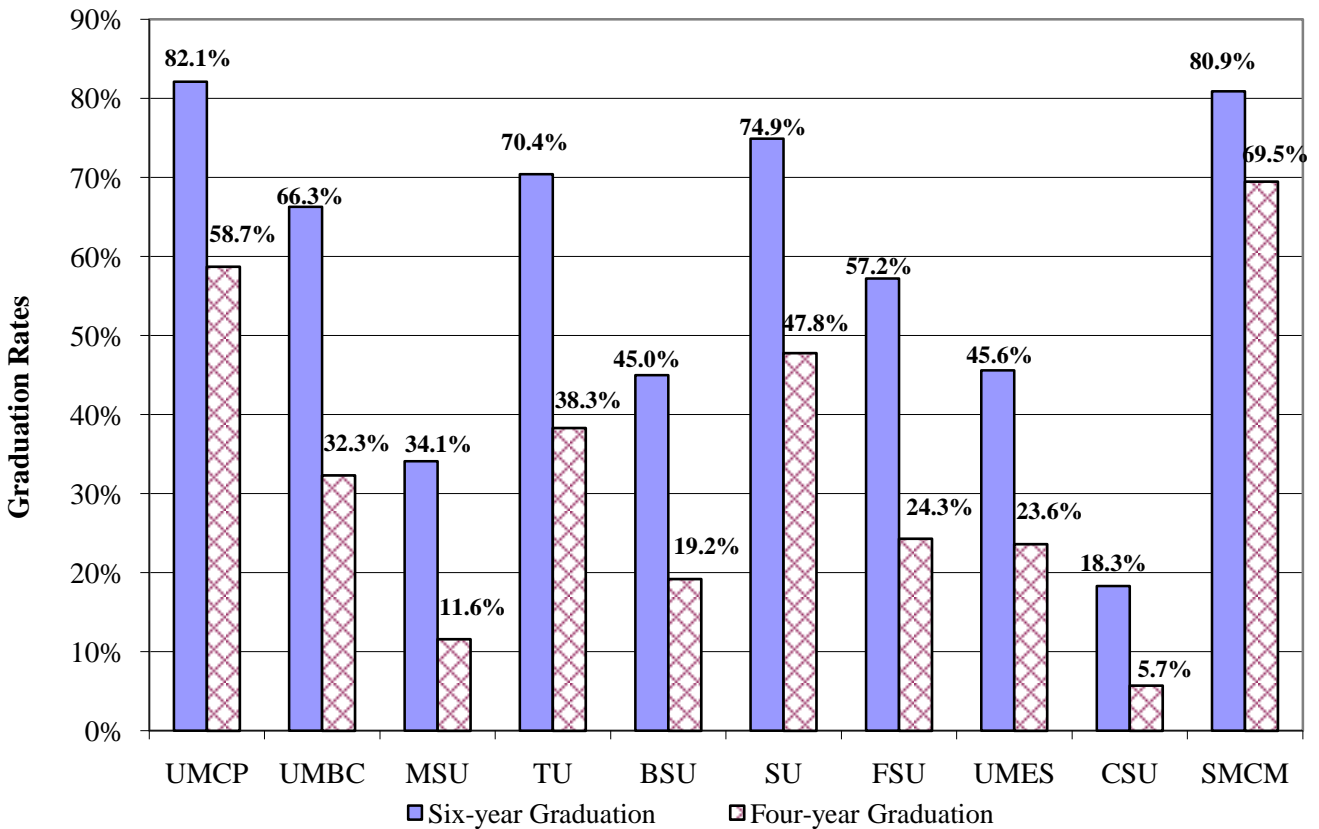
E&G: education and general  
 FTES: full-time equivalent student

Source: Governor’s Budget Books, Fiscal 2011

### Six-year Graduation Rates Flatten and Four-year Rates Decline

Since the 1993 cohort, Maryland’s six-year graduation rate has experienced year-over-year increases, from 55.4% for the 1993 cohort to 64.3% for the 2002 cohort (students who enrolled fall 2002 and graduated by spring 2008). The increase from the 2001 to 2002 cohorts, however, was 0.1 percentage point, following a 0.2 percentage point increase a year prior. Both of these increases are the smallest since the 1994 cohort (the average from 1994 to 2000 is 1.2 percentage point growth), essentially making the State’s six-year graduation rate flat since the 2000 cohort (*i.e.*, since fiscal 2007). **Exhibit 16** shows four- and six-year graduation rates for the 2002 cohort and includes students who transfer and complete a degree at any Maryland public four-year institution.

**Exhibit 16**  
**Four- and Six-year Graduation Rates**  
**2002 Cohort**



Source: Maryland Higher Education Commission *Retention and Graduation Rates at Maryland Public Four-Year Institutions*, June 2009

While the State’s six-year graduation rate has leveled out, there are some notable changes among the institutions. UMCP has the State’s highest rate for the first time, growing 2.3 percentage points to 82.1%. The largest increase was at Bowie State University, which grew 4.8 percentage points to 45.0%. On the other hand, the MSU six-year graduation rate decreased 5.2 percentage points to 34.1%, the lowest rate since the 1990 cohort. SMCM also declined by 4.6 percentage points, to 80.9%. Finally, CSU’s comparatively low rate of 22.0% for the 2001 cohort fell 3.7 percentage points to a statewide low of 18.3% for the 2002 cohort.

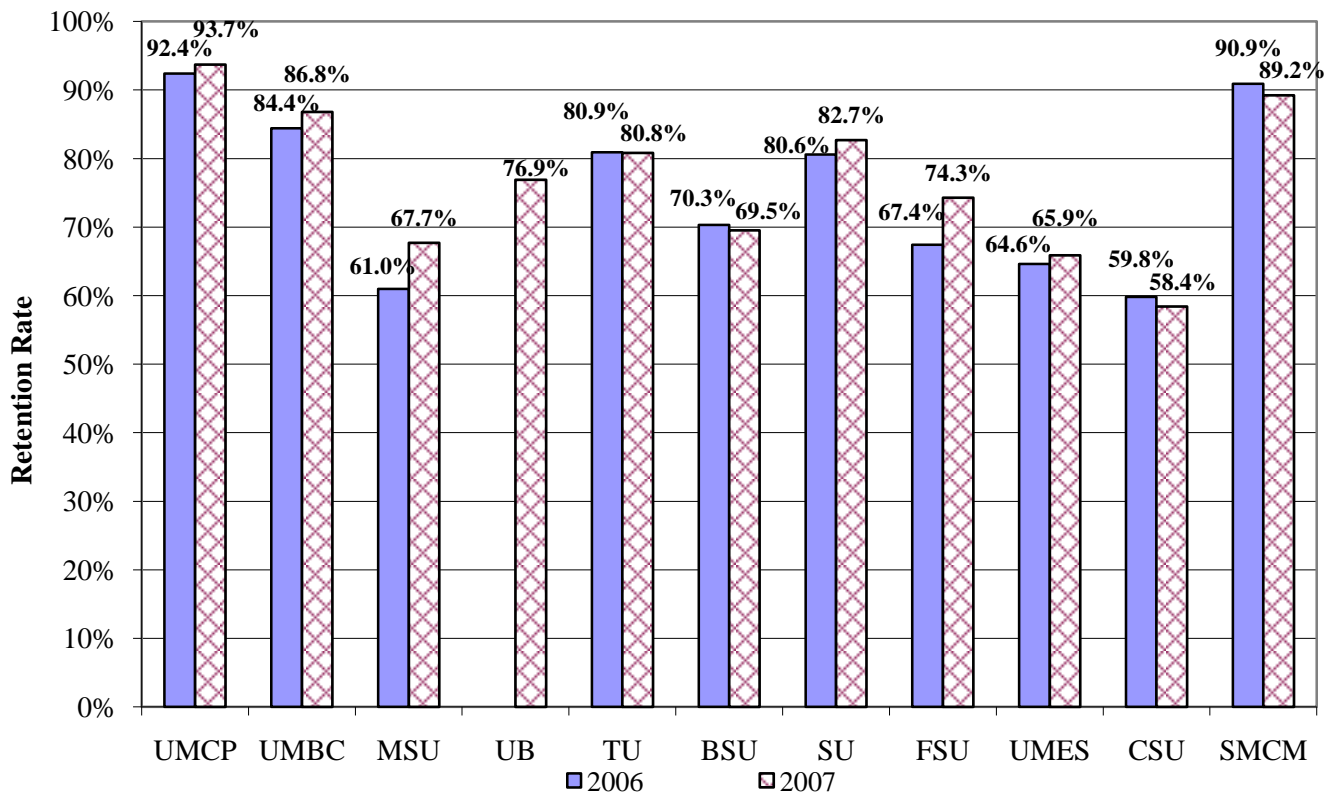
Four-year graduation rates are significantly lower for all institutions but are a predictor of six-year graduation rates – institutions with higher four-year graduation rates tend to have high six-year graduation rates. Four-year rates for the 2002 cohort are also shown in Exhibit 16 and averages 38.3%. However, the statewide average for the 2004 cohort, the most recently graduated cohort, declined 0.3 percentage points for an average of 38.7%. This is the first decline since 1998.

Although the 1998 cohort did not have a corresponding decrease in its six-year graduation rate, there is a slowing trend in the four-year graduation rate that did not exist in 1998. After several years of growth above 1.5 percentage points, the statewide average four-year graduation rate grew only 0.4 and 0.7 percentage points for the 2002 and 2003 cohorts, respectively.

### On the Other Hand, Second-year Retention Rate Grows

An even earlier predictor of graduation rates is the second-year retention rate, or the percentage of students who enter college and return to the same institution the following fall. A comparison of the 2006 and 2007 cohorts' freshman retention rates is shown in **Exhibit 17**. On average, 81% of the 2007 cohort returned in fall 2008, an increase of 2.5 percentage points from fall 2007. This increase reverses five years of flat or negative growth, although several more years of data are needed to know if this is an anomaly or a positive trend.

**Exhibit 17**  
**Second-year Retention Rate Comparison**  
**2006 and 2007 Cohort**



Source: Maryland Higher Education Commission *Retention and Graduation Rates and Maryland Public Four Year Institutions*, June 2009

FSU and MSU experienced particularly large increases in second-year retention rates, growing 6.9 and 6.7 percentage points, respectively. SMCM had the largest decline, at 1.7 percentage points, to 89.2%. UMCP had the State's highest second-year retention rate, at 93.7%. The institution with the State's lowest graduation rates, CSU, also has the lowest retention rate, 58.4%, which decreased 1.4 percentage points for the fall 2007 cohort compared to the 2006 cohort.

While the six-year graduation rate flattens and the four-year graduation rate declines, the second-year retention rate showed its first increase in several years. **The Secretary, Chancellor, and presidents should comment on efforts to continue increasing retention rates and prevent declines in the six-year graduation rate.**

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

Enrollment increases are expected at colleges and universities during economic downturns. People delay entering the labor market, return to colleges to improve skills, or enter a new field. These trends make projecting enrollments difficult, as it is unknown when the next downturn will occur or how colleges will be affected. **Exhibit 18** shows the fiscal 2011 FTES projection for public four-year institutions by MHEC from June 2009 and the budgeted enrollment in the fiscal 2011 allowance. Overall, budgeted enrollment is 1,357 FTES, or 1.1%, higher than MHEC's projection. In fact, MHEC's projection is 1,144 FTES lower than enrollment in the current year working appropriation, also shown in Exhibit 18. While most institutions' enrollment is relatively flat due to budget constraints, there are some notable cases where budgeted enrollments are lower than projected – TU by 488 FTES and MSU by 345 FTES. On the other hand, UMCP's enrollment is 855 FTES higher than MHEC's projection.

UMUC's budgeted enrollment is higher than the projection by 1,444 FTES, indicating the demand for a largely online-based college geared toward working adults. In fact, the reason why MHEC's projection was below the budgeted enrollment is due to UMUC. Excluding UMUC's enrollments nets a budgeted enrollment 87 FTES below MHEC's projection, or 0.1% lower.

Overall, budgeted enrollment from fiscal 2010 to 2011 is essentially flat, increasing 213 FTES.

**Exhibit 18**  
**Public Four-year Institution Enrollment: Projection vs. Budgeted**  
**Fiscal 2010-2011 Budgeted and MHEC Projection**

<u>Institution</u>	<u>Working FY 2010</u>	<u>MHEC Projection FY 2011</u>	<u>Budgeted Enrollment FY 2011</u>	<u>Budgeted – MHEC # Difference</u>	<u>% Difference</u>
Baltimore	6,060	6,105	6,105	0	0.0%
College Park	31,000	29,945	30,800	855	2.9%
Baltimore County	10,155	9,875	10,155	280	2.8%
Morgan	6,444	6,950	6,605	-345	-5.0%
Univ. of Baltimore	4,293	4,273	4,468	195	4.6%
University College	20,189	18,745	20,189	1,444	7.7%
Towson	17,500	18,020	17,532	-488	-2.7%
Bowie	4,525	4,696	4,525	-171	-3.6%
Salisbury	7,364	7,425	7,364	-61	-0.8%
Frostburg	4,614	4,605	4,614	9	0.2%
Eastern Shore	3,821	3,818	3,821	3	0.1%
Coppin	3,007	3,200	3,007	-193	-6.0%
St. Mary's	2,050	2,221	2,050	-171	-7.7%
<b>Total</b>	<b>121,022</b>	<b>119,878</b>	<b>121,235</b>	<b>1,357</b>	<b>1.1%</b>

MHEC: Maryland Higher Education Commission

Source: Maryland Higher Education Commission; Governor's Budget Books, Fiscal 2011

A similar look at community colleges shows a very different picture. **Exhibit 19** shows MHEC's June 2009 headcount projection for fall 2009 and the community colleges' fall 2009 opening fall enrollment. With few exceptions, enrollment exceeded projections by an average of 8.0%, or 10,388 students. The Community College of Baltimore County saw the largest increase number- and percentage-wise – 2,793 more students, a 13.4% increase over the projection. Three other colleges had increases of at least 10.0%: Prince George's Community College (11.6%); Anne Arundel Community College (10.0%); and Carroll Community College (10.0%).

**Exhibit 19**  
**Community College Enrollment: Projection vs. Budgeted**  
**Fiscal 2010 Projection and 2009 Opening Enrollment**

<u>Institution</u>	<u>MHEC Projection FY 2010</u>	<u>Opening Enrollment Fall 2009</u>	<u># Difference</u>	<u>% Difference</u>
Allegany Community College	4,004	3,854	-150	-3.7%
Anne Arundel Community College	15,222	16,741	1,519	10.0%
Community College Baltimore County	20,791	23,584	2,793	13.4%
Carroll Community College	3,558	3,913	355	10.0%
Cecil Community College	2,310	2,389	79	3.4%
College of Southern Maryland	8,378	8,810	432	5.2%
Chesapeake College	2,669	2,856	187	7.0%
Frederick Community College	5,827	6,233	406	7.0%
Garrett Community College	843	897	54	6.4%
Hagerstown Community College	4,062	4,458	396	9.7%
Harford Community College	6,162	6,702	540	8.8%
Howard Community College	8,091	8,778	687	8.5%
Montgomery College	24,686	26,144	1,458	5.9%
Prince George's Community College	12,264	13,685	1,421	11.6%
Wor-Wic Community College	3,746	4,045	299	8.0%
<b>Total Local Colleges</b>	<b>122,613</b>	<b>133,089</b>	<b>10,476</b>	<b>8.5%</b>
Baltimore City Community College	7,030	6,942	-88	-1.3%
<b>Total Community Colleges</b>	<b>129,643</b>	<b>140,031</b>	<b>10,388</b>	<b>8.0%</b>

MHEC: Maryland Higher Education Commission

Source: Maryland Higher Education Commission, Maryland Association of Community Colleges

Both budgeted enrollments at the public four-year institutions and actual enrollments at the community colleges from the second prior year are used in calculating the allowance level for Maryland's community colleges. With rapidly growing enrollment at the community colleges, the community college funding formula will likely see large increases starting in fiscal 2012.

**Yield Rates**

A different way to measure demand in higher education is the yield rates of universities. Yield refers to the number of applicants who are accepted to an institution and also choose to enroll. Although this is not a direct measure of the demand, presumably if yield rates go up (a greater percentage of accepted students are enrolling at a specific university), demand for that university has increased. Conversely, if yield rates are falling (a smaller percentage of accepted students are choosing to enroll), demand is falling.

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

**Exhibit 20** shows the yield rates for applicants from fall 2006-2009 and the percentage point change over that period. A negative number reflects a presumed decline in demand. It is important to note the data does not include applications for transfer. TU, for example, has grown in part because of robust transfers from community colleges and other four-year institutions. Demand from transfer students is not shown.

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**Exhibit 20**  
**Yield Rates at Public Four-year Institutions**  
**Fall 2006-2009**

<u>Institution</u>	<u>Fall</u> <u>2006</u>	<u>Fall</u> <u>2007</u>	<u>Fall</u> <u>2008</u>	<u>Fall</u> <u>2009</u>	<u>Change</u> <u>2006-09</u>
Univ. of Maryland, College Park	37.7%	37.1%	35.6%	35.1%	-2.6
Univ. of Maryland Baltimore County	37.0%	35.8%	37.6%	36.8%	-0.3
Morgan State University	34.3%	36.3%	40.3%	45.9%	11.6
University of Baltimore*			48.6%	44.0%	
Towson University	28.9%	29.3%	29.0%	27.4%	-1.6
Bowie State University	41.6%	42.6%	36.4%	41.9%	0.3
Salisbury University	31.9%	31.2%	31.1%	31.7%	-0.2
Frostburg State University	38.6%	40.8%	38.8%	39.7%	1.1
Univ. of Maryland Eastern Shore	50.0%	45.0%	40.9%	37.0%	-13.0
Coppin State University	33.6%	31.8%	30.7%	27.6%	-5.9
St. Mary's College of Maryland	33.8%	36.0%	32.3%	35.3%	1.6
<b>Average</b>	35.5%	35.3%	33.6%	34.6%	-0.9

\*University of Baltimore did not begin to enroll freshmen until fall 2008.

Source: University System of Maryland, Morgan State University, St. Mary's College of Maryland

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Overall, six schools had yield rates decline over this period and four experienced increases, with an average decrease of 0.9 percentage points. Most changes were less than two percentage points, although UMES, CSU, and MSU had significant changes. UMES and CSU experienced sizable declines in their yield rate, by 13.0 and 5.9 percentage points, respectively. As a reflection of demand, declining yield rates could suggest that costs (tuition and fees) are higher than the student is willing to pay for the perceived benefits of the institution. On the other hand, the yield rate increased significantly at MSU, by 11.6 percentage points from fall 2006 to 2009, possibly showing an increase

in demand. Another factor could be that the university accepted fewer in-state students, who are much more likely to attend. **The Secretary should comment on the overall demand for higher education in the State.**

## The Melt

The “melt” rate of a college is related to demand by showing how many students put down a deposit upon acceptance to the college but failed to enroll in classes. There are generally two groups of students who do this. The majority of “melt” occurs when, after confirming enrollment, the student changes his or her mind prior to enrolling and informs the college. The second, smaller group confirms enrollment but does not register for classes.

For colleges operating today, current economic conditions are pulling these numbers in opposite directions. Fewer jobs are available for high school graduates, forcing more students to look to college as an alternative. On the other hand, families may have less money to spend on their children’s tuition, fees, and books, leading some to delay enrolling, or to look for a job instead. Melt rates for fall 2008 and 2009 Maryland’s colleges are shown in **Exhibit 21**. There is variance between colleges and year, but no clear patterns emerge. UMCP and SMCM experienced significant declines in the melt rate, possibly due to doubling the deposit fee and making the risk of not enrolling greater. Interestingly, MSU reports a 0.0% melt rate. **The President of MSU should comment on the university’s extraordinary melt rate, and the Secretary and Chancellor should comment on the pressures students have that could affect melt rates.**

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### Exhibit 21 Public University Melt Rates Fall 2008 and 2009

<u>Institution</u>	<u>Fall 2008</u>	<u>Fall 2009</u>
Univ. of Maryland, College Park	10.2%	6.9%
Univ. of Maryland Baltimore County		6.5%
Morgan State University	0.0%	0.0%
University of Baltimore*		19.6%
Towson University	4.9%	5.9%
Bowie State University	17.7%	19.7%
Salisbury University	6.5%	7.9%
Frostburg State University	5.1%	2.0%
Univ. of Maryland Eastern Shore	8.8%	8.7%
Coppin State University	22.1%	21.4%
St. Mary’s College of Maryland	5.2%	2.6%

\*University of Baltimore did not begin to enroll freshmen until fall 2008.

Source: University System of Maryland, St. Mary’s College of Maryland, Morgan State University

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## **5. New Obscenity Policies**

### **History**

During the Senate’s debate of the budget in the 2009 session, the display of pornography on public college campuses became an issue of debate. That day, *The Washington Post* reported that a student group at UMCP was planning a free viewing of the film *Pirates II: Stagnetti's Revenge*, the most expensive XXX-rated film ever made. In response, the 2009 *Joint Chairmen’s Report* (JCR) requested the State’s public colleges to submit a policy on displaying obscene materials.

### **Policy Development**

Tasked with developing a new policy to ban obscene materials from college campuses, the State’s public higher education institutions’ governing boards – USM Board of Regents and the Boards of Trustees of SMCM, MSU, and BCCC – worked together and with Robert M. O’Neil, Esq., from the Thomas Jefferson Center for the Protection of Free Expression at the University of Virginia. Mr. O’Neil is an expert on the First Amendment of the United States Constitution and has advised many municipalities on similar free speech issues. The institutions’ students, faculties, and presidents were also consulted. Their work was outlined in JCR responses submitted individually by the segments.

What first had to be addressed was determining what exactly should be banned. Before a material can be labeled obscene, a judge or jury has to rule it as such based on standards outlined by the Supreme Court in *Miller v. California*, 413 US 15 (1973). An added challenge in developing guidelines for Maryland’s public colleges was that the Supreme Court has only ruled a film obscene once, in 1966. Since it also ruled the determination of obscenity depends on contemporary community standards, it is unlikely that film would still be ruled obscene in 2010. As such, the 1966 case cannot be used as a guide for an obscenity policy today.

According to the institutions’ JCR responses, they understood the intent of the requested policy was to ban pornography. However, it is unconstitutional for a governmental entity to ban a specific kind of material that is otherwise protected by the First Amendment – all restrictions must be content and viewpoint neutral. Banning pornography specifically is too narrow and would likely fail a Constitutional challenge. If a college’s ban were challenged, a court trial would have to be held within one day and a ruling issued two days after the trial. Each segment stressed that materials already ruled obscene or that have no First Amendment protection on campus, such as child pornography, would remain banned from display regardless of if they adopted a policy or not.

### **Two Proposals**

The governing boards of USM, SMCM, MSU, and BCCC considered adopting two policies.

1. The first would be to issue time and place restrictions on certain films and require an educational component to go alongside some.

The problem with this method is that the colleges cannot constitutionally focus this limit to pornographic films only due to the need for content and viewpoint neutrality.

2. The other policy would require a review of all films shown on campus for “entertainment purposes” and require an educational component for some.

The segments wrote that the first problem with this policy is the amount of staff hours required for implementation and that there was no way to ensure it would be consistent campus to campus. Additionally, none of the institutions could develop guidelines that were content or viewpoint neutral and still ban only pornographic materials.

### **The Segments’ Response**

Each segments’ JCR response explains how once the administrative costs and likely Constitutional challenges were fully realized, and the likelihood that no film would actually ever be banned, there was a general consensus against adopting a policy. For example, the Council of USM Faculty was firmly against it, and the USM Student Council voted unanimously against a policy as well. The institutions’ presidents also expressed concerns about the legal issues and administrative burdens.

In light of the issues, each segments’ governing board voted to not adopt a policy regarding the display of obscene materials on campus. Instead, their JCR responses reaffirm their commitment to the First Amendment and free speech while continuing to enforce “the laws of the land.”

## **6. Towson University’s Educational Facility at Harford Community College**

As senior four-year institutions continue to strengthen relations with community colleges through articulation agreements, upper-level undergraduate courses are being offered either directly or near a community college’s campus. One of the strongest relationships is between TU and Harford Community College (HCC). Currently, TU offers one bachelor and six graduate programs, a post-baccalaureate certificate, and several upper-level undergraduate courses at the Higher Education and Applied Technology (HEAT) Center, located about six miles from HCC.

In October 2006, TU signed 20 2+2 articulation agreements with HCC, taking advantage of its proximity to HCC, its range of undergraduate and graduate programs, and that HCC is the second largest feeder school for new transfer students at TU, accounting for 10% of transfers in fall 2009. These agreements allow for a seamless transition from HCC to TU. Currently, 23 agreements are in place. Of these, the Bachelor’s in Elementary Education/Special Education Program (EESE) is the first fully implemented program between TU and HCC. Offered in fall 2008, EESE allows students to obtain a four-year college degree in Harford County without having to travel to TU. Due to space constraints at HCC, the last two years of the program are conducted at the HEAT Center.

## **Dedicated TU Facility at HCC**

The concept of a TU dedicated facility with the purpose of offering upper-level undergraduate programs on HCC's west campus took shape in 2006. This would allow TU to expand its offerings, increasing the number of undergraduate programs to 12 and graduate programs to 9. TU expects enrollment to grow over 300%, from 60 FTES in fall 2008 to 260 FTES by fall 2014.

In December 2008, the Presidents of TU and HCC signed a memorandum of understanding (MOU) outlining the responsibilities of each institution for the construction of an academic building on HCC's campus to be run by TU, providing students four-year or graduate degree programs. The facility will provide TU between 30,000 to 40,000 net assignable square feet. HCC issued a request for proposal in June 2009 for the architecture and engineering (A/E) design of the building, accepting the winning proposal in September 2009. However, before awarding the contract, the funding mechanism must be in place.

Despite numerous requests, DLS has yet to receive a copy of the MOU. However, according to the minutes from the HCC Board of Trustees meeting on September 8, 2009, under the MOU, TU is responsible for the cost of development, including the A/E services. TU is proposing use of Maryland Economic Development Corporation (MEDCO) as the funding entity and developer. Since the MEDCO agreement cannot be completed until there is 75% design drawing and a guaranteed maximum price contract, an agreement to forward fund A/E services will be in place prior to release of the contract. Under this agreement, HCC will review and pay for A/E invoices which will then be submitted to TU for reimbursement since TU cannot directly pay for A/E services.

HCC intends to execute a 20-year term ground lease with MEDCO, which will own the facility. TU will enter into a 10-year lease for the building with MEDCO, with an option for 10-year renewal. At the end of the lease, the ownership of the building will revert to HCC. Groundbreaking is scheduled for August 2010 with an estimated total cost ranging between \$16 million and \$20 million.

## **MHEC Approvals Needed to Move Forward?**

TU reports it will move undergraduate programs and courses currently offered at the HEAT Center to the new facility. TU plans to use approximately one-third of the space and will seek to rent the remaining space to other USM and non-USM institutions. It appears that by forming a public-private partnership with MEDCO, HCC and TU found a way to circumvent the policies and procedures governing the oversight of the establishment of a regional higher education center or branch and will offer four-year programs on a community college campus.

According to Maryland Annotated Code, Education Article, Section 10-101, a regional higher educational center is defined as an entity that:

- is operated by a public or nonpublic institution of higher education in the State and includes participation by two or more institutions of higher education;

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- consists of an array of program offerings from institutions of higher education approved to operate in the State;
- offers multiple degree levels; and
- is approved by MHEC to operate in the State or is established by statute.

Furthermore, according to Maryland Annotated Code, Education Article, Section 12-104, the Board of Regents may establish regional higher education centers or branches subject to the concurrence of MHEC and approval of the Governor and the General Assembly.

To date, TU has not received formal approval from the Board of Regents regarding the construction or administration of the new facility. According to USM, there is no formal MOU since the building is a public-private partnership between HCC and a private developer. The Board of Regents is not required to take any formal action to authorize it to proceed. USM further notes TU continuously briefs the Chancellor, Board of Regents Education Policy Committee, and the full Board of Regents on their plans at HCC.

According to USM policy, off-campus programs are defined as any program delivered to a site other than that of the main campus of the institution offering the program. Furthermore, USM policy, Degree and Curricular Requirements, states that "...programs offered at a new site[,] require the approval of the Board of Regents and the approval of the Maryland Higher Education Commission." While TU received MHEC approval to offer the EESE and a Master of Science in Applied Information Technology at the HEAT Center, there is no indication it obtained formal approval from the Board of Regents. USM states it only provides administrative approval; an institution is only required to send USM notification and a copy of materials sent to MHEC for approval.

Since the new academic facility, in which TU will offer 12 undergraduate degree programs, will be located on HCC's campus, four-year degree programs will be offered on HHC's campus and HCC will not be awarding the degree. It should be noted that in the 2002 and 2003 session, legislation was introduced to allow HCC to implement a baccalaureate degree pilot program, permitting HCC to offer programs leading to a bachelors degree. These bills did not pass the General Assembly. It should be further noted, at the July 22, 2009, HCC Board of Trustees meeting, HCC is considering conducting a feasibility study for dormitories. **The Chancellor should comment on TU's plan to construct a regional higher education center on HCC's campus. The Secretary should comment on MHEC's role in regulating regional higher education centers, and more broadly, higher education in Maryland.**

## **7. College Readiness**

Although Maryland requires passage of the High School Assessments (HSAs) to graduate from high school, a gap between high school graduation and college or career readiness persists. This gap is manifested in the remediation rates of recent high school graduates at Maryland's community colleges and public four-year institutions. Before matriculating in postsecondary education, Maryland students must take one or more placement examinations. In Maryland, the community colleges determine a student's need for remedial education by the student's results on the COMPASS or ACCUPLACER placement examinations. Other institutions of higher education often use their own tests or the results of the ACT or the SAT for course placement purposes. Unfortunately, these placement examinations are not aligned with the State curriculum or the HSAs.

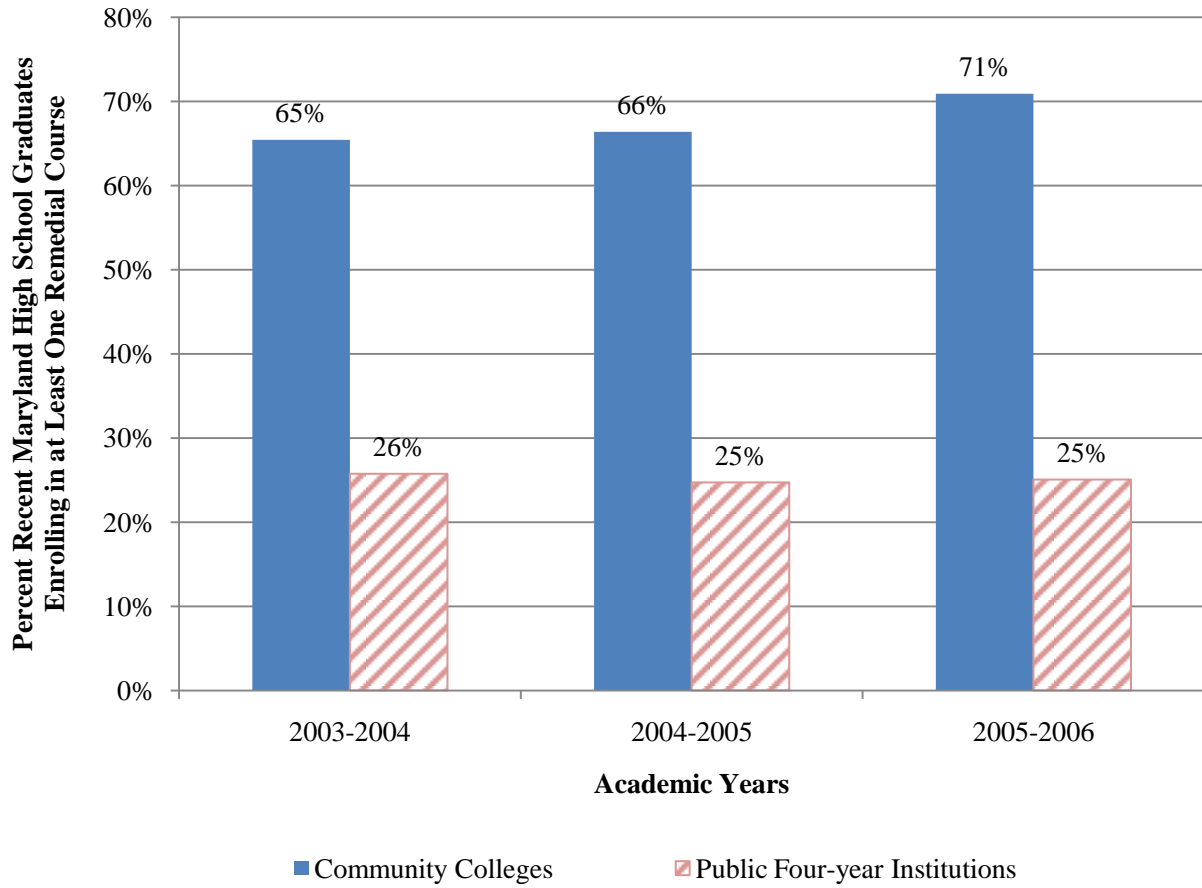
Every community college and most public four-year institutions in Maryland offer remedial education, which is delivered as courses, skills labs, learning centers, and/or tutoring. As shown in **Exhibit 22**, about two-thirds of all first-time full-time students attending community colleges in the State required remedial education in math or reading in the 2003-2004 academic year. This rate increased to 71% in the 2005-2006 academic year, the latest year for which data is available. Some public four-year institutions in Maryland do not offer remedial education, but in those that do, one-quarter of students required remediation. The proportion of students at HBIs needing remedial education is similar to community college rates, likely due to the HBIs' mission to serve students with challenging academic and socioeconomic backgrounds.

### **P-20 College Success Task Force and the Common Core Standards Initiative**

In an attempt to address this gap, the Commission to Develop the Maryland Model for Funding Higher Education and the Governor's P-20 (preschool through postsecondary education) Leadership Council both recommended forming a task force to develop a definition of college and career readiness and to align expectations between P-12 (preschool through high school) and postsecondary education. The P-20 College Success Task Force, charged with aligning educational standards and student outcomes, is chaired by the State Superintendent of Schools and the Secretary of Higher Education.

Part of the College Success Task Force's role has been to determine how Maryland will incorporate the findings of the Common Core Standards initiative. In a joint effort by the National Governors Association and the Council of Chief State School Officers, the Common Core Standards initiative aims to develop evidence-based standards in English/language arts and mathematics for student in kindergarten through grade 12 (K-12) that are aligned with college and work expectations and are consistent across all states. Competitive grants totaling \$350 million in Race to the Top (RTTT) funding from the ARRA have been reserved for assessments based on this effort, to which Maryland and at least 47 other states have signed on.

**Exhibit 22**  
**Remediation Rates**  
**Maryland Community Colleges and Public Four-year Institutions**



Note: Public four-year data do not include University of Maryland University College or University of Baltimore; neither Salisbury University nor St. Mary's College of Maryland, offered remedial courses at the time of data collection.

Source: Student Outcome and Achievement Report, the Maryland Higher Education Commission

The P-20 Council has endorsed the Common Core Standards initiative and supports using multi-state assessments to determine whether Maryland students are college-ready. Draft recommendations of the P-20 Council's College Success Task Force set a goal of having K-12 curricula in all districts aligned to the Common Core Standards by 2011. The task force's draft recommendations also stress that the Common Core Standards should be translated into P-20 curriculum, that multiple assessments at various stages of a student's career be used to show students where they stand compared to college and career readiness benchmarks, and that an assessment to

determine the college-readiness level of first-time freshmen be developed and shared by all public institutions.

Finally, to reduce the number of entering first-year students needing remedial coursework, USM revised minimum undergraduate admission requirements in December 2009 to require that applicants complete four high school mathematics courses, including a course in the senior year. To align graduation requirements with this effort, draft recommendations of the College Success Task Force suggest that the State Board of Education require four years of high school mathematics for a high school diploma, beginning with the ninth grade class of 2011.

Final recommendations of the P-20 College Success Task Force are expected in June 2010.

### **Educational Longitudinal Data System**

Maryland is also working to develop a comprehensive statewide data system, a key component of applications for RTTT funds. Maryland's current system, managed by the Maryland State Department of Education includes 4 of the 10 essential components of an effective data system as laid out by the Data Quality Campaign, which will be used to evaluate the system. The existing longitudinal system does not link to higher education or a unique teacher identifier. A group appointed by the Governor and chaired by the President of the State Board of Education and the USM Chancellor has made recommendations on a comprehensive Maryland data system which have been incorporated into an application for a competitive federal grant to support the development of this P-20 educational longitudinal data system. Legislation will be needed this session to implement several of the recommendations, which propose an independent center to house data for primary and secondary education, higher education, and eventually employers. The statewide longitudinal database will be key in providing data to students, parents, schools, institutions of higher education, and policymakers that will help improve the college-readiness of students over time, and hold institutions of higher education responsible for retaining and graduating students prepared for college.

**The Secretary should comment on college readiness efforts and the timeline for implementing the College Success Task Force's recommendations.**

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

<u>Institution</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Working 2010</u>	<u>Allowance 2011</u>	<u>Annual % 2007-10</u>	<u>% Change 2010-11</u>
Univ. of Maryland, Baltimore <sup>2</sup>	\$358,759	\$364,782	\$414,941	\$427,741	\$442,286	\$450,113	6.6%	1.8%
Univ. of Maryland, College Park	788,298	832,663	871,790	919,967	902,656	926,660	2.7%	2.7%
Univ. of Maryland Baltimore County	179,935	188,116	194,411	207,409	207,184	213,386	3.3%	3.0%
Morgan State University	97,934	107,731	118,569	118,395	126,918	129,228	5.6%	1.8%
University of Baltimore	66,284	72,244	81,346	85,190	88,463	93,880	7.0%	6.1%
Univ. of Maryland Univ. College	220,245	234,336	265,730	270,990	281,193	286,411	6.3%	1.9%
Towson University	182,447	206,080	219,406	241,563	244,009	256,104	5.8%	5.0%
Bowie State University	50,951	59,217	60,939	66,433	66,582	69,115	4.0%	3.8%
Salisbury University	60,390	76,545	76,615	80,635	88,930	91,884	5.1%	3.3%
Frostburg State University	55,742	60,053	63,138	65,272	64,039	65,980	2.2%	3.0%
Univ. of Maryland Eastern Shore	45,811	50,537	51,382	52,726	52,178	53,869	1.1%	3.2%
Coppin State University	36,937	47,922	47,833	51,597	54,742	56,871	4.5%	3.9%
St. Mary's College of Maryland	33,512	36,326	39,932	41,005	46,278	48,381	8.4%	4.5%
Univ. of Maryland Ctr. for Env. Science	19,932	20,805	22,270	21,620	24,394	24,209	5.4%	-0.8%
Univ. of Maryland Biotechnology Institute <sup>2,3</sup>	32,933	36,228	30,501	30,467	30,772	28,911	-5.3%	-6.0%
<b>Total</b>	<b>\$1,871,350</b>	<b>\$2,028,801</b>	<b>\$2,143,862</b>	<b>\$2,253,269</b>	<b>\$2,278,339</b>	<b>\$2,344,888</b>	<b>3.9%</b>	<b>2.9%</b>

<sup>1</sup> Education and general revenues represent tuition and fees, State funds (general and Higher Education Investment Fund), grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary program enterprise revenue. For the University of Maryland, Baltimore, hospital expenditures are excluded from educational and general revenue. Agricultural and cooperative extension programs at University of Maryland, College Park and University of Maryland Eastern Shore are also excluded.

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

<sup>3</sup> Fiscal 2011 funding for the University of Maryland Biotechnology Institute (UMBI) is included in the University System of Maryland Office appropriation, as the system determines which institutions will absorb UMBI's component parts.

Numbers may not sum due to rounding.

Source: Governor's Budget Books, Fiscal 2008-2011

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

<u>Institution</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Working 2010</u>	<u>Allowance 2011</u>	<u>Annual % Change 2007-10</u>	<u>% Change 2010-11</u>
Univ. of Maryland, Baltimore	\$65,833	\$71,951	\$71,600	\$72,985	\$73,729	3.5%	1.0%
Univ. of Maryland, College Park	28,476	28,887	29,939	29,118	30,086	0.7%	3.3%
Univ. of Maryland Baltimore County	20,247	20,658	21,275	20,402	21,013	0.3%	3.0%
Morgan State University	17,617	19,324	18,832	19,696	19,565	3.8%	-0.7%
University of Baltimore	21,242	21,838	21,378	20,606	21,012	-1.0%	2.0%
Univ. of Maryland Univ. College	14,127	15,582	14,753	13,928	14,186	-0.5%	1.9%
Towson University	13,428	13,624	13,983	13,943	14,608	1.3%	4.8%
Bowie State University	14,248	14,116	14,776	14,714	15,274	1.1%	3.8%
Salisbury University	11,708	11,221	11,170	12,076	12,477	1.0%	3.3%
Frostburg State University	14,429	14,804	14,721	13,879	14,300	-1.3%	3.0%
Univ. of Maryland Eastern Shore	14,172	14,902	13,799	13,656	14,098	-1.2%	3.2%
Coppin State University	15,661	15,944	16,251	18,205	18,913	5.1%	3.9%
St. Mary's College of Maryland	18,136	19,613	19,573	22,574	23,600	7.6%	4.5%
<b>Average</b>	<b>\$20,717</b>	<b>\$21,728</b>	<b>\$21,696</b>	<b>\$21,983</b>	<b>\$22,528</b>	<b>2.0%</b>	<b>2.5%</b>

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

Source: Department of Budget and Management

**Fiscal 2011 Revenues Per Full-time Equivalent Student<sup>1</sup>**  
**By Revenue Source**  
**Public Four-year Institutions**

<u>Institution</u>	<u>E&amp;G Revenues</u>	<u>State Funds</u>	<u>Tuition and Fees</u>	<u>FTES</u>	<u>E&amp;G Revenues Per FTES</u>	<u>General Funds Per FTES</u>	<u>Tuition and Fees Per FTES</u>	<u>ST as % of E&amp;G</u>	<u>T&amp;F as % of E&amp;G</u>
Univ. of Maryland, Baltimore	\$450,113,125	\$181,672,253	\$103,122,128	6,105	\$73,729	\$29,758	\$16,891	40%	23%
Univ. of Maryland, College Park	926,659,901	374,247,983	403,459,059	30,800	30,086	12,151	13,099	40%	44%
Univ. of Maryland Baltimore County	213,385,585	90,885,263	92,432,932	10,155	21,013	8,950	9,102	43%	43%
Morgan State University	129,228,338	74,056,581	50,028,652	6,605	19,565	11,212	7,574	57%	39%
University of Baltimore	93,880,094	30,767,793	61,407,301	4,468	21,012	6,886	13,744	33%	65%
Univ. of Maryland Univ. College	286,410,730	31,782,150	236,251,659	20,189	14,186	1,574	11,702	11%	82%
Towson University	256,104,143	91,406,019	155,733,707	17,532	14,608	5,214	8,883	36%	61%
Bowie State University	69,115,012	35,366,774	32,196,851	4,525	15,274	7,816	7,115	51%	47%
Salisbury University	91,883,653	39,818,032	51,282,334	7,364	12,477	5,407	6,964	43%	56%
Frostburg State University	65,979,709	33,440,859	30,274,887	4,614	14,300	7,248	6,562	51%	46%
Univ. of Maryland Eastern Shore	53,869,002	30,198,659	22,870,419	3,821	14,098	7,903	5,985	56%	42%
Coppin State University	56,871,118	38,169,580	18,086,538	3,007	18,913	12,694	6,015	67%	32%
St. Mary's College of Maryland	48,380,725	17,517,752	30,249,107	2,050	23,600	8,545	14,756	36%	63%
<b>Total Higher Ed</b>	<b>\$2,741,881,135</b>	<b>\$1,069,329,698</b>	<b>\$1,287,395,574</b>	<b>\$121,235</b>	<b>\$22,528</b>	<b>\$9,643</b>	<b>\$9,876</b>	<b>39%</b>	<b>47%</b>

<sup>1</sup> Agricultural and cooperative extension programs at University of Maryland, College Park and University of Maryland Eastern Shore are excluded.

E&G: Education and General  
 FTES: Full-time Equivalent Student  
 ST: State funds  
 T&F: Tuition and Fees

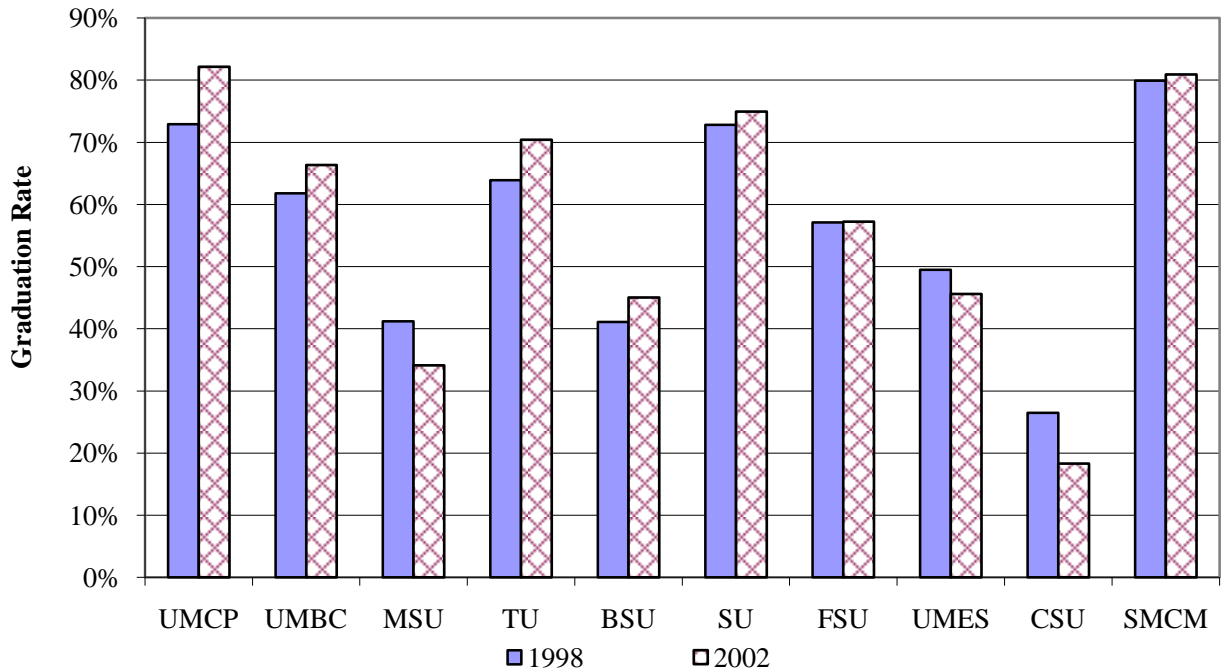
Source: Governor's Budget Books, Fiscal 2011

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

<u>Institution</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Annual % 2006-10</u>	<u>% Change 2010-11</u>
Univ. of Maryland, Baltimore	5,242	5,415	5,541	5,767	5,974	6,060	6,105	3.8%	0.7%
Univ. of Maryland, College Park	28,088	29,002	29,241	30,179	30,728	31,000	30,800	2.2%	-0.6%
Univ. of Maryland Baltimore County	9,331	9,173	9,291	9,411	9,749	10,155	10,155	3.4%	0.0%
Morgan State University	6,312	5,856	6,115	6,136	6,287	6,444	6,605	3.2%	2.5%
University of Baltimore	3,349	3,303	3,401	3,725	3,985	4,293	4,468	9.1%	4.1%
Univ. of Maryland Univ. College	14,511	14,809	16,588	17,054	18,368	20,189	20,189	10.9%	0.0%
Towson University	14,021	14,391	15,347	16,104	17,275	17,500	17,532	6.7%	0.2%
Bowie State University	4,059	4,272	4,156	4,317	4,496	4,525	4,525	1.9%	0.0%
Salisbury University	6,078	6,188	6,538	6,828	7,219	7,364	7,364	6.0%	0.0%
Frostburg State University	4,401	4,206	4,162	4,265	4,434	4,614	4,614	3.1%	0.0%
Univ. of Maryland Eastern Shore	3,277	3,342	3,566	3,448	3,821	3,821	3,821	4.6%	0.0%
Coppin State University	3,035	3,302	3,060	3,000	3,175	3,007	3,007	-3.1%	0.0%
St. Mary's College of Maryland	1,995	2,039	2,003	2,036	2,095	2,050	2,050	0.2%	0.0%
<b>Total</b>	<b>103,699</b>	<b>105,298</b>	<b>109,009</b>	<b>112,270</b>	<b>117,606</b>	<b>121,022</b>	<b>121,235</b>	<b>4.7%</b>	<b>0.2%</b>

Source: Governor's Budget Books, Fiscal 2008-2011

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

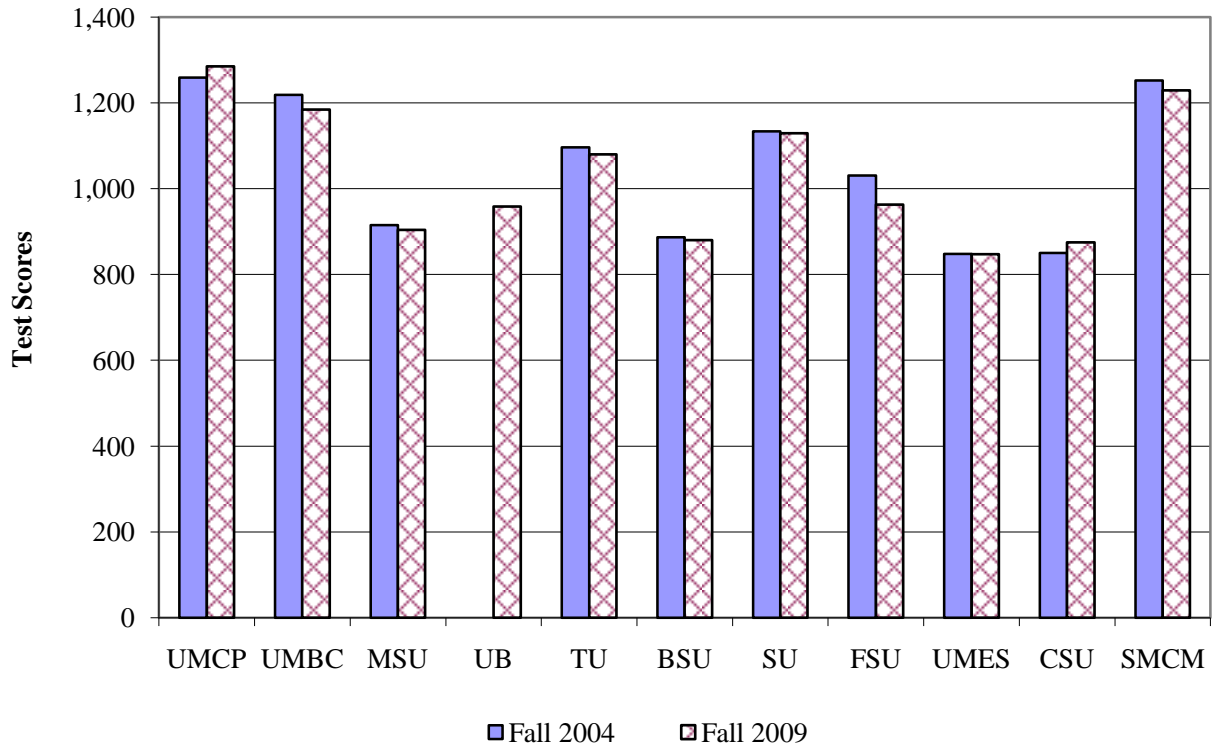


	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Univ. of Maryland, College Park	72.9	75.9	79.4	79.8	82.1
Univ. of Maryland Baltimore County	61.8	63.3	63.7	65.0	66.3
Morgan State University	41.2	43.8	42.3	39.3	34.1
Towson University	63.9	60.7	64.9	68.1	70.4
Bowie State University	41.1	40.8	39.4	40.2	45.0
Salisbury University	72.8	73.0	75.1	74.5	74.9
Frostburg State University	57.1	55.7	55.0	58.9	57.2
Univ. of Maryland Eastern Shore	49.5	49.6	40.9	45.1	45.6
Coppin State University	26.5	24.7	20.7	22.0	18.3
St. Mary's College of Maryland	79.9	74.9	84.1	85.5	80.9
<b>All Students Average</b>	<b>62.1</b>	<b>62.6</b>	<b>64.0</b>	<b>64.2</b>	<b>64.3</b>

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

Source: Maryland Higher Education Commission

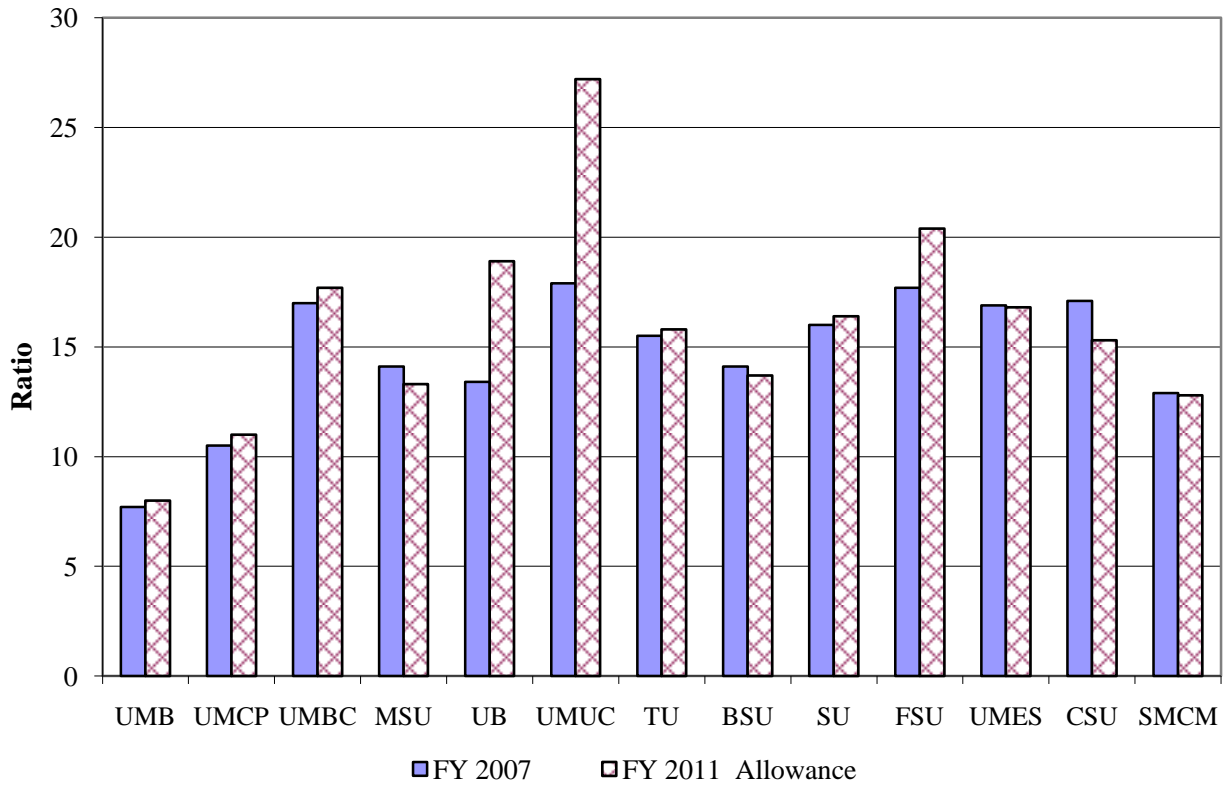
**Scholastic Aptitude Test Scores of First-year Students**



	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Univ. of Maryland, College Park	1,259	1,254	1,271	1,263	1,268	1,285
Univ. of Maryland Baltimore County	1,219	1,221	1,216	1,191	1,190	1,184
Morgan State University	915	904	974	909	899	904
University of Baltimore					949	958
Towson University	1,096	1,078	1,087	1,084	1,074	1,080
Bowie State University	887	892	890	870	882	880
Salisbury University	1,134	1,121	1,136	1,120	1,126	1,129
Frostburg State University	1,031	1,016	1,005	967	974	963
Univ. of Maryland Eastern Shore	848	838	815	818	828	847
Coppin State University	850	858	856	850	853	875
St. Mary’s College of Maryland	1,252	1,248	1,227	1,221	1,230	1,229
<b>Average (unweighted)</b>	<b>1,049</b>	<b>1,043</b>	<b>1,048</b>	<b>1,029</b>	<b>1,025</b>	<b>1,030</b>

Source: Maryland Higher Education Commission

**Student-to-faculty Ratio**



	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 Working</u>	<u>2011 Allowance</u>
Univ. of Maryland, Baltimore	7.7	8.2	82.2	7.9	8.0
Univ. of Maryland, College Park	10.5	10.3	10.7	11.1	11.0
Univ. of Maryland Baltimore County	17.0	16.2	17.3	17.7	17.7
Morgan State University	14.1	12.3	12.7	12.9	13.3
University of Baltimore	13.4	16.8	17.6	18.5	18.9
Univ. of Maryland Univ. College	17.9	23.8	24.8	27.2	27.2
Towson University	15.5	15.6	15.5	15.8	15.8
Bowie State University	14.1	13.7	14.1	13.9	13.7
Salisbury University	16.0	15.6	16.1	16.4	16.4
Frostburg State University	17.7	18.1	18.8	20.4	20.4
Univ. of Maryland Eastern Shore	16.9	16.8	17.9	16.8	16.8
Coppin State University	17.1	16.5	14.9	15.3	15.3
St. Mary's College of Maryland	12.9	12.7	13.4	12.8	12.8

Source: Department of Budget and Management