

R30B28
University of Baltimore

Operating Budget Data

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$28,217	\$29,063	\$30,768	\$1,705	5.9%
Contingent & Back of Bill Reductions	0	0	-582	-582	
Adjusted General Fund	\$28,217	\$29,063	\$30,186	\$1,122	3.9%
Special Funds	2,273	1,164	0	-1,164	-100.0%
Adjusted Special Fund	\$2,273	\$1,164	\$0	-\$1,164	-100.0%
Other Unrestricted Funds	62,388	66,510	72,574	6,064	9.1%
Contingent & Back of Bill Reductions	0	0	-443	-443	
Adjusted Other Unrestricted Fund	\$62,388	\$66,510	\$72,131	\$5,621	8.5%
Total Unrestricted Funds	92,878	96,738	103,342	6,605	6.8%
Contingent & Back of Bill Reductions	0	0	-1,025	-1,025	
Adjusted Total Unrestricted Funds	\$92,878	\$96,738	\$102,317	\$5,579	5.8%
Restricted Funds	10,198	13,950	12,950	-1,000	-7.2%
Adjusted Restricted Fund	\$10,198	\$13,950	\$12,950	-\$1,000	-7.2%
Adjusted Grand Total	\$103,077	\$110,688	\$115,267	\$4,579	4.1%

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board reductions. The actual allocations are to be developed by the Administration.

- General funds increase \$1.7 million, or 5.9%, in the fiscal 2011 allowance. However, when adjusting for \$1.2 million from the Higher Education Investment Funds in fiscal 2010 that are budgeted as general funds in fiscal 2011 and across-the-board reductions related to employee furloughs and health insurance, State funds actually decrease \$41,842, or 0.1% .
- Other unrestricted funds increase \$6.1 million, or 9.1%, in the fiscal 2011 allowance. When accounting for the across-the-board reductions described above, however, this increase is \$5.6 million, or 8.5%.

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

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Personnel Data

	<u>FY 09 Actual</u>	<u>FY 10 Working</u>	<u>FY 11 Allowance</u>	<u>FY 10-11 Change</u>
Regular Positions	633.00	639.00	639.00	0.00
Contractual FTEs	<u>136.25</u>	<u>174.31</u>	<u>187.11</u>	<u>12.80</u>
Total Personnel	769.25	813.31	831.53	12.80

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	19.36	3.03%
Positions and Percentage Vacant as of 12/31/09	27.50	4.30%

- As of December 31, 2009, the University of Baltimore (UB) had 27.5 vacant positions, of which 26.5 are State-supported.
- The allowance reflects no change in regular positions and 12.8 new contractual positions to support instruction (5.2), student services (2.3), academic support (0.4), plant operations (0.5), and institutional support (6.7). These additions were offset by a decrease in research (2.6) related to the expected decline in restricted grants.

Analysis in Brief

Major Trends

Percent of Undergraduate Students Qualifying for Need-based Financial Aid Increases: After remaining level between fall 2005 and 2008, the percentage of undergraduate students eligible for need-based financial aid increased in fall 2009. The percentage of undergraduate students eligible for the federal Pell grant, who are considered to have the greatest financial need, was 29% in fall 2009 and has not changed significantly since fall 2004.

Minority Enrollment Increases: Since fall 2004, minority student enrollment has increased 7.4 percentage points. UB attributes this trend in part to the recent establishment of the First and Second Year Program (FSP), which has a higher percentage of minority students than the upper division undergraduate classes. UB anticipates the percent of minority enrollment to increase as students in the FSP progress through their undergraduate years.

Issues

Making College Affordable: The institutional aid UB awarded in fiscal 2008 to undergraduate students with expected family contributions between \$0 and \$3,850 on average satisfied 9% of their financial need. In comparison, institutional aid at four-year public institutions in Maryland on average satisfied 20% of financial need for students with \$0 expected family contribution (EFC) and 15% for those with EFCs between \$1 and \$3,850.

UB Plans to Grow to 8,000 Students: UB's Strategic Plan 2008-2012 sets a goal of increasing headcount enrollment to 8,000 students. The institution plans to meet this goal by fully enrolling the new FSP, and increasing upper division undergraduate transfer students, graduate students, and out-of-state enrollment.

Recommended Actions

1. See University System of Maryland Overview for systemwide recommendations.

R30B28
University of Baltimore

Operating Budget Analysis

Program Description

The University of Baltimore (UB) provides career-oriented educational programs in law, business, liberal arts, and related professional applications of the liberal arts at the doctoral, master's, and undergraduate levels. UB applies the expertise of faculty, staff, and students to address current economic, social, and political problems in Baltimore City and the State. The student body is a mix of full- and part-time, day and evening, and traditional and returning students reflecting the racial and ethnic diversity of the metropolitan region.

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

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

Fall 2009 Undergraduate Enrollment Headcount

Male	1,263
Female	1,741
Total	3,004 (85 at RHECs)

Fall 2009 Graduate Enrollment Headcount

Male	1,358
Female	1,903
Total	3,261 (81 at RHECs)

Fall 2009 New Students Headcount

First-time	197
Transfers/Others	801
Graduate	924
Total	1,922

Campus (Main Campus)

Acres	8.25
Buildings	11
Average Age	61.5
Oldest	1894

Programs

Bachelor's	18
Post-bachelor Cert	9
First-professional	3
Master's	20
Doctoral	3

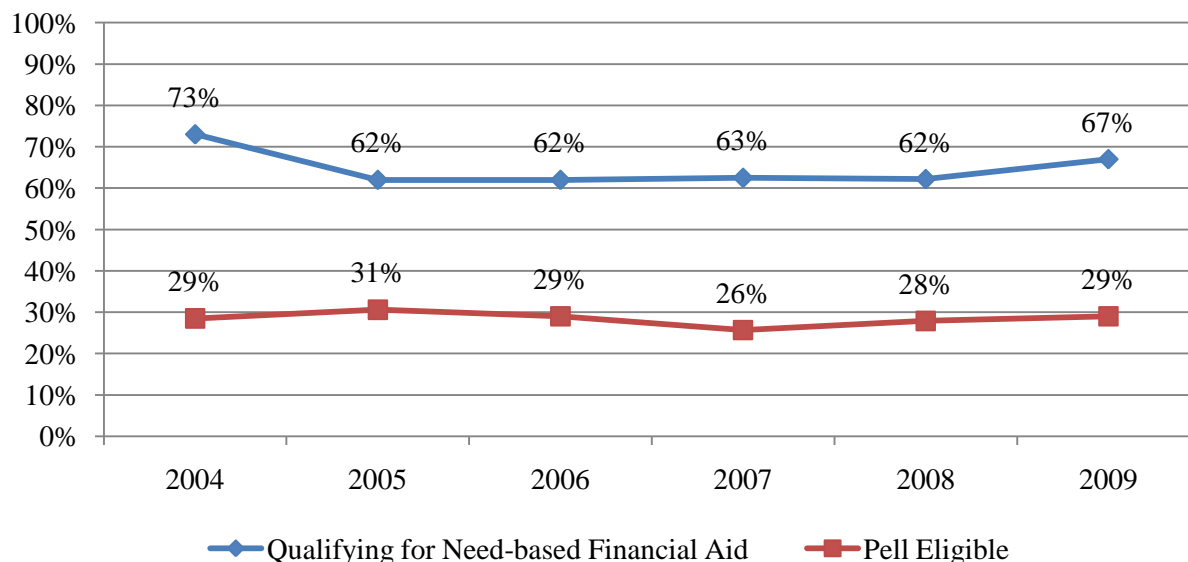
Degrees Awarded (2008-2009)

Bachelor's	528
Post-bachelor Cert	14
First-professional	306
Master's	429
Doctoral	2
Total Degrees	1,279

Performance Analysis: Managing for Results

UB strives to provide qualified Marylanders with access to academic programs and services without regard to economic means or other circumstances. **Exhibit 1** shows the percentage of Pell eligible undergraduate students and undergraduate students qualifying for need-based financial aid from fall 2004 to 2009. Students who are eligible for the federal Pell grant are considered to have the most financial need. As shown in Exhibit 1, the number of students qualifying for need-based aid

Exhibit 1
Trends in Economically Disadvantaged Undergraduate Students
Fall 2004-2009

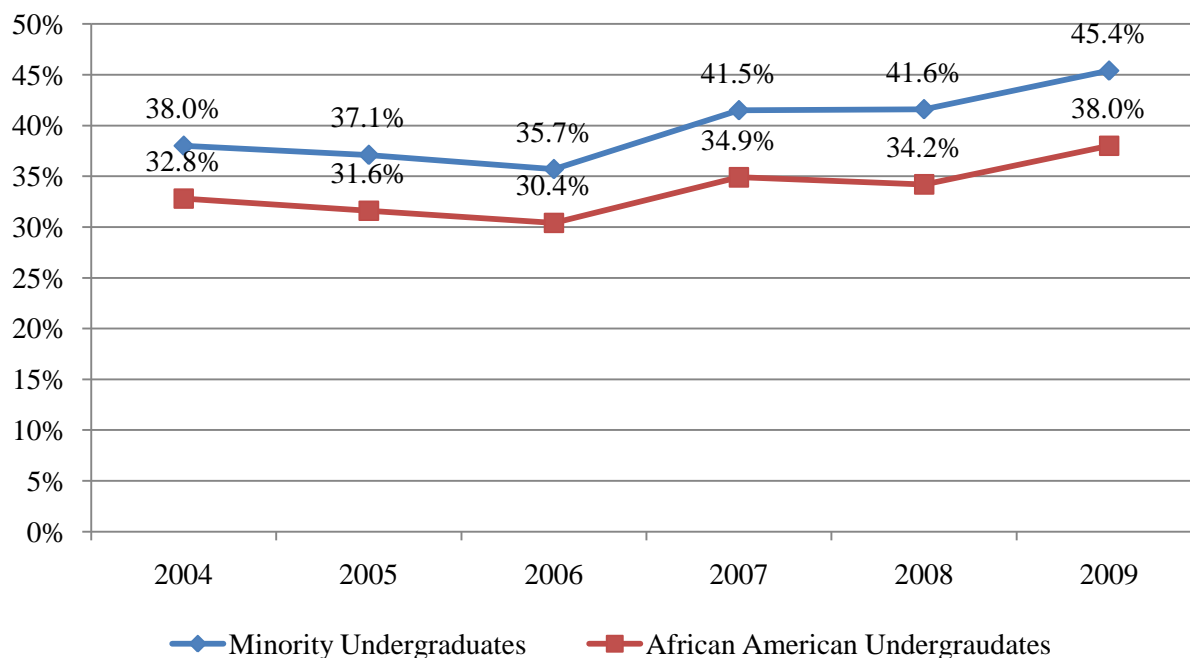


Source: Governor's Budget Books, Fiscal 2005, 2007, 2009, 2011

declined significantly in fall 2005, remained level through fall 2008, and increased to 67% in fall 2009. The percentage of Pell eligible students at UB has fluctuated between 26 and 31% since fall 2004, and is 29% in fall 2009. Thus, while the percentage of students eligible for need-based aid increased in fall 2009, the percentage of undergraduate students with the greatest need has remained relatively level. UB reports that the increase in students qualifying for need-based aid has increased the burden on institutional financial aid programs. To address this issue, UB continues to enhance student outreach programs, encouraging students to apply early for financial aid, and has increased the number of students who receive State aid as a result of filing the Free Application for Federal Student Aid (FAFSA) earlier. Institutional student financial aid will be discussed further in Issue 1.

Exhibit 2 shows trends in minority and African American enrollment at UB from fall 2004 to 2009. UB's goal is to increase the percentage of African American undergraduates to 39.0%. Since fall 2004, the percentage of all minority students has increased 7.4 percentage points to 45.4%, while the percentage of African American students increased 5.2 percentage points to 38.0%. In fall 2007, UB enrolled the first freshman class since becoming a public university in 1975, and became a four-year undergraduate institution. Because the First and Second Year Program's (FSP's) first two cohorts have greater minority representation than the rest of UB's undergraduate class, UB anticipates that the percent of minority enrollment will increase as enrollment in the FSP grows, and these students progress through their undergraduate years.

**Exhibit 2
Trends in Minority and African American Enrollment
Fall 2004-2009**



Source: Governor’s Budget Books, Fiscal 2005, 2007, 2009, 2011

In fall 2009, students from the first FSP cohort entered their third year. Two-year retention data for the 2007 cohort reported by the Maryland Higher Education Commission (MHEC) shows 76.9% of all students and 67.8% of African American students returned for a second year, slightly lower than the statewide average of 81.0% for all students and 72.8% for African American students. While UB is reporting data to MHEC, it expects to begin reporting retention rates for first-time full-time students in the fiscal 2012 Managing for Results data. Six-year graduation rates will first be reported in fiscal 2015.

Fiscal 2010 Actions

Impact of Cost Containment

The Board of Public Works (BPW) approved two cost containment measures resulting in \$837,308 reduction to UB’s State appropriations. In July 2009, BPW approved the first cost containment measure which resulted in \$550,967, or 1.8%, decrease in UB’s State appropriations. A second reduction was approved in August which led to a \$286,341 decrease in federal stimulus funds,

or 0.9% of UB's State appropriations. To accommodate these reductions, UB eliminated 7 vacant positions, reduced funding for facilities renewal, financial aid, the law and Langsdale libraries, and the Bursar's Office.

Additionally, UB reduced its current salary and wage budget by \$897,993, \$168,259 in federal stimulus funds and \$729,734 in current unrestricted funds, as part of the statewide furlough plan. According to UB's plan, the university will be closed for three furlough days. The number of furlough days an employee takes is based on his or her annual salary, and employees that are required to take furlough days beyond the three designated closure days may schedule additional furlough time over the remainder of the fiscal year. Employees earning up to \$34,999 must take only one furlough day and may use annual or personal leave to cover two of the closure days. All furlough days must be taken by June 15, 2010. University police and security officers, adjunct faculty, part-time contingent employees, student employees, and H-1B visa employees are exempt from the furlough. Classes will not be impacted.

UB will move \$729,734 of unrestricted funds related to the furlough to the fund balance which will then be transferred via the Administration's Budget Reconciliation and Financing Act (BRFA) of 2010, to the general fund. In addition, the BRFA of 2010 includes a \$65.0 million reduction to USM's fund balance, of which UB's portion is \$1.9 million in fiscal 2010. After the transfer, UB will have a negative State-supported fund balance of \$5.6 million. Each institution with a negative State-supported fund balance will be required to submit a multi-year plan to USM describing how the outstanding State-supported fund balance will be paid back.

Federal Stimulus Fund

UB has not received any grant funding to date from the American Recovery and Reinvestment Act of 2009, though seven proposals were submitted.

Proposed Budget

As shown in **Exhibit 3**, UB's total State allowance for fiscal 2011, including general funds and the Higher Education Investment Fund (HEIF), is \$30.2 million. This reflects a 0.1% decrease from fiscal 2010 when general fund across-the-board reductions associated with employee furloughs and health insurance savings totaling \$582,166 are included. Other unrestricted funds increase \$5.6 million, or 8.5%, when accounting for \$443,280 in fiscal 2011 furlough and health insurance savings. Restricted funds decrease \$1.0 million, or 7.2%. UB attributes this decline to Maryland agencies having fewer discretionary resources to invest in research projects. UB has experienced a decrease since fiscal 2008 in the number and value of long-standing memorandum of understanding with State agencies and does not expect the situation to improve substantially until fiscal 2012 or later.

Exhibit 3
Governor’s Proposed Budget
University of Baltimore
(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Adjusted</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$28,217	\$29,063	\$30,186	\$1,122	3.9%
HEIF*	\$2,273	1,164	0	-1,164	-100.0%
Total State Funds	30,490	30,227	30,186	-42	-0.1%
Other Unrestricted Funds	62,388	66,510	72,131	5,621	8.5%
Total Unrestricted Funds	92,878	96,738	102,317	5,579	5.8%
Restricted Funds	10,198	13,950	12,950	-1,000	-7.2%
Total Funds	\$103,077	\$110,688	\$115,267	\$4,579	4.1%

HEIF: Higher Education Investment Fund

*Fiscal 2010 working appropriation reflects a reduction of \$115,417 due to HEIF underattainment.

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

The fiscal 2011 allowance provides \$874,622 in unrestricted funds to support additional adjunct faculty associated with enrollment growth, software, and inflationary costs. UB has also assumed additional costs in the fiscal 2011 allowance associated with fiscal 2010 enrollment growth, which are estimated to total \$2.4 million.

Unrestricted fund budget changes by program are shown in **Exhibit 4**. This exhibit considers only unrestricted funds comprised mostly of general funds and tuition and fee revenues. In fiscal 2011, scholarships and fellowships experienced the greatest increase, at \$2.2 million, or 31.3%. Operation and maintenance of plant had the next largest increase at 11.6%, though spending in this category remains below fiscal 2009 levels after decreasing nearly 18.0% in fiscal 2010. Tuition and fee revenue increases 7.4% in the 2011 allowance, while budgeted full-time equivalent student (FTES) enrollment increases 4.1%.

Exhibit 4
UB Budget Changes for Unrestricted Funds by Program
Fiscal 2009-2011
(\$ in Thousands)

	<u>2009</u>	<u>Working 2010</u>	<u>% Change 2009-10</u>	<u>Allowance 2011</u>	<u>\$ Change 2010-11</u>	<u>% Change 2010-11</u>
Expenditures						
Instruction	\$30,584	\$32,735	7.03%	\$34,006	\$1,272	3.89%
Research	253	256	1.52%	279	23	8.81%
Academic Support	10,383	10,764	3.67%	11,129	365	3.39%
Student Services	7,918	8,446	6.67%	9,090	644	7.63%
Institutional Support	19,563	19,746	0.94%	20,420	674	3.41%
Operation and Maintenance of Plant	13,426	11,011	-17.99%	12,293	1,282	11.64%
Scholarships and Fellowships	5,511	7,118	29.16%	9,344	2,226	31.28%
Subtotal Education and General	\$87,638	\$90,077	2.78%	\$96,562	\$6,485	7.20%
Auxiliary Enterprises	5,240	6,661	27.12%	6,780	119	1.79%
Pending Unrestricted Reductions				-1,025	-1,025	
Total	\$92,878	\$96,738	4.16%	\$102,317	\$5,579	5.77%
Revenues						
Tuition and Fees	52,930	57,175	8.02%	61,407	4,232	7.40%
General Funds	28,217	29,063	3.00%	30,186	1,122	3.86%
Higher Education Investment Fund	2,273	1,164	-48.78%	n/a	n/a	n/a
Other	4,102	2,790	-31.99%	2,312	-478	-17.14%
Subtotal	\$87,522	\$90,192	3.05%	\$93,905	\$3,712	4.12%
Auxiliary Enterprises	7,688	8,275	7.63%	9,462	1,187	14.35%
Transfers (to) from Fund Balance	-2,332	-1,730	-25.82%	-1,050	680	-39.30%
Total	\$92,878	\$96,738	4.16%	\$102,317	\$5,579	5.77%

UB: University of Baltimore

Note: Unrestricted funds only. All programs. Fiscal 2011 revenues are reduced by \$582,166 in general funds and \$443,280 in other unrestricted funds to reflect across-the-board reductions.

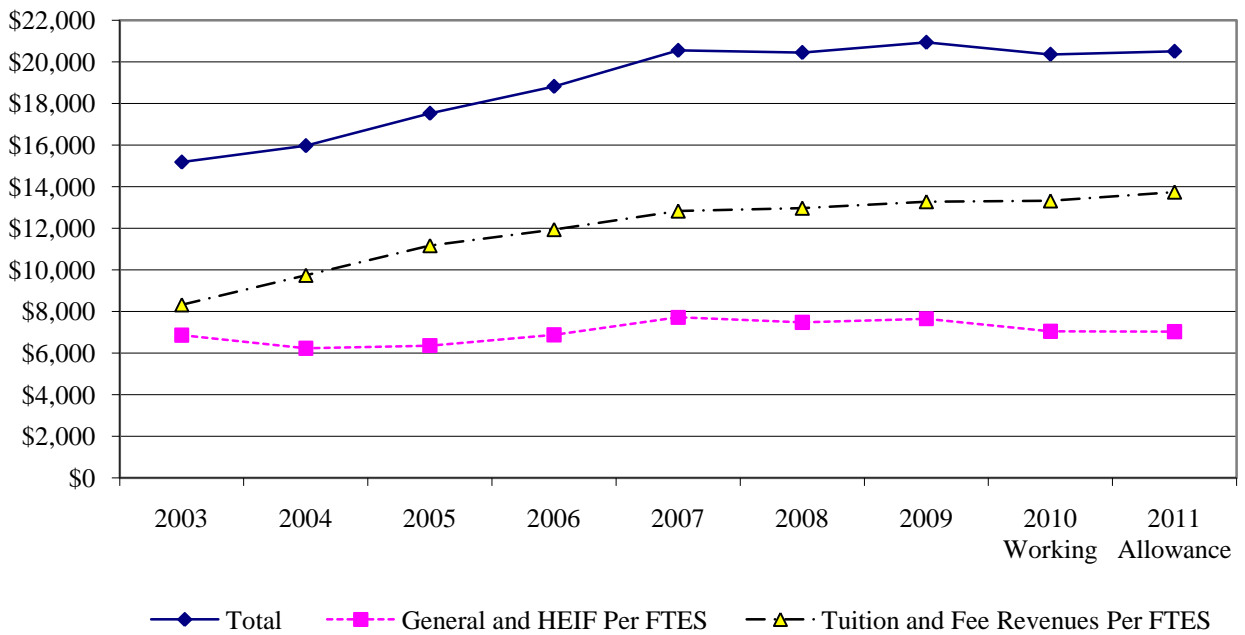
Source: Maryland State Budget

Tuition and Fees and State Revenues

Exhibit 5 shows tuition and fees and State revenues per FTES between fiscal 2003 and 2011. In fiscal 2011, UB’s proposed in-state undergraduate full-time tuition and mandatory fee rate is \$7,330, a 2.2% increase over fiscal 2010 due to a 3.0% increase in tuition. UB plans to reduce out-of-state undergraduate tuition \$3,832, or 20.3%, in fiscal 2011 to align UB’s tuition costs with that of its peers. This topic will be discussed in greater detail in Issue 2.

Tuition and fee revenues per FTES increased significantly between fiscal 2003 and 2007, and more slowly between fiscal 2007 and 2010 due to the tuition freeze. Tuition and fee revenue is expected to increase slightly more in fiscal 2011 due to the planned 3.0% undergraduate resident tuition increase, and a 4.0 to 5.5% increase in graduate and law student tuition. After declining in fiscal 2004, State funding per FTES increased from fiscal 2005-2007, fluctuated between 2007 and 2009, and declined in 2010. State funding is expected to decline slightly in fiscal 2011 as enrollment grows and State support remains relatively flat.

Exhibit 5
Tuition and Fee and State Revenues Per Full-time Equivalent Student
Fiscal 2003-2011



FTES: full-time equivalent student
 HEIF: Higher Education Investment Fund

Source: Governor’s Budget Books, Fiscal 2011

Impact of Cost Containment

In addition to the \$11.7 million cash transfer from University System of Maryland's (USM) fund balance related to the furlough, the BRFA of 2010 includes \$40.0 million reduction to the fund balance, of which UB's portion is \$1.2 million. After the transfer, UB's negative State-supported fund balance increases to \$6.0 million. In fiscal 2011, UB expects to transfer \$1.1 million to the fund balance. After the reductions and transfers, the total ending State and non-state-supported fund balance in fiscal 2011 is estimated to be \$9.6 million.

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

Issues

1. Making College Affordable

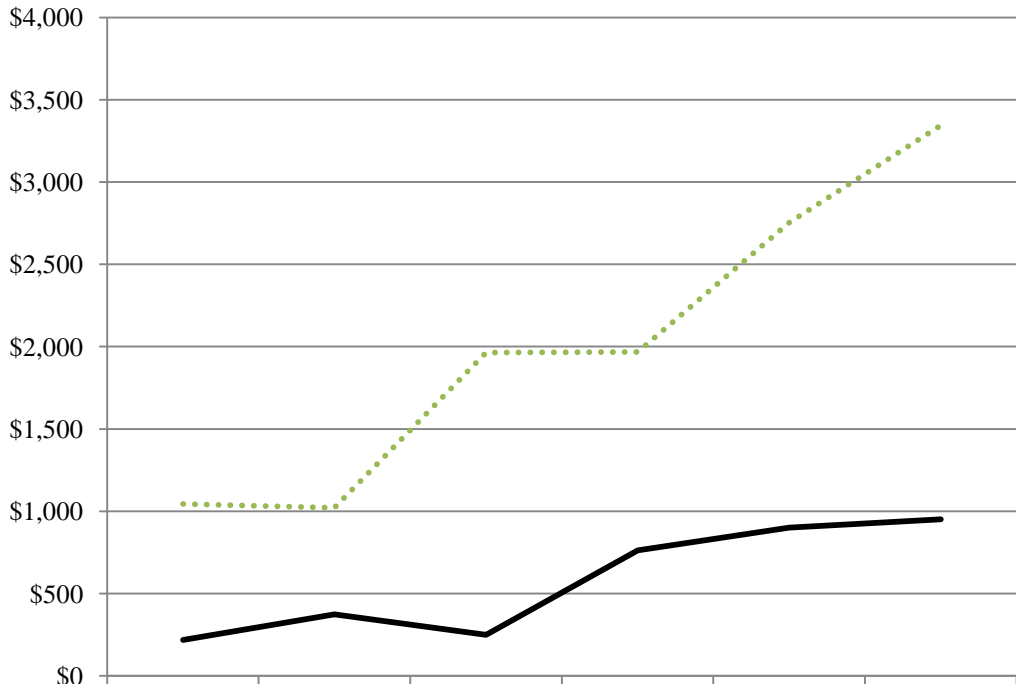
Financial aid is important in helping many students achieve their educational goals. A lack of financial support is one of many contributing factors to some students' decision to drop out of school. Along with federal and State financial aid, UB provides institutional financial assistance to students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

Exhibit 6 shows the amount of undergraduate institutional aid UB appropriates by aid type. In fiscal 2010, 25.0% of UB's total institutional aid was awarded based on need, while 75.0% was awarded as merit and mission aid. Merit and mission aid has increased 40.0%, or \$788,665, since fiscal 2008, the year UB discontinued a requirement that students applying for such aid submit a FAFSA. While need-based aid has increased \$650,165 over the same period, it is allocated \$1.9 million less than merit and mission aid in fiscal 2010. In fiscal 2011, UB expects to increase need-based financial aid, \$50,000, or 5.6%. That year, undergraduate resident tuition is expected to increase 3.0% while undergraduate enrollment grows due to the FSP. UB also reports an increasing percentage of undergraduate students qualifying for need-based aid. As a result, while UB has significantly increased funding for institutional aid since 2006, the university may not be supplying enough need-based aid to satisfy increasing demand.

MHEC collects annual data for the Financial Aid Information System (FAIS) database that provides a profile of students receiving financial aid. FAIS data has information on institutional aid awarded at UB in fiscal 2008 to students that completed the FAFSA, from which MHEC calculates the student's expected family contribution (EFC). In general, the lower a student's EFC, the greater their financial need. Students with an EFC of \$0 to \$3,850 are eligible for the Federal Pell Grant program and have the most need. **Exhibits 7 and 8** show the number of undergraduate recipients of institutional aid and the percentage of undergraduate student need met by institutional aid at UB by EFC. Of institutional awards made to students who submitted a FAFSA, about 42% were awarded to students with EFC between \$0 and \$3,850. These awards on average only met 9% of need for undergraduate students in this category. In comparison, public four-year institutions in Maryland on average met 20% of need for students with \$0 EFC and 15% for those between \$1 and \$3,850.

After all aid sources are considered, UB students with EFCs of \$0 and \$1 to \$3,850 on average had 27 and 18% of their need met in fiscal 2008. While these percentages are low compared to other public four-year institutions, it may, in part, be explained by the high proportion of part time undergraduate students at UB. In fall 2009, 41% of UB undergraduates attended part time. Though the amount of financial aid part time students receive is adjusted based on the number of credits they take, the full cost of room and board is included in their level of need, as it is for full time students. This lowers the percent of need met for such students. At higher EFC levels, students have less financial need. As a result, small awards can satisfy a very large proportion of student need.

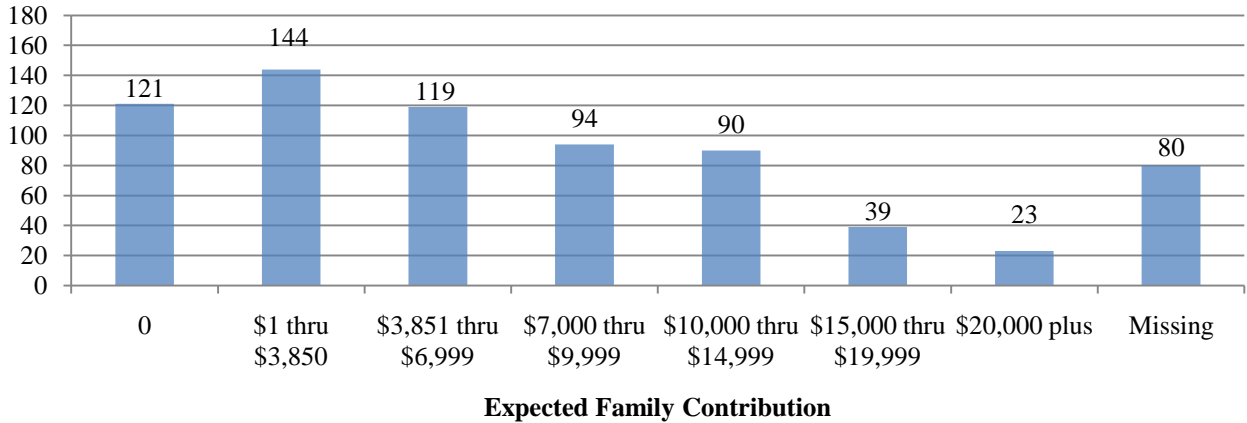
**Exhibit 6
Institutional Financial Aid
Fiscal 2006-2011
(\$ in Thousands)**



	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Working	FY 2011 Estimate
— Need-based Grant Aid	\$218,561	\$373,165	\$249,835	\$761,902	\$900,000	\$950,000
..... Merit and Mission Aid	1,045,006	1,021,791	1,964,419	1,968,509	2,753,084	3,344,579
Total	\$1,263,567	\$1,394,956	\$2,214,254	\$2,730,411	\$3,653,084	\$4,294,579

Source: University System of Maryland

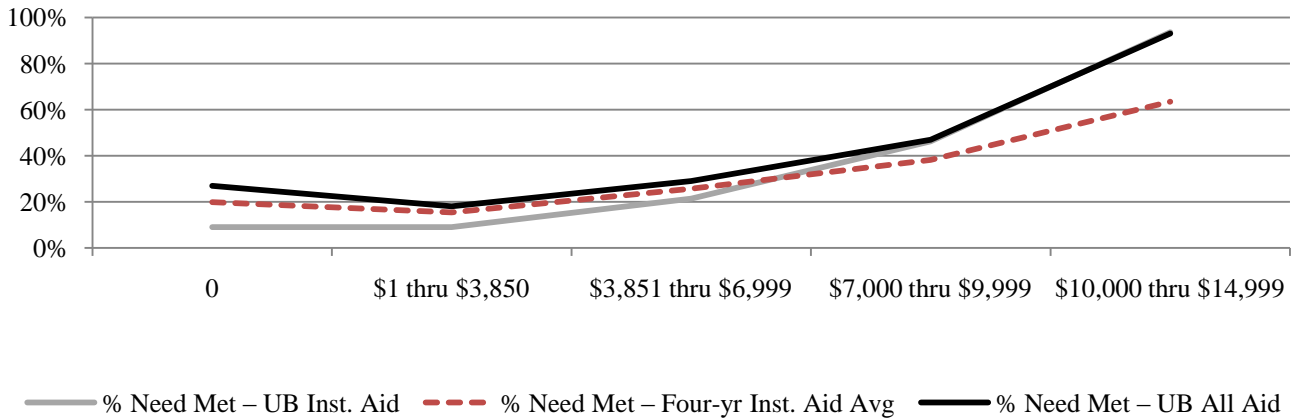
**Exhibit 7
Number of Institutional Aid Recipients by
Expected Family Contribution
Fiscal 2008**



Note: Missing category includes students who did not file a Free Application for Federal Student Aid.

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

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



UB: University of Baltimore

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

UB reports that funding for merit and mission aid has increased because it can be offered earlier in the recruitment cycle, which helps attract students to the university. **The President should comment on why UB has increased funds for merit and mission aid, even as the institution's Pell eligible students on average have only 18 to 27% of their need met when all aid sources are considered.**

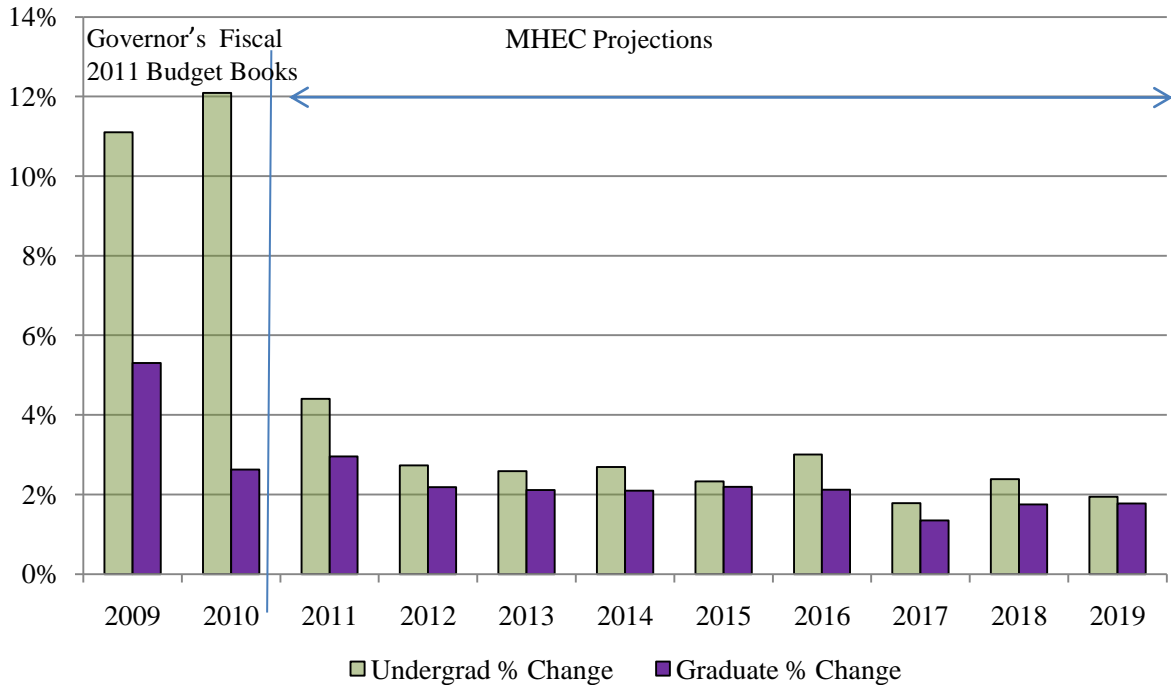
2. UB Plans to Grow to 8,000 Students

UB is one of two USM institutions that plans to increase undergraduate enrollment in fiscal 2011, due to the initiation of a FSP in fall 2007 to provide low-cost enrollment growth using available daytime space. UB's 2008-2012 strategic plan calls for it to grow to 8,000 headcount students from the fiscal 2011 budgeted level of 6,426. Though not defined in the strategic plan, UB's growth strategy includes fully enrolling the FSP and increasing transfer and graduate enrollment, which have historically been the institution's largest populations. UB plans to continue to grow by providing unique academic programs and externships, and by identifying and meeting market needs that are not satisfied elsewhere.

Exhibit 9 shows UB's actual and estimated year-over-year growth in undergraduate and graduate students for fiscal 2009 and 2010, and between fiscal 2011 and 2019 as projected by MHEC. Actual undergraduate growth in fiscal 2009 and estimated growth in fiscal 2010 (in year two and three of the FSP) was 11 and 12%, respectively, due mostly to increased FSP enrollment. UB expects to cap each FSP cohort enrollment at 335 FTES, and projects the program will be fully enrolled in three to four years. Graduate enrollment grew a modest 5 and 3% in fiscal 2009 and 2010, in comparison.

Fiscal 2011 through 2019 in Exhibit 9 shows MHEC's enrollment projections for UB published in June 2009. MHEC's projections show undergraduate headcount enrollment at UB growing 2 to 3% from fiscal 2011-2016, and between 1.8 and 2.4% thereafter reaching 3,463 by 2019. Graduate enrollment is expected to increase at slightly lower rates at 1 to 3% through fiscal 2019, putting total headcount at 7,362 by 2019. Given UB's fiscal 2009 and 2010 undergraduate growth, however, MHEC's enrollment projections appear low. In fiscal 2010, MHEC projected UB's undergraduate enrollment to increase 2% to 2,737 headcount students, though UB's fiscal 2010 working enrollment shows 3,004 undergraduate students. To date, growth in UB's undergraduate population, driven by the FSP program, has outpaced MHEC's projections.

**Exhibit 9
Undergraduate and Graduate Headcount Enrollment Projections
Fiscal 2009-2019**



Note: Fiscal 2009 reports fall 2008 enrollment

Source: Governor's Budget Books, Fiscal 2009 and 2010; Fiscal 2011-2019, Maryland Higher Education Commission Enrollment Projects, June 2009

Out-of-state Enrollment Growth

Among the strategies UB has identified to meet the enrollment goal is to increase out-of-state undergraduate students. In fall 2009, 2.9% of UB undergraduate students and 6.9% of new FSP students paid nonresident tuition. UB attributes the low out-of-state undergraduate enrollment to its tuition rate, which in fiscal 2010 was \$18,832, second highest among USM institutions. After several years of market analysis comparing UB's out-of-state undergraduate tuition rate to peer institutions, UB determined that it had hindered enrollment growth among out-of-state students. As a result, UB plans to lower nonresident undergraduate tuition by \$3,832, or 20.3%, in fiscal 2011, pending Board of Regents approval. This reduction would make UB's out-of-state tuition fifth most expensive among USM institutions.

The President should comment on when UB expects to reach the goal of 8,000 headcount students and what the projected mix of undergraduate and graduate students will be once the goal has been achieved. The President should also comment on the decision to reduce nonresident undergraduate tuition.

Recommended Actions

1. See University System of Maryland Overview for systemwide recommendations.

Current and Prior Year Budgets

Current and Prior Year Budgets

University of Baltimore

(\$ in Thousands)

Fiscal 2009	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Legislative Appropriation	\$28,512	\$1,737	\$0	\$59,721	\$89,970	\$6,784	\$96,754
Deficiency Appropriation	0	0	0	0	0	3,000	3,000
Budget Amendments	916	536	0	5,000	6,452	800	7,252
Cost Containment	-1,210	0	0	0	-1,210	0	-1,210
Reversions and Cancellations	0	0	0	-2,333	-2,333	-386	-2,719
Actual Expenditures	\$28,217	\$2,273	\$0	\$62,388	\$92,878	\$10,198	\$103,077
Fiscal 2010							
Legislative Appropriation	\$29,657	\$0	\$406	\$63,339	\$93,401	\$6,791	\$100,193
Cost Containment	-551	0	-406	-730	-1,686	0	-1,686
Budget Amendments	-42	1,164	0	3,901	5,023	7,159	12,181
Working Appropriation	\$29,063	\$1,164	\$0	\$66,510	\$96,738	\$13,950	\$110,688

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

Fiscal 2009

General funds increased \$915,849 to cover costs associated with the fiscal 2009 COLAs, but also decreased \$1,210,184 due to cost containment actions, which included replacing general funds with revenues previously restricted for Other Post Employment Benefits liability costs, reducing expenditures on facility renewal, administrative expenses such as communication, travel and contractual services, contractual payroll, realigned positions, and employee furloughs.

Special funds increased \$823,844 from HEIF authorized by the General Assembly to replace general funds reduced during the 2008 legislative session, but later decreased \$287,788 to reflect a revised estimate of these corporate tax collections.

Unrestricted funds increased \$5,000,000. Of this total, an increase in tuition and fees from additional enrollment and a shift in enrollment ratios of graduate and undergraduate students added \$985,000. In addition, a \$150,000 increase due additional private gifts and grants, a \$1,050,000 increase in State and local grants including grants for judge training and the Federal Employment Data Exchange System, and \$2,815,000 in income from a long term lease of the Mount Washington property contributed to the change in unrestricted funds. A cancellation of \$2,332,834 reduced unrestricted funds to account for lower than anticipated payroll expenses from holding vacancies open and deferring the establishment of a Student Center Plant Fund to fiscal 2010.

Restricted funds increased \$3,414,267 overall. Of this total, a deficiency appropriation to extend a Forensics Lab Grant into fiscal 2009, to accommodate an accounting change to financial aid funded by the University of Baltimore Foundation, and to account for an increase in funding for the Federal Work Study program, federal Pell grants, and new State and miscellaneous grants increased the appropriation \$3,000,000. Restricted funds also increased \$800,000 from additional private gifts and grants and State and local grants. A cancellation of \$385,733 decreased the appropriation to account for an extension of federal Department of Transportation and Department of Labor grants into fiscal 2010, and the timing of State, local, private, and corporate grants that have expenditures crossing multiple fiscal years.

Fiscal 2010

General funds declined a total of \$593,286 through budget amendments and cost containment. This included \$550,967 for cost containment measures and a decrease of \$42,319 from a University System of Maryland (USM) reallocation of general funds among USM institutions.

Special funds increased \$1,164,203 from HEIF authorized by the General Assembly to replace general funds cut during the 2009 legislative session.

Federal funds decreased \$405,702 due to cost containment measures, thereby cancelling the appropriation.

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Unrestricted funds experienced a net increase of \$3,171,210, due largely to a \$3,367,597 increase in tuition and fee revenue from additional enrollment and summer school, and a \$729,734 decline in funds due to cost containment actions.

Restricted funds increased \$7,158,572, due largely to a \$2,100,000 increase in federal Pell grants and a \$5,055,000 increase in federal, State, local and private grants including Administrative Data Research and Evaluation and Center for Families, Children and the Courts grants.

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

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	633.00	639.00	639.00	0	0%
02 Contractual	136.25	174.31	192.53	18.22	10.5%
Total Positions	769.25	813.31	831.53	18.22	2.2%
Objects					
01 Salaries and Wages	\$ 54,780,696	\$ 58,104,532	\$ 60,126,062	\$ 2,021,530	3.5%
02 Technical and Spec. Fees	8,214,407	9,767,398	10,317,149	549,751	5.6%
03 Communication	530,859	513,246	513,223	-23	0%
04 Travel	1,064,529	1,022,832	1,089,987	67,155	6.6%
06 Fuel and Utilities	2,266,221	2,690,868	3,533,038	842,170	31.3%
07 Motor Vehicles	94,426	133,473	137,812	4,339	3.3%
08 Contractual Services	8,827,343	9,159,605	9,504,716	345,111	3.8%
09 Supplies and Materials	2,739,246	2,799,978	3,057,827	257,849	9.2%
10 Equipment – Replacement	1,219,963	1,071,920	1,218,224	146,304	13.6%
11 Equipment – Additional	1,723,767	1,642,321	1,658,550	16,229	1.0%
12 Grants, Subsidies, and Contributions	9,589,058	13,339,968	14,749,442	1,409,474	10.6%
13 Fixed Charges	8,216,823	8,191,594	8,126,217	-65,377	-0.8%
14 Land and Structures	3,809,440	2,250,000	2,260,000	10,000	0.4%
Total Objects	\$ 103,076,778	\$ 110,687,735	\$ 116,292,247	\$ 5,604,512	5.1%
Funds					
40 Unrestricted Fund	\$ 92,878,447	\$ 96,737,735	\$ 103,342,247	\$ 6,604,512	6.8%
43 Restricted Fund	10,198,331	13,950,000	12,950,000	-1,000,000	-7.2%
Total Funds	\$ 103,076,778	\$ 110,687,735	\$ 116,292,247	\$ 5,604,512	5.1%

Note: The fiscal 2010 appropriation does not include deficiencies.

**Fiscal Summary
University of Baltimore**

<u>Program/Unit</u>	<u>FY09 Actual</u>	<u>FY10 Wrk Approp</u>	<u>FY11 Allowance</u>	<u>Change</u>	<u>FY10 - FY11 % Change</u>
01 Instruction	\$ 30,813,647	\$ 32,984,569	\$ 34,256,350	\$ 1,271,781	3.9%
02 Research	6,089,774	7,552,214	7,643,548	91,334	1.2%
04 Academic Support	10,422,822	10,804,222	11,168,995	364,773	3.4%
05 Student Services	8,320,203	8,946,076	9,265,218	319,142	3.6%
06 Institutional Support	19,578,923	19,765,977	20,439,706	673,729	3.4%
07 Operation and Maintenance of Plant	13,434,285	11,021,269	12,303,227	1,281,958	11.6%
08 Auxiliary Enterprises	5,310,282	6,736,153	6,855,261	119,108	1.8%
17 Scholarships and Fellowships	9,106,842	12,877,255	14,359,942	1,482,687	11.5%
Total Expenditures	\$ 103,076,778	\$ 110,687,735	\$ 116,292,247	\$ 5,604,512	5.1%
Unrestricted Fund	\$ 92,878,447	\$ 96,737,735	\$ 103,342,247	\$ 6,604,512	6.8%
Restricted Fund	10,198,331	13,950,000	12,950,000	-1,000,000	-7.2%
Total Appropriations	\$ 103,076,778	\$ 110,687,735	\$ 116,292,247	\$ 5,604,512	5.1%

Note: The fiscal 2010 appropriation does not include deficiencies.