



USM's Commentary on the Spellings Report

May 21, 2007



USM Alignment with Spellings

- *Access & Success*
 - Aggressive enrollment growth focused on access to quality
- *Affordability*
 - Aid burden of USM's most needy students being reduced
- *Accountability*
 - E&E developed and StateStat model proposed



- *Continuous Improvement*
 - Course Redesign Initiative launched
- *Life Long Learning*
 - Regional centers and online programs expanded
- *Competitiveness*
 - Research opportunities in Homeland Security, Public Health, STEM, & Nano/Biotechnology
 - Emphasis on national eminence & the New Economy

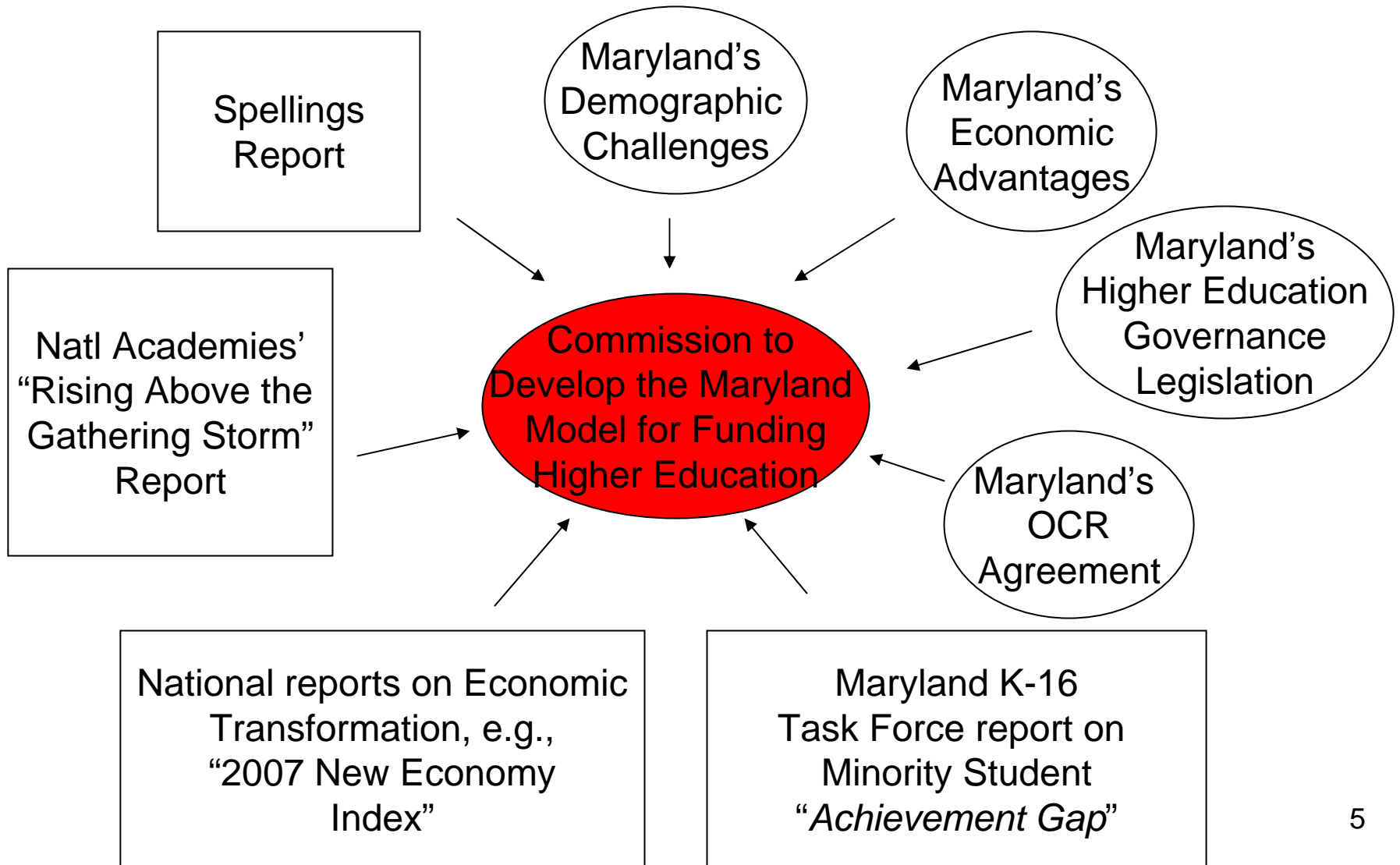


Higher Education & the Commission to Develop a Funding Model

The national concerns and trends behind
Spellings...



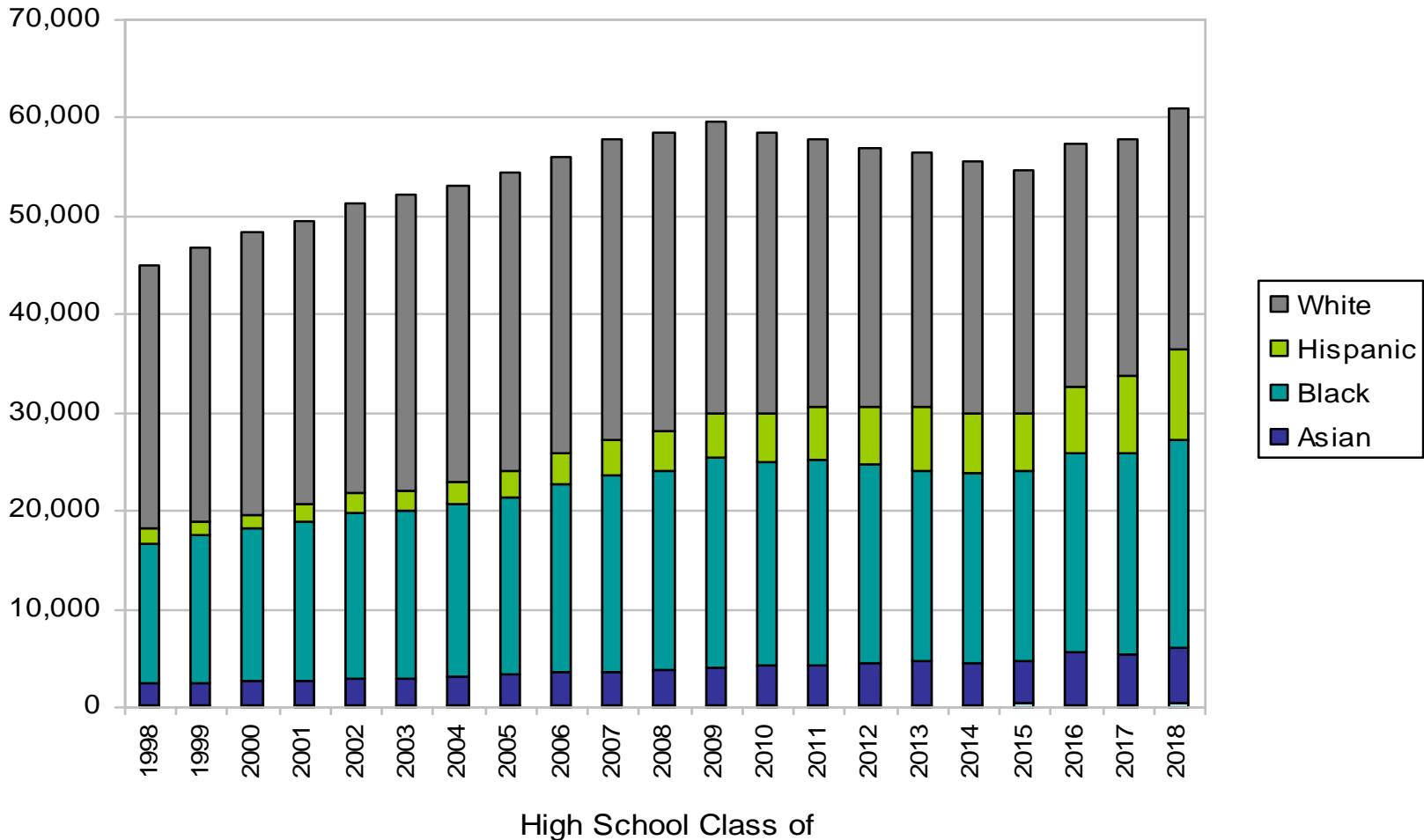
National and State Context





Challenge: Demographics

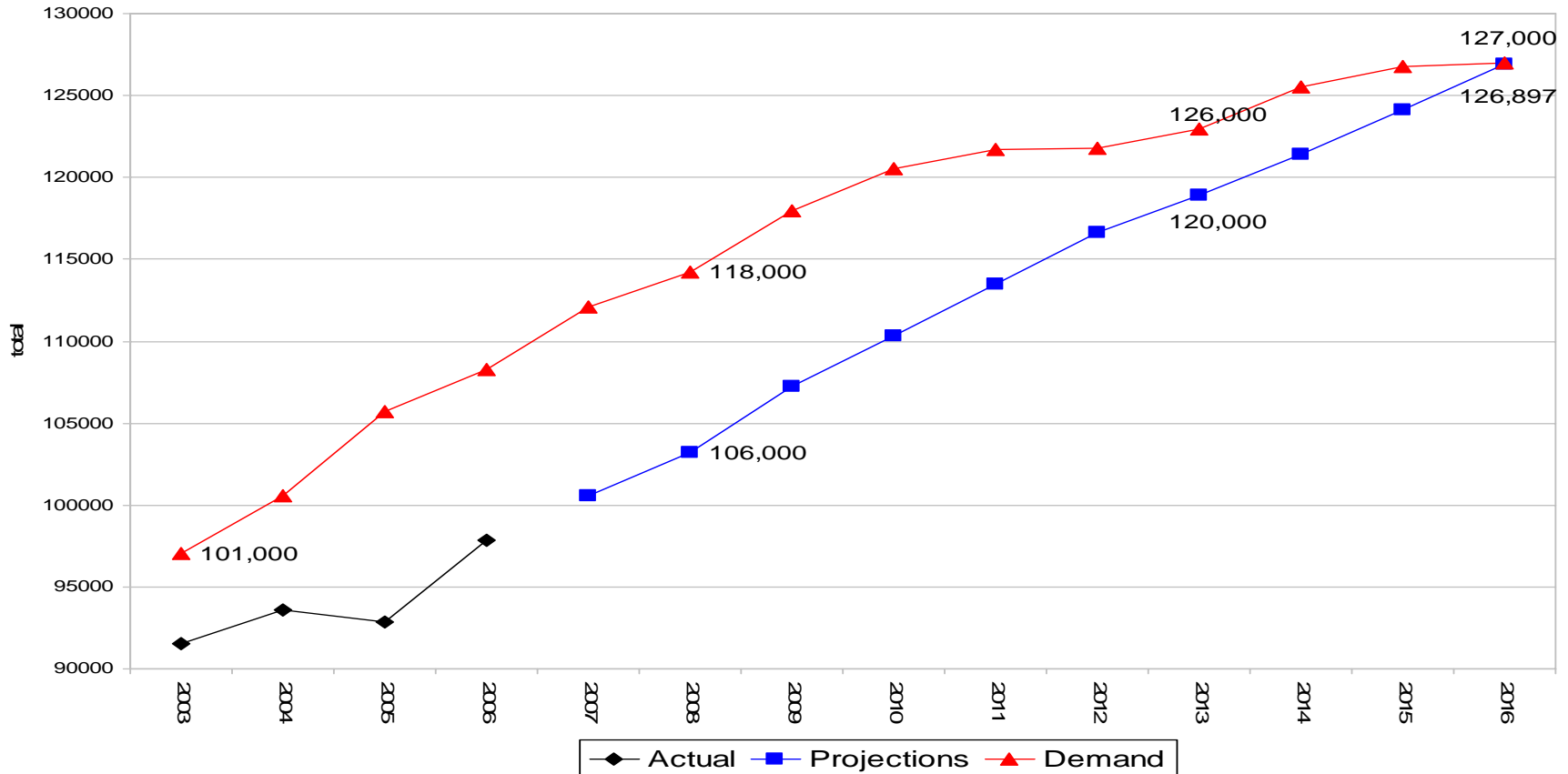
More people & greater diversity...





Challenge: Enrollment Demand

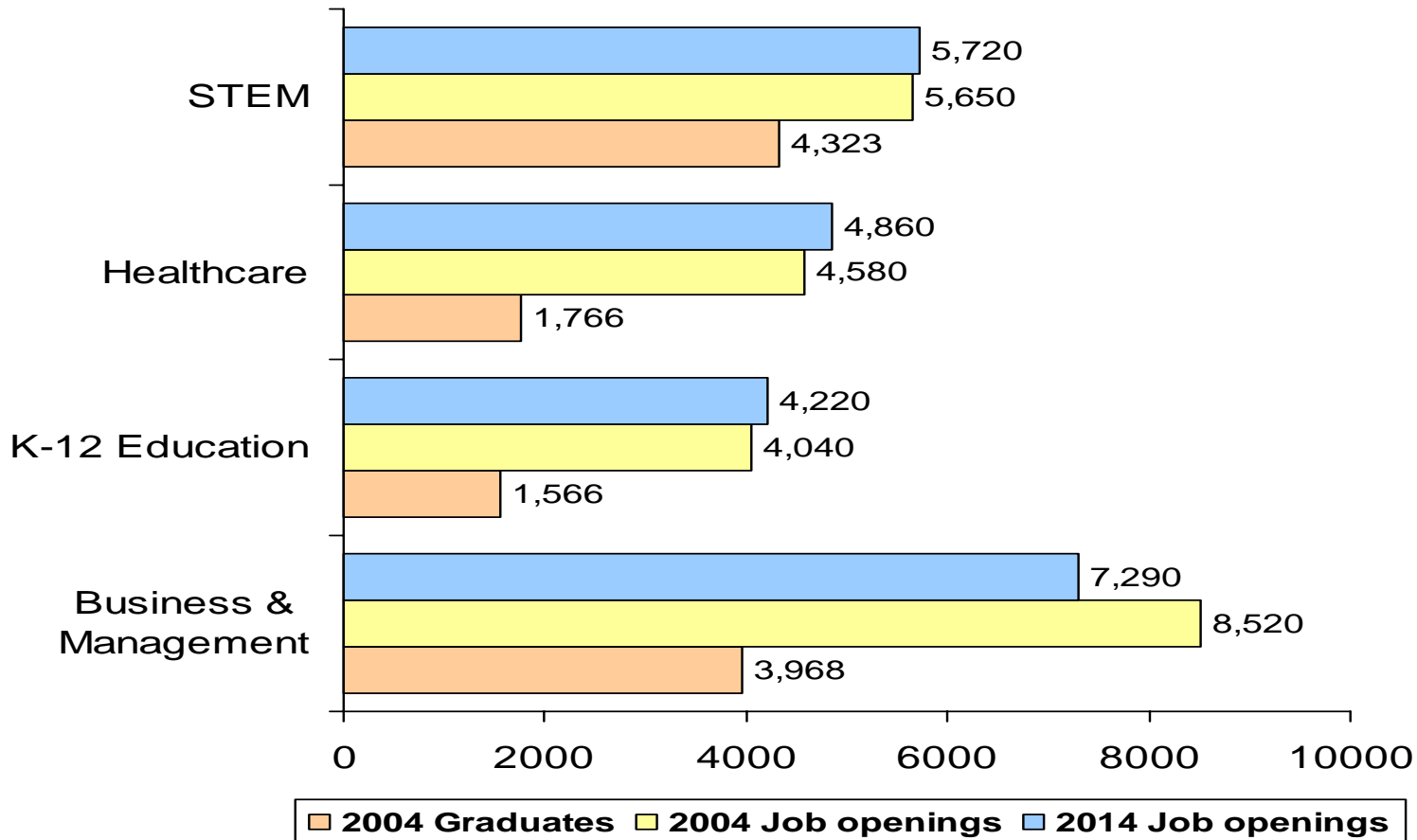
Enrollment potential versus USM capacity...





Challenge: Workforce Preparation for the New Economy

Workforce shortages in critical areas...





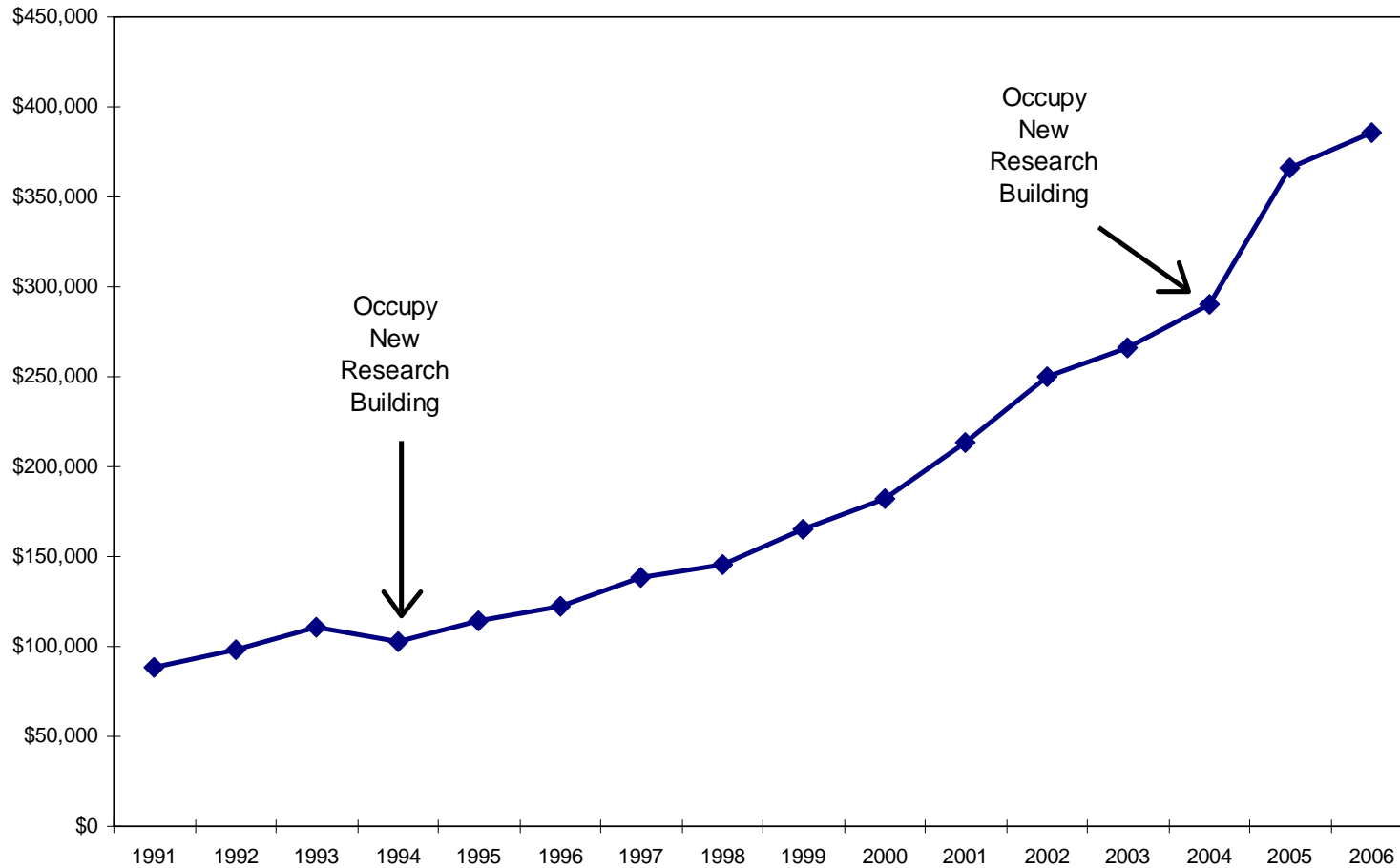
Challenge: Facilities

- **Critical Academic Space Deficits (USM)**
 - *Classrooms: -137,000 NASF (Fall 2006)*
 - *Teaching Labs: -409,000 NASF*
 - *Faculty Offices: -260,000 NASF*
- **Critical need for Research Space**
 - *Over 1.8 Million NASF deficit (Fall 2006)*
 - *Does not include capacity to attract future grants*
- **Facilities Renewal**
 - *\$1.6 Billion backlog*



Challenge: Research Capacity

The UMB Example



Impact of new UMB Research Space on Grant/Contract Awards



Maryland's Advantages

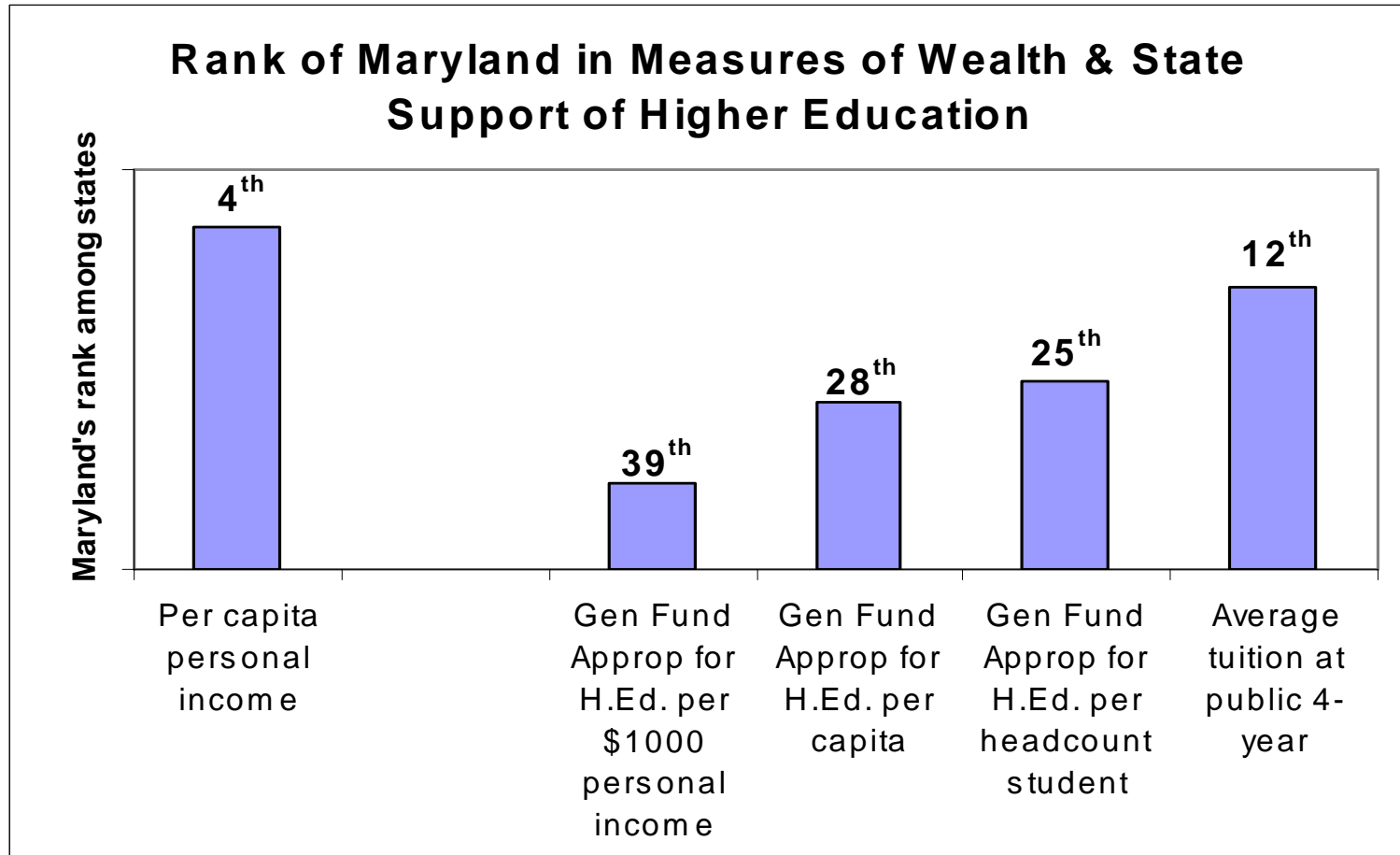
The building blocks of a New Economy...

- **Research and development (R&D)**
 - *1st per capita per NSF*
- **Innovation**
 - *3rd per New Economy Index*
- **Workforce Education**
 - *3rd per New Economy Index*



Challenge: Affordability

Support for & affordability of higher education...





Suggested Outcomes for the Commission

- Operating budget funding model appropriate to educational and economic development mission (Enrollment Funding & Quality)
- New capital budget funding strategies
- Robust donor incentive program & other alternative sources of revenue
- Academic Transformation – changing the Higher Education cost model