



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

University System of Maryland
October 29, 2007



Discussion Items

- The USM in brief
- Our mission
- Institutional challenges
- Responding to challenges – a few examples
- Our funding model
- Recommendations to the Commission

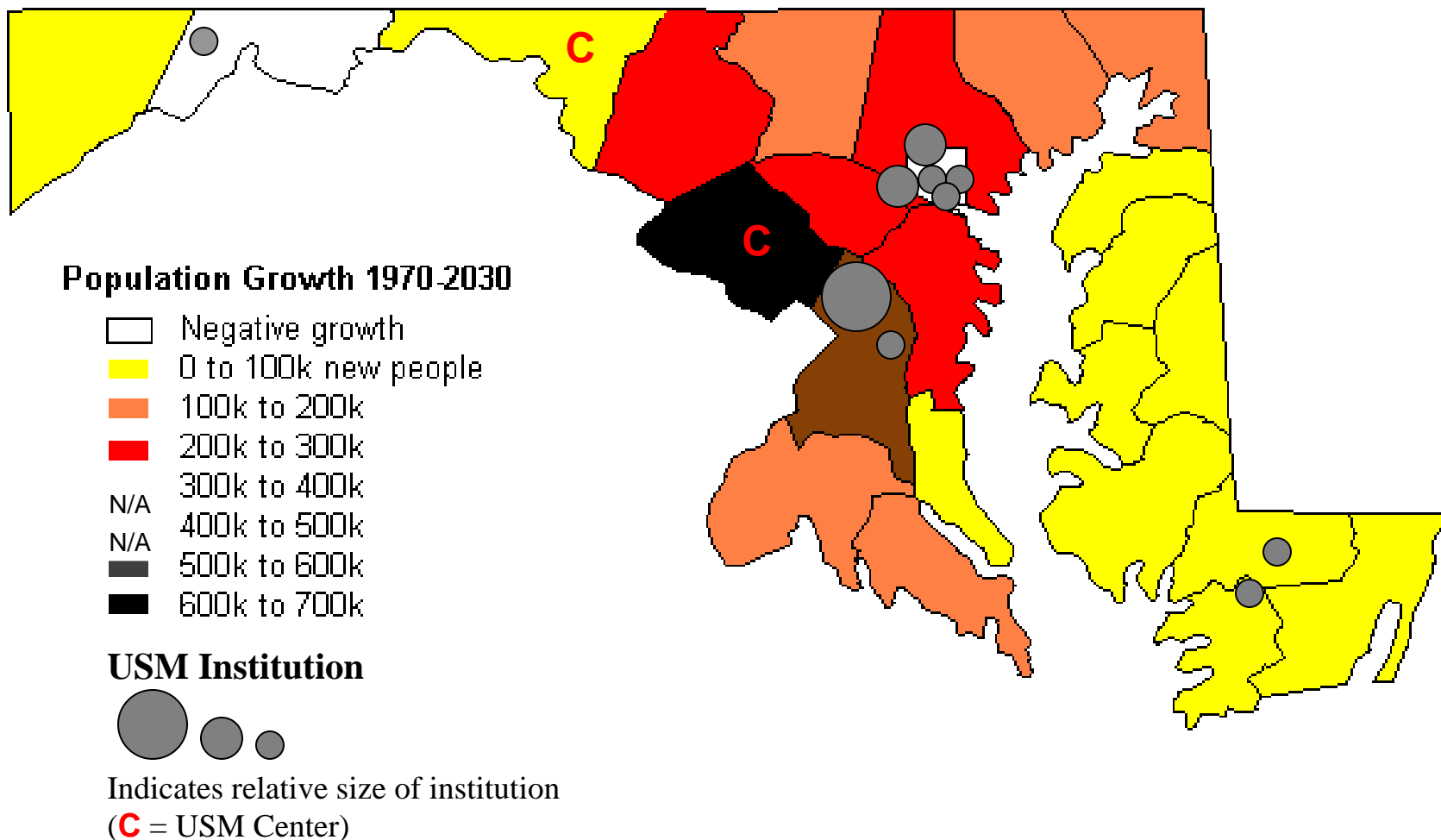


The USM in Brief

- 135,000 students
- 13 institutions, 2 regional centers
- 27,000 graduates per year
- \$975M in R&D – 3 research parks
- 89 programs ranked in the top 25 nationally
- Extensive public services in health, agriculture, environment, safety, and business
- \$3.9B total operating budget



USM Institutions are Located Across Maryland



Note: UMUC offers courses at locations statewide and does not appear above



Our Mission

- To prepare the state and its citizens for an increasingly global society & global economy
 - Quality of life
 - Upward social mobility
 - Economic development
 - Human and environmental health
 - Engaged citizenry



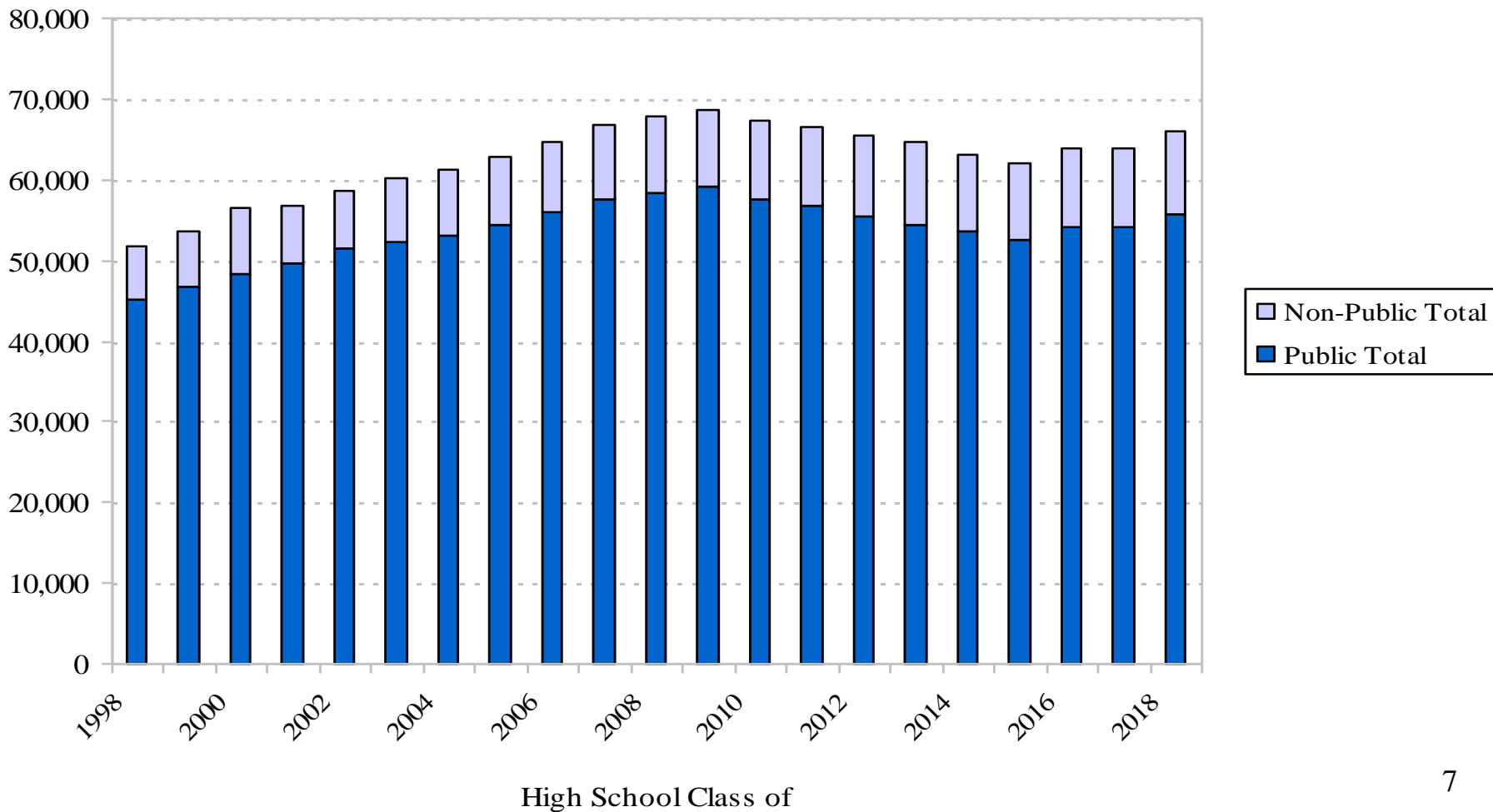
Challenges Facing Maryland

- Access to higher education
 - Demographic changes
 - Enrollment demand
- Tuition affordability
- Achievement gap
- Workforce shortages/changing requirements
- Research competitiveness
- Climate change and environmental sustainability



Access to Higher Education

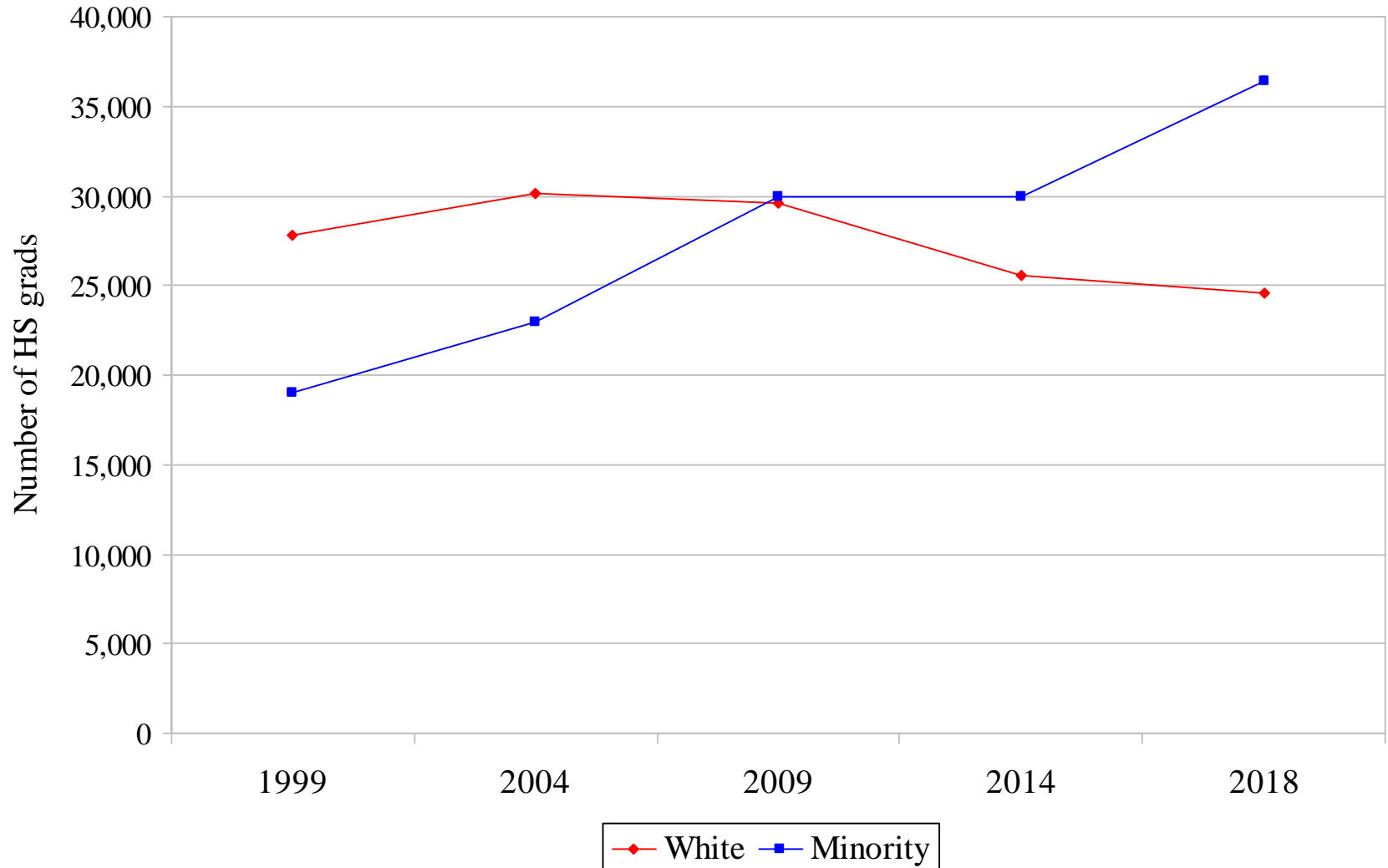
Maryland High School Graduates





Access to Higher Education

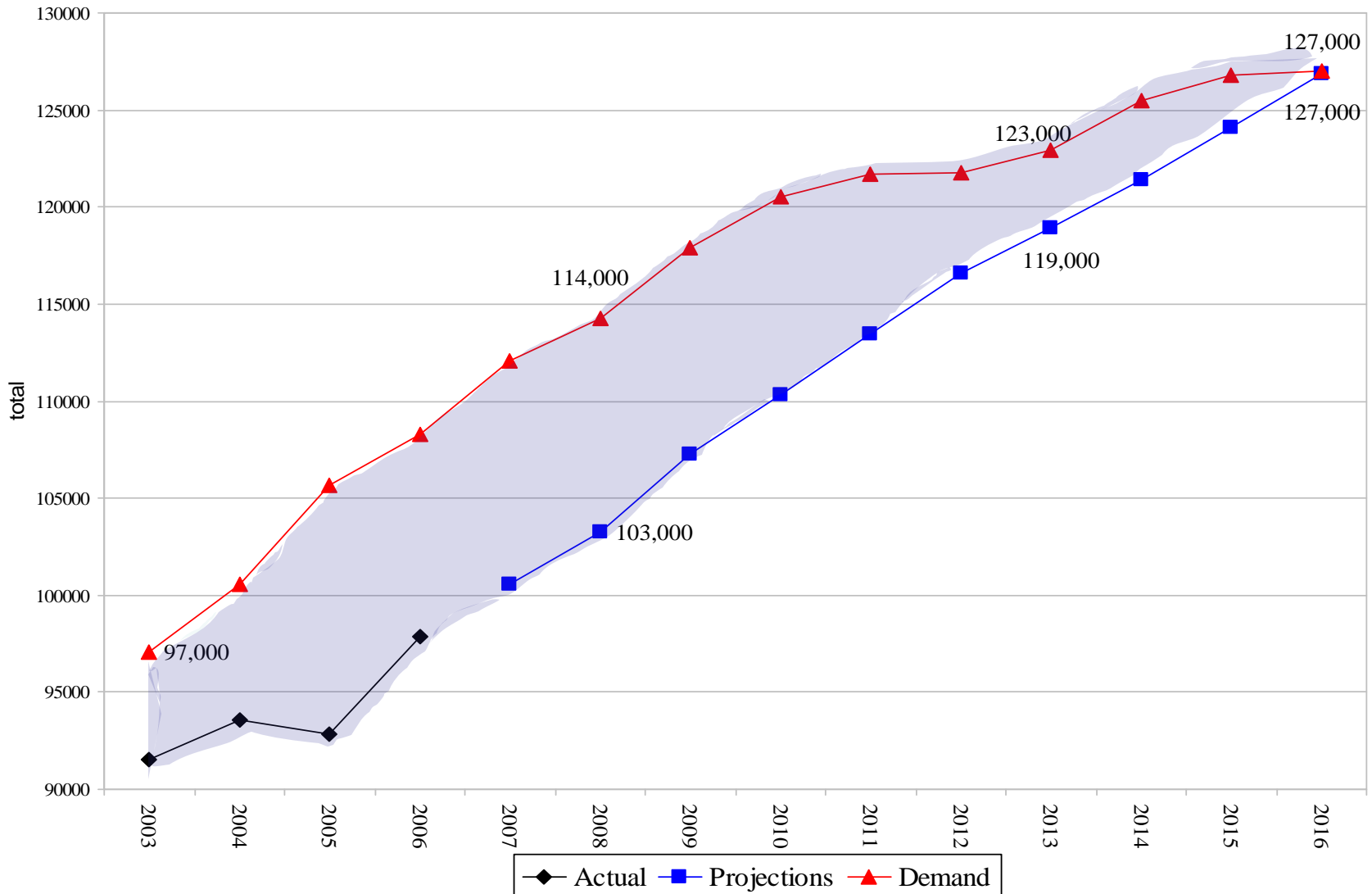
Public High School Graduates by Race Ethnicity





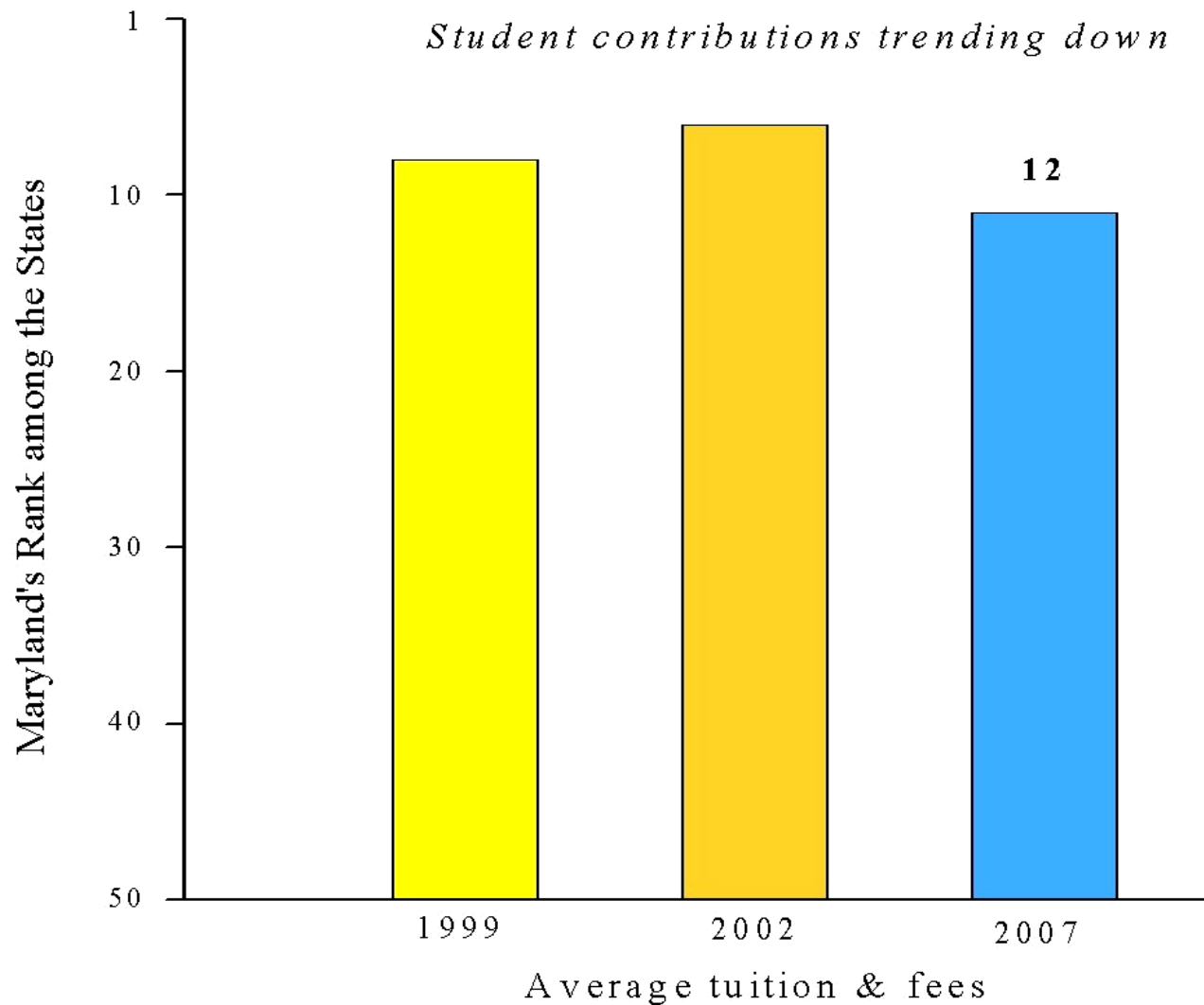
Access to Higher Education

Undergraduate Demand At USM Institutions





Tuition Affordability

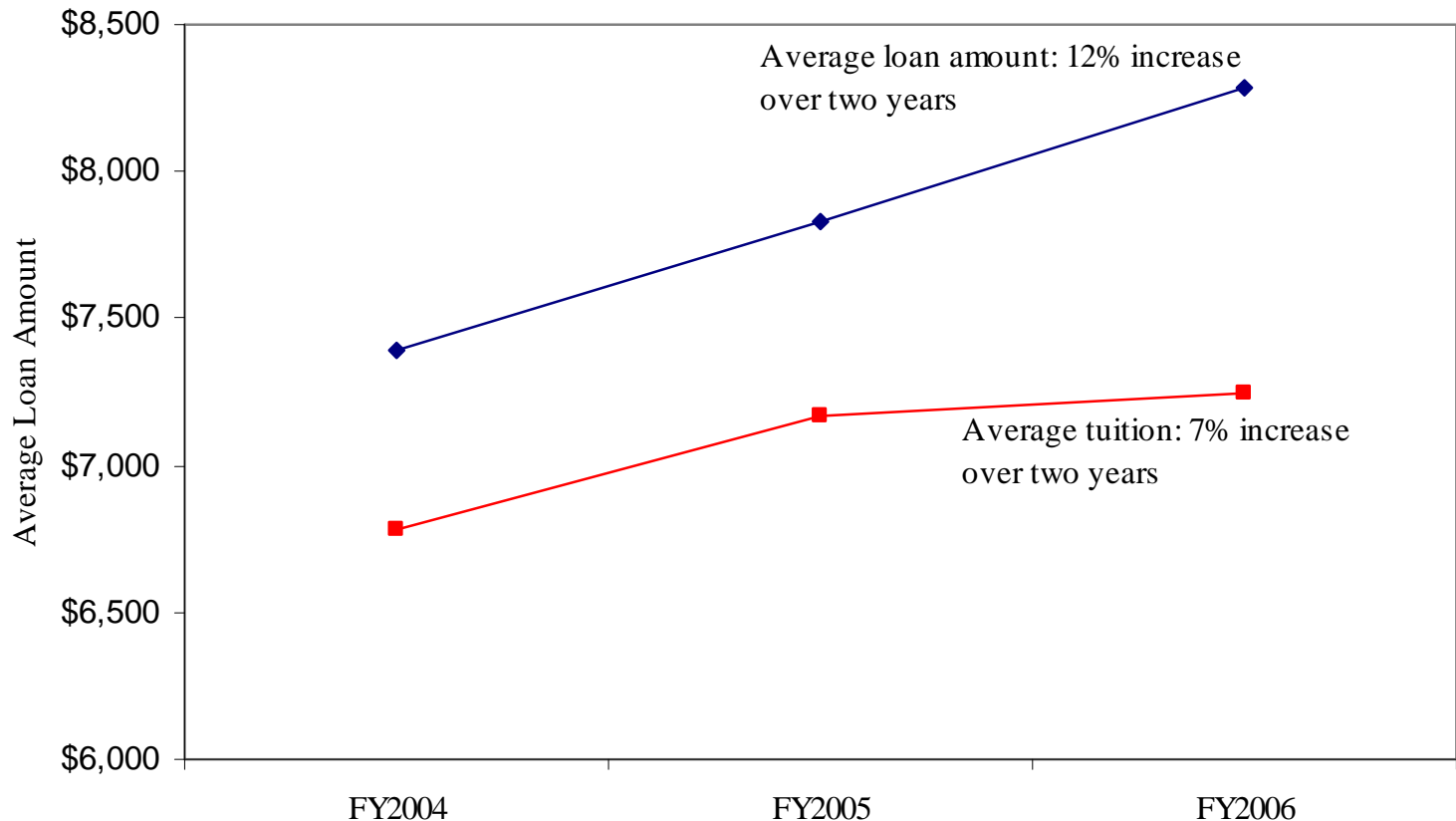




Tuition Affordability

Increased Undergraduate Debt

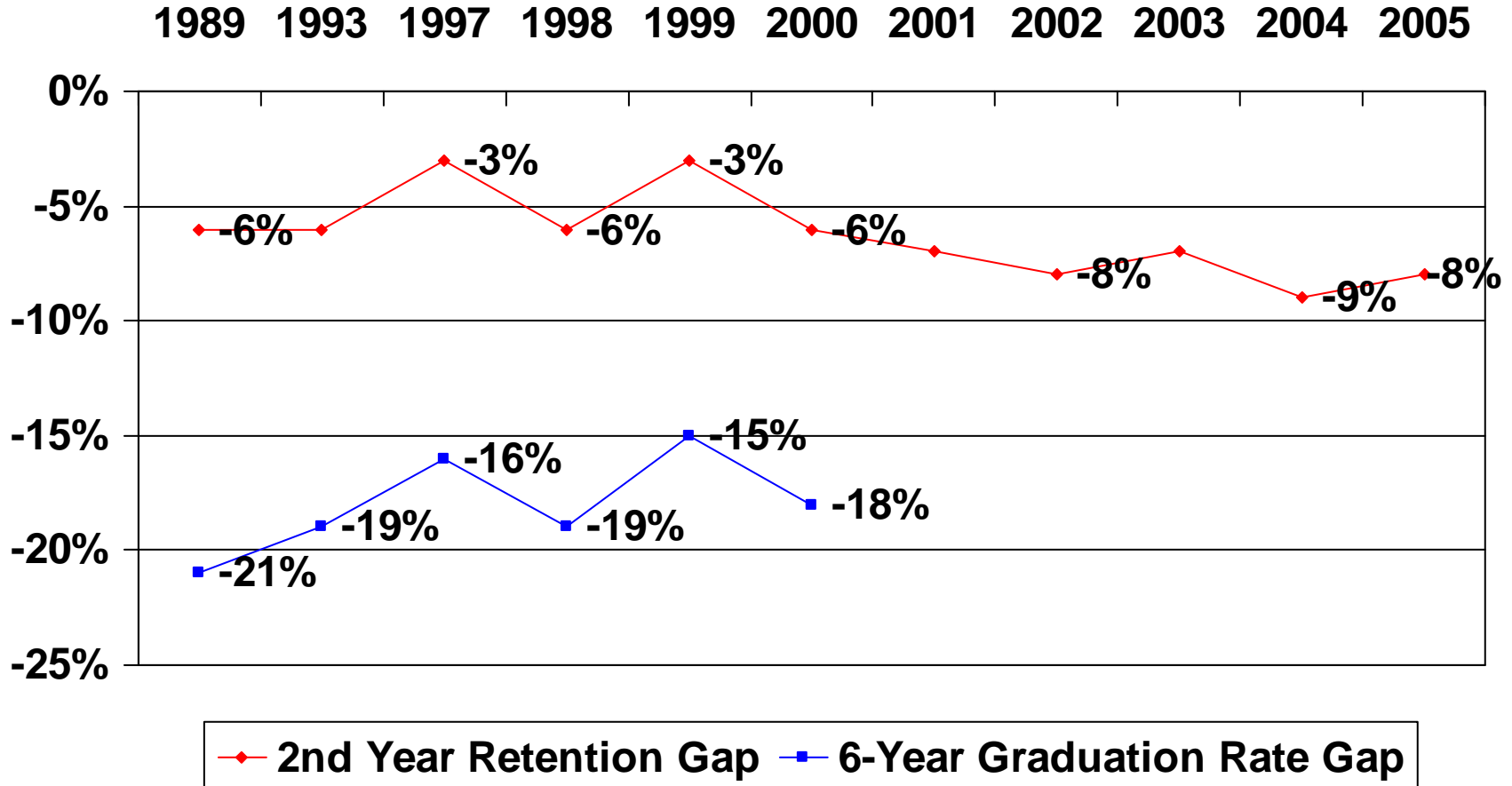
Affordability: Average Loan Amount versus Average Tuition Increase
USM Total





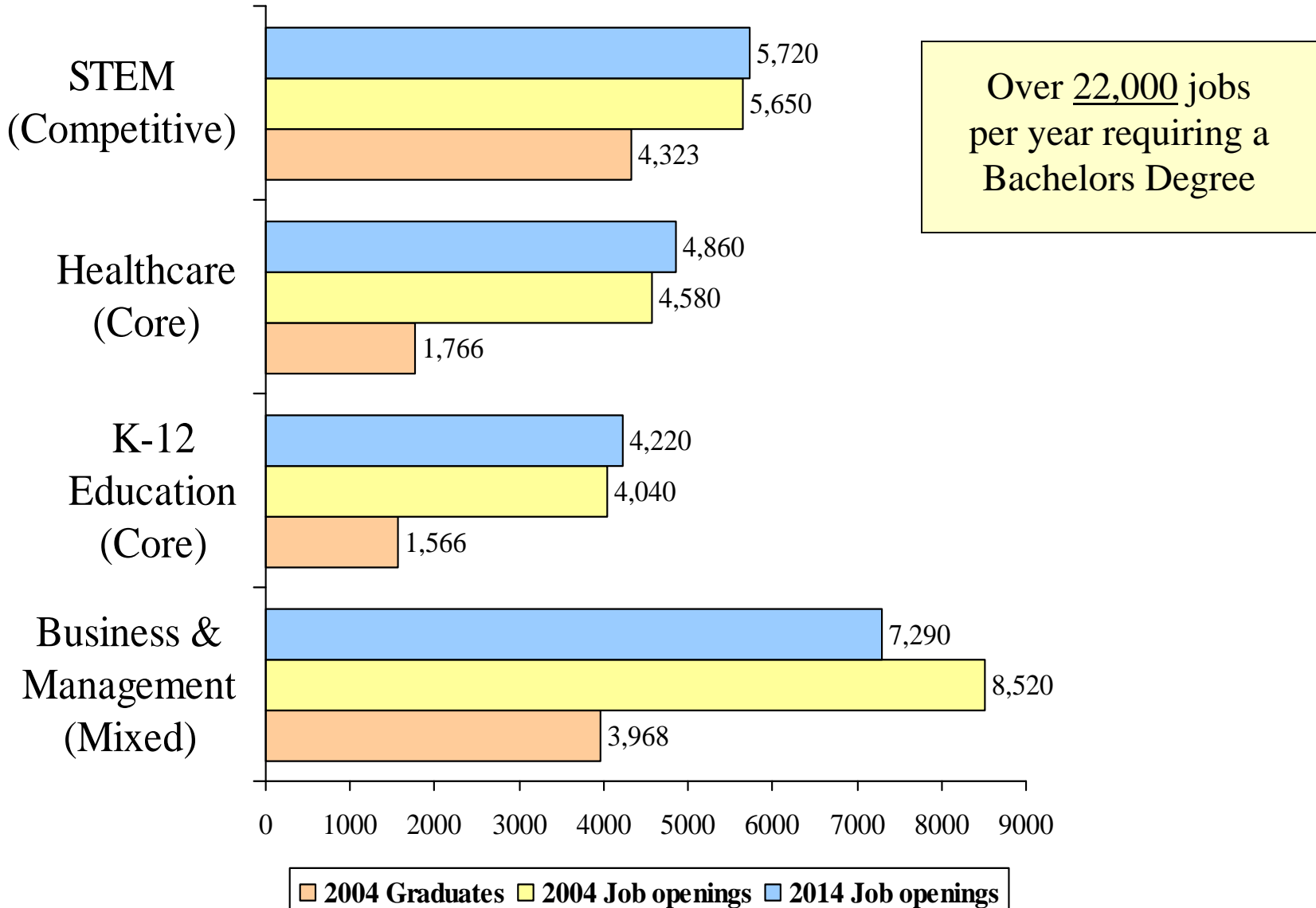
Achievement Gap

Retention and Graduation Rate Gaps Between All Freshmen and African-American Students





Workforce Shortages





Changing Workforce Requirements 1992-2004

- Career area – requires a bachelor’s degree or greater
 - Includes business, health, education, computer, & STEM

Total jobs:	761,295
Total job growth:	218,093
Percentage growth:	40.1%
- Career area – requires less than a bachelor’s degree
 - Includes manufacturing, construction, and transport

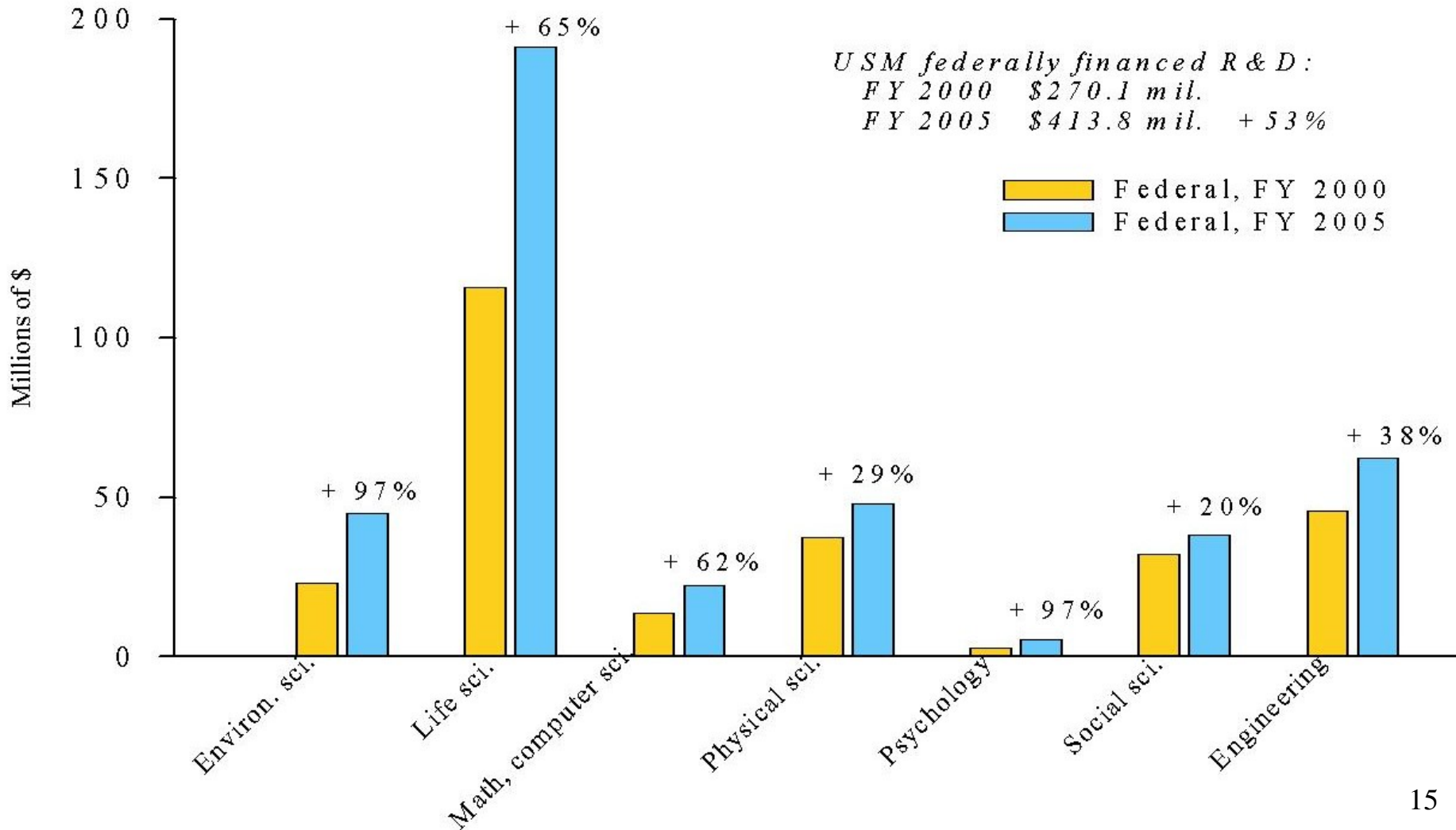
Total jobs:	435,385
Total job growth:	16,369
Percentage growth:	3.9%

Note: figures do not include all sectors of workforce (e.g., food service workers, and personal care and service workers)



Research Competitiveness

Growth in Federal R&D 2000-2005





Climate Change and Environmental Sustainability

- Assessment
- Mitigation
- Adaptation



Examples of USM Responses to Current Challenges

- Access to Higher Education
 - Designate growth institutions
 - Enrollment funding initiative (EFI)
- Tuition Affordability
 - Initiatives to reduce student debt
 - Moderate tuition rate increases
- Achievement Gap
 - Identify and model best practices nationally
 - Continued collaboration with K-16



Examples of USM Responses to Current Challenges (cont.)

- Workforces shortages/changing requirements
 - Targeted initiatives
 - Use of regional centers
- Research competitiveness
 - Enhanced collaborations
 - Add research capacity
- Climate change and environmental sustainability
 - Focus on carbon reduction



About our funding model



MHEC Funding Guideline

- Comprehensive measure of funding adequacy
- Solidly aligned with the legislated priorities for higher education
- Enrollment and program sensitive
- Places a premium on accountability and performance
 - Performance measured against national peers
 - Connected to the State's Managing for Results Program
- Integrated with the State funding system for community colleges and independent institutions



MHEC Funding Guideline

Attainment history:

• High point	FY 2002	90%
• Low point	FY 2005	64%
• Current status	FY 2008	80%



Recommendations to the Commission

1. Full funding of the Funding Guideline, with at least 60% of each institution's funds coming from General Funds (70% or higher for HBIs or those institutions serving unique populations or missions).
2. Full funding of the USM's Enrollment Funding Initiative.
3. Comparable and competitive funding for our Historically Black Institutions.
4. Increased funding for the State's need-based financial aid programs which will serve to boost affordability.



Recommendations to the Commission

5. A 10-year dedicated revenue stream of \$200 million annually for PAYGO capital construction above the current capital funding level.
6. Reaffirmation of support for the Cade and Sellinger formulas.
7. An appropriate and transparent accountability system that tells the State what it is getting for its money.



End