



**University of Maryland  
University College**

**Testimony to the Senate Education,  
Business & Administration  
Subcommittee of the Maryland General  
Assembly**

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February 20, 2015

# UMUC – Brief History

- **Founded in 1947 as School of Continuation Studies within University of Maryland, College Park**
- **Always focused on working adults**
- **In 1949, answered U.S. Department of Defense call to teach American troops stationed in post WWII Europe; In 1956, in Asia.**
- **Taught in war zones including Vietnam, Kosovo, Iraq and Afghanistan**
- **Today, UMUC operates on U.S. military installations in 20+ countries**
- **In 1970, became independently accredited.**
- **Among first in U.S. and the world to develop and offer online education**
- **Today, UMUC is America's largest public online university**

# UMUC – Basic Data Points

- Enrollment high point: 97,000 in 2012
- In FY 2014, 11,600 degrees and certificates awarded
- In FY 2014, approximately 250,000 online course enrollments
- For most of its history, UMUC received no state support for either operating or capital budget
- Today, UMUC receives less than 10% of its operating budget from the state
- Received \$15 million in FY 2007 to assist in acquiring and renovating Largo Academic Center
- Tuition driven, yet second lowest tuition & fees among four-year institutions in Maryland
- FY 2015 total budget: \$385.7 million
- FY 2016 appropriation request: \$389.9 million

# UMUC – Student Profile

- Average age: 33
- Minorities: 49%; African American: 29%
- UMUC enrolls more than 13,000 African American students stateside
- Stateside undergraduates:
  - 37% first generation college students
  - 74% work full time
  - 48% have children
  - 86% transfer credits to UMUC

# UMUC – Academic Model

- Instruction delivered mostly through adjuncts
- Majority of adjuncts are scholar-practitioners, working in their fields, holding graduate degrees, and teaching for UMUC
- Leader in Educational Innovation
  - Focus on employability
  - Competency-based education
  - Adaptive learning
  - Open-Source Educational Resources
  - Analytics

# UMUC – Third Party Validation

- Ranked #1 in *Military Times* “Best for Vets: Colleges 2015” list of top online and nontraditional schools
- UMUC cyber competition team (Cyber Padawans) won 2014 Global CyberLympics and 2013 and 2014 Maryland Cyber Challenge
- UMUC named 2015 World Affairs Council *Educator of the Year*
- One of 16 institutions participating in Predictive Analytics Reporting Framework funded by Gates Foundation
- Kresge Foundation grant recipient for research in learner analytics
- Selected for Lumina-funded Competency Based Education Network (C-BEN), tasked with developing best practices in CBE
- Selected by U.S. Department of Education as experimental site to study new competency-based education models
- Carnegie Corporation of New York grant to co-develop STEM-related courses using adaptive learning technology

# Why Maryland & USM Need a *Thriving* UMUC

- Without UMUC, Maryland will not meet 55% completion goal
- UMUC moves faster to meet workforce needs
- UMUC has no reservations about being employment-oriented and working with employers to define key required competencies
- UMUC is the “laboratory”—e.g., online, analytics, competency based education—for USM
- UMUC’s premier role in military education is a national service that enhances Maryland & USM brands

# The UMUC Challenge

**As a tuition-driven, predominantly online institution, volume allows UMUC to keep costs low while generating revenues to invest in quality via scalable innovation**

**Therefore, UMUC must develop new markets, workforce-relevant programs, and new business ventures**

# Short Term Enrollment Challenges

## Enrollment Declines (FY12–FY14)

- Worldwide: -13%
- Stateside: -5%
- Overseas: -23% (-30% FY10–FY14)

## Actions Taken (FY14–FY15)

- Reduced spending
- Invested in analytics and academic innovation
- Re-tooled marketing/enrollment management

# Pivoted to Growth

## Trajectory (FY15–FY18)

- FY15 enrollment growth of 5% stateside
- Increased undergraduate retention
- Continued moderate enrollment growth
- Stabilized overseas enrollments
- Updated strategic plan
- Development of new business model

# Long Term Challenge

- For UMUC to continue offering quality education at an affordable price, *VOLUME* is critical
- UMUC operates in an increasingly competitive space—which now includes not just for-profits, but other public and private universities (e.g., Penn World Campus, Arizona State, University of Florida Online, Colorado, University of Southern New Hampshire)
- Increased competition is occurring in a mature market with marginal growth forecast for the next few years
- Consensus: In the next 5–10 years, a handful of strong, national brands will dominate the market. *UMUC is at risk of losing its dominant status*
- UMUC enrollment is 90% Maryland or military (increased competition + small state + shrinking military = our base is melting under our feet)
- Thus, UMUC must develop a robust national/global footprint

**Key question: What business model optimizes the development of a national/global footprint?**

# New Business Model Framework

- Framework developed by group of volunteer independent business leaders
- Adopted after four-month long community dialogue
- Supported by Chancellor and unanimously endorsed by Board of Regents on February 13, 2015
- Grants flexibility for UMUC worldwide that the University currently has overseas
- Supports development of HR/faculty/procurement policies tailored to UMUC's unique mission
- Appointment of a managing board to guide development of policies unique to UMUC and to guide its national expansion

# The UMUC Aspiration ...

To become  
*The University of the Future*  
for working adults



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University College

**Responses to Analyst Questions**  
**Submitted by Javier Miyares, President**  
**University of Maryland University College**  
**February 19, 2015**

**Page 7: The President should comment on what stateside numbers DBM is using for budgeting purposes versus what enrollment numbers MHEC is reporting and which set of numbers the university would prefer to use. The President should also comment on how many of these students are known to be Maryland residents.**

UMUC has consolidated worldwide distance education operations in one location (Adelphi, Maryland). This changes the reporting of overseas students taking online courses so they are now counted as stateside students. UMUC would prefer to use the MHEC numbers as they are accurate according to federal regulations. At UMUC—depending on the definition used—about 50% of undergraduate students reported to MHEC are Maryland residents.

**Page 13: The President should comment on the institutions' priorities when determining how reductions will be allocated over the program areas, in particular, minimizing the impact on financial aid and whether UMUC will be able to simply expend more fund balance to cover cost containment.**

UMUC is committed to minimizing the impact on financial aid when planning for reductions. UMUC does and will continue to prioritize when determining reductions over the program areas. UMUC does not anticipate utilizing Fund Balance to cover cost containment for base reductions.

**Page 13: The President should comment on why tuition revenue is only growing by 1.2% in fiscal 2016 if credit hour tuition is growing by 5.0% and the budgeted enrollment is flat.**

1.2% represents the total tuition increase across all tuition categories, 5% represents the in-state undergraduate increase.

**Page 18: The President should comment on how financial aid awards for part-time, adult students differ from awarding at a traditional, residential campus.**

Awarding for part-time adult students differs very little from awarding at a traditional, residential campus. Awarding occurs for all students using the formula:

Cost of Attendance (minus) Expected Family Contribution (equals) Financial Aid Eligibility

Under federal law (Higher Education Act, Section 472), a student's cost of attendance is the sum of required elements. None of these elements vary between part-time and full-time students with the exception of tuition and fees. For part-time students, the average cost of tuition (and possibly fees) is lower than that for full-time students; however, no other costs are permitted to be prorated in this manner. Therefore, the lone variance in cost of attendance between these two groups is the cost of full-time tuition versus part-time tuition.

**Page 21: The President should comment on where UMUC will find enrollment growth given its very high saturation of the distance education market in Maryland and how it will balance these efforts with its change to serve Marylanders.**

UMUC believes it will achieve enrollment growth in Maryland by continuing to reach out to community college students, military students, veterans, working adults, and other non-traditional students. We will continue to improve our recruitment by employing sophisticated data analytics in our recruitment and retention efforts. With the second-lowest tuition and fee rates in the state, UMUC will continue to be a top choice for quality, access, and affordability.

UMUC is also interested in growing enrollments out of state and will do so by leveraging the relationships it already enjoys with the military and with a number of community colleges throughout the country. We will also continue to look for opportunities to partner with national corporations and government agencies. The agreement we signed last year with the U.S. Office of Personnel Management is already paying dividends in terms of new student recruitment.

**Page 22: The President should comment on the likelihood of securing legislation during the 2015 session to enact the Bubble Model and what steps UMUC can take prior to any legislative authorization to improve its business practices.**

The USM Board of Regents action means UMUC can—in consultation with its stakeholders—begin developing HR and faculty policies tailored to its unique needs.

I look forward to further discussions regarding outstanding aspects of the business model that we will need and want your support for in the future.

**Page 22: The President should also comment on how other public institutions have thrived in the online marketplace, such as Arizona State University.**

Arizona State University (ASU) and Penn State, which has an extraordinary degree of flexibility from the state, are two public universities that have grown online enrollments over the past five years. They have done so through strategic alliances; for example, ASU has a large contract for educational services with Starbucks. Online enrollments at both schools are roughly 10,000–15,000, compared to more than 90,000 at UMUC, and will require a higher level of investment in order to continue to grow.

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