

University of Baltimore
Fiscal Year 2021 Operating Budget
Response to Department of Legislative Services Budget Analysis

Budget and Taxation
Education, Business And Administration
Senator Zucker
February 21, 2020

Appropriations
Education And Economic Development
Delegate Barnes
February 20, 2020

The President should comment on efforts or initiatives being taken to ensure UB remains affordable and that students are not accumulating more debt than necessary to pay for college.

Financial outcomes post-graduation for UB's undergraduate alumni are among the best in the nation. UB ranked 1st in Maryland and 21st in the nation on the social mobility index. The Social Mobility Index measures the extent to which a college or university educates more economically disadvantaged students (with family incomes below the national median) at lower tuition, and graduates them into jobs that pay well.

The University is increasingly active in supporting academically deserving students who demonstrate financial need. We encourage students to engage with our staff and to pursue private, state, and federal resources, which when added to University and UB Foundation assistance, makes their education affordable. In fall 2019, approximately 39% percent of UB's undergraduate population received Federal Pell Grants. Additionally, 18% received state grants, 18% percent received UB institutional grants, and 46% percent received UB merit scholarships. When students qualify for both merit and need-based institutional aid, which many UB students do, the aid is typically reported as merit aid because of the sequence of the awarding process.

UB is committed to a strong financial literacy initiative to enable our prospective and current students to make more informed choices. This initiative helps students understand the best ways to cover expenses and remain in control of their financial health. In addition to personal financial aid counseling, UB provides on-demand 24/7/365 Financial Literacy tools, such as engaging, one-minute videos geared for our students. The University has also instituted a new financial clearance process that results in students working with our counselors to arrange payment sources and payment plans prior to enrolling.

To further support affordability and help students avoid loans, UB is developing a new, comprehensive need-based aid strategy. UB expects to announce a major gift soon to help fund this new aid strategy. The need-based grants will greatly support recruitment, retention, and degree completion of needy undergraduate students while minimizing their

debt. UB also continues to offer the Near-Completers Grants that are awarded to undergraduates within 30 credits of graduation who have no remaining financial aid eligibility or who have a financial hardship. We are also pleased to receive a \$1 million endowment gift for the near completers and a \$50,000 commitment for near completers that will allow UB to begin issuing awards in FY22 and over the next five years, respectively.

Thanks to the Governor's and the General Assembly's financial support of higher education, UB has been able to keep its tuition increases at a modest 2% over the past several years, and we increased our average undergraduate aid award from 2018 to 2019. In 2019, UB students financed less of their education with loans than the average undergraduate student at USM institutions. We are and will continue to be committed to efforts and initiatives to help ensure that UB remains affordable.

The President should comment on implementation of the actions in the strategic plan and the challenges and opportunities in realigning UB.

UB's strategic plan supports our mission as a regional leader in educating students who seek undergraduate, graduate and professional programs that prepare people to excel in their chosen fields and communities. Developed by the University's new Strategic Planning and Budgeting Committee (SPBC) comprised of faculty, staff, students, and administration, six goals were created to guide the University through 2023 and to prepare for its centennial in 2025:

1. Position UB as the region's premier, professional, career-focused university
2. Strengthen student success
3. Solidify UB's commitment to community engagement and service
4. Organize for long-term financial stability
5. Achieve excellence in research, scholarship and creative activity
6. Strengthen UB's commitment to diversity, equity and inclusion.

UB is continually assessing the impact of what we do, restructuring and re-aligning resources as appropriate, and revising strategies as necessary to meet our goals. Though all six goals are important and great strides have been made in all areas, at this time UB is primarily focused on goals 1, 2 and 4 – academic reputation, student success and financial stability.

Regarding the first two goals, much work has been done to strengthen our academic reputation and increase graduation rates. Our 2019 freshmen class has the highest profile since inception of our freshmen program in 2007. Retention for first-time, full-time freshmen (FTFT) has increased 19% in three years to our current 87%. We have also successfully closed our achievement gap and improved graduation rates for lower-division transfer students. The graduation rate for graduate students (excluding law students) has increased to 73%.

As outlined the analyst's report, UB recently shared a plan for realignment and long-term

financial stability. It should be noted that on February 5, 2020, President Schmoke requested that the SPBC convene to discuss the realignment of UB's academic structure (i.e., a three-school model) and to forward recommendations in March 2020.

We are confident that both the University's strategic plan and our realignment plan provide the necessary tools that will enable UB to respond to the challenges to address enrollment declines, shifting demographic trends, and increased competitive threats that face many universities nationally.

Leveraging the University's strengths - the quality of our programs, our legacy of serving non-traditional students, and the national recognition that we receive - will position us to respond to take UB forward. To achieve full and timely implementation of our strategic plan we depend upon UB's dedicated team of faculty and staff. Together, through our collective expertise and commitment to the UB mission, the University community will lead a successfully transition.