



**UNIVERSITY OF MARYLAND  
GLOBAL CAMPUS**

**University of Maryland Global Campus  
Fiscal Year 2021 Operating Budget  
Response to Department of Legislative Services Budget Analysis**

**Senate Budget and Taxation Committee  
Education, Business, and Administration Subcommittee  
Senator Craig Zucker  
February 13, 2020**

**House Appropriations Committee  
Education and Economic Development Subcommittee  
Delegate Ben Barnes  
February 6, 2020**

1. (Page 4.) The President should comment on why UMGC has experienced a decrease in enrollment for the first time since fiscal 2014.

There are multiple factors:

- Adult enrollments are cyclical and align with the unemployment rate; the lower the unemployment rate, the lower UMGC's enrollments, and vice versa. Because more adults and veterans—our primary market segments—are currently employed, fewer are looking to enroll in degree programs.
- The Navy changed its Tuition Assistance policy while reducing the budgeted funds available to sailors for education. This resulted in a decline of nearly 1,000 students in FY20 from the Navy military segment alone.
- Maryland high school enrollments, which forecast future adult enrollments, will continue to affect UMGC headcounts through 2027.

2. (Page 6.) The President should comment on the decrease in the second and third year retention rates beginning in fiscal 2016.

Between 2014 and 2016, UMGC completed its One Global University initiative, which included centralizing all overseas administrative functions at the university's headquarters in Adelphi, Maryland. This changed UMGC's institutional reporting in 2016 such that all students worldwide—rather than just stateside—are now reported. The difference in second- and third-year retention in Exhibit 3 reflects this change. UMGC's overseas students are active-duty servicemen and servicewomen, spouses, dependents, and some government contractors. Because of changes in deployment status and the start-stop realities associated with the demands of military service, enrollment and retention behaviors in this population are markedly different from those of stateside students.

3. (Page 10.) The President should comment on why a shift was made toward spending more on scholarships and less on need-based aid and the impact that this has had on low-income students.

While it might appear that UMGC has decreased its need-based aid (when that figure is expressed as a percentage of undergraduate tuition) in reality, dollar amounts have remained essentially the same since 2015. The increase in institutional aid overall is a result of UMGC's commitment to its Maryland Completion Scholarship, which provides eligible Maryland community college graduates the opportunity to complete a bachelor's degree for \$12,000 or less, well below the typical tuition cost for in-state students. The percentage discount has increased annually as UMGC's in-state tuition has increased 2 percent year-over-year. In 2015, UMGC awarded approximately \$1.3 million for the Maryland Completion Scholarship; that figure has grown annually to approximately \$6.7 million in 2019.

4. (Page 13.) The President should comment on whether UMGC has undertaken efforts to identify administrative and academic efficiencies and, if so, what actions have been, or will be, taken to achieve cost savings.

UMGC reduced the expense budget in FY21 from FY20 by \$20.7 million and also reduced reliance on the Fund Balance by \$12.5 million. UMGC drew money from the Fund Balance to test its national strategy, implement a name change from University of Maryland University College to University of Maryland Global Campus, and to build out its technology and student lifecycle infrastructure to ensure its scalability and efficiency beyond FY21. Finally, UMGC implemented an academic reorganization in FY19/20 that it anticipates will increase retention, add value to the student journey, and ensure a streamlined service-delivery model beyond graduation.

5. (Page 18.) The President should comment on whether tuition levels should be set by UMGC instead of by USM BOR and the steps UMGC needs to take to remain competitive in the national marketplace.

To position UMGC for national and global growth, the university requests additional flexibility from the USM BOR to set tuition and fees, irrespective of residency, as well as freedom to negotiate with employers as we strive to ensure an educated workforce for their current and future needs and to respond to competitive pressures in the adult higher education market.

In addition to organic growth driven by national expansion, UMGC's strategic objectives include pursuing inorganic growth through partnerships and/or consolidations. With this in mind, UMGC will seek to expand the High Impact Economic Development Activities (HIEDA) statute to ensure all USM institutions are able to do business with HIEDAs under a sole-source arrangement. This has the added benefit of allowing them to do business with UMUC Ventures and its affiliates, thus effectuating technology efficiency and economic development. Consistent with past efforts, UMGC will seek further flexibility and clarification regarding its ability to protect certain proprietary information under the Public Information Act (PIA).

6. (Page 20.) The President should comment on how the institution's academic affairs and student services realignment has achieved the goals identified by UMGC. (page 20)

The Academic Affairs realignment was *announced* on October 1, 2019, and UMGC began to operationalize the new structure on January 5, 2020, thus achieving the initial milestone of operating in discipline-aligned vertical academic structures with centralized academic support structures. Further refinements are expected to take an additional 18–24 months. The newly formed teams in the schools and in the functional support areas of academic affairs (Student Affairs, Academic Quality, Academic Operations, and Office of the Deputy Chief Academic Officer) are now engaged in reengineering the business processes necessary to achieve the efficiencies and enhancements the new structures are intended to deliver.