



FISCAL YEAR 2026 OPERATING

(BUDGET RESPONSE TO DEPARTMENT OF LEGISLATIVE SERVICES ANALYSIS)

SENATE BUDGET AND TAXATION COMMITTEE
Education, Business, and Administration Subcommittee
Senator Nancy J. King, Chair
February 24, 2025

HOUSE APPROPRIATIONS COMMITTEE
Education and Economic Development Subcommittee
Delegate Stephanie M. Smith, Chair
February 28, 2025



FINANCIAL AID

40%

Pell grant recipients

(2023 cohort)

65%

Pell recipient retention

(2018 cohort)

43.3%

Pell recipient six-year graduation rate



STUDENT SUCCESS

(2023 cohort)

69%

All student second-year retention

(2023 cohort)

62%

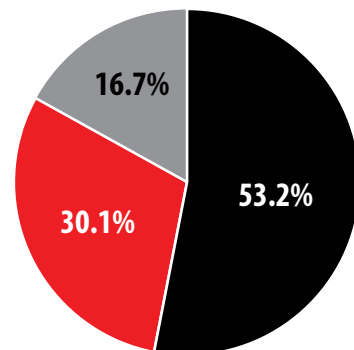
Minority second-year retention

(2018 cohort)

42%

African-American six-year graduation

A DIVERSE CAMPUS



■ WHITE ■ ALL MINORITIES ■ UNKNOWN NR ALIEN

INVOLVED STUDENTS

Student Volunteer Actions:

3,245

Student Volunteer Hours:

8,192



FROSTBURG STATE UNIVERSITY

AL DELIA, INTERIM PRESIDENT

Good afternoon Chairman Smith, Chairman King and members of the Education and Economic Development Subcommittee and the Education, Business and Administration Subcommittee.

On behalf of the students, faculty, staff and alumni of Frostburg State University, thank you for providing me the opportunity to speak to you about FSU's unique place in the State of Maryland, the way we are transforming the lives of our students, how we are meeting the needs of the state, and how we are adapting to the changing landscape of higher education.

I ask you to support the Governor's budget as submitted to help us maintain some of this momentum.

As Interim President, I want to take this opportunity to update you on several important items at Frostburg State University.

NEW ACADEMIC PROGRAMS AND PARTNERSHIPS

FSU Nursing Department Awarded \$2.1 Million Nurse Support Program Grant

Frostburg State University's Department of Nursing was awarded a Maryland Higher Education Commission Nurse Support Program (NSP) II grant in the amount of \$2,150,127 over four years to expand the capacity within the LPN to BSN program through additional nursing faculty and support staff.

Frostburg's multi-year implementation grant was one of nine nursing programs to receive funding as part of Governor Moore's \$5.8 million awards package for Maryland nursing programs.

Implemented in 2023, FSU's online LPN to BSN program is designed specifically for working adult learners interested in advancing their healthcare knowledge. The program exposes students to expanded job opportunities in leadership roles or careers in specialized care areas.

Frostburg State University, WVU School of Pharmacy Announce Partnership

Frostburg State University and the West Virginia School of Pharmacy (WVUSoP) entered a partnership that will allow students to earn their Bachelor of Science degree in chemistry from FSU and their Doctor of Pharmacy degree from WVUSoP in just seven years. This dual-degree program is a cooperative undergraduate/graduate opportunity to attract qualified students to both institutions.

Students will complete their first three years at FSU as a chemistry major, and after successful completion of the prerequisite courses and program requirements, students will then enter the WVUSoP program. After students complete their first year of



pharmacy school, they will earn their Bachelor of Science degree from FSU while counting this towards their four-year experience at WVU.

WVSOM, Frostburg State University Announce Partnership

In Oct. 2023, the West Virginia School of Osteopathic Medicine (WVSOM) and Frostburg State University entered a memorandum of understanding that will better prepare Frostburg students interested in pursuing a career in osteopathic medicine.

The agreement provides skills and credentials necessary for admission to and success in osteopathic medical school through the WVSOM Pre-Osteopathic Medicine Program (POMP).

The goal of POMP at WVSOM is to promote osteopathic medicine, increase the number of excellent applicants, support aspiring osteopathic physicians at all levels of education and continue the proud legacy of osteopathic medicine. Students who successfully complete all program requirements will receive guaranteed acceptance to WVSOM. In Sept. 2024, four FSU undergraduate students learned that they were accepted into this program.

The program ensures that students can network with medical students and medical professionals and assists with shadowing opportunities while improving students' knowledge of osteopathic medicine.

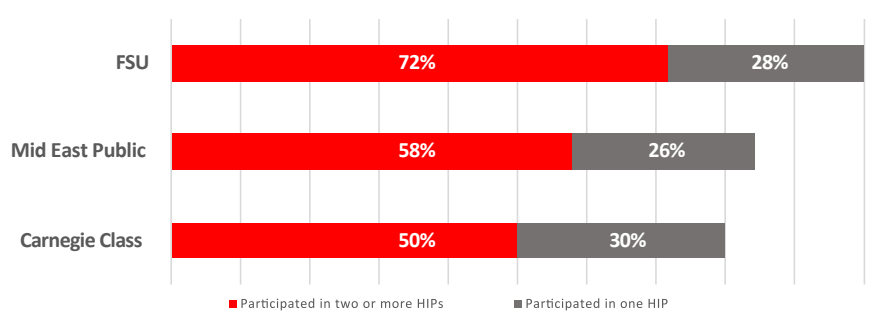
POMP is a partnership between WVSOM and affiliated institutions. The program is designed for undergraduate students who have an interest in osteopathic medicine and plan to enter osteopathic medical school. Currently, 13 schools of higher education are affiliated with the program.

ECONOMIC DEVELOPMENT

FSU's former Division of Regional Development & Engagement, now merged into the new Division of Advancement and Regional Engagement - DARE, has pursued funding opportunities that are designed to promote the region, provide retraining for employees that are negatively impacted by the changes to the energy sector, and explore renewable energy projects. Working to integrate University resources with

A WORLD OF EXPERIENCES

Percentage of seniors who participated in a high-impact practice such as an internship, learning community, research with a faculty member, study abroad, service-learning or senior capstone experience



Source: National Survey of Student Engagement 2021 | Seniors

regional partners, DARE is assisting communities and companies striving to meet the challenges of economic and community development. Partnerships are critical to FSU in this work and we continue to be an active member of the American Association for Sustainability in Higher Education (AASHE). Whenever possible, FSU strives to secure external funding to carry-out its mission, an example of that is FSU’s highly successful participation in the 2-year TEDCO MII pilot program. Extension of that program will allow us to continue to build upon our impact in Western Maryland through the following programs.

Renewable Energy Projects

In May 2020, FSU was awarded \$100,000 by the Maryland Energy Administration (MEA) for the project, *Frostburg State University MicroGrid Plan*, in partnership with Optimize Renewables (OR), an energy system planning and design firm. These funds are for engineering a campus-scale, renewable energy electrical microgrid to serve the University and local community. The microgrid will bolster campus energy resilience, further sustainability goals, and provide students with real-world job training under the direction of OR and in partnership with the University. This project will help displaced workers transition to the clean energy industry.

Additionally, funds from the Appalachian Regional Commission’s *Partnerships for Opportunity and Workforce and Economic Revitalization (POWER)* Initiative are planned to be used as part of an integrated, multi-agency effort to align and invest federal economic and workforce development resources in communities and regions negatively impacted by changes in the coal economy.

In May 2022, FSU was awarded \$20,000 by the Maryland Energy Administration (MEA) under the Strategic Energy Investment Program for FSU to conduct an economic impact study of energy generation in the region and to develop a process to inform and engage consumers related to the benefits of alternate fuels for power generation.

In July 2022, FSU was awarded a \$750,000 grant from MEA’s Fiscal Year 2022 (FY22) Resilient Maryland Capital Development (RMCD) Pilot Program to help cover the costs of installing a clean energy microgrid to safeguard its critical operations from energy disruptions, integrate an emergency shelter for the surrounding community, and meet its sustainability goals. FSU is the first recipient of funding under this program.

Biomass Development

As part of an ongoing effort to create a sustainable, decarbonized campus, Frostburg State University recently applied for and received \$300,000 from the United States Department of Agriculture’s Wood Innovations Grant program. This grant, awarded to fund an existing project, will allow FSU to create an implementation-ready design for woody biomass heating on campus, replacing an aging set of oil-fired boilers.

Biomass heating is only the latest addition to FSU’s expansive plans to reduce its carbon footprint – including microgrids, solar installations, EV charging, and advanced heating and cooling systems. The wood fuel used by biomass boilers is locally sourced and abundant, reaffirming FSU’s commitment to supporting a sustainable regional economy.

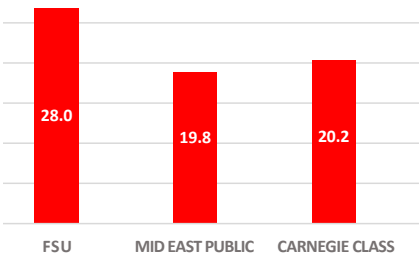
FSU is committed to reducing its carbon footprint. A conversion to wood biomass allows the University to continue a path of being good stewards of the environment.

FALL '24 PROFILE

Undergrad	3,422
Master’s	594
Doctoral	88
Total	4,104
Maryland Residents	2,926
Out-of-State	1,178
Total	4,104

HIGH SCORING STUDENT-FACULTY INTERACTION

First-year students scored Frostburg higher for the quality of student-faculty interaction than its peer institutions and universities of the same Carnegie Class.



Mean score based on 60-point conversion scale – NSSE statistically significant designation.

Source: National Survey of Student Engagement 2021 | First-Year

The Maryland Clean Energy Center (MCEC) supported the application process for this grant as part of MCEC’s ongoing partnership with FSU. MCEC likewise participated in previous educational events and feasibility studies that contributed to FSU’s renewable energy transition.

Outdoor Recreation Workforce Initiatives

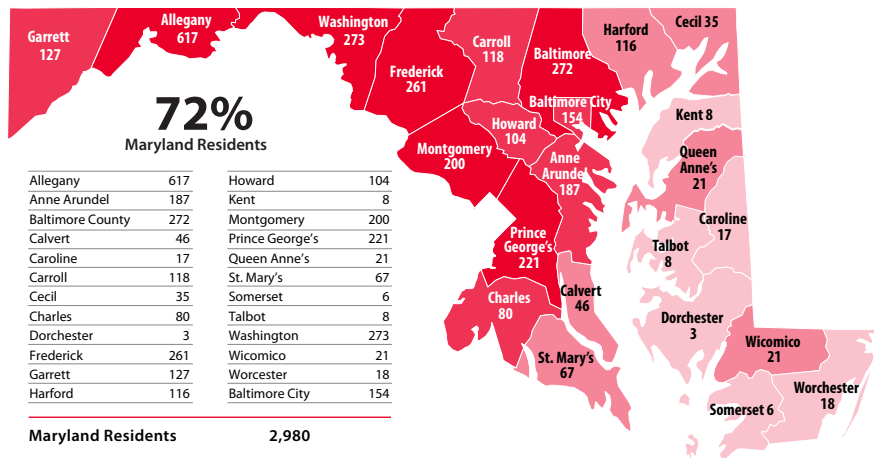
In 2023, Frostburg State University was awarded a grant for \$250,000 from the Economic Development Administration (EDA) and the Maryland Department of Commerce’s Office of Tourism to support a regional approach to growing Western Maryland’s outdoor recreation economy by funding initiatives in workforce development and training and certification in Allegany and Garrett Counties. The projects are collaborative efforts between FSU, Allegany College of Maryland, Garrett College, and local outdoor recreation businesses. Supporting partners include the Maryland Office of Outdoor Recreation, tourism teams in both Allegany and Garrett Counties, and Allegany and Garrett County Governments.

The funding is being used to support a bicycle mechanic program at ACM, a marine mechanic program at Garrett College, and the purchase of outdoor recreation equipment to support the Center for Advancement of Natural and Outdoor Experiences (CANOE) at FSU. A paid internship program was also created to place students with local businesses in the outdoor recreation sector.

FOREI is a newly created collaborative led by FSU to empower communities and foster economic growth by leveraging what is arguably the region’s most powerful asset, its natural beauty.

The region stands out amongst others with 300,000 acres of public land consisting of 19 state parks, 7 state forests, 2 National Parks, and 1,300 miles of developed hiking & biking trails including the internationally recognized C&O Canal and Great Allegheny Passage trails, fishing, skiing and snowboarding, rock climbing, world-class whitewater kayaking, recreational boating, and off-road vehicle trails.

**STUDENT ENROLLMENT BY MARYLAND COUNTY
FALL 2024**





FOREI's mission is to leverage the region's world class outdoor recreation assets with the academic and entrepreneurial strength of FSU and its academic partners to provide research, education, and training to unlock the potential of the outdoor recreation industry.

FOREI serves as a regional hub to coordinate and lead economic & community development; support outdoor economy focused education; train the regional workforce to fill the needs of the outdoor recreation economy; foster academic research; and catalyze entrepreneurialism & business development in the outdoor recreation sector.

REGIONAL HOUSING INITIATIVES

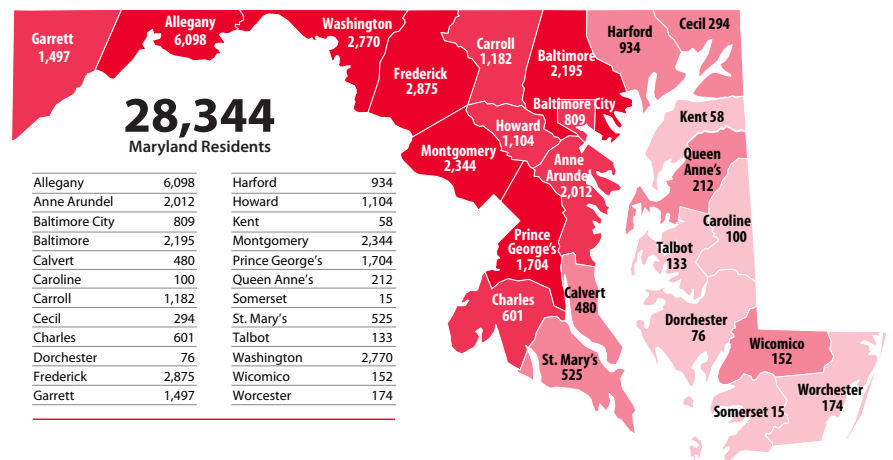
Frostburg State University, in collaboration with key industry leaders, has made a healthy supply of market-rate housing, which is essential to attracting and retaining talented professionals and young people to the area, a top priority as the region works to reverse more than 75 years of population decline and foster regional economic growth.

The need for new market-rate housing is especially urgent given that the median year of construction for the region's housing stock is 1964, and nearly one-third of all homes in Allegany County were built before 1940. This aging housing inventory limits options for working professionals and growing families, making it harder for businesses to recruit and retain employees. Compared to more urbanized parts of Maryland, where housing investments have kept pace with economic demands, Mountain Maryland faces a significant disadvantage in housing availability and quality.

FSU plays a vital role in producing the skilled workforce needed to support regional industries and economic development. By helping to lead this housing initiative, FSU brings academic expertise, economic research, and regional convening power to ensure that housing solutions align with workforce development and long-term economic sustainability.

ALUMNI BY MARYLAND COUNTY

FALL 2024



In 2023, The Greater Cumberland Committee (TGCC) and FSU co-hosted a Market-Rate Housing Forum, featuring regional and national experts, to catalyze collaboration and policy solutions. The event sparked critical conversations and led to increased public-private coordination. Moving forward, TGCC and FSU will continue convening key stakeholders, collecting data, and developing strategies to strengthen housing investment and economic growth in the region.

MARY CLAPSADDLE SCHOLARSHIP

In the budget approved by the Legislature for fiscal year 2025, \$200,000 in endowed scholarship funds were appropriated to Frostburg State University in honor of Mary Clapsaddle, who passed away in late 2023. Mary was a long-time state legislative employee and government relations professional with both Johns Hopkins University and with her alma mater, Frostburg State University. The wording on that appropriation is such that all the money would need to be expended in the current fiscal year. We ask that budget language be amended allowing the funds to be used for the original intent – as funds added to the endowment of the Mary Clapsaddle Scholarship at Frostburg State University – so that funds may be used for student scholarships in perpetuity.

FACILITY IMPROVEMENTS

FSU's facilities remain a critical concern, directly impacting enrollment and student recruitment. Over the past year, we have made significant strides to address these challenges.

FSU's newest building, the Education and Health Sciences Center (EHSC) houses the FSU College of Education and Health & Natural Sciences, including the disciplines of Kinesiology, Education, Nursing, and the Health Sciences. Teaching labs for science, math, technology, health sciences, and nursing are located within the new building, including nursing simulation labs. The building is also home to the Student Health Center and Student Counseling Center, which provide FSU students with modern healthcare services in a first-class wellness center, and the Children's Literature Centre. The EHSC, which cost approximately \$82 million, opened in the spring of 2023, with a delay due to supply chain issues related to the COVID pandemic. Governor Moore dedicated the building in April 2024.

We recently completed a full remodeling of space which had been vacated due to personnel relocations to the new Education & Health Science Center (EHSC) within the Cordts PE building. This remodeled space, the Adams/Wyche Center for Academic Excellence, was made possible through a generous donation from a married couple who wanted to support the student athletes at FSU, their alma mater.

Additionally, we have remodeled spaces in both Framptom Hall and Lowndes Hall. These efforts were undertaken to facilitate the relocation of academic departments from the Guild Center and Old Main, these buildings have been shuttered to reduce operational expenses and improve overall efficiency.

I would also like to mention the impactful work completed through the \$10M Facilities Removal funding allocated to FSU through the FY23 Capital Improvement Program. This funding enabled us to make meaningful progress in addressing outdated infrastructure and optimizing the use of campus space to better serve our students, faculty, and staff.





While these projects demonstrate our commitment to improving FSU's facilities, challenges remain. Addressing the quality of our aging residence halls is critical for maintaining our competitiveness as a residential campus. Modest improvements have been made, but significant work lies ahead to bring these facilities in line with student expectations and the Governor's Building Energy Performance Standards program.

BUDGET CHALLENGES

Before the start of FY '25, FSU was facing a \$7.7 million structural budget deficit over the next several fiscal years, caused mostly by a decrease in enrollment, state funding cuts and unfunded mandates. As a result, senior leaders at the University were charged with making some very difficult and complex decisions to resolve this deficit and ensure FSU's financial stability and viability.

The resulting multi-year plan, coined the Educational Market Alignment Plan (EMAP), included an administrative reorganization to merge divisions, reorganize deans' offices and reduce the number of department chairs and coordinators responsible for like disciplines; reductions to the athletics budget and scholarship reallocations; University and unit operational reductions; and a reduction in faculty staffing to address an imbalance in the number of students, due to enrollment declines, compared to the reduction of faculty that had occurred through attrition. This rebalancing was meant to raise the student to faculty ratio, which had fallen to less than 13 to 1, to 16 to 1, closer to the historic benchmark of 18 to 1.

Making the individual decisions that constitute EMAP was not done lightly, nor were the decisions easy. In less than six months, the successful implementation has taken FSU from a budget deficit of \$7.7 million to a \$3.48 million surplus in the current fiscal year because of those difficult decisions the University has had to make. This comes after years of reducing operation budgets, limiting travel, leaving positions vacant, deferring maintenance on physical plant, and many other strategies used to balance the budget. This includes a reduction of employees through attrition of faculty and staff positions by 89 since 2017. This represents a decrease of 13%.

FSU is now in a much better position to withstand the additional cuts in the Governor's budget to the University System of Maryland's state appropriation. We will continue to look carefully at ways we can decrease costs and increase revenues in the coming year, without harming the quality of our educational services.

However, as Chancellor Perman stated in his Operating Budget testimony, additional cuts will impact how we carry out our mission, as well as the mission of USM, as we have already taken significant cuts to our budget. Approximately 65% of our unrestricted budget is spent on personnel. With additional proposed cuts, we will no doubt have an even greater impact in our ability to provide our students with the quality education and support services that are at the forefront of our mission.

LEGISLATIVE ANALYST'S QUESTIONS

The President should comment on the decreased spending on need-based aid.

Frostburg State University's decreased spending on need-based aid was due to multiple factors involving transitions in leadership within the department and a new software system. We have since moved back to our native awarding tool. Additionally, because of the nature of the new packaging system's protocols and our ability to monitor total spending, we had to stop awarding to get an accurate snapshot. There was not an intentional strategy to reduce need-based aid.

Beginning in the fall 2025 term, academic departmental scholarships will be awarded as an institutional merit award. We anticipate enrollment growth from this strategy as part of our Strategic Enrollment Management Plan. The overarching goal of the Departmental Tuition Scholarship is to recruit students to FSU based upon the academic major who otherwise would not have chosen FSU. The new students receiving this award will be full-time net-new "prospect" students.

The President should comment on the factors leading to the decline in the number health profession degrees awarded.

We anticipated a drop off in our inaugural Nursing program: RN to BSN beginning in 2023. FSU created two new degrees in response to workforce demands and to meet critical healthcare workforce needs in Western Maryland: the online LPN to BSN and the traditional face-to-face four-year degree. We anticipated increased degree production to stabilize our number of health profession degrees awarded. The following chart shows our current enrollments, which supports this rationale:

FSU Plan Department	STDNT-Acad Career Desc	Acad Plan	FY2020	FY2021	FY2022	FY2023	FY2024
Nursing	Undergraduate	Nursing (LPN to BSN)	—	—	—	25	107
Nursing	Undergraduate	Nursing (Pre-licensure)	—	—	—	23	43
Nursing	Undergraduate	Nursing (RN to BSN)	432	394	336	324	275
Nursing	Undergraduate	Pre-BS in Nursing	.96	.93	.45	.68	.93
Nursing	Undergraduate	Pre-LPN in Nursing	—	—	—	1	6
Nursing	Graduate	Nursing	.76	.91	.96	.98	102

*Note: Enrollments reflect actual data as of February 2025. It is not census data.

The President should comment on what actions will be taken to cover the reduction in State funding.

As a result of the budget changes made at FSU this year, the University is now in a much better position to withstand the additional cuts in the Governor's budget to the University System of Maryland's state appropriation.

However, as Chancellor Perman stated in his Operating Budget testimony, additional cuts will impact how we carry out our mission, as well as the mission of USM, as we have already taken significant cuts to our budget. Approximately 65% of our unrestricted budget is spent on personnel. With additional proposed cuts, we will no doubt have an even greater impact in our ability to provide our students with the quality education and support services that are at the forefront of our mission.

The President should comment the progress on implementing E-MAP, and in particular, the status of faculty retrenchment. The President should also comment on why the budget assumes transfers from fund balance of \$1.5 million in fiscal 2025 and \$1 million in fiscal 2026 if the plan is to achieve a structural surplus in both years.

The successful implementation of Frostburg's EMAP so far has taken FSU from a budget deficit of \$7.7 million to a \$3.48 million surplus in the current fiscal year, because of the difficult decisions that the University has had to make. While all the decisions were difficult ones, the termination of faculty appointments, defined as retrenchment, proved the most difficult. The retrenchment process is a highly prescribed process outlined by USM Board of Regents policy and in the FSU Faculty Handbook. It is a process led by faculty members, both elected and appointed, to

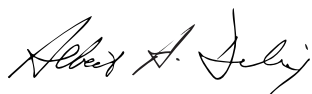
serve on a Retrenchment Plan Committee (RPC) to make recommendations to the President for how retrenchment may occur. The final decisions are the President's.

In total, after applying the savings from four senior faculty member retirements, thirteen senior faculty member Transitional Terminal Leave agreements (often described as phased-retirement), the retirement of four individuals serving within the administration (not including two divisional vice president positions being eliminated as part of divisional mergers), and eleven adjunct faculty each teaching one course not being called back, the retrenchment process ultimately resulted in FSU notifying three tenure-track faculty members and one tenured faculty member that they were to be retrenched – their faculty appointment ended. Additionally, four faculty members, categorized as Full Time Non-Tenure Track (FTNTT) faculty were notified that their contracts would not be renewed. Each of these eight faculty members, depending on their length of service to FSU, received six-months to one year notification that their employment would end. All will continue their employment and receive full compensation until that time. Each of the full-time non-tenure track, tenure track, and tenured faculty will receive, at no cost to them, career services, coaching, and placement help from a national company engaged by the University. All these adjustments, as part of the EMAP, will result in an approximate \$4.875 million savings for the University and result in a student to faculty ratio of 16:1.

The fund balance transfer was used for a one-time contract with EAB for adult learner and online program recruitment as part of our strategic enrollment plan. The cost for the contract was \$2M over the two years identified (\$1M paid in each fiscal year). FSU has not committed to an optional third year of the contract for an additional \$1 million. The additional \$500K in FY '25 will be used to buy a bus and vans for the University.

I thank you for the opportunity to share this information with you and thank you for your continuing interest and support for Frostburg State University.

Sincerely yours,



Al Delia, Interim President





VISION

Frostburg State University will be recognized as a student-centered teaching and learning institution. The University will be known nationally for its emphasis on experiential education, its commitment to sustainability, and for the quality of its graduates as critical thinkers, life-long learners, and technologically competent global citizens.

MISSION STATEMENT

Frostburg State University is a student-centered teaching and learning institution featuring experiential opportunities. The University offers students a distinctive and distinguished baccalaureate education along with a select set of applied master's and doctoral programs. Frostburg serves regional and statewide economic and workforce development; promotes cultural enrichment, civic responsibility, and sustainability; and prepares future leaders to meet the challenges of a complex and changing global society.

INSTITUTIONAL PRIORITIES

1. Enhance experiential and applied learning opportunities for students both inside and outside the classroom.
2. Improve facilities so that students live and learn in a modern and technologically sophisticated environment.
3. Increase student quality and improve student persistence to graduation.

STRATEGIC GOALS

(2024-2026)

- Strategic Enrollment Management (SEM) Plan to achieve proposed student headcount submitted to USM.
- Campus environment & external messaging to improve the campus environment, sense of community and convey what the university offers to students and the broader community.

FROSTBURG
STATE UNIVERSITY

FROSTBURG STATE UNIVERSITY IS A CONSTITUENT INSTITUTION OF THE
UNIVERSITY SYSTEM OF MARYLAND