

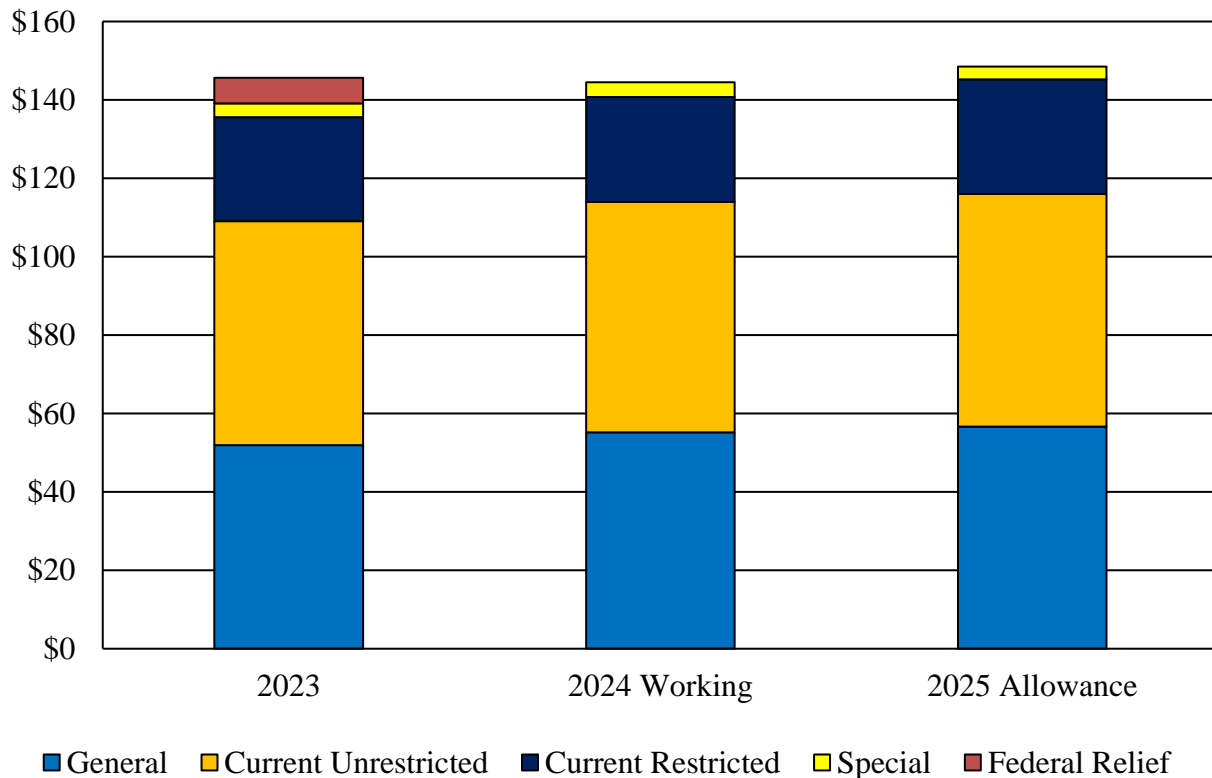
R30B28
University of Baltimore
University System of Maryland

Executive Summary

The University of Baltimore (UBalt) provides career-oriented education at the bachelor’s, master’s, and professional level, offering programs in law, business, and liberal arts with an emphasis on applied and professional degrees.

Operating Budget Summary

Fiscal 2025 Budget Increases \$4.0 Million, or 2.7%, to \$148.5 Million
(\$ in Millions)



Note: The fiscal 2024 working appropriation includes deficiencies. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in the institution’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in institution’s budget.

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- General funds increase by \$1.4 million, or 2.6%, in fiscal 2025 compared to the fiscal 2024 working appropriation after accounting for a proposed deficiency appropriation that would replace \$0.8 million in general funds with Higher Education Investment Fund (HEIF). After adjusting for the deficiency, the HEIF decreases by 13.5%, or \$0.5 million, in fiscal 2025. Overall, State funding for UBalt increases by 1.6%, or \$0.9 million, in fiscal 2025 compared to the fiscal 2024 working appropriation.
- When excluding the fiscal 2024 general salary increases budgeted in the fiscal 2025 allowance that are centrally budgeted in the fiscal 2024 working appropriation, State funds decrease by 4.5%, or \$2.7 million, in fiscal 2025 compared to the fiscal 2024 working appropriation.

Key Observations

- ***Continuing Enrollment Decline:*** While undergraduate enrollment fell for a ninth consecutive year in fall 2023, the rate of decline slowed to its lowest level since fall 2016. In fall 2023, overall enrollment decreased by 7.0%; however, the number of transfer students increased for the first time since fiscal 2015, growing by 2.8%.
- ***Graduates Comprise Greater Portion of Enrollments:*** Over the past 10 years, the portion of undergraduate and graduate students has flipped. In fall 2023, undergraduates comprised 41.3% of enrollment and graduates accounted for 58.7% of enrollments.
- ***Improvement in the Second-year Retention Rates:*** After the fiscal 2020 cohort achieved a second-year retention rate of 76%, the retention rate declined to 67% with the fiscal 2022 cohort. However, the second-year retention rate subsequently improved to 70% with the fiscal 2023 cohort.

Operating Budget Recommended Actions

1. See the University System of Maryland overview for systemwide recommendations.

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Operating Budget Analysis

Program Description

UBalt provides career-oriented education at the bachelor’s, master’s, and professional level, offering programs in law, business, and liberal arts with an emphasis on applied and professional degrees. This emphasis attracts students with clear professional goals. UBalt applies the expertise of faculty, staff, and students to address current economic, social, and political problems in Baltimore City and the State. The student body is a mix of full- and part-time, day and evening, and traditional and returning students, reflecting the racial and ethnic diversity of the metropolitan region.

UBalt places a high priority on the integration of technology enhancements into instruction in all fields and, as such, strives to be a leader in the development and dissemination of knowledge in applied disciplines. A large and growing number of classroom courses provide online components, including syllabi, links to relevant websites, threaded discussions, and electronic library resources. This allows any qualified Marylander to have access to UBalt’s academic programs and services without regard to location, economic means, or other limiting circumstances.

Carnegie Classification: Master’s Colleges and Universities: Larger Programs

Fall 2023 Undergraduate Enrollment Headcount		Fall 2023 Graduate Enrollment Headcount	
Male	533	Male	351
Female	759	Female	738
Total	1,292	Total	1,089

Fall 2023 New Students Headcount		Campus (Main Campus)	
First-time	41	Acres	27
Transfers/Others	269	Buildings	15
Graduate (Masters)	255	Average Age	67 years
Graduate (Doctoral)	5	Oldest	Charles Royal (1894)
Law	237		
Total	807		

Programs		Degrees Awarded (2022-2023)	
Bachelor’s	19	Bachelor’s	373
Master’s	25	Master’s	341
Doctoral (Research/Professional)	3	Doctoral (Research/Professional)	203
		Total Degrees	917

Proposed Fiscal 2025 In-state Tuition and Fees*

Undergraduate Tuition	\$7,590
Mandatory Fees	\$2,402

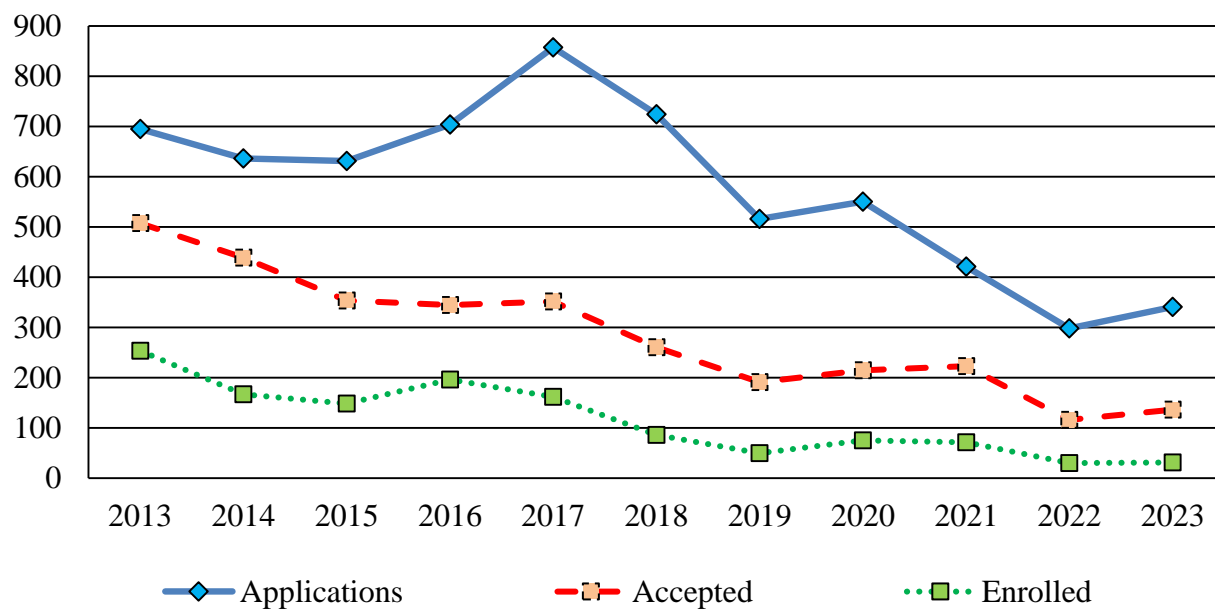
*Contingent on Board of Regents approval.

Performance Analysis

1. First-time Undergraduate Applications

As shown in **Exhibit 1**, UBalt received its highest number of first-time applications (857) in fall 2017. According to UBalt, this reflected an increase in the number of high school graduates. After fall 2017, however, the number of applications decreased by 39.8%, or 341, by fall 2019. There was a corresponding decline of 45.6% in the number of applicants who were accepted, resulting in the number of students enrolling falling by 69.3%, to 50 students. UBalt attributed this steady decline to the uncertainty, both internally and externally, of continuing to have a freshman program.

Exhibit 1
First-time Undergraduate Applications, Accepted, and Enrolled
Fall 2013-2023



Source: University System of Maryland

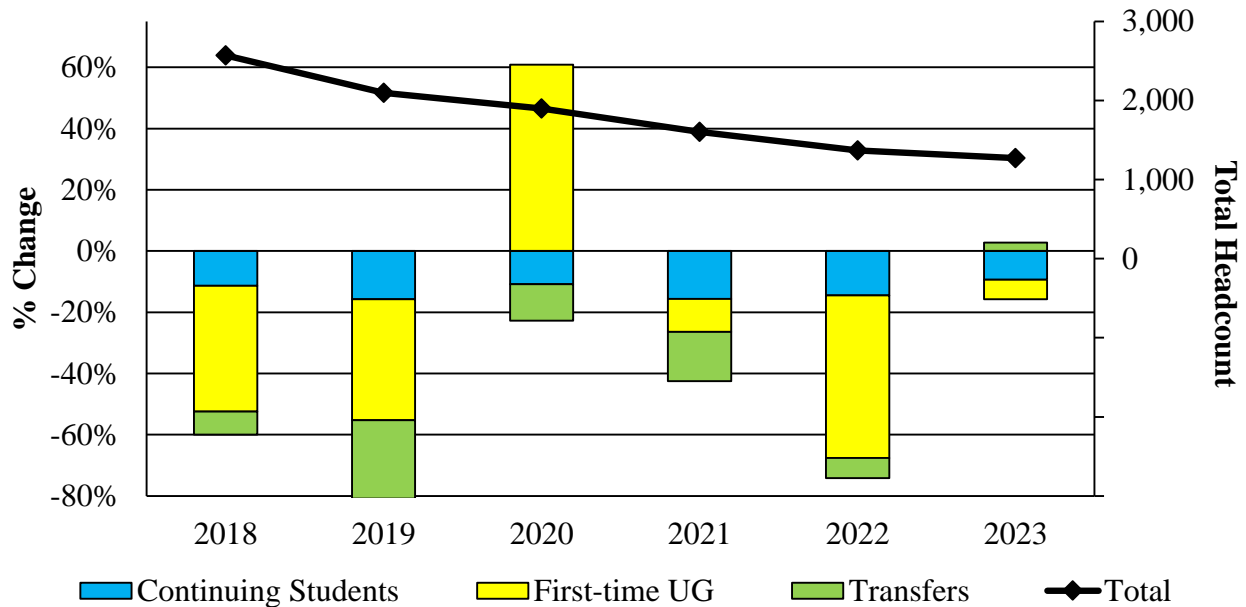
While the number of applications increased by 6.6% (34) in fall 2020, the acceptance rate increased from 26% to 35%, resulting in enrollments increasing to 75 students. After that year, applications declined once again, and by fall 2022, the number of applications had declined by 45.8% compared to fall 2020 to 298, the lowest number UBalt had received. In addition, the

acceptance rate also declined, and overall, it resulted in 54.9% decrease in enrollment in fall 2022, to 30 students. UBalt attributed the decline to the lingering effects of the pandemic on recruitment efforts that impacted in-person recruitment and outreach opportunities. UBalt anticipated a resumption of in-person recruitment for the fall 2023 semester; however, recruitment efforts did not gain full momentum until the hiring of an executive director of admissions and full staffing of the office, which bolstered recruitment travel and activities. According to UBalt, the new student decline has stopped and moderately reversed in fall 2023, and UBalt projects this to carry forward into spring 2024. These efforts resulted in the number of applicants increasing by 14.4%, or 43 applications, of which 31 students enrolled in fall 2023.

2. Undergraduate Headcount Enrollment

While undergraduate enrollment fell for a ninth consecutive year in fall 2023, the rate of decline slowed to its lowest level since fall 2016. As shown in **Exhibit 2**, fall 2023 enrollment decreased by 7.0%, or 96 students, compared to the prior year. Continuing students accounted for a decline of 101 students, which was slightly offset by an increase of 7 transfer students. The decline in continuing students has been an ongoing issue, and the pandemic amplified the situation with enrollment of continuing students decreasing by 41.7%, or 701 students, between fall 2019 and fall 2023. This is of concern, as students who stop lose momentum toward working to a degree and may have accumulated debt and no degree.

**Exhibit 2
Undergraduate Fall Headcount Enrollment
Fall 2018-2023**



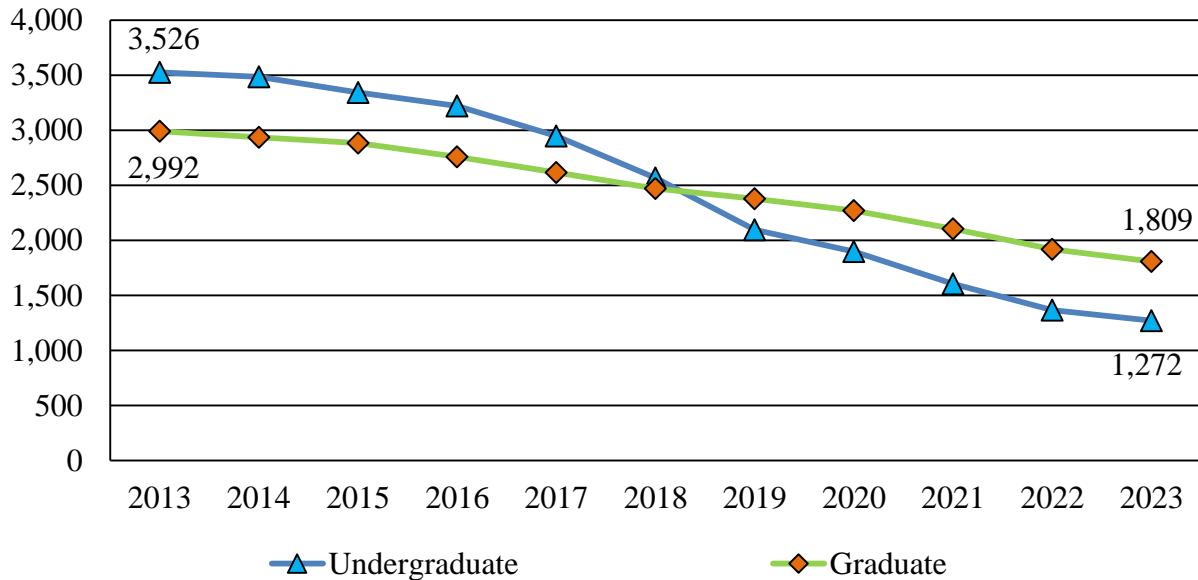
UG: undergraduate

Source: University System of Maryland

In fall 2023, the number of first-time students slightly declined (2 students) to 29 students, the fewest enrolled at UBalt. A bright spot is a slight increase (7 students) in the number of transfer students in fall 2023 compared to the prior year. However, the number of transfers has decreased by 61.0%, (409 students) since fall 2015, when UBalt enrolled its largest class of 670 transfer students. Since UBalt offers a majority of upper-level courses, it relies on transfer students for its growth. It should be noted that prior to the pandemic, the rate at which transfers were declining had lessened, suggesting that programs and initiatives aimed at recruiting and retaining students were starting to have a positive impact on enrollment.

All of these factors have led to significant declines in undergraduate enrollment. As shown in **Exhibit 3**, since fall 2013, UBalt has lost 63.9% (2,254 students) of its undergraduate population. During the same time period, graduate enrollment also declined by 39.5% (1,183 students). Of this decline, 30% can be attributed to falling enrollment in law school, which is consistent with national trends. Overall, over the past 10 years, the portion of undergraduate and graduate students has flipped from undergraduates comprising 54.1% of the student population in fall 2013 to 41.3% in fall 2023. Conversely, graduate enrollment went from comprising 45.9% of the student population in fall 2013 to 58.7% in fall 2023.

Exhibit 3
Undergraduate and Graduate Headcount Enrollment
Fall 2013-2023



Source: University System of Maryland

UBalt has implemented a multiple faceted enrollment and recruitment strategy, which includes:

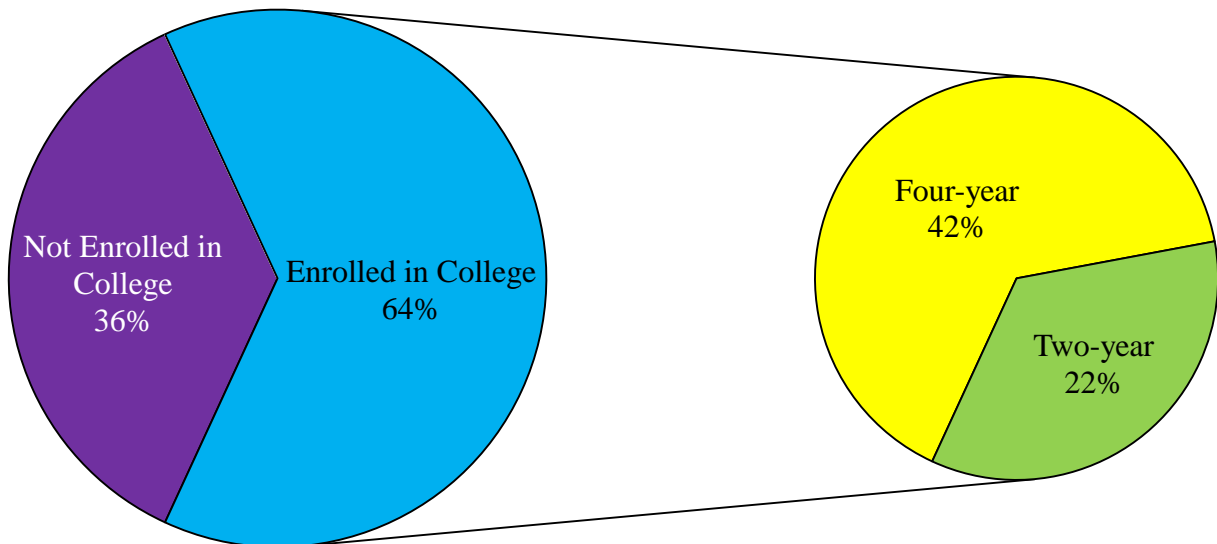
- participating in various in-person events, including college fairs, campus tours, and open houses, which provide opportunities for UBalt to connect with potential students;
- utilizing EAB (a consulting firm specializing in higher education) resources, including leveraging their data, specialized training, and use of historical knowledge of the transfer/degree completer landscape;
- partnering with Phi Theta Kappa (an honor society for two-year colleges) providing opportunities to network with potential transfer students;
- establishing and fostering relationships with local and regional community colleges such as the Community College of Baltimore County (CCBC) Degree to Succeed program in which students can be dually admitted to both CCBC and one of eight four-year institutions including UBalt; and
- restructuring the awarding process for institutional scholarships, making it more proactive in the reviewing and distribution of scholarships and financial aid with the objective to strategically use scholarships as a tool for recruitment.

The President should comment on the challenges of stabilizing and increasing undergraduate enrollment.

Dual Enrollment

Through the Baltimore Power (B-Power) initiative, UBalt provides opportunities for Baltimore City high school students to take dual enrollment courses. B-Power was launched in calendar 2016 in partnership with Coppin State University to work with Baltimore City to increase the educational opportunities and success of city students. From spring 2017 through spring 2023, UBalt has offered college course work to 2,391 students of whom 2,149 were seniors and the remaining 242 were juniors, sophomores, and freshmen. As shown in **Exhibit 4**, 64% of these high school students enrolled in college, with 42% and 22% attending a four- or two-year institution, respectively.

Exhibit 4
Dual Enrollment Outcomes
Spring 2017-2023



Source: University of Baltimore

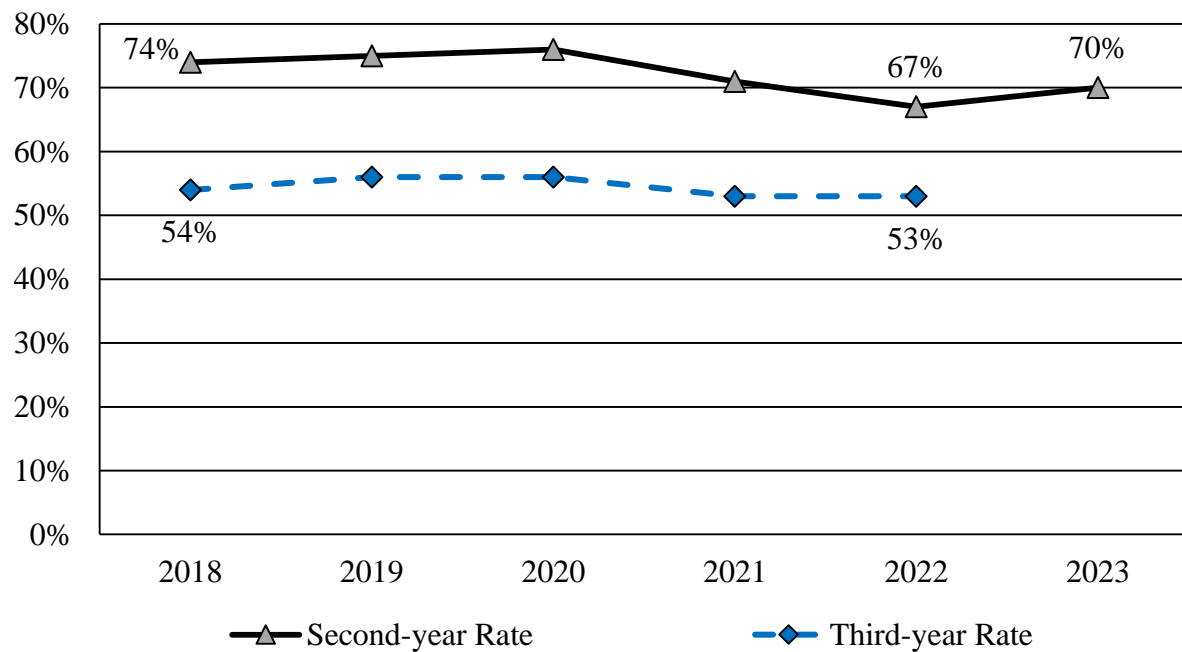
3. Retention Rates

Student retention rates provide a measure of student progress and an institution’s performance: a high retention rate indicates the ability of an institution to keep students and the more likely a student will succeed and graduate. As students are more likely to drop out during

their first year, the second-year rate is an indicator of a number of factors from students not being prepared for college to institutional support designed to retain students. Institutions tend to focus efforts on retaining first-year students but do not provide the supports needed to keep students beyond their second year, thereby increasing their chances to graduate.

As shown in **Exhibit 5**, after improving to 76% with the fiscal 2020 cohort, the second-year retention rate declined by 9 percentage points to 67% with the fiscal 2022 cohort, the lowest rate since at least the fiscal 2013 cohort. These declines may be attributed to the impact of the pandemic. The rate for the fiscal 2023 cohort improved to 70%.

Exhibit 5
Second- and Third-year Retention Rates
Fiscal 2018-2023 Cohorts



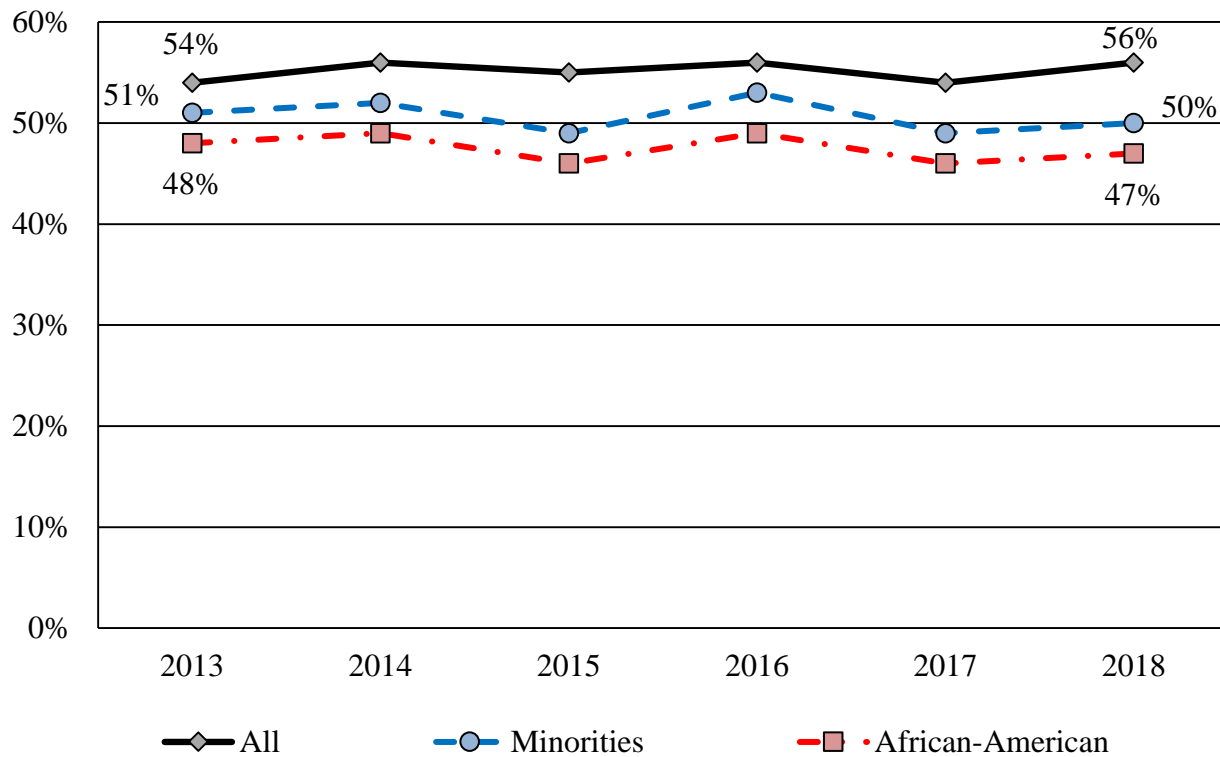
Source: University System of Maryland

The third-year rate improved to 56% with the fiscal 2019 cohort and remained stable with the fiscal 2020 cohort. However, the rate decreased to 53% with the succeeding two cohorts. Since the third-year rate tends to mirror the second-year rate, it was expected that the third-year rate would decline with the fiscal 2022 cohort, but it remained stable at 53%. Overall, the gap between the second- and third-year cohort retention rates averages 20 percent points, indicating that there are opportunities for UBalt to target programs or initiatives toward retaining students beyond their second year.

4. Graduation Rates

Graduation rates are, in part, another measure of student retention and efficiency – as more students graduate, it frees up more room, allowing an institution to enroll more students. National data show students of color, low-income, and/or first-generation graduate at a lower rate than their peers, which points to the need to develop strategies and services to support the success of these students and close the achievement gap. **Exhibit 6** shows the six-year graduation rate for the fiscal 2013 to 2018 cohorts. The rate for all students was relatively steady, ranging between 54% and 56%. The rates of minority and African-American students have fluctuated for the last five cohorts, with both reaching their highest level of 53% and 49%, respectively, with the fiscal 2016 cohorts. The achievement gap widened to 6 and 9 percentage points for minorities and African American students, respectively, with the fiscal 2018 cohorts.

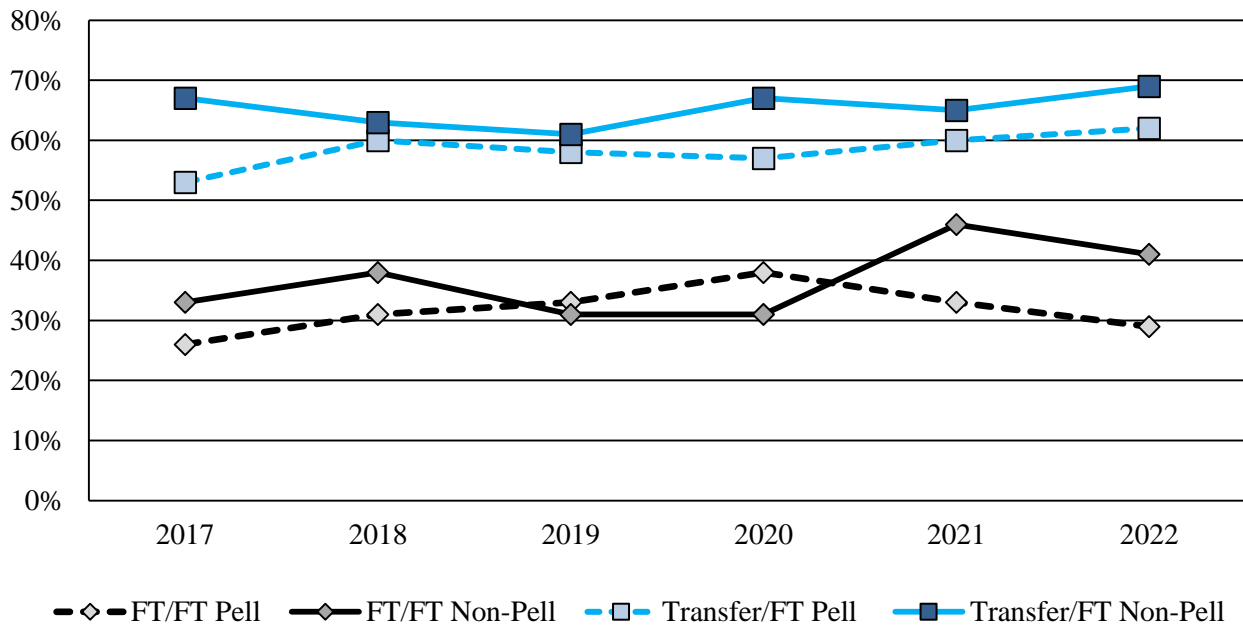
Exhibit 6
Six-year Graduation Rates
Fiscal 2013-2018 Cohorts



Source: University System of Maryland

While much attention has been paid to the achievement gap between the races, increasingly, attention has turned to the achievement gap between low-income and other students. Nationally, according to the National Center for Education Statistics, the average six-year graduation rate of the fiscal 2016 cohort of Pell students at four-year public institutions was 48.0%, compared to 66.6% of non-Pell students and 59.2% for all students. As shown in **Exhibit 7**, at UBalt, transfer students graduate at a much higher rate than first-time students. First-time transfer non-Pell students graduated at the highest rate in 2022. Transfer Pell students graduate at the next highest rate, reaching their highest rate in the period examined at 62% in 2022. While the overall graduation rate improved for 2022 students, it declined by 5 and 4 percentage points for the first-time, full-time (FT/FT) non-Pell and Pell students, respectively.

Exhibit 7
Six-year Graduation Rate – Pell and Non-Pell Students
 As of August 31, 2017 through 2023



FT: full-time
 FT/FT: first-time/full-time

Source: Integrated Postsecondary Education Data System

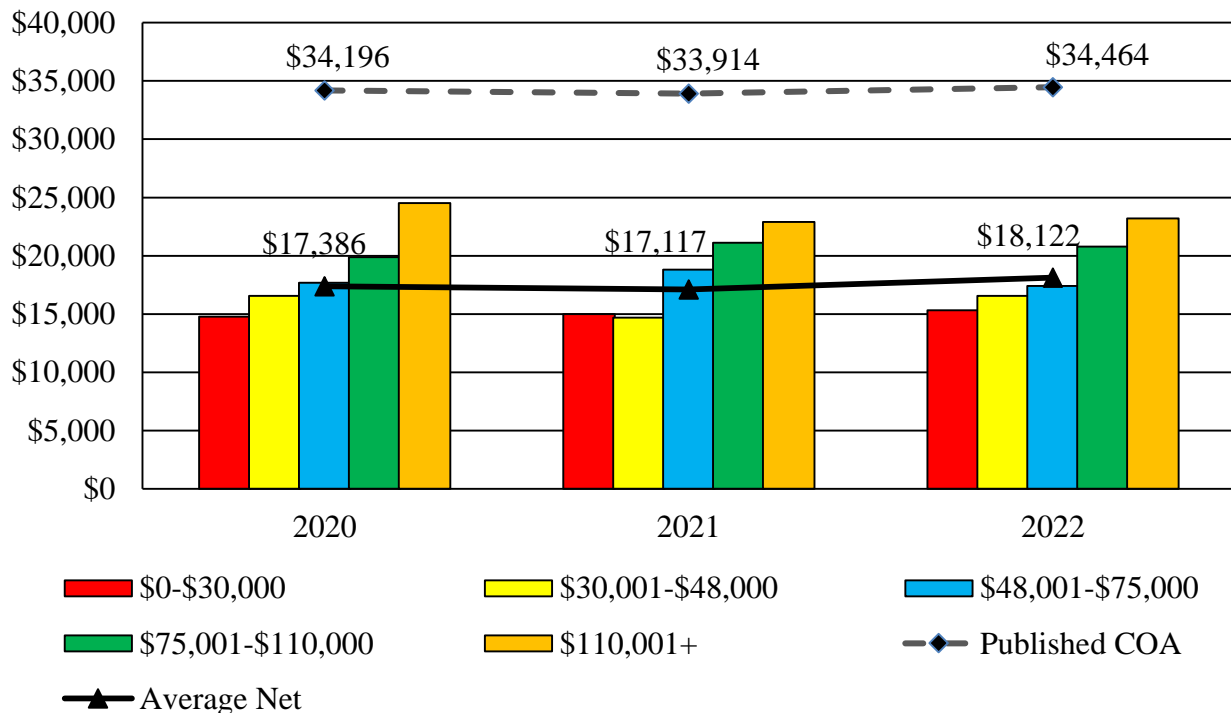
Overall, there is a persistent double digit gap in the graduation rates between that of the transfer Pell and non-Pell and FT/FT Pell and non-Pell students indicating that there are opportunities for UBalt to identify programs and services targeting not just FT/FT students but also transfer Pell students.

5. Affordability

Cost of Attendance

When considering the affordability of college, students and families tend to focus on the published cost of attendance (COA), or sticker price. COA is the total cost of attending college for one year, including tuition and fees, room and board, books, supplies, and other expenses. However, the focus should be on the average net price, which is the cost to the student after accounting for the average amount of federal, State, and institutional aid awarded to all undergraduate UBalt students. As shown in **Exhibit 8**, in fiscal 2022, the average net price for beginning full-time students was \$18,122, or 47.4%, lower than the published COA for a FT/FT student. The average cost to a student varies by income level. Those with a lower family income receive more financial aid, thereby lowering the average price of attending college. The average net price for a family with an income between \$0 and \$30,000 increased by \$317, from \$15,007 in fiscal 2021 to \$15,324 in fiscal 2022, which is 55.5% below the published COA price.

Exhibit 8
Estimate In-State Cost of Attendance versus Average Net Price by Income Level
Fiscal 2020-2022



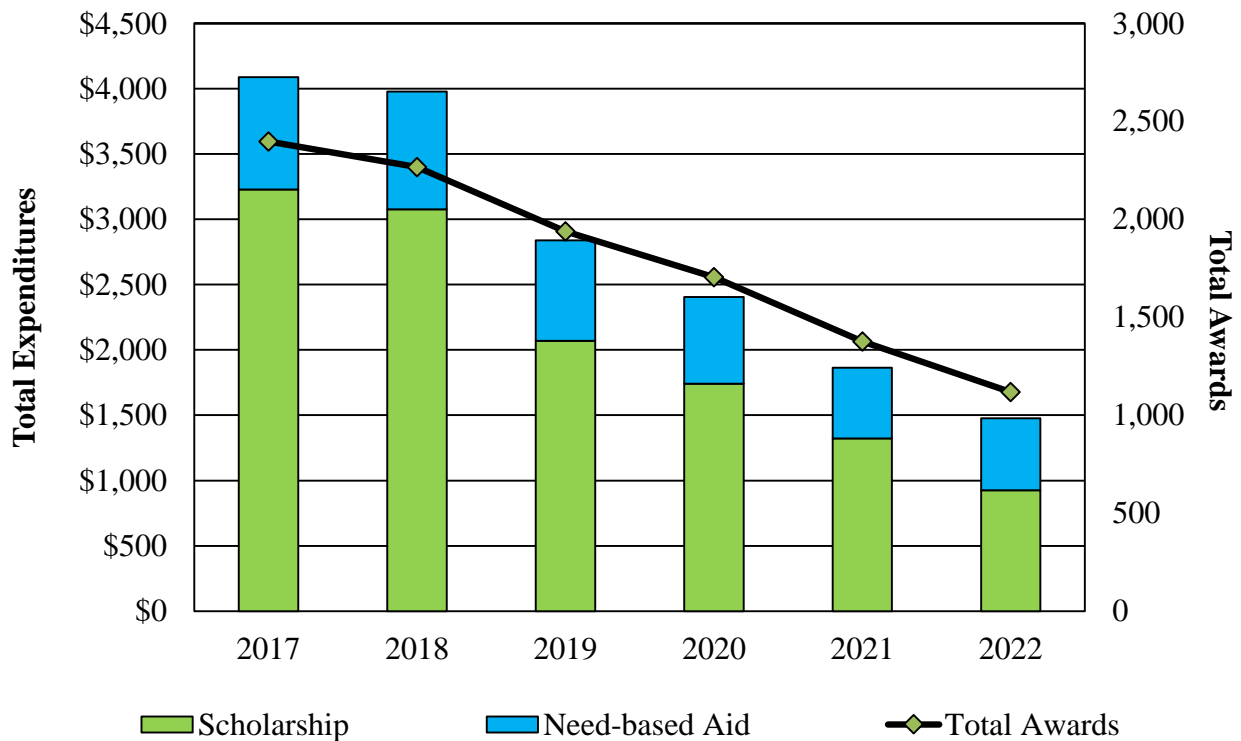
COA: cost of attendance

Source: National Center for Education Statistics, College Navigator

Institutional Aid

As shown in **Exhibit 9**, between fiscal 2017 to 2022, total spending on institutional aid decreased by 63.9%, or \$2.6 million, with scholarships accounting for \$2.3 million of the decline. By fiscal 2022, expenditures on institutional aid totaled \$1.5 million, of which \$0.6 million and \$0.9 million was spent on need-based aid and scholarships, respectively. This decrease reflects the impact of the continual decline in undergraduate enrollment, which fell 52.5% between fiscal 2017 and 2022. Additionally, according to UBalt, during the pandemic (fiscal 2020 through 2022) they were able to provide other noninstitutional aid disbursements to their students to help with educational expenses – federal relief funds and scholarship funds from the UBalt Foundation supplemented institutional awards. UBalt also noted in fiscal 2020 through 2022, they were able to shift federal Work Study allocation into the Federal Supplemental Educational Opportunity Grants to support those students with exceptionally high need. It should be noted that UBalt has been strategic in its use of financial aid by focusing aid on not only those with the greatest need but also those who are high academic performers.

Exhibit 9
Institutional Aid Expenditures and Awards
Fiscal 2017-2022
(\$ in Thousands)



Source: Maryland Higher Education Commission

Impact of the Simplification of the Free Application for Federal Student Aid

Implementation of the simplified Free Application for Federal Student Aid (FAFSA) for the 2024-2025 academic year will result in an increase in the number of students eligible to receive a Pell award and the maximum Pell award, but it will also result in some students seeing a reduction or losing their Pell award due to changes in determinations of Pell eligibility (see the Higher Education Overview for further discussion on the FAFSA simplification). The loss or the reduction of a student’s Pell award can negatively impact the retention and subsequent success of a student. UBalt estimates that to replace the lost Pell funding, it would require:

- \$281,010 for 38 students who qualified for the Pell grant in fall 2022 but will not qualify in the 2024-2025 academic year; and
- \$140,505 for 14 students who started in spring 2023 and might have qualified but now will not qualify for a grant.

In addition, UBalt estimates that it would need \$75,000 for new transfer students who might have received a Pell grant during the current academic year but will not receive a grant in the 2024-2025 academic year. If UBalt were to keep these students “whole,” it would require an additional \$0.5 million. Given the current enrollment and related financial situation, UBalt would need additional funding to increase their need-based aid budget in fiscal 2025 to provide help to cover students’ reduction or loss of their Pell award.

Fiscal 2024 Working Budget

Proposed Deficiency Appropriation

The fiscal 2025 budget includes a proposed deficiency appropriation totaling \$32.0 million across University System of Maryland (USM) institutions and Morgan State University that would replace general funds with the HEIF due to the use of higher than expected revenues, of which UBalt’s share is \$0.8 million.

Implementation of Legislative Priorities

During the 2023 session, the General Assembly added one-time funding in Section 19 of the fiscal 2024 Budget Bill for the Schaefer Center (\$1.5 million) and the Center for International and Comparative Law (\$0.3 million). As of December 31, 2023, the Schaefer Center has expended \$478,000. The center expects to spend the full \$1.5 million as follows:

- \$638,000 will be used for student internships, graduate student stipends, and tuition waivers;

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- \$580,000 will be spent on salary and fringes for the program manager, internship manager, and trainers for the certified public manager cohorts;
- \$254,000 will be encumbered to fund an additional certified public manager cohort and on public service internships; and
- \$28,000 to be used for other program expenses.

The Center for International and Comparative Law used the funds to hire a director who also assumed the role of study abroad coordinator. Since the director was hired mid-year, \$100,000 was spent on salary and fringes. It should be noted that the center will need to find funding in subsequent years to fund the position. In addition, \$25,000 was spent on membership dues to the American Society of International Law, conferences, training, and miscellaneous supplies. The remaining funds are expected to be encumbered to pay for direct expenses.

Education and General Expenditures

Since tuition and fee revenue in the allowance is based on enrollment projections, increases and decreases in enrollment can have a significant effect on an institution's revenue. Therefore, looking at the changes in expenditures by program area between fiscal 2023 and 2024, when institutions knew their fall enrollment, provides a more accurate picture of funding priorities. It should be noted that the fiscal 2024 working appropriation does not reflect working budget amendments.

Exhibit 10 shows unrestricted funds by program area in fiscal 2023 and 2024. Between fiscal 2023 and 2024, expenditures increase by \$5.8 million, or 5.2%. In fiscal 2024, education and general expenditures grew by 4.0%, or \$4.3 million. Spending increases across all program areas, excluding scholarships and fellowships, are related to the annualization of the fiscal 2023 general salary increases.

Exhibit 10
Budget Changes for Unrestricted Funds by Program
Fiscal 2023-2024
(\$ in Thousands)

	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Adjusted</u>	<u>2023-2024</u> <u>Change</u>	<u>2023-2024</u> <u>% Change</u>
Expenditures				
Instruction	\$36,209	\$39,791	\$3,582	9.9%
Institutional Support	16,128	19,203	3,075	19.1%
Scholarships and Fellowships	11,354	12,154	801	7.1%
Academic Support	13,439	14,065	626	4.7%
Research	611	935	325	53.2%
Student Services	11,213	11,165	-48	-0.4%
Operation and Maintenance of Plant	18,879	14,845	-4,034	-21.4%
E&G Total	\$107,833	\$112,159	\$4,326	4.0%
Auxiliary Enterprises	\$4,106	\$5,576	\$1,470	35.8%
Total Expenditures	\$111,939	\$117,734	\$5,795	5.2%
Revenues				
Tuition and Fees	\$47,737	\$49,359	\$1,622	3.4%
State Funds ¹	54,781	58,915	4,133	7.5%
Other	6,155	5,073	-1,082	-17.6%
Total E&G Revenues	\$108,673	\$113,347	\$4,674	4.3%
Auxiliary Enterprises	\$4,132	\$5,559	\$1,428	34.6%
Transfer (to)/from Fund Balance	-866	-1,172		
Available Unrestricted Revenues	\$111,939	\$117,734	\$5,795	5.2%

E&G: education and general

¹State funds include general funds and Higher Education Investment Funds.

Note: Fiscal 2024 does not reflect working budget amendment, includes a deficiency appropriation, and does not include the impacts of the statewide salary adjustment which are centrally budgeted in the Statewide Account in the Department of Budget and Management.

Source: Governor's Fiscal 2025 Budget Books, Department of Legislative Services

Other spending increases include:

- \$3.6 million, or 9.9%, in instruction, which includes \$1.8 million of one-time legislative additions to the fiscal 2024 budget for the Schaefer Center and the Center for International and Comparative Law;
- \$3.1 million, or 19.1%, for institutional support, which includes anticipation of filling key vacant positions in human resources and procurement and expenses related to Middle State reaccreditation;
- \$0.6 million, or 4.7%, for academic support for increases in equipment expenses that were funded with federal relief funds grants in fiscal 2023.

Expenditures for student services declined by \$48,248, or 0.4%, due to a shortfall in fee revenues related to declining enrollment. Spending on operation and maintenance of plant decreased by \$4.0 million, or 21.4%, which is related to a larger than budgeted transfer to the plant fund in fiscal 2023, primarily due to the availability of federal relief funds in fiscal 2023. Fiscal 2024 expenditures are budgeted at the fiscal 2023 level.

Fiscal 2025 Proposed Budget

As shown in **Exhibit 11**, the fiscal 2025 State funds for UBalt increases by 1.6%, or \$0.9 million, compared to the fiscal 2024 working appropriation. When excluding the impact of the fiscal 2024 general salary increases in fiscal 2025, which are not included in the fiscal 2024 working appropriation of UBalt but are budgeted centrally in the Statewide Account in the Department of Budget and Management (DBM), State funds decrease by 4.5%, or \$2.7 million, in the fiscal 2025 allowance.

Exhibit 11
Proposed Budget
Fiscal 2023-2025
(\$ in Thousands)

	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Adjusted</u>	<u>2025</u> <u>Adjusted</u>	<u>2024-2025</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$51,888	\$55,949	\$53,013	-\$2,936	-5.2%
Deficiency – HEIF Swap		-766			
Total Adjusted General Funds	\$51,888	\$55,183	\$53,013	-\$2,169	-3.9%
Special Funds					
HEIF	\$2,893	\$2,965	\$3,229		
Deficiency – HEIF Swap		766			
Legislative Priorities	575				
Total Special Funds	\$3,468	\$3,732	\$3,229	-\$503	-13.5%
Total Adjusted State Operating Funds	\$55,356	\$58,915	\$56,242	-\$2,672	-4.5%
Adjustment – Fiscal 2024 COLA/Increment			\$3,611		
Total State Operating Funds	\$55,356	\$58,915	\$59,854	\$939	1.6%
Other Unrestricted Funds	\$58,023	\$59,991	\$60,532	\$540	0.9%
Transfer (to)/from Fund Balance	-866	-1,172	-1,178		
Net Unrestricted Funds	\$112,514	\$117,734	\$119,207	\$1,473	1.3%
Restricted Funds	\$26,580	\$26,756	\$29,256		
CARES/CRRSSA/ARPA – Direct Federal Support	6,528				
Total Restricted Funds	\$33,108	\$26,756	\$29,256	\$2,500	9.3%
Total Funds	\$145,622	\$144,491	\$148,463	\$3,973	2.7%

ARPA: American Rescue Plan Act

CARES: Coronavirus Aid, Relief, and Economic Security Act

COLA: cost-of-living adjustment

CRRSSA: Coronavirus Response and Relief Supplemental Appropriations Act

HEIF: Higher Education Investment Fund

Note: Numbers may not sum to total due to rounding. The fiscal 2024 working appropriation includes deficiencies. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in the institution’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in institution’s budget.

Source: Governor’s Fiscal 2025 Budget Books; Department of Legislative Services

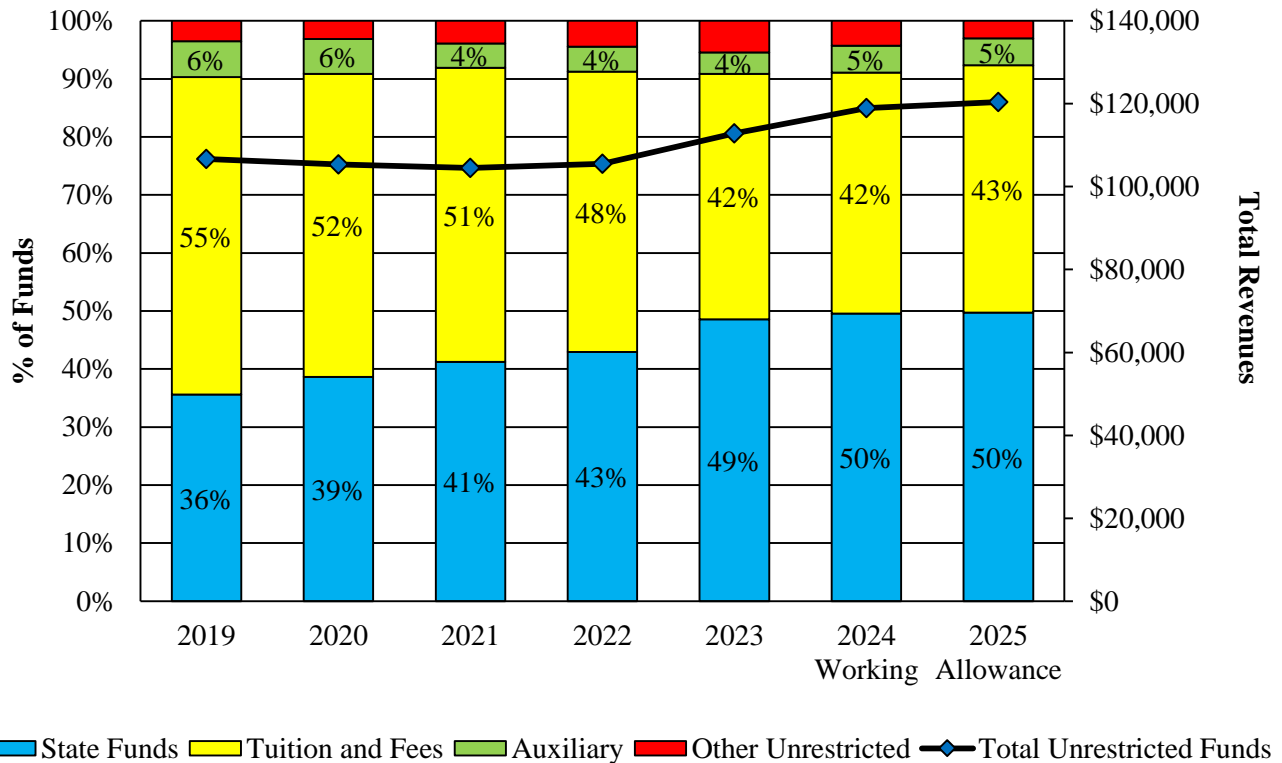
The decrease in the fiscal 2025 allowance, after adjusting for the fiscal 2024 salary adjustments, is mainly due to adjusting the turnover rate to 6% and one-time funding in fiscal 2024 added by the General Assembly in Section 19 of the fiscal 2024 Budget Bill (\$1.8 million). These decreases are partly offset by an increase of \$86,571 in statewide controlled costs.

Other current unrestricted revenues increase by 0.9%, or \$0.5 million, in fiscal 2025. Federal, State, and local grants and contracts and private gifts and contracts decrease by a combined \$2.1 million, which is related to an accounting change in how facilities and administrative (F&A) costs are recognized. In the past, F&A/overhead expenses related to restricted grants or contracts were recognized as unrestricted revenues, which would then be reclassified as an expense credit as specified under the generally accepted accounting principles when producing financial statements. However, starting in fiscal 2025, F&A/overhead will be recognized as an expense credit in unrestricted funds. Overall, this does not impact UBalt’s total revenues. A projected increase in tuition and fee revenue of 4.0%, or \$1.9 million, partly offsets the decline in other unrestricted revenues.

Unrestricted Revenues by Source

Overall, **Exhibit 12** shows the impact that declining enrollment has had on the composition of unrestricted revenues in recent years, with State funds comprising an increasingly larger portion of revenues, increasing from 33% of revenues in fiscal 2018 to 50% in fiscal 2024 and 2025. Conversely, tuition and fee revenue comprise less of the revenue, falling from 57% to 42% during the same time period. Even with this decrease, UBalt’s reliance on tuition and fee revenue remains higher than other institutions in which this revenue typically comprises around 40% of total revenues. This partially reflects another distinction between UBalt and residential institutions in which auxiliary enterprises can account for 30% or more of revenues, providing a cushion to cover shortfalls in the academic enterprise.

Exhibit 12
Unrestricted Revenues by Fund Source
Fiscal 2019-2025



Note: State funds include general funds and the Higher Education Investment Fund

Source: Governor’s Book Budgets

Revenues declined to \$104.5 million in fiscal 2021, reflecting the additional financial stress of the pandemic, with both tuition and fee and auxiliary revenues decreasing by \$2.0 million. Revenues increased by 13.8% between fiscal 2021 and 2024 to \$118.9 million, which was due to State funds increasing by \$15.9 million while tuition and fee revenues declined by \$3.6 million. Unrestricted revenues increase by \$1.2 million in the fiscal 2025 allowance; however, as previously discussed, a comparison cannot be made between fiscal 2024 and 2025.

Personnel Data

	<u>FY 23 Actual</u>	<u>FY 24 Working</u>	<u>FY 25 Allowance</u>	<u>FY 24-25 Change</u>
Regular Positions	623.00	651.00	651.00	0.00
Contractual FTEs	<u>94.09</u>	<u>81.86</u>	<u>81.86</u>	<u>0.00</u>
Total Personnel	717.09	732.86	732.86	0.00

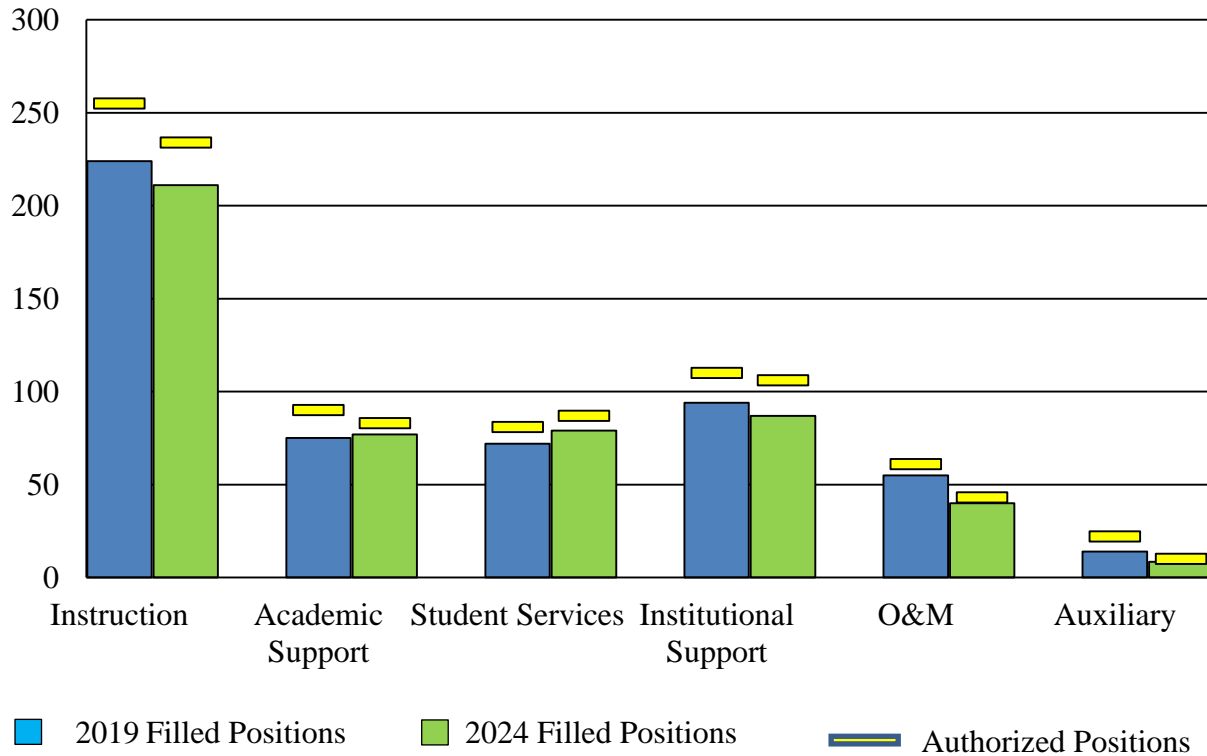
Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	33.14	5.09%
Positions and Percentage Vacant as of 12/31/23	64.00	9.83%
Vacancies Above Turnover	30.86	

- The fiscal 2025 allowance does not provide for any new regular positions. However, USM institutions have personnel autonomy and may create or eliminate positions during the fiscal year. In fiscal 2024 year to date, UBalt has added 28 full-time equivalent (FTE) positions.
- UBalt added 5.0 FTE State-supported positions in fiscal 2024, of which 4.0 FTE were contractual positions that were converted to regular positions. Of the 23.0 FTE non-State-supported positions that were added, 1.0 was a converted contractual position.

In order to help address budget shortfalls brought about from continuing enrollment declines and the pandemic, UBalt eliminated 56 FTE regular positions between fiscal 2019 and 2024 when excluding research and public service. Instruction and operations and maintenance of plant-related positions accounted for 21 and 18 FTEs of these abolished positions, respectively, as shown in **Exhibit 13**. Overall, due to the elimination of positions over the years, the number of unfilled positions decreased across all program areas except institutional support, which had 19 FTEs that were not filled in fiscal 2024 compared to 16 FTEs in fiscal 2019. For fiscal 2024, at 17.9%, institutional support has the largest percentage of unfilled positions. The percentage of unfilled positions in student services declined by 2.4 percentage points, to 10.1%; however, this rate still highlights the challenges that institutions have in filling these frontline positions that work directly with students whose needs have increased since the pandemic.

Exhibit 13
Authorized and Filled Positions
Fiscal 2019 and 2024



O&M: operation and maintenance

Source: Governor’s Fiscal 2025 Budget Books; Department of Legislative Services

Operating Budget Recommended Actions

1. See the University System of Maryland overview for systemwide recommendations.

**Appendix 1
Object/Fund Difference Report
University of Baltimore**

<u>Object/Fund</u>	<u>FY 23 Actual</u>	<u>FY 24 Working Appropriation</u>	<u>FY 25 Allowance</u>	<u>FY 24 - FY 25 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	623.00	651.00	651.00	0.00	0%
02 Contractual	94.09	81.86	81.86	0.00	0%
Total Positions	717.09	732.86	732.86	0.00	0%
Objects					
01 Salaries and Wages	\$ 78,309,385	\$ 81,538,758	\$ 86,262,480	\$ 4,723,722	5.8%
02 Technical and Special Fees	7,993,542	7,743,310	7,222,568	-520,742	-6.7%
03 Communication	286,339	361,840	435,844	74,004	20.5%
04 Travel	865,084	638,611	638,611	0	0%
06 Fuel and Utilities	2,525,088	2,860,825	3,030,584	169,759	5.9%
07 Motor Vehicles	3,821	31,338	30,258	-1,080	-3.4%
08 Contractual Services	11,809,966	11,931,220	11,632,790	-298,430	-2.5%
09 Supplies and Materials	2,827,761	2,609,782	3,607,449	997,667	38.2%
10 Equipment – Replacement	1,292,842	496,927	1,072,307	575,380	115.8%
11 Equipment – Additional	711,967	1,424,938	1,624,938	200,000	14.0%
12 Grants, Subsidies, and Contributions	19,721,158	20,209,851	20,209,851	0	0%
13 Fixed Charges	7,033,779	9,110,007	6,297,798	-2,812,209	-30.9%
14 Land and Structures	12,241,338	5,533,234	6,397,973	864,739	15.6%
Total Objects	\$ 145,622,070	\$ 144,490,641	\$ 148,463,451	\$ 3,972,810	2.7%
Funds					
40 Unrestricted Fund	\$ 111,939,013	\$ 117,734,373	\$ 119,207,183	\$ 1,472,810	1.3%
43 Restricted Fund	33,683,057	26,756,268	29,256,268	2,500,000	9.3%
Total Funds	\$ 145,622,070	\$ 144,490,641	\$ 148,463,451	\$ 3,972,810	2.7%

Note: The fiscal 2024 appropriation does not include deficiencies. The fiscal 2025 allowance does not include statewide salary adjustments budgeted within DBM.

**Appendix 2
Fiscal Summary
University of Baltimore**

<u>Program/Unit</u>	<u>FY 23 Actual</u>	<u>FY 24 Wrk Approp</u>	<u>FY 25 Allowance</u>	<u>Change</u>	<u>FY 24 - FY 25 % Change</u>
01 Instruction	\$ 38,877,099	\$ 41,464,583	\$ 42,543,042	\$ 1,078,459	2.6%
02 Research	7,472,725	7,269,609	4,663,212	-2,606,397	-35.9%
03 Public Service	13,048,830	8,848,369	11,709,219	2,860,850	32.3%
04 Academic Support	14,409,004	15,540,464	16,025,651	485,187	3.1%
05 Student Services	11,786,542	11,613,055	12,373,120	760,065	6.5%
06 Institutional Support	16,892,504	19,412,112	19,914,903	502,791	2.6%
07 Operation and Maintenance of Plant	19,755,261	15,025,025	15,932,665	907,640	6.0%
08 Auxiliary Enterprises	4,131,767	5,575,519	5,559,734	-15,785	-0.3%
17 Scholarships and Fellowships	19,248,338	19,741,905	19,741,905	0	0%
Total Expenditures	\$ 145,622,070	\$ 144,490,641	\$ 148,463,451	\$ 3,972,810	2.7%
Unrestricted Fund	\$ 111,939,013	\$ 117,734,373	\$ 119,207,183	\$ 1,472,810	1.3%
Restricted Fund	33,683,057	26,756,268	29,256,268	2,500,000	9.3%
Total Appropriations	\$ 145,622,070	\$ 144,490,641	\$ 148,463,451	\$ 3,972,810	2.7%

Note: The fiscal 2024 appropriation does not include deficiencies. The fiscal 2025 allowance does not include statewide salary adjustments budgeted within DBM.