



FY 2025 Operating Budget

Testimony & Response to Department of Legislative Services Analysis

USM Chancellor Jay A. Perman

House Appropriations Committee
Education and Economic Development
Subcommittee

Stephanie M. Smith, Chair

January 31, 2024

Senate Budget and Taxation Committee
Education, Business and Administration
Subcommittee

Nancy J. King, Chair

February 1, 2024

Members of the subcommittee, I'm grateful for this chance to testify on the University System of Maryland's (USM) FY 2025 operating budget proposal.

I thank you for the tremendous support you and your colleagues have shown to higher education and to the USM over the years. This body has been consistent in its support of our mutual priorities: unparalleled education, world-changing discovery and innovation, dynamic workforce development, a strong economy and strong communities, and a quality of life that's second to none. It's your support that sets Maryland apart from—and, in many ways, far ahead of—other states.

At its heart, Maryland's budget is a statement of our priorities. Approving this budget will affirm that Maryland values higher education and what we do for our students, for the state, and for its citizens.

GOVERNOR'S FY25 BUDGET PROPOSAL

In brief, the governor has proposed \$2.2 billion in state support for the USM, coming from the General Fund and the Higher Education Investment Fund. This is a decrease of \$45.3 million—or 2.2 percent—from last year's budget.

Even with this reduction, the governor's proposal allows the USM to limit our tuition increase next year to an anticipated 2 percent for in-state undergraduates. As you well know, we are deeply committed to making sure that every Marylander has access to an exceptional and affordable higher education. Your partnership enables exactly that.

FY25 Budget Overview / Top Line

Governor's Proposal: **\$2.2B** / General Fund & HEIF

- Decrease of \$45.3M—2.2%—from FY24

Allows the USM to limit tuition increase

- ~2% increase for in-state undergraduates

Add'l funding in DBM Personnel Budget for salary adjustments

- COLA & merit increases for USM state-supported employees

The governor's proposed budget includes funds to cover recent and planned COLA and merit increases for our state-supported employees. On this point, I acknowledge the incredible work of those who serve the System and our students. Without question, our faculty and staff are the reason for our success, and I'm grateful their service is recognized and rewarded.

It bears mentioning that the cut to our budget is not driven by direct cuts to existing programs or services, but rather by an adjustment to currently unfilled positions at universities across the System. Without question, losing funding for these critical positions will affect strategic priorities and operations on our campuses. Nevertheless, everyone within the USM understands the budgetary challenges the state is facing. And, as always, we recognize our obligation to do our part in closing the deficit.


It's to your credit that Maryland has made a significant commitment to ensuring that students graduate from high school college ready. That commitment requires another: that the USM be supported to educate these very students. After all, 80 percent of the USM's undergraduates come from Maryland, and 80 percent of the degrees awarded in Maryland are conferred by USM universities.

We're proud of this 80/80 standard. We're proud that making Maryland students college ready really means making them "USM ready."

And so we're pleased that there are a number of items in the governor's budget proposal that advance our ability to better serve our existing and future students; to make sure not only that these students are ready for us, but that we are, in fact, ready for *them*.

The budget includes nearly \$5 million in additional funding for UMES as part of a federal/state partnership addressing decades of chronic underfunding of land-grant HBCUs.

There's also funding for the operation of vital new facilities, many of which support the STEM disciplines, health care professions, and other key areas of Maryland's workforce need.

 UNIVERSITY SYSTEM of MARYLAND
FY25 Budget Overview / Key Elements
\$4.8M —University of Maryland Eastern Shore <ul style="list-style-type: none">➤ Doubling state-federal match for 1890 land-grant institutions
\$4.7M —Operating costs associated with new USM facilities <ul style="list-style-type: none">➤ Supporting STEM & health care professions; other key workforce development needs Systemwide
\$2.4M —MPower Joint Steering Council <ul style="list-style-type: none">➤ Honoring ongoing commitment to SB897


And there is ongoing support for what I consider a model of USM collaboration, the MPower partnership between the University of Maryland, College Park and the University of Maryland, Baltimore. Last year, the research expenditures of these two universities *combined* reached \$1.23 billion, an \$86 million climb over the year before.

The budget proposal also includes \$35.5 million in new funding for the USM's three historically Black institutions: Bowie State University (BSU), Coppin State University (CSU), and the University of Maryland Eastern Shore (UMES). It's the third installment of the 10-year, \$577 million HBCU settlement approved in 2021, and brings total funding for the three universities to \$94 million.

The funding supports our HBCUs as they continue to raise their profile and amplify their impact. All three universities are using the money to expand academic offerings, provide additional scholarships and student aid, enhance student support services, and expand their marketing. However, each institution is aligning its priority efforts with the university's unique needs and circumstances.

Bowie State has used the majority of its HBCU settlement funds to develop new academic programs and enhance existing ones. This includes new undergraduate and graduate degrees in computer science, data science, cyber operations engineering, public health informatics, and

applied and molecular biology. These programs position BSU for even greater impact in the DC metro area’s computing, cyber, and health IT corridor.

**UNIVERSITY SYSTEM
of MARYLAND**

HBCU Settlement

Settlement Funding (incl. Year 3)

- **Bowie State University**—\$46.2M
- **Coppin State University**—\$23.7M
- **University of Maryland Eastern Shore**—\$24.1M

Settlement Funding Activities

- New & expanded academic programs
- Scholarships & financial aid
- Student success initiatives—e.g., coaching, tutoring
- Marketing & communications

Coppin State is focused on growing enrollment and nurturing student success. Ramped-up recruiting efforts are supported with more than \$3 million allocated for student scholarships and financial aid. And CSU’s new Eagle Achievement Center is providing wraparound services in support of academic success, retention, and degree completion. Taken together, these efforts are strengthening Coppin’s reputation as a leader in urban higher education.

UMES has struck a balance between academic enhancements and student support. Academic growth includes new undergraduate and graduate programs in biomedical engineering, data science and analytics engineering, and applied computing and engineering. And UMES has begun laying the groundwork for its new Doctor of Veterinary Medicine program. On the student support end, UMES has expanded access and affordability with \$2.5 million targeted to scholarships, financial aid, and student support services.

It’s been gratifying to see the impact of this investment in our HBCUs—to see them grow stronger and more nimble, create innovative and high-demand degree programs, expand access to a historically underserved student body, and keep themselves competitive in one of the nation’s most prominent and dynamic higher education landscapes. I know our HBCUs will continue to rise—in reputation and impact—and I look forward to watching them do just that.

I assure you that Maryland’s commitment to the USM—evident in this budget proposal—is matched by our commitment to Maryland. This brings me to my second area of focus: What that commitment looks like and its impact on our state.

An Accessible & Affordable USM

Modest tuition increase for in-state undergrads

- Maryland ranks **25th** for public in-state tuition & fees
- **Below** the nat'l average and **well below** neighboring states

\$90M in need-based institutional aid

- Up **45%** over FY22, helping **10,000 more** students with financial need
- Half of all USM undergraduates graduate with **NO student loan debt**

More than half of USM students are students of color

- Underrepresented students: **Up 30%** since 2013
- Underrepresented faculty: **Up 29%** since 2013

ENROLLMENT & AFFORDABILITY

I'll start with the very good news that USM enrollment is growing again, signaling our continued COVID rebound. We're at nearly 167,000 students across the USM, a 2.5 percent increase over last year.

Across the USM, more than 15,000 of those enrolled are full-time students in college for the first time, a one-year, 4% increase. That bucks trends nationwide, where first-time enrollment dropped.



We see strong growth (4 percent) among first-time, full-time undergraduates—growth that outperforms national trends. And our graduate enrollment remains steady. Additionally, our

HBCUs are enjoying a second-straight year of growth. Collectively, their headcount is up 5 percent over last year.

This growth in enrollment reflects one of our foundational commitments: putting a USM education within reach of any Marylander who wants one. That is, our growth comes from innovating how we open access, how we improve affordability, and how we retain to graduation the students who have *already* chosen us.

Let me speak to affordability. When you look at the two key factors determining affordability in higher education—tuition cost and student aid—you’ll see that the USM is a leader. With your support, we’ve been aggressive in making our education more affordable. Not too long ago, Maryland’s public colleges were some of the nation’s costliest for in-state residents. Today, Maryland ranks 25th among all states in terms of tuition and fees for resident students. Our cost is below the national average and well below that of neighboring states.

Now to the second component of the affordability equation, student aid: Last fiscal year, our universities distributed \$90 million in need-based to their undergraduates. That’s a 45 percent increase over the year before. That growth in aid also grew, by 10,000, the number of undergraduates who received it. In all, 33,000 undergraduates were awarded institutional need-based aid. That’s what happens when bodies like this one prioritize and support our focus on meeting student need. I thank you.

The impact of these twin efforts is profound: Today, fully half of all USM undergraduates earn their diploma without accruing any tuition debt whatsoever.



And the future holds even more promise. As you know, last year, the General Assembly permitted the USM to establish a \$150 million quasi-endowment to expand the financial assistance we offer students. Income from the fund is projected to grow the need-based aid we offer students by \$6.4 million a year.

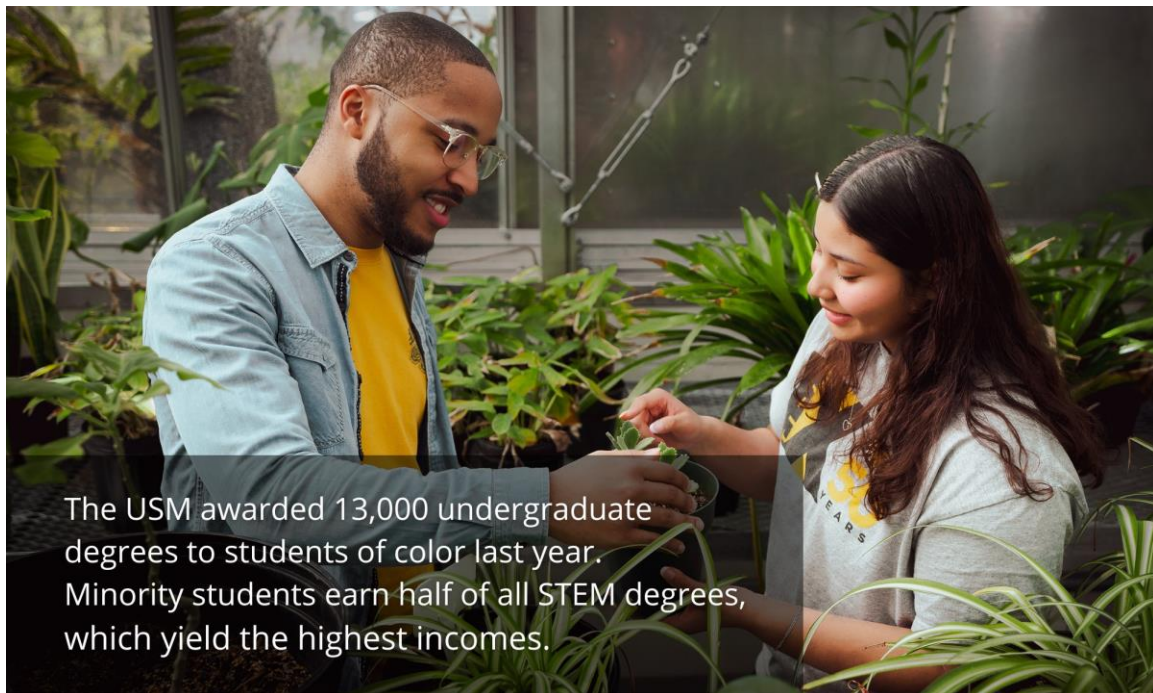
DIVERSITY & EQUITY

Affordability, however, is only one piece of our promise to make a USM education accessible to all Marylanders. Another is making sure that the students we serve reflect Maryland’s full diversity. This is, in fact, a core priority of our Vision 2030 strategic plan.

Today, the USM is a majority-minority System. More than half of our students are students of color. And this diversity isn’t merely a function of enrollment at our HBCUs and our minority-serving institutions. In fact, most of our “predominantly white institutions” now serve majority-minority student populations.

Additionally, we’re educating more students from historically underrepresented groups. This year, 38 percent of all USM students are underrepresented minorities, a 30 percent climb over 10 years. This is no accident. Our diversity reflects Maryland’s diversity. And that’s our mission: To serve the people of Maryland.

Our diversity is our strength. And that’s never been truer than right now.



ACCESS & ACHIEVEMENT

It's instructive to pair the System's statistics on diversity and equity, on access and affordability, with our statistics on student success. Because there's typically a tension between access and achievement. If you open up college to more students—first-generation students, low-income students, students historically shut out of higher education—you can typically expect your achievement metrics to suffer.

But we're not sacrificing either one—access or achievement. Our second-year retention rate—students who persist from their freshman to sophomore year—is 84 percent, above the U.S. average. Our six-year graduation rate is still one of the country's best at 71 percent.

We prove, every year, that higher education *can* do both: We can open up our doors to more students, and we can expect that—with consistent, intensive, and targeted support—they will succeed.

This success—in access, retention, and completion—is the reason the number of bachelor's degrees we award has climbed 15 percent over the past decade. In all, we awarded 42,045 degrees last year, graduating the students who serve the state.



EDUCATION & OUR ECONOMY

“Serving the state” also means fueling its economy. Maryland ranks in the top 5 states for bachelor's degree holders and advanced degree holders. We're a top 5 state for the size of our science and technology workforce, and for the impact of our technology innovation. We're No. 1

in household income. There is a straight line running from the first metric (education attainment), through the second (innovation), to the third (income). The USM drives Maryland prosperity. Eight in every 10 bachelor's degrees conferred in Maryland are awarded by the USM, and because 80 percent of our undergraduates are in-state residents, many *stay* in Maryland following graduation, contributing their wealth to our economy and their service to our communities.



Fueling Maryland's Economy

Nearly 167,000 students enrolled in 2023

- 80% of undergrads are from MD

42,000 degrees awarded in 2023

- 80% of all bachelor's degrees conferred in MD
- 15% increase in bachelor's degrees since 2013

12,000 STEM degrees / 3,800 health professions degrees

\$1.8B in external grants & contracts

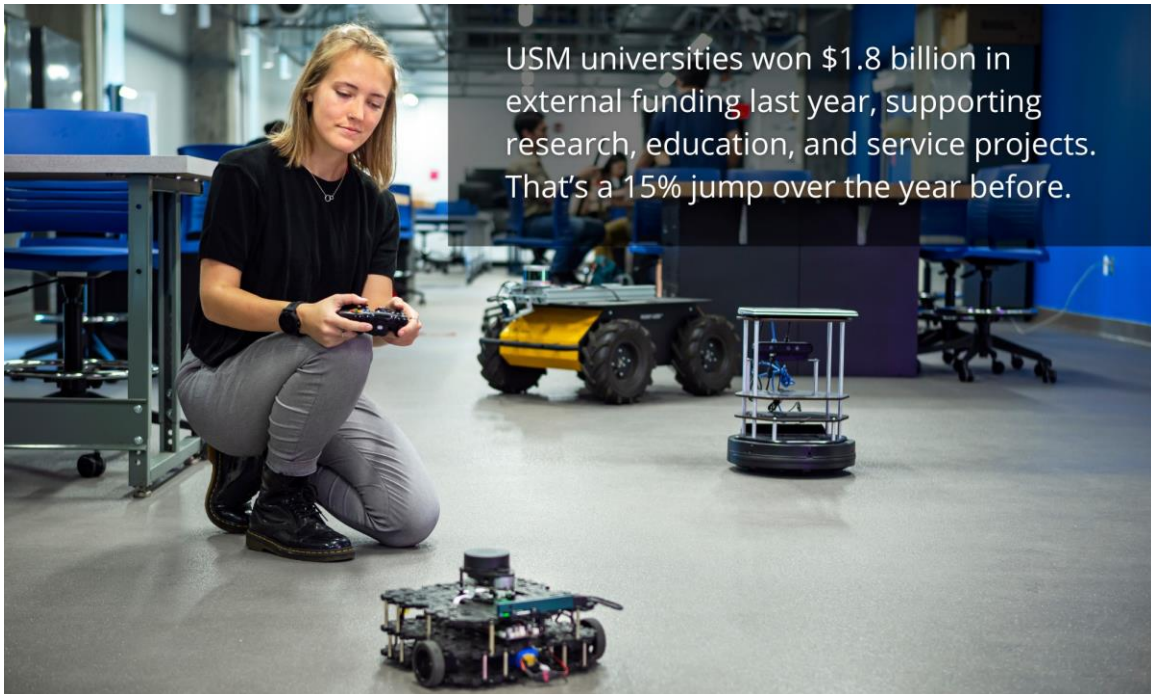
- 15% increase over 2022

RESEARCH & DEVELOPMENT

Of course, the state's economic strength, its dynamic science and technology workforce, its powerful innovation also have a lot to do with the research the USM produces and commercializes right here in Maryland. The combined R&D expenditures of our two biggest research institutions—the University of Maryland, College Park and the University of Maryland, Baltimore—rank them No. 11 among the country's public universities.

In total, the USM won \$1.8 billion in external funds last year for research, training, and service, a 15 percent increase over the year before. Every day, those grants and contracts are translated into products and practices that make Maryland citizens healthier and happier; that make our world safer and more sustainable.

But our research produces more than innovation. It creates jobs, and builds entire industries. Our research parks are home to nearly 200 companies, employing more than 9,000 people. In the last five years, 89 startups have launched based on the intellectual property of our universities; 313 USM technologies have been licensed or optioned by our industry partners. And at the USM, we support our own ideas. Through the Maryland Momentum Fund, we've invested in 31 System-affiliated companies.



Maryland's deepening strength is evident all around us: the FBI headquarters relocating to Prince George's County; the University of Maryland Institute for Health Computing launching in Montgomery County; the Baltimore metro area being named a federal Tech Hub. Universities across the System contributed to these wins, and all are positioned to seize the opportunities that come from them—opportunities to make the Maryland that *all* Marylanders deserve.

DEPARTMENT OF LEGISLATIVE SERVICES ANALYSIS

- 1. The chancellor should comment on factors contributing to the decline in enrollment at the regional institutions; challenges to increasing access at these institutions; and the impact of increased competition for fewer students among institutions.**

FACTORS CONTRIBUTING TO ENROLLMENT DECLINES

Higher education's changing demographics play a pivotal role in enrollment. Historically, regional universities disproportionately served traditional-age, first-generation students. This population is now largely centered in metropolitan areas, as population nationally shifts toward cities.

At the same time, we're seeing more first-generation students, more lower income students, a relatively older undergraduate population, and more people working while in school. Well-resourced students are more likely to choose well-endowed universities, leaving regional universities to serve lower income adult students who are averse to accumulating debt and may take fewer credits at a time.

Regional universities had been expanding enrollment through graduate program growth, but in the U.S. and Maryland, domestic graduate enrollment has dipped. According to the Council of Graduate Schools, between fall 2021 and fall 2022, domestic first-time graduate enrollment declined 4.7 percent. International graduate enrollment, meanwhile, has begun to recover nationally, after declines from 2015 through the pandemic. However, regional universities outside urban areas typically have to work harder to recruit international students.

Our regional institutions, including our regional higher education centers (RHECs), continue to play a critical role in serving working students. The working adult population, which community colleges also serve, saw sharp enrollment declines during the pandemic. Those numbers are coming back in Maryland, but more slowly than for first-time, full-time students.

Notably, regional universities are seeing significant improvements in freshman enrollment. Salisbury has recently admitted its second- and third-largest freshman classes ever; Towson admitted a record class in fall 2023; and other regional universities saw freshman increases.

CHALLENGES TO INCREASING ACCESS

The lack of substantial non-loan aid adds to challenges in recruiting students. For undergraduates, working while attending college often results in lesser (or no) Pell grant funding, but does not address remaining need. And students with families may hesitate to take on student loan debt.

Thus, students at regional universities require more need-based aid, including more aid for part-time students. As a state and a System, we've tended to prefer aid for full-time students, in part because we want to incentivize full-time attendance: Students who take more credits at one time are more likely to graduate. But some students simply will not, or cannot, enroll full-time, particularly as our average college-going age rises.

Regional universities in rural areas like Western Maryland and the Eastern Shore have had difficulty attracting and retaining underrepresented minority students, but they have strategies in place to address those challenges. Regional institutions—and others—are committed to recruiting Hispanic students. Hispanic residents comprise Maryland's fastest growing population, but attend college at lower rates than African American and white students.

Our regional universities and RHECs are growing innovative strategies to recover enrollment and strengthen their position as regional anchors. They're expanding the number of programs and courses available online, exploring new models of international and regional outreach, and developing new programs important to their regions.

Perhaps most importantly, they continue to strive for the highest quality academic programming. For instance, UMES is leveraging its HBI settlement funds and leaning into its land-grant mission with expanded programs in engineering, biomedical sciences, and health professions, including a new veterinary medicine program—only the second at a U.S. HBCU.

Of course, access is meaningless without success, and success starts with retention. As our Overview states, the USM's attrition numbers are shrinking as our universities increasingly retain students to graduation. To build on this success, the USM is launching a \$4 million grant-funded project to train a cadre of peer mentors across the System who connect first-time students—especially underrepresented students—with academic and support services that inculcate a sense of belonging.

COMPETITION AMONG INSTITUTIONS

Regional universities within the System shouldn't be viewed as direct competitors. Application overlap could be studied further, but we see pockets of that phenomenon rather than clear patterns. Minimizing intra-System competition is the fact that academic programs within the USM begin with a letter of intent so that each university can comment and work toward a solution if it believes a new program would create unhealthy competition.

Many of our universities are addressing areas of high need. For instance, many have Baltimore-specific initiatives to improve the city's college-going rate of 25 percent, the lowest in the state. This is not competition, but collaboration that serves a compelling need. These efforts will benefit from more partnership with MSDE as we make the Blueprint's promise a reality.

But in fact, competition often lies with out-of-state schools and online universities. Our analyses find that candidates apply to similar peer institutions in-state and out-of-state. Further, about 40 percent of applicants who choose an out-of-state school enroll in an academic program not offered by the USM university.

The best way to grow enrollment at our regional universities is twofold: 1) Support more Marylanders to pursue college—including those who will start at a community college; and 2) Leverage the System's strengths to retain more Marylanders with choice in the state.

More systematic data on institutional competition will be undertaken as a crucial component of the USM's strategic planning and marketing/branding efforts.

2. The chancellor should comment on institutional efforts to reach out to those who have stopped out to return and earn their degree.

Students with some college but no degree are most likely to re-enroll within their first year of stopping out. For that reason, our universities conduct extensive outreach to currently enrolled students, encouraging them to enroll for the upcoming semester in a timely manner. They conduct additional outreach to students who are late to register; it's not uncommon for these students to receive multiple "touches" through various media from advising and enrollment staff.

SIMPLIFYING READMISSION

USM universities have simplified readmission processes so that they don't deter returning students, and some have developed interdisciplinary majors with built-in flexibility that allow students to complete their degrees without starting over in a major. USM universities serving a higher percentage of older and working students have developed more flexible continuous enrollment policies at the undergraduate level, so that students who have had to stop out of their education for a few semesters can reenroll without reapplying for admission.

NEAR-COMPLETER PROGRAMS

Every USM university has some version of a near-completer program, aiming to lure back stopped-out students who are within about 30 credits of graduation. Some have reached out to students with outstanding balances and negotiated payment plans with them. In fact, the USM Foundation offers universities scholarship funds targeted to students in these near-completer programs.

REVERSE TRANSFER

Our universities also help students through the reverse transfer process, transferring credits from their university to a community college. Reverse transfer helps prevent students from leaving a four-year university—even for a short while—with no credential to show for the time and money they invested in their education.

3. The chancellor should comment on the increase in the number of vacant positions, factors contributing to the increase, and challenges in filling positions.

Since the pandemic, USM universities are finding it more difficult to recruit and hire qualified faculty and staff. The dynamic and competitive job market significantly affects our capacity to attract and retain talented individuals. This holds true across U.S. higher education and many other sectors of the economy, including IT and skilled trades.

In recognition of this difficult market, we're exploring new, innovative recruiting strategies, and regularly reviewing salary levels to ensure we're competitive in the job market and fair and consistent in our pay practices.

As highlighted in the analyst's report (p. 36–38), our three HBCUs have received more than \$58 million in coalition settlement funding designated to develop, expand, and improve academic programs. Much of this funding is allocated to creating new faculty and academic support positions in active recruitment.

4. Despite the decrease in underlying state support, the USM budget assumes in-state tuition will increase only 2% in fiscal 2025. The chancellor should comment on whether the decrease in state support will lead USM to revisit its planned 2% in-state tuition increase.

The decrease in state support does affect our delivery of services to students. While every dollar of state support is important to carry out our mission, we understand and appreciate the state’s budget situation and are prepared to contribute our share.

Our Board of Regents places great value on the System’s Effectiveness & Efficiency initiative, designed to leverage our “Systemness” to optimize resources, generate revenue, and save money—savings that are passed on to our students. Over 20 years, this initiative has yielded more than \$1.5 billion in cost avoidance, savings, and revenue generation, and helps us sustain nimble and effective performance during lean budgetary times.

While our universities are preparing to absorb the budget cuts proposed in the governor’s allowance, we remain concerned about several proposed bills currently in the legislature that could have significant fiscal impacts on our universities. Should these bills move forward, we must reserve the right to ask our Board of Regents to consider a tuition increase above 2 percent for in-state USM students.

TESTIMONY FROM COPPIN STATE PRESIDENT ANTHONY JENKINS

1. The presidents should comment if there is any plan to extend the program to returning students.

Coppin State University has no plans to extend our Expand Eagle Nation program to existing and/or returning students. The implementation of this program will officially begin with our fall 2024 cohort.

Any effort(s) to apply our Expand Eagle Nation program to existing and/or returning students would generate financial aid Title IV issues—potentially resulting in audits, federal aid verification inquiries, and students required to repay refunded money.

2. The presidents should address how this plan might affect their out-of-state tuition and fee revenue.

This proposal is designed to increase student enrollment, retention, and completion rates, and net greater tuition revenue based on the presumption that the reduction of out-of-state tuition will foster increased interest in Coppin State University. Per fall 2021 data, Maryland undergraduate non-residents for Coppin State University make up 15.8 percent of enrollment.

Given this, there will be forgone tuition, but that should be offset by increased out-of-state enrollment resulting from this initiative. Currently, Coppin State University has the capacity to

absorb increased enrollment without a material increase in costs associated with the additional students.

While there may be some incremental increase in some variable costs, these increases would be covered by the tuition and fees collected. Every 1.4 new full-time students who attend Coppin State University because of this initiative will make up the difference between the current out-of-state and in-state tuition rates.

The decreased tuition rate would also reduce the cost of academic and athletic scholarships provided to out-of-state students. This will permit existing budgeted scholarship funds to be utilized across a larger student population and provide a benefit to a greater number of students. The opportunity to expand the impact of institutional scholarships will also reduce the amount of loan debt students will need to take on to complete their education.

TESTIMONY FROM UMES PRESIDENT HEIDI ANDERSON

Please see Addendum A for President Anderson's testimony.



**UNIVERSITY OF MARYLAND
EASTERN SHORE**

Testimony on R30B00

**University System of Maryland
Fiscal 2025 Budget Overview**

Dr. Heidi M Anderson

President | University of Maryland Eastern Shore

House Appropriations Committee

Education and Economic Development Subcommittee

January 31, 2024

Senate Budget & Taxation Committee

Education, Business and Administration Subcommittee

February 1, 2024

On behalf of the University of Maryland Eastern Shore (UMES), we would like to thank Governor Wes Moore, Lt. Gov. Aruna Miller, Senate President Bill Ferguson, Senate Budget and Taxation Committee Chair Guy Guzzone and the subcommittee Chair of Education, Business and Administration Nancy King, Speaker of the House Adrienne Jones, House Appropriations Committee Chair Ben Barnes, and the subcommittee Chair of House Education and Economic Development Stephanie Smith.

We also extend our appreciation to Ms. Kelly Norton for her thorough analysis of our HBCU Tuition Initiative and the newly approved Doctor of Veterinary Medicine Program.

As a public 1890 land-grant Historically Black University that embraces diversity, UMES is committed to serving first-generation and underserved students and providing educational, research, and community engagement opportunities to transform the lives of its students who will impact the state, region, and the world.

UMES IN-STATE TUITION FOR OUT-OF-STATE STUDENTS

Since 2020, Historically Black Colleges and Universities (HBCUs) have seen a resurgence due to the Supreme Court decision on Affirmative Action causing underrepresented minority students to seek the community and additional wrap-around services HBCUs provide to promote student success, especially in the STEM fields.



Many sources have shown that the number of students graduating from Maryland high schools is on the decline (Source: Western Interstate Commission for Higher Education, *Knocking at the College Door: Projections of High School Graduates, 2020*, www.knocking.wiche.edu).

Students cite the reason they are not attending college is the cost of education or that they feel that a college education does not provide the return on the financial investment. For resource-limited universities, we need to think creatively about how we can continue to grow enrollment while serving our mission. UMES believes that expanding our reach to first-generation students and students from underserved communities outside of Maryland is a logical and effective way to meet these goals, while fulfilling aspirations of students who dream of being an HBCU alum.

The UMES HBCU Tuition Initiative was created to expand the reach of UMES to first generation students and students coming from underserved communities outside of Maryland who do not have an HBCU in their State. UMES is grateful to the University System of Maryland (USM) Board of Regents for approving this initiative. As we implement this initiative, UMES will work to maintain a healthy balance of in-state and out-of-state students as governed by the USM Board of Regents.

UMES admits thousands of students from outside the State of Maryland but only achieve a 4-5% yield rate each year. The main reason for that lower yield over the last three years is that many of these students seek the academic support and community feel of UMES, but do not have the financial means to attend. We are looking to increase our yield percentage for out-of-state admitted students through this program with guaranteed scholarships. This scholarship minimizes students' financial burden without a significant increase to the incremental cost of instruction.

As an added benefit, studies show students tend to stay in the geographic area where they attend college. UMES' strategic initiative to recruit students from across the country will bring highly competitive students to the Eastern Shore— especially in the Health Professions—and increase the likelihood of them staying in Maryland contributing to the State's economy and alleviating workforce shortages.

The president should comment if there is any plan to extend the program to returning students.

UMES does not intend to include current out-of-state students in this program. We will, however, continue to utilize other scholarships and financial aid discounting models to assist these current students through graduation.

The president should address how this plan might affect its out-of-state tuition and fee revenue and its budgets.

Currently 50% of UMES' out-of-state students come from states with an HBCU who would not be eligible for this scholarship program. This will still allow for a healthy tuition mix while also increasing the overall headcount at UMES and providing the benefits mentioned above.

PROPOSED DOCTOR OF VETERINARY MEDICINE PROGRAM

December 15, 2023, and January 16, 2024, were momentous occasions for the University of Maryland Eastern Shore as those are the dates of the USM Board of Regents and Maryland Higher Education Commission approval of the Doctor of Veterinary Medicine (DVM) Program on our campus. UMES will be only the second HBCU in the nation to have a DVM program and the first that will be fully taught within the state of Maryland—two notable milestones for our campus and our state.



Another distinction for this program is our timetable for completion.

Traditionally, DVM programs require the standard four-year timeframe to graduation. As we have done with some of our other programs, the emerging UMES DVM program will operate on an accelerated timeframe. This will allow our students to graduate within three years and join the workforce that the marketplace is demanding.

This distributed model reduces infrastructure

costs by having clinical sites across the state instead of an onsite teaching hospital. It's also one that allows UMES to train the next generation of Veterinarians in an economically efficient manner.

This cutting-edge approach to accelerating education is on the vanguard of higher education. In fact, New Jersey's Rowan University and the University of Arizona have both embarked on the three-year distributive learning model for their Veterinary Medicine Programs. But to be clear, we will deliver the same level of classroom and clinical rotations as a four-year program but compress the timeline to three years.

UMES has particular expertise with three-year models in the health sciences. We've done it with our Pharmacy, our Physical Therapy, and our Physician Assistant programs and each one of those programs have produced outstanding outcomes such as high licensure board exam pass

rates. Furthermore, our model graduates much needed health care practitioners, sending them into the workforce faster, with less debt, and with a more specialized rural focus than other programs. The UMES DVM program will follow this successful model.

Currently, Maryland pays \$6M for **30** of 120 slots at the Virginia Maryland College of Veterinary Medicine in Blacksburg, Virginia--a joint venture between Virginia Tech and the University of Maryland College Park. By contrast, UMES will begin teaching a cohort of **100** students per year in Maryland, beginning in the Fall of 2026.

There are several other unique features of the UMES DVM program. First, the UMES DVM program is cost effective because we will only have two cohorts of students on campus instead of three at any one time, lowering the overall infrastructure and faculty and staffing costs to run this program. Second, the program will charge significantly lower costs for the final three clinical semesters as they will occur in a distributed learning model in clinical sites around the state. This approach allows us to forego an on-campus teaching hospital, while obtaining clinical rotation partners who will not charge Maryland taxpayers for these services.



The need for animal healthcare is real. A report by the former Dean of the University of Florida DVM program, James Lloyd, states that by 2030 there could be a shortage of nearly 15,000 companion-animal veterinarians. (https://www.marsveterinary.com/wp-content/uploads/2022/03/Characterizing%20the%20Need%20-%20DVM%20-%20FINAL_2.24.pdf).

NPR, in a story published in December 2022, stated that “For decades, farmers have endured a shortage of rural veterinarians – the kind who specialize in care for animals like cows, pigs and sheep. But the problem is now at an all-time high – with 500 counties across 46 states reporting critical shortages this year, according to the U.S. Department of Agriculture.” (<https://www.npr.org/2022/12/19/1143391007/veterinarian-shortage-family-pet-farm-animals>).

The program at UMES is poised to help address both of these issues. By adding veterinarians to the workforce and by training them in a rural setting, they are more likely to go on to practice in a similar setting, right here in Maryland.

The UMES DVM program will also help make the veterinary workforce look like the communities they serve. This is a high priority for UMES as an 1890 land-grant HBCU. Expanding educational opportunities for all students is central to our mission. The veterinary medicine profession has been racially homogenous for a long time –roughly 90% of practitioners are white; fewer than 3% are Black. This program will be only the second such offering at an HBCU, and the only one at a public HBCU institution.

The UMES DVM program requires approval from the American Veterinary Medical Association Council on Education (COE), the national accrediting authority for veterinary schools and COE intends to conduct a site visit in the latter part of 2024.

The president should address the anticipated funding sources for the startup costs for the proposed school, including the possible use of HBCU settlement funding.

In anticipation of the HBCU Settlement, UMES conducted feasibility studies to determine the viability of a DVM Program. UMES has earmarked HBCU settlement dollars as well as support from our Title III and USDA federal dollars to support the launch of the DVM program. With an anticipated cohort of 100 per class, UMES anticipates that within three years the DVM program will be self-supporting. UMES is also working to mobilize resources to support startup costs from



both public and private sector partners.

The development of several of these partnerships has been on hold pending approval of the program by USM and MHEC. With these recent approvals, UMES is now working assiduously to finalize proposals from our public and private sector partners. In fact, UMES is currently working out the details of funding support from a number of publicly traded companies, the names of which will be released once we sign the agreements. Current confirmed funding over the three-year, pre-startup period includes: \$1 million from Company A, \$4.5 million from USDA facilities grants, and an anticipated \$1,071,000 in Congressionally Directed Spending.

ADDENDUM A

Additionally, UMES anticipates the donation of clinical rotations (normally charged with a fee back to the veterinary school) in the range of \$500,000-\$750,000 annually, plus curriculum delivery donated by international experts in range of \$300,000-\$500,000.

In anticipation of the new DVM program, UMES is seeing a significant increase in the number of pre-vet undergraduate students. Prior to Fall of 2023, UMES averaged between 20-25 pre-vet students per year. Currently at UMES, we have 80+ students who are pre-vet majors.

A 2022 UMES graduate, Gabrielle Bressler is from Prince George's County and attended Friendly High School. Gabrielle is currently at Purdue University School of Veterinary Medicine in Indiana, in her 2nd year (class of 2026). She graduated a semester early at UMES in 2022 and was offered early admission at Purdue due to being such an outstanding student. She completed Purdue's VetUp Champion and College internships.

Gabrielle was the President of the Vet Club and was the pre-vet intern when she was at UMES. She worked at a small clinic in Prince George's County for extra animal experience as well as volunteering with Dr. Braxton, the Founding Dean of the School of Veterinary Medicine at UMES, at the Wicomico humane society. She assisted with a low-cost vaccine clinic as well as helped Dr. Braxton with the spay/neuter surgeries.



One of our current students, Donovan Grady, grew up in Wicomico County and attended James Bennett High School. He decided to attend UMES after completing the 2019 Summer Ag

Discovery program here at UMES. During that program, Donovan met Dr. Kimberly Braxton, also a UMES Graduate.

Donovan participated in the vet med portion of the program and even conducted a physical exam on Dr. Braxton's personal dog Kane. He became the pre-vet intern/farm intern and was chosen as UMES' first recipient of the Diversify Veterinary Medicine Coalition (DVMC) scholarship. The scholarship was awarded through the 1890 Foundation to provide financial assistance highly qualified, deserving, and diverse students attending an 1890 land grant university who are committed to pursuing a career in veterinary medicine.

Donovan will be presenting a research paper at the 2024 ARD research symposium in Nashville TN this April along with Shamia Onley, another pre-vet intern. He is also being considered for a paid, 6-week on-campus internship this summer through Purdue University's VetUp College program. Donovan is looking forward to being in the inaugural cohort of the UMES Doctor of Veterinary Medicine Program; and returning to his rural home following graduation as a veterinarian.

The president should comment on the status of these commitments, the length of clinical rotations donations and curriculum delivery, and alternatives if these commitments are not finalized.

Now that the Board of Regents and MHEC have approved our DVM program, we will move quickly to have signed agreements. Headquartered nearby in McLean, Virginia, Mars Veterinary Health (MVH)—the largest veterinary practice in the world with more than 2400 in the United States—has agreed to be our anchor rotations partner. We also have commitments from the world's largest veterinary diagnostics company, IDEXX, to offer three core courses virtually with its experts. Not only will these partners donate rotations as needed by UMES to meet academic and accreditation requirements, but they will likely lead to significant job opportunities for UMES DVM graduates.

At the outset, UMES will use a mix of existing and new physical infrastructure to house the program. We will leverage existing space, including instructional space in the new School of Pharmacy and Health Professions building and in the Center for Food Safety, Science and Technology. We will also design a 6,000 sq. ft. Veterinary Skills Center using private and public (USDA) resources. This Center will contain a large, open space with textured epoxy floors and walls to be used for primarily as an anatomy teaching laboratory. This effort will include the renovation and repurposing of the animal exhibition hall within the Food Science and Technology Building.

Other support facilities include a new Bovine Teaching Center to handle a small herd of cattle for teaching bovine clinical skills. The facility will contain clinical spaces for food animal surgery, restrooms, showers, a teaching laboratory, an office, a garage for animal transport and

ambulatory vehicles, including an adjacent restocking area and outdoor pens for livestock. A small equine stable to handle 4-6 horses including a feed and tack room, a supply room and a restroom will also be constructed including other ancillary facilities such as an equine wash area, a round pen, and an outdoor equine riding arena. These facilities will also be constructed with USDA and private sector support.

The president should address how UMES plans to adequately staff the new school.

In anticipation of new hiring for this program we requested additional faculty lines supported from the HBCU Settlement funds that are currently vacant awaiting program approval. UMES currently employs five faculty with expertise relevant to the proposed program. In addition, we will be able to utilize faculty from the School of Pharmacy and Health Professions for areas such as Pharmacology. We anticipate recruiting 10 fulltime faculty during the first year. This number will rise to 25 by the end of the first five years. The program anticipates hiring 10-15 adjunct faculty.