



**A Message from Chancellor William E. Kirwan
February 24, 2011**

As we reach the midpoint of the 2011 legislative session, I want to once again thank members of the University System of Maryland (USM) community. You—our faculty, staff, and administrators—continue to display remarkable dedication and professionalism, even under the difficult and demanding fiscal conditions we face. Our institutions, our state, and the students we serve reap tremendous benefits from your efforts. While ongoing economic and budgetary struggles may impede our progress, there is no doubt that our institutions continue to advance in their impact on the quality of life in Maryland.

Even as the nation's and state's budget picture remains disappointing, Governor Martin O'Malley once again went to great lengths to spare higher education from a disproportionate share of cuts in his FY 2012 budget proposal. The Governor's budget essentially "flat funds" the USM, with a slight increase in funding provided to "buy back" two percent of a five percent tuition increase for in-state undergraduates.

As I noted in my testimony before both houses of the Maryland General Assembly, the USM is fully aware of the budget challenges impacting Maryland. During the past three years—through cuts in spending, employee furloughs, and one-time cash transfers from our fund balance to avoid permanent cuts to our base budget—the USM has experienced significant reductions. You know full well that these reductions have been neither painless nor easy. There have been no merit or COLA pay increases since FY 2009 and, with unpaid furloughs for three years (including the current year), USM family members have sacrificed a great deal.

Fortunately, the Governor's FY 2012 proposal does not include any furloughs. Unfortunately, neither does it reinstitute salary increases for employees.

I also emphasized in my testimony that the State of Maryland has the potential to lead both educationally and economically, but we are at a crossroads. We can either lay claim to leadership in the innovation economy by investing in higher education and innovation today, or we can accept second-tier status for the foreseeable future. The USM has developed an ambitious 10-year strategic plan—[*Powering Maryland Forward*](#)—to achieve the former. We intend to move forward toward the goals of this plan with whatever resources we have and can develop through grants, fundraising, and our continuing Effectiveness and Efficiency Initiative.

I am very pleased by the overall support for the plan among our elected officials and among business and community leaders. We will continue to make the strong case for the increased state funding needed to achieve the goals with all of the energy and support we can muster. Each

USM institution has completed a five-year action plan for the decade-long implementation. And our accountability framework will help ensure that we stay on track within available resources.

One year does not make or break a 10-year plan. However, to realize the goals fully, the state must step up financially. And part of that support has to recognize that we must have the resources to attract, retain, and reward the best and most effective faculty and staff.

I look forward to working with our regents; presidents; system-wide faculty, staff and student councils; and other members and friends of the USM community to advocate on behalf of greater support going forward. And, once again, I thank you for your dedicated service to advancing the quality and impact of the USM.