$1.6 BILLION RAISED toward $1.7 BILLION SYSTEM CAMPAIGN GOAL

LESS THAN 4.5 yrs AVERAGE TIME TO BACHELOR’S DEGREE

11 PERCENT INCREASE IN STUDENTS TRANSFERRING from MARYLAND COMMUNITY COLLEGES to USM UNIVERSITIES FROM FY 2005 TO FY 2010

$200+ MILLION IN SAVINGS ACHIEVED BY EFFECTIVENESS AND EFFICIENCY INITIATIVE

$1.37 BILLION IN EXTERNAL RESEARCH AND DEVELOPMENT SUPPORT IN FY 2010, UP FROM $1.29 BILLION IN FY 2009

A RECORD-HIGH 152,497 STUDENTS ENROLLED IN FALL 2010 STATEWIDE

11 PERCENT INCREASE IN STUDENTS TRANSFERRING from MARYLAND COMMUNITY COLLEGES to USM UNIVERSITIES FROM FY 2005 TO FY 2010

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Chairman Kendall and members of the University System Board of Regents:

It is an honor to present my ninth annual report. I begin by thanking the members of the University System of Maryland (USM) Board of Regents, our campus leaders, and the rest of our USM colleagues who continue to work and advocate on behalf of our common cause—the advancement of higher education, the USM, and the state of Maryland. We have faced—and continue to face—significant fiscal challenges. However, by working together, by forging close relationships with leaders in Annapolis, by partnering with Maryland’s business community, and by engaging the public at large, we have been able to enhance the impact of the USM. I am confident we will continue our march toward excellence in the years to come.

This past year has been a time of significant change for the USM, beginning with the very first day of our fiscal year, July 1, 2010. It was on that date that Jay Perman officially assumed the office of president of the University of Maryland, Baltimore. A few months later, on November 1, 2010, Wallace Loh took office as the new president of the University of Maryland, College Park. Both President Perman and President Loh have already established themselves as strong leaders for their respective institutions, with expansive visions for the future.

As we have welcomed these impressive new leaders we are also, sadly, saying goodbye to others. Robert Caret, president of Towson University since July 1, 2003, left this position to lead the University of Massachusetts System. Later this summer, University of Maryland Eastern Shore President Thelma Thompson will retire after a nine-year tenure. Search committees are in the process of helping to identify new leaders for these institutions.

Finally, as the current fiscal year draws to a close, we will bid farewell to two members of the Board of Regents. The one-year term of Student Regent Leslie Hall comes to an end June 30. I thank Leslie for his exemplary service. Joining the board as our new student regent will be Collin Wojciechowski of the University of Maryland, Baltimore County.

Also joining the board as a new regent will be Dave Kinkopf, a partner at the Baltimore law firm Gallagher Evelius & Jones. Dave will fill the vacancy left by Regent Cliff Kendall, who has served the maximum number of five-year terms allowed. It is hard for me to envision the USM Board of Regents without Cliff Kendall. His insight, expertise, and leadership as chairman have been of great value to me, the board, and the entire USM.

I know, however, that this commitment to excellence for the USM is a priority for every member of this board. I look forward to working with all our regents and advocates to advance our common vision for the USM as a leader in college completion, a vital economic engine for Maryland, and a national model of affordable access to high-quality higher education.

Sincerely,

William E. Kirwan, Chancellor
Today I have the privilege of delivering my ninth annual report to the USM Board of Regents as chancellor. I continue to view my service in this capacity as a great honor and tremendous responsibility. I also recognize how fortunate I am to be surrounded by so many capable and committed men and women—on the board, at the system office, and on our campuses—who have an unparalleled dedication to higher education in general and the USM in particular. I am incredibly grateful for the hard work done on behalf of the USM and the students we serve.

This past year, as the economy continued to struggle toward recovery, we faced another difficult and challenging legislative session in Annapolis. Our efforts in recent years to forge a stronger partnership with state leaders—aligning USM priorities with state priorities—have served the USM well. While we were not held harmless in terms of budget cuts, the USM fared about as well as we could have hoped.

Governor Martin O’Malley’s proposed budget for the USM provided for slightly less than flat funding, with $8.7 million targeted toward “buying down” 2 percent of a proposed 5 percent tuition increase for full-time, in-state undergraduate students. The General Assembly cut the budget by $6 million—or 0.4 percent—from the governor’s proposed FY 2012 budget for the system. As a result, the USM is slated to receive $1.06 billion in overall general fund and Higher Education Investment Fund (HEIF) support in FY 2012.

While this budget does not provide funding for some of our top priorities and pressing needs—support for enrollment growth, for enhancement programs, for salary increases for employees, for higher levels of investments in financial aid and facilities—in comparison to the devastating cuts to higher education institutions under consideration in most other states, the USM is clearly being treated as a funding priority by Governor O’Malley and the state even in these difficult fiscal times. By contrast, Minnesota is looking at a 20 percent cut in state support for public higher education following several other deep cuts; California and Washington are facing 30 percent reductions. In Pennsylvania, lawmakers are considering the governor’s proposal to cut state spending on public campuses by 50 percent. Even North Carolina, a state that has supported higher education very well, plans to cut its higher education institutions in the range of 15 to 20 percent. As you might imagine, these states are looking at huge tuition increases, enormous erosions in quality, massive layoffs, devastating service cuts, or some combination thereof.

Clearly, Maryland has chosen a different—a smarter—direction. And this choice was made years ago. It may surprise you, but between FY 2007 and FY 2012—a stretch of persistent economic and budgetary turmoil—state support for the USM has actually increased. Granted, it has been a modest increase, spread over several years, but compared to what some other states are suffering, it is nothing short of remarkable.

Beyond this budgetary support, I have been heartened by the high level of rhetorical support for higher education in Annapolis. I was impressed by the clarity with which members of the General Assembly recognized the direct line between support for higher education and prosperity. Governor O’Malley articulated this sentiment best: “I see higher education not as an expense to be cut, but I see it as an investment that will pay dividends.”
The concept of education as an investment is at the heart of our new strategic plan, *Powering Maryland Forward: USM’s 2020 Plan for More Degrees, A Stronger Innovation Economy, A Higher Quality of Life*.

This year’s annual report is more than just an opportunity to look back over the accomplishments of the past year in isolation, but also an opportunity to see how we have set the stage for success with the new strategic plan. As the plan came into focus throughout last year, we spoke at great length about why it was important to make progress in the areas identified and what steps would need to be taken to ensure that progress.

**We established five strategic themes:**

- Achieving the Maryland Goal of 55 Percent College Completion
- Advancing Maryland’s Competitiveness in the Innovation Economy
- Transforming the Academic Model
- Practicing Exemplary Stewardship of Resources
- Continuing Our Commitment to Quality and National Eminence

I use these themes as starting points to outline the progress we have already made as I look back over the past year. In addition to the elements directly related to the five themes, we are taking several other steps in support of the strategic plan:

- We integrated the strategic plan into our annual capital planning.
- We are positioning the plan as the focus of our legislative agenda for next year.
- We are developing accountability measures to gauge the progress and success of the plan.

All of this progress is key as we focus our efforts on ensuring the ultimate success of the five pillars of the plan.
THEME 1: INCREASING MARYLAND’S COLLEGE COMPLETION RATE

At the heart of Powering Maryland Forward is our commitment to make Maryland a national leader in the area of college completion. Our goal is to have 55 percent of the state’s population age 25 and older holding a two- or four-year degree by 2020. We are all familiar with the factors that make this imperative. Simply put, the U.S. has fallen from the world leader in college completion to 12th during the past several years. Worse yet, given demographic changes, we are on a trend line to fall to last among industrialized nations in college completion by 2025. We cannot remain the leader in the world in things that matter if we aren’t the leader in educating our citizens.

Fortunately, this push for college completion, first articulated by the College Board more than two years ago, has gained serious traction recently. President Barack Obama has set a national goal of recapturing leadership in college completion by 2020. The Gates Foundation, the Lumina Foundation, and other major foundations have made college completion a top priority, matching that rhetoric with substantial funding. The National Governors Association has embraced college completion as its No. 1 goal and is leading an effort to create uniform college-ready, high school completion standards. And Governor O’Malley has set the 55 percent college-completion rate as a state goal.

While it is gratifying to see so many people on the same page, success will require real action on multiple fronts:

- We need to reduce—and ultimately eliminate—the achievement gap between minority and non-minority students.
- We must continue to strengthen our partnerships with the K-12 sector and with community colleges.
- We need to continue to support our bedrock priorities of access and affordability.

Even though our strategic plan is just over six months old, the USM has jump-started our way toward meeting this completion challenge.

CLOSING THE ACHIEVEMENT GAP

As one of 24 public college and university systems participating in Access to Success, a project of the National Association of System Heads, the USM is taking responsibility for turning the tide and dramatically improving student outcomes on our campuses.

At the heart of Powering Maryland Forward is our commitment to make Maryland a national leader in the area of college completion.

Achievement gap plans have been approved and are in effect on every campus, with significant success stories already. Late last year, for example, The Washington Post reported that Towson University (TU) was one of only 11 institutions nationwide with little or no disparity in graduation rates between black and Hispanic students and white students. The study, done by the Education Trust, revealed that there is no graduation gap at TU. That same article also noted that at the University of Maryland, Baltimore County (UMBC), black and Hispanic students are as likely to graduate as whites. The same is true at Frostburg State University (FSU).

We anticipate additional success stories on other campuses as our comprehensive plans take hold:

- Bowie State University (BSU) recently received a boost in this area, a $1.5 million grant from the U.S. Department of Education to strengthen academic and support services for low-income and first-generation students.
- The U.S. Department of Education also awarded Salisbury University (SU) a $1.2 million grant to help enhance supplemental instruction and other student retention initiatives as part of the university’s Achieve Student Support Services program.
The University of Baltimore (UB) has implemented early-warning student tracking systems, improved placement testing in mathematics and English, and additional support for at-risk students.

And the University of Maryland University College (UMUC) has been awarded a $1.2 million grant from the Kresge Foundation to develop—in partnership with Prince George’s Community College and Montgomery College—predictive models and success interventions to help close the achievement gap for underserved adult students in Maryland.

K-12 AND COMMUNITY COLLEGES
Both the achievement gap and the completion shortfall will be ameliorated by efforts to make sure more students graduate from high school ready for the rigors of college. The USM is active on two separate fronts in this area. First, we are pursuing targeted efforts. Our Way2GoMaryland information campaign, which aims to put more Maryland middle school students on the path to college, has held a half-dozen events, reaching well over 1,500 students, parents, and guardians. Way2Go also has distributed tens of thousands of posters that include recommendations for courses and activities for students in grades six through 12.

The USM’s innovative partnerships with public school systems, such as the Minority Student Pipeline/Math Science Partnership with Prince George’s County, are improving science education at the K-12 level and encouraging more students to study STEM disciplines in college.

In addition, we are taking broad-based actions to align high school graduation requirements with college entrance requirements. As members of Achieve’s Partnership for the Assessment of Readiness for College and Careers, Maryland and the USM are working to develop curricula and assessments that will ensure students who pass these assessments are “college-ready.” The exceptional quality of Maryland’s K-12 sector and the effectiveness of the Governor’s P-20 Leadership Council will enable Maryland to be a national leader in the alignment effort.

Our community college partnerships have also continued to prosper. We have expansive articulation agreements with community colleges, with an emphasis on teacher education, nurse education, and engineering. We also offer dual admission, so that students are guaranteed admission to a USM institution if they successfully complete the two years at a participating community college. As a result of these efforts, the USM is accepting a record level of community college transfer students. Looking forward, in recognition of the fact that most community college transfer students do not get their Associate of Arts (AA) degree before transferring, we have launched an effort to determine what approaches and best practices could be employed to “incentivize” the two-year degree so that it becomes the first step for a potential transfer student.

ACCESS AND AFFORDABILITY
In fall 2010, USM enrollment statewide reached its highest level in history with more than 152,000 students. Even in this extended period of pinched resources, we are seeing stellar examples of increased access across the USM:

- For the second consecutive year, fall enrollment at UB hit a record high.
- University of Maryland Eastern Shore (UMES) topped 4,500 students for the first time in the institution’s 124-year history.
- Our two regional education centers, the Universities at Shady Grove (USG) and the University System of Maryland Hagerstown (USMH), continue to offer an expanded roster of programs
and serve a growing student population. In addition, our institutions provide programs and activities at the state’s regional higher education centers.

- UMUC—already the largest public university in the country—will continue to be responsible for the majority of the USM’s growth, partnering with the corporate and government market through its new office of Corporate Learning Solutions.

Over the last several years, in order to address the issue of affordability directly, the USM’s need-based institutional financial aid has increased by more than 100 percent. We have seen other significant progress toward enhanced affordability as well:

- Four USM institutions—the University of Maryland, College Park (UMCP), UMBC, TU, and SU—rank among the nation’s 100 best values in public higher education—a measure that combines quality and cost—in Kiplinger’s Personal Finance.

- Given the four-year-long tuition freeze that began with the 2006-07 academic year and the modest tuition increases that followed the freeze, Maryland has moved from having the 6th-highest tuition in the nation all the way down to a projected 25th.

- Looking forward, we are initiating efforts through the Maryland Higher Education Commission to codify the recommendations of the Bohannon Commission to Develop the Maryland Model for Funding Higher Education, which will further stabilize tuition and increase need-based financial aid.

There is one final point I want to make on the issue of USM’s college completion effort. Earlier this year I joined Governor O’Malley in Annapolis as the College Board Advocacy & Policy Center announced its College Completion Agenda: State Capitals Campaign. This will be a yearlong, multi-state campaign to galvanize and mobilize support for college completion. It was not by accident or by chance that the College Board chose Maryland as the kickoff state for this campaign. Strong leadership on key issues, committed P-20 partnerships, and innovative efforts to foster access and affordability have established Maryland as a model state for educational achievement at every level. The leadership of the USM has been—and continues to be—an indispensable part of that equation.

THEME 2: ADVANCING MARYLAND’S COMPETITIVENESS IN THE INNOVATION ECONOMY

The second goal of our strategic plan is to advance Maryland’s competitiveness in the new economy. As the strategic plan outlines, this is a two-pronged effort. First, we must educate the workforce Maryland needs to succeed, and in the “innovation economy” that workforce has to have a significant increase in the number of STEM...
(science, technology, engineering, and mathematics) graduates and the number of health professionals. Secondly, through our substantial academic research and development (R&D) efforts, our institutions can themselves be significant economic engines. We just need to improve our technology transfer and commercialization efforts.

Once again, even though we are just in the first six months under this new plan, the USM is poised to be a dominant force in this area, firmly establishing Maryland as a global economic powerhouse. Across the USM, our campuses are actively and aggressively promoting the key workforce needs in STEM, health care, cybersecurity, and other areas. In fact, the USM awards nearly two-thirds of the STEM degrees granted in Maryland.

Just look at last year at Bowie State University. Not only did BSU initiate a new bachelor of science in bioinformatics, it received numerous grants:

- $350,000 from the National Science Foundation (NSF) for its STEM initiatives.
- $750,000 from the U.S. Department of Education to support the applied computer science doctoral program.
- $500,000 from the National Aeronautics and Space Administration (NASA) to support faculty and student research in aeronautics.
- Another $267,000 grant from NSF to support the Department of Natural Sciences.

That’s almost $2 million in support of the STEM disciplines at just one campus in just one year.

This is the type of far-reaching effort we saw across the USM:

- FSU is taking the lead in building STEM education and capacity in the region through implementation of the Western Maryland STEM Plan.
- UMBC has been cited by the National Research Council as a national leader in preparing African Americans to pursue STEM careers.
- One year after Coppin State University (CSU) opened its nanotechnology research center, a research team made history by simulating the most efficient solar energy cells in the world, later presenting these findings to renowned nanotech scientists and scholars.
- As the Engineering & Aviation Sciences building nears completion, the potential exists for UMES to help establish the Eastern Shore as an aerospace hub.

In the health-care arena:

- University of Maryland, Baltimore (UMB) opened its new state-of-the-art School of Pharmacy Building.
- UMES launched its three-year pharmacy doctoral program, making it only the third university in Maryland—and the only one on the Eastern Shore—to offer a pharmacy program.

Academic research and development is, in fact, already a vital Maryland industry.
• FSU offers a new and entirely online R.N.-to-B.S.N. completion program.

• TU’s Department of Nursing and the Community College of Baltimore County’s School of Health Professions have launched an associate’s-to-master’s degree in nursing, the only one of its kind in the state.

• UMB’s Institute of Human Virology has received $16.8 million from the Bill & Melinda Gates Foundation, $2.2 million from the U.S. Army, and additional support from other sources. Collectively, the total funding—$23.4 million—will support research for the next phase of the Institute’s HIV/AIDS preventative vaccine clinical trials.

In cybersecurity and other technology-related fields:

• UMCP has launched a cybersecurity initiative—with the new Maryland Cybersecurity Center as its focal point—that aims to stimulate public-private partnerships while addressing national vulnerabilities.

• UMUC has formed a partnership with Booz Allen Hamilton to provide graduate-level cybersecurity training to its workforce.

• UMUC is also exploring a new post baccalaureate certificate in intellectual property, digitization, and digital media, a growing field in which UMUC has particular expertise and resources.

• UMBC now offers a master’s degree and graduate certificate in cybersecurity.

• The bwtech@UMBC Research and Technology Park has become a cybersecurity hub, adding 16 companies in the past 16 months that are developing the innovative technologies and services needed to secure and protect computer systems.
To coordinate our cybersecurity efforts, I appointed the USM Cyber Security Task Force last year. In its report released in May 2011, the task force outlined a number of recommendations in the areas of education, research, and partnerships. Given our intellectual capital, vast federal resources, industry strengths, and world-class educational institutions, the task force report envisions Maryland as a de facto cybersecurity epicenter for the nation.

But more than generating the highly skilled and specially trained workforce that Maryland will need to thrive in the future, our institutions are making a direct economic impact. Academic R&D is, in fact, already a vital Maryland industry. Together, our three research universities—UMCP, UMB, and UMBC—attracted more than $1 billion in extramural research last year, simultaneously advancing knowledge and discovery while creating jobs and economic growth.

As an example, a partnership among those same three institutions received a $7.9 million federal grant from the National Institutes of Health that will help researchers unravel the mysteries of molecules and develop new agents to treat diseases.

In addition, in other partnerships and through their research parks, these institutions are setting the stage for added economic activity as well as vital discovery:

- The U.S. Department of Commerce’s National Institute of Standards and Technology (NIST) has awarded a five-year cooperative agreement totaling $15 million to the Maryland Nanocenter at UMCP to develop and implement programs.
- The School of Medicine at UMB, through its affiliated clinical faculty practice group, is bringing a $200 million Proton Treatment Center to the University of Maryland BioPark. The center will be the first in the Baltimore-Washington region to offer proton therapy, the most state-of-the-art technology in radiation treatment for cancer.
- A partnership between Northrop Grumman and the UMBC Research Park Corporation will create a new incubator to develop technology to protect the nation from a growing range of cyber threats.

At this time last year, the USM was restructuring the former University of Maryland Biotechnology Institute (UMBI). On July 1, 2010, the restructuring was successfully implemented, UMBI faculty members have been welcomed into their new home institutions, and the new centers came into existence:

- Institute for Bioscience Biotechnology (IBBR), a research collaboration among UMCP, UMB, and NIST located at Shady Grove.
- Institute of Marine and Environmental Technology (IMET), a joint USM research center involving UMBC, UMB, and the University of Maryland Center for Environmental Science (UMCES) based at the Columbus Center in downtown Baltimore.
- Medical Biotechnology Center (MBC) at UMB.
- Institute of Fluorescence (IOF) at UMBC.
- Towson University Center for STEM Excellence.

Each of these centers has made great progress since that restructuring, marked by new research initiatives, more effective technology transfer, and
Our ultimate goal is to transform all 50 or so “gatekeeper” courses across the USM into “gateway” courses, producing more student success, better learning outcomes, and improved progress toward degrees.

growing collaboration between and among the partner institutions.

Finally, we are committed to enhancing technology transfer; supporting opportunities for licensing or commercial development; increasing commercialization; protecting intellectual property; providing proof-of-concept funding and seed funding; and managing the legal, policy, and ethical issues of new technologies. Through these efforts, and by adding and upgrading research space, the USM can have an even more profound impact on Maryland’s economic leadership in the innovation economy.

In the six months since the strategic plan was approved, I have had the opportunity to discuss the plan with political, business, and community leaders across the state, and with our campus communities. I have briefed them about the plan, why we established the goals we did, how we will achieve them, and what resources we will need. The support for our plan and for our efforts has been overwhelmingly positive. The people who know firsthand what our economy and communities will need to thrive are totally behind our efforts.

THEME 3: TRANSFORMING THE ACADEMIC MODEL

The third element of the new plan calls upon the USM to transform the academic model. The lecture-heavy, passive learning environments on many campuses are out of sync with the culture and expectations of the new generation of students, who put a premium on active learning, collaboration, and technological integration. Course redesign, based on the research and work conducted by the National Center for Academic Transformation, uses information technology and more effective learning strategies to enhance student learning while lowering costs.

The USM has seen tremendous success with our 10 course redesign pilot projects. Each one was successful, with improved learning outcomes and higher pass rates at the same or reduced costs. Clearly, that is a model we must embrace.

Phase two of our effort will use private funding from the Carnegie Foundation and the Lumina Foundation to share best practices and expand our efforts:

• We are making sure our capital planning process emphasizes flexible learning environments and pervasive IT accessibility.

• We are making sure the IT planning process is focused on sustaining these environments throughout their lifecycles.

• We are working with faculty so they will know how best to use these new teaching tools, creating a more effective learning environment.
Our ultimate goal is to transform all 50 or so “gatekeeper” courses across the USM into “gateway” courses, producing more student success, better learning outcomes, and improved progress toward degrees.

We are pursuing other transformative models as well. In coordination with provosts, deans, CIOs, and students, we are examining open courseware, intelligent tutoring systems, and other innovative approaches:

- UMUC’s School of Undergraduate Studies is currently engaged in a systematic redesign of the entire undergraduate curriculum, working from newly restated course and program objectives to build a tightly sequenced curriculum from the ground up.

- Through its Center for Excellence in Learning and Teaching, and utilizing its existing strengths in communications, digital technology, law, and public policy, UB is incorporating technology as a core component of its educational mission.

- UMES is establishing a Department of Instructional Technology to provide training and support for online courses, Web-assisted courses, and course-capture technology and a Department of Classroom Technology to facilitate electronic-whiteboard technologies, seating accommodations for students using laptops, and real-time, in-class support for new technologies.

- UMBC, with its strong tradition of pedagogical innovation—with ongoing efforts in chemistry, psychology, mathematics, physics, and biology—will expand these efforts with the use of active learning models, online and hybrid learning courses, and learning software.

- FSU is expanding access to developmental math through its established Summer Online Freshman Initiative program, through which incoming freshmen who need remediation in mathematics can complete a developmental math course online in the summer before the start of their first semester at the university.

Finally, in accordance with the strategic plan and in order to gauge and monitor the effectiveness of these efforts, we will establish a committee to develop the “Maryland Compact on Student Learning,” articulating what USM graduates are expected to know and be able to do.

THEME 4: CONTINUING EXEMPLARY STEWARDSHIP PRACTICES

The new strategic plan also calls for the USM to continue exemplary stewardship of resources. This is an area in which the USM is truly a national leader, having launched our Effectiveness and Efficiency Initiative (E&E) several years ago.

I will not go into great detail about this systematic reexamination and reengineering of both our administrative and academic functions, except to note that the fiscal and academic impacts of this effort speak for themselves:

- Administratively, we have removed more than $200 million in direct costs from our budget, while experiencing significant additional savings through cost avoidance.
• Academically, USM’s four-year and six-year graduation rates are well above national averages for public universities and time-to-degree across the USM is at its best level ever, averaging less than four-and-a-half years.

• Also, since FY 2005—the first full year under E&E—enrollment at USM institutions has increased by 15,000 students.

To further advance this ethic of fiscal stewardship articulated in the strategic plan, we are developing legislative recommendations to strengthen the USM’s position as a public corporation, giving us greater management flexibility.

The past year, despite the lingering effects of the recession, the University System of Maryland’s federated campaign saw continued progress. I am pleased to report that the campaign is 95 percent of the way toward its aggregate campaign target of $1.7 billion. In fact, even in this troubling economic landscape, a number of campuses—UMBC, Salisbury, UMES, Frostburg, and UMUC—have already exceeded their individual fundraising goals.

There are numerous examples of significant gifts from the past year:

• The W. P. Carey Foundation—a New York-based investment giant with significant Baltimore roots—announced a gift of $30 million to the University of Maryland School of Law. The gift is the largest in the school’s history and one of the largest in the history of the University System of Maryland.

• The Bernard Osher Foundation awarded a grant of $1 million to establish an endowment to assist reentry students at Towson University.

• UMCP’s Robert H. Smith School of Business received $1.5 million from the BB&T Foundation to support business ethics and leadership programs.

• Also at UMCP, the A. James Clark School of Engineering received a $1 million gift from L-3 Communications for scholarships and fellowships and in support of student programs.

• UMB’s Center for Integrative Medicine announced a grant from an anonymous donor who will match donations dollar for dollar up to $7.5 million. Celebrating its 20th anniversary, the center was the first in the country based at a medical school to conduct research into complementary and alternative medicine therapies.

The ethic of stewardship will also be front and center as we carry out the legislative mandate to study the advantages and disadvantages of merging UMCP and UMB. I know every member of this board is fully supportive of efforts to foster greater educational and research collaborations across disciplinary boundaries and campus borders. Such efforts spawn increased economic activity and commercialization efforts and enhance the state’s economic vitality. A step of this magnitude requires us to be deliberate and cautious. Such a merger would have to make sense, not just educationally, but economically as well, and—above all—must be in the best interests of the students we serve. Of course, beyond the monetary aspects, exemplary stewardship practices call for strong environmental stewardship as well.
Led by Don Boesch, president of the UMCES and USM vice chancellor for environmental sustainability, the USM is positioned for incredible accomplishments and contributions.

For example, President Boesch also serves as primary investigator—working closely with Nancy Shapiro, associate vice chancellor for academic affairs in the system office—on the Maryland and Delaware Climate Change Education, Assessment and Research (MADE-CLEAR) project. This effort, supported by a grant of almost $1 million from NSF, will introduce proven climate change curriculum throughout the K–12 sector, motivate more students to appreciate the power and relevance of science, spur a higher level of interest and participation in the STEM disciplines, and develop a new generation of citizens with in-depth knowledge of environmental issues.

The Sustainable Energy Research Facility, the ongoing exploration of alternative forms of energy production like the Wind-Solar Energy Program, and the addition of a sustainability studies minor will make FSU an important regional center for energy policy discussion and renewable resources research and development.

In addition, a new partnership among FSU, West Virginia University, and other institutions has established the Central Appalachians Stable Isotope Facility at the UMCES Appalachian Laboratory, giving researchers access to powerful tools for understanding how and when environmental change occurs.

As part of the $6 million renovation of the Manokin Residence Hall, SU installed its first geothermal heating and cooling system, using the earth’s natural thermal energy to heat and cool the facility.

In partnership with SunEdison, UMES is home to a 17-acre solar farm, the largest renewable energy project in Maryland and among the biggest on an American college campus.

“Green” buildings have become the standard on our campuses:

- The John and Frances Angelos Law Center under construction at UB will be one of the greenest buildings in Baltimore, with UB intending to push beyond LEED Gold certification and aim for a Platinum certification.
- UMUC’s Center of Academic Operations in Largo exceeded the original goal of Silver certification, having achieved LEED Gold certification.
- At TU, major construction projects completed, under way, or planned in every corner of campus are all slated to be green.

New degree offerings and other initiatives are under way as well:

- UMCP has received a $500,000 grant from the U.S. Department of Energy for leading research to create environmentally friendly cooling systems using a smart metal technology called “thermoelastic cooling.”
- UMBC now offers an environmental studies/environmental science degree.
- FSU President Jonathan Gibralter has been appointed to the American College & University Presidents’ Climate Commitment’s 2011–2012 Steering Committee.
- In recognition of its longstanding efforts to facilitate, educate, and raise awareness of sustainability, the Universities at Shady Grove was awarded Bethesda Magazine’s inaugural “Green Award.”

In addition, The Princeton Review, in partnership with the U.S. Green Building Council, has named five USM institutions as among the nation’s most environmentally responsible colleges. UMBC, Salisbury, UMCP, Towson, and UB were each recognized in the most recent “Princeton Review’s Guide to 311 Green Colleges.”

This commitment to stewardship in the broadest sense—financial and environmental—has had a major impact across the USM. Actions that make us leaner while also lessening our impact on the environment have the added effect of supporting each other; the more we do in one area, the better off we are in the other.
The fifth and final theme of the new strategic plan is our commitment to quality and national eminence. This is, of course, a core priority that the USM has long held and an area where the USM shines brightly.

Following are our current *U.S. News & World Report* undergraduate rankings.

- UMCP is ranked 18th among national public universities.
- Towson University and Salisbury University are both ranked in the top 10 of public regional universities in the North.
- UMBC is ranked as the nation’s No. 1 “Up-and-Coming National University” for the second consecutive year.
- UMES is once again in the top tier of America’s Best Black Colleges.

Following are some of our current *U.S. News* rankings of graduate programs.

- The College of Public Affairs at UB was recognized as one of the top 100 public administration and public policy programs in the nation.
- At UMCP, the Clark School of Engineering ranks 22nd and the College of Education, 23rd.
- At UMB, the School of Nursing ranks 11th; School of Medicine, 38th; and School of Law, 42nd, a jump of six rankings spots.

As I noted previously, four USM institutions are included in *Kiplinger’s Top 100 “Best Values in Public Colleges.”*

In fact, between highly regarded national publications such as *Kiplinger’s, The Princeton Review, Diverse Issues in Higher Education,* and *U.S. News & World Report,* you will find every USM degree-granting institution.

Our institutional leaders continue to be singled out for praise:

- UMBC President Freeman A. Hrabowski received the 2011 TIAA-CREF Theodore M. Hesburgh Award for Leadership Excellence.
- UMES President Thelma Thompson won the Thurgood Marshall College Fund’s 2011 Education Leadership Award, one of the highest honors presented to presidents of historically black colleges and universities.
- Maryland Public Television has recognized UMCES President Donald Boesch with the Outdoors Maryland Award for Stewardship of the Environment.
- BSU President Mickey Burnim is the newly elected chairman of the American Association of State Colleges and Universities Board of Directors.
- The American Immigration Council honored UMCP President Wallace Loh with its prestigious “Immigrant Achievement Award” for 2011.
- USG Executive Director Stewart Edelstein was a unanimous selection for the Montgomery County Chamber of Commerce’s “Visionary Award” for 2011.
CONCLUSION

By almost any measure, FY 2011 has been a highly productive year for the University System of Maryland. As this report documents, total research funding continued to rise, as did the number of honors and prizes coming to our faculty, staff, and students. As measured by national rankings, the quality of our institutions and programs continued to increase. Graduation rates reached an all-time high, and the average time it takes a full-time student to complete a bachelor’s degree, now under 4.5 years, hit an all-time low.

Despite the nation’s economic woes and the impact on philanthropy, the USM’s capital campaign is well within reach of its $1.7 billion goal. Powering Maryland Forward, our new strategic plan, enjoys a high degree of support within the USM and among leaders and opinion makers across the state. Finally, the sense of priority and support for the university system and its institutions coming from state leaders continues to be strong.

The situation for higher education in most other states is quite different, which should serve as a cautionary tale for the USM. On the national level, this has been the season of higher education’s discontent, to paraphrase William Shakespeare. Although a complete picture is just now unfolding, this report has noted the historic reductions in state support for higher education that have been proposed in state after state across the country.

While the USM’s budget has not kept pace with the rising costs of operating our institutions, has not enabled us to avoid furloughs and salary freezes, and does not provide for enrollment growth, there is no doubt that we have been better protected during this economic downturn than most other public institutions across the country.

As we look to the future, we must pause and ponder why our situation is different. What steps have we taken to achieve this relative advantage and what actions must we take now to ensure that we maintain this positive trajectory?

To maintain our momentum in the coming years, especially since there is no indication that there will be a significant increase in the state’s ability to support higher education, we must do two things: continue to make our Effectiveness and Efficiency Initiative (E&E) a visible and meaningful part of our culture and operations; and have the discipline and focus to systematically implement the strategic plan as best we can with whatever resources are available to us.

Neither of these will be easy. First, while E&E has been a remarkable success, finding new actions that reduce costs without impacting quality will require bold and courageous decisions. Secondly, it is much easier to develop a strategic plan than to take the hard steps
necessary to implement its recommended actions as a top priority.

Despite the challenges facing us, if we continue E&E in a meaningful way and move forward with our strategic plan in a rigorous and purposeful manner, I am convinced we can avoid the fate of most public universities across the country.

Beyond the internal impact of these actions, however, lies a far more important factor. The actions we must take are—in fact—the right actions for the times in which we live. Higher education, both in Maryland and across the country, must—to quote Abraham Lincoln—“think anew and act anew,” if we are to meet our obligations to the larger society in an era of severe fiscal constraints. The old ways of doing business simply will not work for higher education in the coming decade.

The good news for us is that no other system of public higher education is better poised than the University System of Maryland to meet and succeed in the “new normal” facing higher education today and the foreseeable future.
REGENTS’ 2011 FACULTY AWARDS

Teaching
Diana Emanuel, TU
C. Steve Knodle, UMUC
Susan Komives, UMCP
Edna D. Simmons, CSU

Mentoring
E. Kathryn Klose, UMUC
Roland Patrick Roberts, TU
James Saunders, TU

Public Service
Gerald LaFemina, FSU
Jonathan Lazar, TU
Margaret Palmer, UMCES
Bruce Walz, UMBC

Effectiveness & Efficiency
Anne S. Turkos, UMCP

Research, Scholarship, and Creative Activity
Brian Fath, TU
Heike Raphael-Hernandez, UMUC
E. Michael Richards, UMBC

Collaboration
William Bentley, UMCP
and Gregory Payne, UMCP

ELKINS PROFESSORS (2010-2011)
Steven Lev, TU Department of Physics, Astronomy, and Geosciences
Michael I. Meyerson, UB School of Law
Raman Sundrum, UMCP Department of Physics

SELECTED NATIONAL STUDENT HONORS
Michael Young, UMBC, Gates Cambridge Scholar
Robert Wardlow, UMBC, Goldwater Scholar
Dylan Rebois, UMCP, Marshall Scholar
Ethan Schaler, UMCP, Churchill Scholar

Sixteen UMCP students received Fulbright grants.

SU students Emily Thorpe and Jonné Woodard were named national Greater Research Opportunity Fellows by the U.S. Environmental Protection Agency.

UB students Richard Buccheri, Christopher McDonald, and Susan Carroll were recognized for their potential to lead nonprofit organizations by the Next Generation Nonprofit Leadership Program.

The University of Maryland School of Law’s National Trial Team finished second in the National Tournament of Champions sponsored by the National Institute of Trial Advocacy.

The SU men’s lacrosse team won the program’s ninth national title in the 2011 NCAA Division III championship game.

The UMES women’s bowling team won the 2011 NCAA Division I championship, the university’s second national bowling title in four years.

The TU Dance Team won its 13th consecutive National Dance Alliance Collegiate championship.

REGENTS’ 2011 STAFF AWARDS

Outstanding Service to Students in an Academic or Residential Environment
Mary Tola (exempt), FSU
Deborah Pusey (non-exempt), SU

Exceptional Contribution to the Institution or Unit
Colleen Stump (exempt), FSU
Myrle Combs (non-exempt), UMBC

Extraordinary Public Service to the University or to the Greater Community
Kim Nechay (exempt), SU
Julia Heng (non-exempt), UMCP
ABOUT THE USM

The University System of Maryland comprises 12 institutions, two regional higher education centers, and a system office. USM provides access to excellent higher education opportunities, performs groundbreaking research, offers vital services to communities and individuals, and fuels economic and workforce development. As a public system of higher education, USM advances the State of Maryland and benefits all of society.

USM FACTS

**Undergraduate Students:** 108,633 statewide (127,432 worldwide)

**Graduate/Professional Students:** 43,864 statewide (44,089 worldwide)

**Full-time Faculty:** 8,206

**Part-time Faculty:** 5,776

**Academic Programs:** more than 1,300 bachelor’s, master’s, doctoral professional, and primary certificate

**Locations:** more than 100 in Maryland

**Buildings:** 1,000, including 19 libraries

**FY 2011 Operating Budget:** $4.4 billion

VISION

The vision of the USM is to be a preeminent system of public higher education, admired around the world for its leadership in promoting and supporting high-quality education at all levels and life stages, fostering the discovery and dissemination of knowledge for the benefit of the state and nation, preparing graduates who are engaged citizens and have the knowledge, skills, and integrity to effectively lead people and organizations in a highly competitive, global environment, and instilling in all members of its community a respect for learning, diversity, and service to others. The overarching goal of the USM is to build lives and families and educated citizens.

MISSION

The mission of the University System of Maryland is to improve the quality of life for all the people of Maryland by: providing a comprehensive range of high-quality, accessible, and affordable educational opportunities that recognize and address the need for life-long learning and global and environment awareness; engaging in research and creative scholarship that expand the boundaries of current knowledge, and promote an appreciation of learning in all areas—the arts, humanities, social sciences, natural sciences, and professions; and preparing graduates with the knowledge, skills, and integrity necessary to be successful leaders and engaged citizens, while providing knowledge-based programs and services that are responsive to the needs of the state and the nation. The USM fulfills its mission through the effective and efficient management of its resources and the focused missions and activities of each of its component institutions.

USM INSTITUTIONS AND PRESIDENTS

**Bowie State University**
Mickey L. Burnim

**Coppin State University**
Reginald S. Avery

**Frostburg State University**
Jonathan C. Gibralter

**Salisbury University**
Janet Dudley-Eshbach

**Towson University**
Robert L. Caret (through 4.19.11)  
Marcia G. Welsh, Interim President (as of 4.20.11)

**University of Baltimore**
Robert L. Bogomolny

**University of Maryland, Baltimore**
Jay A. Perman

**University of Maryland, Baltimore County**
Freeman A. Hrabowski III

**University of Maryland, College Park**
C. D. Mote Jr. (through 8.31.10);  
Nariman Farvardin, Interim President (9.1.10 – 10.31.10);  
Wallace D. Loh (as of 11.1.10)

**University of Maryland Eastern Shore**
Thelma B. Thompson

**University of Maryland University College**
Susan C. Aldridge

**University of Maryland Center for Environmental Science**
Donald F. Boesch

USM REGIONAL CENTERS AND DIRECTORS

**Universities at Shady Grove**
Stewart Edelstein,  
Executive Director

**University System of Maryland at Hagerstown**
David Warner, Executive Director