MARYLAND HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION AND ECONOMIC DEVELOPMENT
UNIVERSITY SYSTEM OF MARYLAND
TESTIMONY OF USM CHANCELLOR WILLIAM E. KIRWAN
WEDNESDAY, FEBRUARY 5, 2014

Chairman Bohanan, Vice-Chairman Mizeur, and members of the Committee. . . thank you for the opportunity to testify on the Governor's FY 2015 budget recommendations for the University System of Maryland (USM). Once again, let me begin my testimony by thanking you, the members of this committee, your colleagues in the General Assembly, and Governor O'Malley for the support you have provided to higher education and the USM over the past several years.

The impact of your support can be seen throughout the state, on our campuses and beyond.

- By making access and affordability twin priorities, the State of Maryland improved from having the 7th highest tuition in the nation down to 27th.
- Enrollment is near an all-time high and time-to-degree is near an all-time low.
- Over the past five years, USM has increased its **annual** bachelor's degree production by 24 percent, from 18,719 degrees in FY 08 to 23,238 degrees in FY 13. We are well on our way to achieving our Strategic Plan goal of issuing 28,000 bachelor degrees annually by 2020.
- Over that same five-year time span, USM has increased **annual** production of master's degrees by 38 percent, from 7,615 degrees to 10,496 degrees.
- 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 literally every USM degree-granting institution singled out for praise.
- And USM institutions contributed significantly to the creation of 51 start-ups in FY 2012 and 67 new companies in FY 2013. This success puts us on track to achieve the Strategic Plan goal of helping to create 325 new companies by 2020.

On behalf of the USM and—most importantly—the students we serve, I thank you for your past support, which has made this remarkable progress possible.

As you will recall, last year—for the first time in five years—the USM received targeted enhancement funding. Specifically, we received $24.4 million in state funding, which we augmented with forward funding of an additional $10 million from the USM fund balance. Regarding this use of our fund balance, the Governor agreed to replace the $10 million with permanent funding in his FY 2015 budget, which he has done and it is built into the recommendations before you today. This $34.4 million was directed to vital areas of state and USM needs: STEM and health education; academic transformation; and commercialization. These are the priorities Maryland's leaders have established as the areas that will propel the state forward—economically and socially—well into the future.

Just to briefly update you on the progress this enhancement funding made possible:

STEM / HEATH CARE

In the innovation economy, the ability to attract, retain, and graduate more students in the STEM disciplines of Science, Technology, Engineering, and Mathematics is of paramount importance for any state's economic success. And meeting the growing workforce demands in the health care fields is similarly vital.

Last year in my testimony I noted that the $12 million in enhancement funding targeted to increase STEM, cybersecurity, and health-related enrollment should lead to an additional 1,000 students enrolled in these disciplines by FY 17, ultimately leading to 700 additional degrees in the areas that will continue to drive the new economy.

Preliminary estimates indicate that USM institutions have enrolled over 1,400 additional STEM and health care-related majors in FY 14 alone. This highlights the strong demand that exists for STEM openings when we are able to expand enrollment in these disciplines. It also underscores the importance of sustaining progress toward degree in the STEM areas.

ACADEMIC TRANSFORMATION

Advancements in technology combined with new cognitive research holds the potential to simultaneously improve learning outcomes AND reduce the cost of education delivery. We should all be very proud of the fact that Maryland is leading this revolution.

Last year I stated that the additional $12 million in enhancement funding from the Governor's budget and USM's internal funding would allow for the redesign of 48 additional courses by FY 17, serving more than 12,000 additional students, essentially doubling our efforts.

In FY 14 alone, USM institutions have launched 35 course or curriculum redesign projects as part of the system's academic transformation initiative, with as many as 11 additional transformation projects poised to launch before the close of the fiscal year.

COMMERCIALIZATION

In aligning USM priorities with those of the state, we recognize the need to be more aggressive in pursuing economic opportunities through innovation and R&D on our campuses. We are doing more to actively support campus-based technology transfer and commercialization activities and facilitate a more entrepreneurial culture.

Last year, with $10 million in state and internal enhancement funds, we pledged to advance the impact of *University of Maryland: MPowering the State*—the structured collaboration between the University of Maryland, College Park (UMCP) and the University of Maryland, Baltimore (UMB)—and heighten the impact of Maryland's research efforts on the state's economy.

While *MPowering* is just getting started, it has already had a profound impact on technology transfer and commercialization efforts at UMCP and UMB:

- Technology licensing grew by nearly 50 percent, from 28 to 41;
- Start-ups more than doubled, from 5 to 11;
- Between them, UMCP & UMB researchers secured 16 Maryland Innovation Initiative Awards totaling $1.6 million;
- Joint research proposals more than doubled to 72;
- A Joint Master's of Public Health curricula will be offered at the Collaborative School of Public Health beginning this Fall;
- A 5-year, $6 million partnership with MedImmune—a biotechnology development company located in Gaithersburg—will fund research and technology commercialization;
- Researchers from the Center for Health Informatics and Imaging have submitted more than $70 million in joint research proposals and secured multi-million dollar federal contracts.

I note these positive results that sprang from the enhancement funding you provided last year for two reasons.

Governor O'Malley has proposed a budget of $1.25 billion for the USM for FY 2015. This represents an increase of $92 million, or about 8 percent. Included in the budget is a 2 percent "tuition buy down" that will enable USM to keep our tuition increase to a very modest 3 percent, helping to preserve Maryland's reputation as a national leader in college affordability. On the other hand, given the increase in USM's mandatory costs and those of other state agencies —salary and fringe benefit increases, new facilities, etc.—the Governor's budget proposal essentially enables the USM to remain "level," with no additional enhancement funds.

There is a very important point to understand regarding the Governor's proposed budget. In the development of the budget, the USM faced the possibility of a $25.8 million cut from the level of funding in this proposed budget. This would have meant, in effect, the elimination of essentially all of the enhancement funds the General Assembly approved last year, which led to the important advances in state priorities that I just outlined. Rather than allow this to happen, the Governor approved our request to replace these cuts with a $25.8 million transfer from the USM Fund Balance to the state. We see this as a win/win for the state. By sustaining the funding level in our base budget, we can maintain funding for these three vitally important priorities. And, through the transfer of USM fund balance, we can help the state achieve its fund balance goals with its FY 15 budget.

Why would USM voluntarily give up $25.8 million from its fund balance? From our perspective, the answer is simple. We do not want the progress we have all worked so hard together to bring about in increasing STEM enrollment, supporting academic transformation, and advancing commercialization to be simply a one-year phenomenon. We need to sustain these advances over the coming years so that we can ensure Maryland's competiveness in the knowledge economy. As I noted, the reality of the situation is that the Governor's proposal represents a current services budget only, with no enhancement funds. Nevertheless, the USM intends to do all we can with this budget to maintain this momentum we have built. I am confident that if the budget is kept in tact, we can continue the progress we have made on state priorities the General Assembly funded while keeping the tuition increase modest. It is clear these initiatives will help Maryland overcome the economic headwinds faced by many states. But, it must be equally understood that any cuts will by necessity

be cuts to our three core initiatives and to our core services and infrastructure, which will severely compromise our momentum.

This brings me to my second point. *Inside Higher Ed* had a remarkable item last month that put what we have achieved in Maryland into a national perspective. The piece examined state spending on public colleges and universities over the past five years, essentially looking at where state higher education budgets stood at the start of the recession versus where they stand now. Looking specifically at the 10 states that have been designated as Maryland's "Competitor States" by the Department of Business and Economic Development, only one state—California, at 8.1 percent—has increased higher education funding at a level on par with Maryland's increase of 8 percent. In fact, half the competitor states have seen higher education investment **decrease** more than 8 percent. I find it hard to believe that it is just a coincidence that Maryland's unemployment rate of 6.1 percent is lower than 8 of these 10 competitor states and a full point lower than half of them. This is even more impressive when you take into account our proximity to Washington, D.C. and the effect of the ongoing federal cuts. This is the type of impact our work together in support of higher education is having.

I am also pleased to note that the USM's competitiveness efforts have the potential of receiving a significant boost in the form of a collection of initiatives announced by Senate President Mike Miller and House Speaker Mike Busch to promote growth in Maryland's innovation economy and support the state's research universities. Four elements of the legislative proposal are of particular interest: A fund to match university funds aimed at recruiting top academic talent to the state through endowed chairs; tax incentives for start-ups located near universities; seed funds specifically for cyber-security start-ups; and a blue ribbon commission to study Maryland's competitiveness and to provide recommendations aimed at making the state a leader in the innovation economy. USM Regent and former Lockheed Martin CEO Norm Augustine will chair this commission if the legislative proposal is ultimately approved. Promoting innovation and economic strength in Maryland through these proposals—and through fully funding the Governor's budget request for the USM—would be a true win-win for our state.

I have spoken over the past few years about Maryland's decision to buck the national trend of cutting higher education in favor of a better approach—a smarter approach—of investing in our intellectual infrastructure. I am proud of the cooperative partnership we have established together; proud of the trust we share with members of the legislature and with the Governor; and proud that Maryland stands as a state in which higher education is seen as a good investment that will benefit the state as a whole.

Turning now to the issues raised—and recommendations made—by the Department of Legislative Services.

The USM recommended Reductions:

1. **Page 22** - DLS recommends reducing the USM's general funds by $665,806.

   USM Response: The USM opposes the recommended reduction of $665,806 from the Governor's Allowance.

   During FY2013, the USM informed DBM that we were projecting a significant shortfall in our healthcare funding. Normally, the State would provide funding to close deficits in state controlled accounts such as employee health and pensions. DBM concurred with the deficit projection but indicated that the State simply did not have the funding to close the gap. Consequently, the USM had to absorb an $11 million healthcare account shortfall and were notified to do so in the final quarter of the fiscal year. To help USM close the gap, DBM did approve using another state controlled account in the USM where some funds were available, namely, our State Personnel System account. We were very grateful for this consideration especially given the timing of the cut. Attached to our testimony is the correspondence from DBM permitting the use of the $665,806 amount from the State Personnel System savings. (See DBM approval notification from Secretary Eloise Foster dated June 18, 2013).

2. **Page 24** – DLS recommends reducing the USM's general funds by $7.0M to reflect the tuition revenue portion of the FY2014 annualized COLA.

   USM Response: The USM opposes the recommended reduction of $7.0M in base funding.

   To begin, the long-standing practice in Maryland's budget process has been for COLA costs for state-supported positions to be funded with state funds. This practice includes the USM and all other state agencies. State funding for the annualization of the FY2014 COLA was an integral component of the FY2015 budget development process including DBM's state planning dollar allocation as well as DBM's estimate for USM's tuition rate increase. It should be noted that the state's funding target did not fully cover mandatory costs. In fact, many institutions will be forced to cut or reallocate funds to balance the FY2015 budget. <u>In effect, the analyst's recommendation would mean either a further increase in tuition or a cut to base educational programs.</u>

   Further, it should be understood that the DLS estimate for FY2015 mandatory costs at $136.5M is significantly understated. The USM does not have excess funds to absorb a cut of $7.0M as suggested by DLS. The DLS estimate does not include the ongoing costs of the enhancement programs funded in FY2014 by $10M of USM fund balance nor $6M of financial aid for graduate students, each of which are real costs. Recall that in the FY2014 budget it was understood that the Governor would recommend to the General Assembly the use of state funds to maintain (not expand) the enhancement program in his subsequent FY2015 request. In fact, all of the enhancement accountability metrics established by the USM and approved by the Executive and the Legislature in 2014 included the $10M of program activity supported with fund balance. Therefore, the FY2015 allocation should recognize these costs as current services rather than suggesting the USM has excess funding. Base state funds and fund balance were used to hire faculty, staff and put in place program infrastructure and support services. The

Governor did follow through on the recommendation in his proposed FY2015 request. Also, the increase in financial aid for graduate students is largely dedicated to graduate assistantships. Specifically, graduate students receive financial aid towards tuition costs in exchange for providing instructional support to undergraduate students. These combined costs of $16M would raise the total current services costs to $152.5M well above funds available in the FY2015 budget allowance.

One additional point relates to DLS Exhibit 14, which is a comparison of actual tuition and fee revenue versus the appropriation level. It is important to keep in mind that even though the State stopped funding enrollment growth, the USM committed to continuing to pursue the State's access agenda. As a result, there were a number of years in which the USM did increase enrollment and as a result, tuition revenue exceeded projections. This was not an error or misrepresentation on the part of the USM. We admitted more students and used the additional tuition to meet the instructional and student services costs related to these additional students. Again, increasing degree completion is a primary state priority. In fact it is a focus on the degree achievement goal. As the DLS chart shows, the additional tuition revenue has grown smaller because statewide budget difficulties have constrained our ability to grow enrollment. In fact, for FY2014 USM is projected to under attain by a $6.6M and will need to cut activity levels.

3. **Page 32 -** DLS recommends that the USM continue to report on the progress each institution is making toward meeting its established metrics for the use of the $13M enhancement funds included in the FY2014 budget.

   USM Response: The USM concurs with the recommendation and will submit the required report.

<u>Higher Education Overview: Recommendation 2: page 32: Performance Based Funding</u>: Although the USM was not officially asked to comment on Performance Based Funding in the USM Overview, it was included in the Higher Education Overview. The Chancellor wanted to include his comments in writing in the USM Overview.

1. We continue to question whether a performance based funding system is best for Maryland. We are a state that is **already high performing**—and we are succeeding on many of our higher education goals (i.e., affordability, increased degree completion, and STEM production). At the same time **new research continues to come out (the latest round presented just this past November) that questions the efficacy and impact of performance based funding on advancing state goals,** such as degree completion. We have to ask ourselves whether introducing an unproven funding mechanism that has the potential to undermine elements of an already high performing system—including putting at risk those institutions and populations facing the greatest challenges in our State—is worth the risk.

2. With the above said, the segments worked in good faith with MHEC this past year to put forward a consensus model that would:

- incentivize Maryland universities to aggressively seek out and develop new strategies and initiatives that advance those goals within the context of the institutions' unique missions and the populations they serve,
- not penalize institutions by placing at risk base levels of resources needed to carry out operations in support of those missions/populations, and
- respect the interrelated nature of our funding formulas and does not threaten the level of trust and cooperation that has been built between the segments in Maryland.

The Commission regrettably, in our opinion, rejected that model in favor of a recommended "within base" model.

3. We will of course follow the General Assembly's wishes with regard to testing any PBF model, but in our opinion before deciding to move forward on implementing a performance funding model, it **should revisit the wisdom of the "within base"** recommendation. This is based on an intimate knowledge of how academic institutions operate and what motivates/drives institutional behavior (and as evidenced by our own experience with a form of performance funding in FY2014). It is also based on two decades of watching performance funding systems in other states rise and fall due, at least in part, to their failure to win the confidence and trust of core constituencies.

4. Other thoughts-
   - While not in the final MHEC report, there was an unwritten consensus among the segmental members of the workgroup that 1 percent of the higher education budget was an appropriate amount for any initial PBF model in Maryland.
   - We agree with the analyst that the model, as proposed by MHEC, would be problematic for UMB and would need revision. We also note that the same is true for UMCES, which was not mentioned in the model at all.

Chancellor was asked to comment:

Page 32 - The Chancellor should comment on whether any other programs funded with enhancement funds will be impacted if the USM's FY2014 appropriations are reduced and provide the status of the progress made to date of these activities.

Chancellor's response: As I noted in my opening testimony, the USM has made significant progress in addressing State and USM needs with the additional targeted enhancement funding. To date, using the FY2014 enhancement funds provided to us, USM institutions have launched 35 new academic transformation projects and enrolled more than 1,400 additional STEM/Health-care related majors, demonstrating just how strong demand is for slots in these fields. FY2014 enhancement funds are also helping us address vital state and institutional goals related to college completion, closing the academic achievement gap, and technology transfer and commercialization. We are certain that when we provide our official progress report to the State in September of this year, as required by the Legislature, you will be pleased and impressed. However, as you are aware, during the current fiscal year, the USM budget had to be cut by $11.2M due to a shortfall in the corporation tax revenue. Note that a portion of the corporation tax revenue is used to fund the Higher Education Investment Fund. When we received the cut, we worked to preserve the programs

benefiting from enhancement funds. There were two institutions where cuts to enhancement-funded programs were required, namely, UMCP ($1M) and UMES ($300,000).

If the current year budget were to be cut further, much of the forward progress made this year would be put at risk. In expanding the STEM slots and launching new redesign and degree completion initiatives, institutions have committed themselves to hiring faculty and staff and putting in place the facilities, program infrastructure, and support services needed to not just enroll these additional students but to see them through to graduation. It is vital that we be allowed to carry on as planned. While the full impact of a further cut would obviously depend on the size and scope of the take down, it no doubt would impact the ability of institutions to carry on with their planned FY2014 enhancement projects. For instance, BSU's Bulldog Academy, its summer outreach program for new students, could reduce its enrollment substantially (going from 130 students to less than half that number). TU's "Center for Academic Transformation," a keystone element in that institution's plans to help faculty reinvent and reinvigorate the classroom, would be forced to downsize its personnel and productivity at a time when it already has trouble serving the high level of faculty interest in course and professional development.

Page 36 - The Chancellor should comment on supporting ICA programs through the increase of student athletic fees especially at UMES and CSU, where the majority of students are from low-income families; the impact this has on access and affordability; and if other actions are being considered to lower the cost of ICA programs.

Chancellor Response: Since the Board Policy on Oversight of Intercollegiate Athletics was revised, and a Regents workgroup charged with oversight on an interim basis, the Regents' review of ICA finances, as well as the monitoring of academic success of our student-athletes and gender equity issues, has increased in both frequency and focus. The Regents workgroup meets at least 4 times a year, as compared to an annual review previously, and one workgroup meeting is focused exclusively on direct interaction with each Division 1 programs' athletic department leadership and institutional president, so that the Regents' views and expectations can be conveyed directly.

Of course, each of our five Division 1 programs is unique, but both UMES and CSU are programs that disproportionately rely on student athletics fees for support for intercollegiate athletics. For institutions where funding for intercollegiate athletics is largely derived from student fees, the impact of fee levels, taken in the aggregate as a package or total sticker cost, is an important consideration for both enrollment management and institutional leadership, but also the Board of Regents, which consistently is focused on affordability and access.

UMES has been using other self-support activity fees to balance intercollegiate athletics budget the past several years. The institution, under the revised policy, submitted its plan to utilize other self-support revenues to support Intercollegiate Athletics for a period of time which student athletic fees are increased over time to the point where no other self-support activity revenues are needed. UMES can be counted on to ensure that overall student fee increases and levels are not out of line with peers, or that the overall cost of attendance does not inhibit access or diminish affordability.

Coppin State University is pursuing a wide range of initiatives laid out in the Coppin Implementation Plan. One of those is working to ensure that intercollegiate athletics attains a balanced budget. The role of intercollegiate athletics at Coppin State University was the subject of

a considerable amount of discussion and review by the Coppin Study group, and the conclusion of that group was that student-athletes at Coppin performed well academically in comparison to the student body as a whole, and that intercollegiate athletics had done a fairly good job of meeting the financial benchmarks laid out in a fiscal improvement plan submitted to the Board of Regents in March 2010; it has only been the last year or two, when enrollment at Coppin begin to suffer declines, that progress towards completely closing the fiscal gap have fallen somewhat short of the March 2010 plan. As the elements of the Coppin Implementation Plan are achieved, and enrollment increases to more plausible levels for an institution of Coppin State University's facilities size, the revenues available to intercollegiate athletics will increase and we expect Coppin will be able to balance the ICA budget.

Page 38 – The implementation plan for MPowering included the development of new educational offerings between UMCP and UMB such as establishing a 2 + 2 program for nursing; joint programs between the Schools of Engineering, Pharmacy, and Medicine; and other educational initiatives. The Chancellor should comment on what, if any, progress has been made in broadening academic collaborations between various departments at the two institutions.

Chancellor's Comment: In just two short years since MPower's launch, the list of achievements that UMB and UMCP have been able to accomplish under the initiative is nothing short of impressive. Taken as a whole, the collaboration between UMCP and UMB is energizing our state's tech transfer efforts, bringing in major research awards, and creating new opportunities for students to study with top national faculty. While several MPower achievements were highlighted earlier in my testimony and noted in the analysis, I wanted to reiterate just a few of the key outcomes:

- Under UM Ventures, the MPower initiative designed to jumpstart Maryland's success in technology transfer and commercialization, we have seen technology licensing grow by nearly half (from 28 to 41), start ups more than double (from 5 to 11), and the site miners and entrepreneurs-in-residence help faculty researchers secure 16 Maryland Innovation Initiative Awards totaling $1.6 million. These site miners, mentioned in the analysis, are faculty with strong research backgrounds who connect basic investigators with clinicians and other professionals to solve practical problems, while entrepreneurs-in-residence have experience in commercializing inventions and other intellectual property and work with faculty to commercialize their ideas.

- Under MPower's joint research initiatives, which seek to leverage the unique strengths of the two campuses to increase their ability to bring in more extramural research, joint proposals have more than doubled to 72 – including the one that led to the $19 million NIH award mentioned in the analysis – and UMB and UCMP are now in the process of approving over 51 joint research faculty appointments (up from just a handful two years ago).

- In addition to these efforts, UMB and UMCP are moving toward full accreditation of the Collaborative School of Public Health, as noted in the analysis, with a joint MPH to be offered this fall. Collaborative student recruitment initiatives are underway as we speak, including a single admissions application on a unified website portal.

- At the Maryland Center of Excellence in Regulatory Science and Innovation, another initiative of MPower, researchers from both campuses are helping the Food and Drug Administration develop new tools, standards and approaches to evaluate new products.

- Under the Institute for Bioscience and Biotechnology Research (IBBR) co-located at the USM's Universities at Shady Grove Center, researchers from UMCP and UMB, in partnership with the National Institute of Standards and Technology, are seeking to expand bio technology transfer and commercialization. This includes a just-completed, five-year, $6 million partnership with MedImmune, which will fund research, and technology commercialization, and may include, as part of the package, an expanded range of graduate student experiences, post-doctoral fellowships and adjunct faculty appointments

- At MPower's Center for Health Informatics and Imaging (CHIB), which combines UMCP's computer science expertise with UMB's clinical and medical strengths in order to conduct data-intensive research to treat disease, CHIB researchers have submitted more than 70 million in joint research proposals and secured multi-million dollar federal contracts.

- The Agricultural Law Education Initiative, also under the aegis of MPower, combines agriculture and law expertise to help meet Maryland farmers' legal needs. It partners with the private bar to build knowledge and skills in the growing field of agriculture law among lawyers throughout the State, and it offers web resources, training materials, educational programs and a law library resource guide on how laws and policies balance the interests and needs of farmers, consumers and our natural resources.

- Finally, under the heading of Joint Undergraduate and Graduate Programs, the MPower campuses are launching two new programs on the College Park campus that will be taught by faculty from both institutions. The College Park Scholars program in Justice and Legal Thought is a living and learning program for freshman and sophomores that, as the analyst noted, is scheduled to be launched in Fall 2014. It will be matched by a Law & Society minor for UMCP juniors and seniors, which is designed to prepare students for a wide range of careers in highly regulated fields like health law, business, intellectual property and public policy. Both are exciting additions to the traditional range of law-related educational options available to UMCP undergraduates.

Turning now to the topic of future collaborations between the two campuses, and the analyst's question of what additional progress has been made in broadening academic collaborations between various departments at the two institutions, such as a 2+2 program in nursing and joint programs between the Schools of Engineering, Pharmacy, and Medicine, I am happy to report that the two MPower campuses continue to identify new ways they can work collaboratively to enrich the educational and research opportunities available to their students and faculties. For instance:

- Under the issue of creating a 2+2 program in nursing, UMCP and UMB have now signed an MOU and articulation agreement for direct admission from UMCP to the School of Nursing at UMB. It will be advertised to the incoming class this year, and the schools tentatively expect to enroll 50 students in the program per year.

- With respect to joint degrees in engineering and medicine, the two institutions have already developed an MOU for a joint PhD/MD in Bioengineering, which is ready for sign off. This program builds on the existing MS/MD agreement between the Clark School of Engineering and UMB's Medical School.
- A Master of Science in Law program has been developed by the two MPower campuses and has been approved by the Board of Regents' Education Policy Committee. The program targets working professionals in the DC metro region, with specializations tied to UMB Carey Law's areas of national imminence: health law, environmental law, and emergency preparedness. It could begin enrolling students – with approximately 20 in the initial cohort -- as early the summer of 2015 if funding is available.
- There also are plans to expand the UM Scholars program, which gives undergraduates experience at the School of Medicine (ten students were involved last summer). Next year UMB students will have the opportunity to come to College Park for the first time to work with UMCP faculty.
- And finally UMCP and UMB are working together to develop a joint degree in biostatistics and bioinformatics, and as part of the Maryland Center of Excellence in Regulatory Science and Innovation, the two schools are also working to develop a joint master's degree and certificate program in regulatory science. Courses in the program sequence are now being developed.

Page 42 - The Chancellor should comment on the overall success of the "Teaching Experience for Science Majors" program and the potential to continue and/or expand opportunities for teachers and students at the end of the grant period.

Chancellor's comments: Minority Student Pipeline Math Science Partnership $(MSP)^2$ is the most recent in a series of P-20 Partnership grants that have been developed as collaborations between USM Office, our institutions, community colleges, and public school districts.

The $(MSP)^2$ grant had three major strands of activity:

1. Professional development for current elementary and middle and high school STEM teachers in Prince George's County,
2. Early college and dual enrollment for Prince George's County students at Prince George's Community College and Bowie State University, and
3. Early field experiences for STEM majors from UMCP and Bowie State to encourage them to consider going into teaching.

In addition to the measurable outcomes mentioned in the analyst's review, an important outcome for this type of grant is using evidence to find out what works (and what doesn't) when it comes to improving student success in STEM and recruiting STEM teachers.

The potential to continue or expand these opportunities is mixed. We have a much better idea of what works, but not all of the most successful components will be able to be sustained beyond the period of grant funding.

1. Professional Development: The professional development program for elementary and middle school teachers was perhaps the most successful component of $(MSP)^2$. We have been assured by PGCPS that they recognize the value of this experience, and they will use

the lessons learned from the project to invest in their county-wide professional development for teachers. However the partnership with UMCP and PGCC will not be able to be sustained unless we get additional grant funding.

USM and UMCP are in the process of applying for additional funding from NSF to do more of the same kind of work with PGCPS in engineering, taking a more school-based approach (something we learned from this grant). The new proposal involves PGCPS "teacher leaders" who were developed through the $(MSP)^2$ grants.

2. Dual Enrollment: This was a two-part program—one residential program at Bowie State and one school-based program developed by Prince George's Community College. Bowie State has secured additional grant funding from the Bernard Harris Foundation to continue the middle school "feeder program," but does not have funding to continue the summer residential program for high school students. PGCPS and PGCC are moving forward with a strong partnership to greatly expand opportunities for dual enrollment using what they learned from the $(MSP)^2$ model to build their response to elements of SB740.

3. Teaching Experience for Science Majors: The "learning assistant" program UMCP will continue with funding from the Department of Physics, and will very likely be expanded with funding from the College of Mathematical and Natural Sciences.

   Forty-five undergraduate students have participated as Learning Assistants, with a large fraction of these students returning to participate for multiple semesters. Building on the success of the $(MSP)^2$ project, UMCP faculty succeeded in securing a NOYCE grant from the National Science Foundation which provides scholarship support to STEM majors who plan to go into teaching.

The USM has had a strong track record of applying for and winning multi-campus partnership grants to support STEM majors and STEM teaching.

Currently USM has three additional grant applications pending:

- One to support transition courses in mathematics in response to the Common Core and PARCC,
- One to support innovation in undergraduate STEM teaching,
- One to support the collaborative development of Computer Science courses in high school.

The success of all of these projects is a direct result of the P-20 collaborations between our USM institutions, the community colleges, and the local school districts

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MARYLAND
DEPARTMENT OF
BUDGET & MANAGEMENT

MARTIN O'MALLEY
Governor
ANTHONY BROWN
Lieutenant Governor

T. ELOISE FOSTER
Secretary
DAVID C. ROMANS
Deputy Secretary

June 18, 2013

Dr. William E. Kirwan
Chancellor
University System of Maryland
3300 Metzerott Road
Adelphi, MD 20783

Dear Dr. Kirwan:

Pursuant to Section 17 of Chapter 148, Acts of 2012 (2013 Operating Budget Act,) the Secretary of the Department of Budget and Management is required to provide prior approval to agencies that wish to spend or transfer general funds appropriated from the FY 2013 State Personnel System (Comptroller Object 0894) expenditures for other purposes.

Your request to use surplus general funds of $665,806 appropriated for the FY 2013 State Personal System has been approved to be used for FY 2013 expenditures related to Health Insurance (Comptroller 0152) and Retirees Health Insurance Premiums (Comptroller 0154).

Sincerely,

T. Eloise Foster

T. Eloise Foster
Secretary

cc: Joe Vivona, USM
Monica West, USM
Ken Henschen, GAD
George Cherupil, GAD
Marc Nicole, DBM
Kurt Stolzenbach, DBM
Jordan Butler, DBM