



## BOARD OF REGENTS

### SUMMARY OF ITEM FOR ACTION, INFORMATION OR DISCUSSION

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**TOPIC:** Study on the Potential Merger of UMCP and UMB – Proposed Board of Regents Work Plan

**COMMITTEE:** Committee of the Whole

**DATE OF COMMITTEE MEETING:** June 17, 2011

**SUMMARY:** The Board of Regents directed the Chancellor to develop a framework for responding to joint legislative committee language directing the Board to complete a study regarding the potential merger of UMCP and UMB, and if appropriate, propose implementation plans. The primary purpose of this work plan is to describe a methodology or approach to the analysis of the potential merger that is thorough and complete with respect to the issues raised in the JCR language. A secondary purpose is to introduce various organizational matters and “process checks” that should be considered in order to help drive the study to a successful completion by December 15, 2011, the required date of submission to the General Assembly.

**ALTERNATIVE(S):** The Board could recommend changes to the proposed work plan.

**FISCAL IMPACT:** A cost not to exceed \$50,000.

**CHANCELLOR’S RECOMMENDATION:** The Chancellor recommends that the BOR endorse the proposed work plan.

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COMMITTEE ACTION:

DATE:

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BOARD ACTION:

DATE: June 17, 2011

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**Study on the Potential Merger of UMCP and UMB –  
Proposed Board of Regents Work Plan  
June 17, 2011**

**I. Introduction**

The Board of Regents directed the Chancellor to develop a framework for responding to joint legislative committee language directing the Board to complete a study regarding the potential merger of UMCP and UMB, and if appropriate, propose implementation plans. The primary purpose of this work plan is to describe a methodology or approach to the analysis of the potential merger that is thorough and complete with respect to the issues raised in the JCR language. A secondary purpose is to introduce various organizational matters and “process checks” that should be considered in order to help drive the study to a successful completion by December 15, 2011, the required date of submission to the General Assembly.

**a. Legislative Language and Explanation**

The 2011 “Report on the State Operating Budget (HB 70) and the State Capital Budget (HB 71) and Related Recommendations” by the Chairmen of the Senate Budget and Taxation Committee and the House Appropriation Committee (the Joint Chairmen’s Report) contains the following language for the University System of Maryland Office (p. 127):

“Add the following language to the unrestricted fund appropriation:

, provided that \$1,000,000 of this appropriation may not be expended until the University System of Maryland Board of Regents submits a study examining the advantages and disadvantages of merging the University of Maryland, College Park and the University of Maryland, Baltimore. The study shall include any issues related to merging the two institutions under a single University of Maryland. If the Board of Regents concludes that merging the two institutions is feasible and appropriate, then the Board shall include an outline of how the merger will be accomplished, identify any legislative or other changes needed, and the projected timeline to accomplish the merger. The report shall be submitted to the budget committees by December 15, 2011, and the budget committees shall have 45 days to review and comment on the report. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

**Explanation:** The General Assembly is interested in the potential benefits and costs that a merger of the University of Maryland, College Park (UMCP) and the University of Maryland, Baltimore (UMB) would have for the State, faculty and students.

UMCP is the State’s flagship public higher education institution. It has major undergraduate, graduate, and doctoral programs with a significant research component generating over \$545

million in fiscal 2010. UMB is Maryland's only combined public academic health, human services, and law center. Seven professional and graduate schools train the majority of the State's physicians, nurses, dentists, lawyers, social workers, and pharmacists. UMB has few undergraduate programs and there are no public flagship research institutions with the level of research carried out by UMCP that do not have a medical school and a law school as a formal part of the institution. The two institutions are complementary and have few if any duplicative programs.

Combining the two institutions into one world class research and medical institution could encourage and facilitate seamless cross disciplinary cooperation, research, and interaction by removing those barriers that typically exist between institutions.

The University System of Maryland Board of Regents should study the advantages and disadvantages of merging UMCP and UMB under a single university and make a determination if such a merger is beneficial to the institutions involved and the University System of Maryland as a whole. If the findings are such that the proposed merger is of benefit, a merger plan may be developed."

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on a study to merge UMCP and UMB	University System of Maryland Board of Regents	December 15, 2011

## **II. Approach to the Analysis -**

Several prior studies, including those in Illinois and Colorado, relevant to the potential merger of an academic health center like UMB and another research university like UMCP were organized around the analysis of and responses to a series of questions that addressed the benefits and risks of a merger.

We tested the "questions" approach in two ways. First, we consulted four USM presidents and a number of senior officers at several institutions (Presidents Boesch, Hrabowski, Loh, Perman). Our discussions yielded several perspectives on the study in general, and informed the questions that might be developed. Second, there are questions implicit in the legislative language, and this informed the candidate questions included in this planning document. For example, the language speaks to an analysis of "... the advantages and disadvantages of merging UMCP and UMB under a single university and make a determination if such a merger is beneficial to the institutions involved and the University System of Maryland as a whole." We also examined the criteria for measuring the results or "responses" to the questions. Based upon our discussions with the institutional leadership we determined that relevant and valid criteria for measuring answers to the questions could be found in institutional mission statements and strategic plans. We also incorporated into the questions leadership, organizational and geographic criteria, as well as criteria related to earlier merger experiences involving a public academic health center and another public research university into the analysis both nationally and internationally.

The above described approach was well received by the Presidents mentioned above. It is the Chancellor's recommendation to the Board that we follow the "questions" approach. We have already circulated the candidate questions that follow to institutional leadership for their further advice and comment. We will discuss this issue with the entire Council of System Presidents (CUSP) at its June meeting. We have also identified the various aspects of the overall study process; related issues are presented in Section IV. Again, we seek to create a methodology that is thorough and complete. We also seek a Board process that will be recognized as objective and transparent by the stakeholders. The candidate questions (Section III) follow.

### **III. The Candidate Questions –**

#### **a. Mission and Quality of Learning –**

1. What advantages and disadvantages would merging into a single institution have for UMB and UMCP and their ability to carry out their respective missions?
2. More specifically, what impact would a merged UMB and UMCP have on the ability of the two institutions to--
  - a. encourage and facilitate seamless, cross disciplinary collaboration and research,
  - b. compete for and secure extramural resources,
  - c. expand or enhance academic offerings and student learning opportunities, including developing premier research and academic programs and providing greater access to underserved populations and areas of the state,
  - d. exploit opportunities for commercialization and technology transfer, as well Maryland's unique advantages in location and concentration of research resources?
3. What impact would the merger of UMB and UMCP have on the University System of Maryland as a whole and its ability to carry out its mission and achieve the goals of its strategic plan, particularly those related to educational achievement, economic competitiveness, academic transformation, leveraging resources, and achieving national eminence?
4. What impact would the merger of UMB and UMCP have on the other institutions in the System and their ability to develop and carry out their own mission-related activities, as well as those of the System as a whole?

#### **b. Quality, reputation, and rankings –**

5. How would a merger affect the competitiveness of UMB, UMCP, and the other USM institutions, or their individual programs, relative to peers on key national and international measures of quality, research, and scholarly activity?

**c. Cultural/Locational/Cost/Administrative Issues –**

6. How would the differences in the distinctive histories, academic “cultures,” and administrative systems of UMB and UMCP, as well as the physical distance separating the two campuses, impact their ability to successfully merge into a single institution?
7. What are the projected costs, both immediate and long-term, associated with merging UMB and UMCP into a single institution for--
  - a. the State,
  - b. the two institutions, and
  - c. the USM and its other institutions?
8. What are the projected savings, or offsetting financial benefits, both immediate and long-term, associated with merging UMB and UMCP into a single institution for
  - a. the State,
  - b. the two institutions, and
  - c. the USM and its other institutions?
9. What impact, immediate and long-term, would a merger of UMB and UMCP into a single institution have on the economy and quality of life in their surrounding communities and regions, including their attractiveness to donors and alumni, and the reputations they enjoy among funding agencies and business leaders?
10. What additional state or federal legal or administrative requirements, or Board policies, would the merged UMB and UMCP be subject to and what impact could they have on research and education-related activity at the institution (for example, as a result of the merger, how would new programmatic offerings by UMB/UMCP be affected by current Office of Civil Rights or MHEC interpretations of Maryland’s higher education desegregation commitments)?

**d. Capstone Questions –**

11. Based on an analysis of the benefits, costs, and other issues associated with a merger detailed above—and recognizing the research and education needs and trends that are emerging at the state, national, and global levels—is a merger of UMB and UMCP the “right thing to do” at this time for the two institutions, and the System as a whole, and the State? Is it a reasonably feasible thing to do at this time?
12. As an alternative to merging the institutions or maintaining the current strategic direction, should additional models be investigated that could enhance the ability of the two institutions to facilitate cross disciplinary learning and exchange, boost research and education programs, and enhance the national and international reputations of not just UMB and UMCP but the System and its institutions as a whole?

#### IV. Organizational Matters and Process –

Organizational issues to be further developed based on input and feedback include:

- a. The full board will be invited to all meetings of the Merger Study workgroup.
  - The Leadership Committee of the Board will serve as the workgroup’s steering committee
  - Use of outside consultants (either ongoing or as needed)
- b. Project staffing and task assignments
  - Use of USMO staff, institutional staff, or others as needed
  - Assignments based on agreed upon set of questions and data needed to answer those questions
- c. Expectations for pre-study meetings and materials
  - Discussion with USM leadership, and individuals with experience from other institutions in other states
  - Case studies, testimony, and related materials from similar studies
- d. Communications strategy
  - Pre-study briefings of Board, institutional presidents, Governor, General Assembly leadership, USM councils, oversight agency staff, and other stakeholders
  - Use of website to gather stakeholder input and comments early in the process, and to post updates
  - Public hearings in Baltimore and College Park, and Statewide via web on lin
- e. Time line
  - May-June
    - Conduct pre-study briefings
    - Form and charge BOR work group
    - Assign work tasks and identify consultants
    - Develop and post website
    - Finalize and test questions
  - July-August
    - Collect data and begin developing responses to questions
    - Review responses with BOR and solicit feedback
    - Brief presidents and USM councils on progress
  - Sept-October
    - Schedule and hold public hearings
    - Develop and release initial draft of study internally
    - Review and revise based on feedback
  - Nov-December
    - Finalize draft and brief BOR and presidents
    - Submit draft to DBM for review
    - Brief Governor and General Assembly leadership
    - Submit final draft