

A Brief Update on the USM Funding Guidelines and the New Role Under Senate Bill 1052

To put this update in context, the funding guidelines are meant to inform budget decisions. The guidelines represent a funding standard for public universities in Maryland. The guideline for each institution is based upon a comparison with a set of *funding* peers. These peers are selected from ten states, known as competitor states (CA, MA, WA, NC, NY, NJ, PA, OH, VA, MN), based on Carnegie classification and mission. It is important to recognize that the guidelines themselves include both state and tuition revenue. As a funding goal, we strive for all institutions, except the Historically Black Colleges and Universities (HBCU's), to be at the 75th percentile of their respective peers. The goal for the HBCU's is higher, at the 80th percentile.

Senate Bill 1052

The funding guidelines played an important role in the FY2017 legislative deliberations on Senate Bill 1052. The final legislation included language that stated that for each fiscal year, FY2018 – FY2021, the Governor shall appropriate in the annual operating budget at least an additional \$4 million for the purpose of increasing the estimated funding guidelines attainment levels of the primarily residential institutions in the USM with the lowest estimated funding guideline attainment levels in fiscal year 2016. The USM shall allocate the funds each year that brings the institutions with the lowest estimated funding guideline attainment levels in FY 2016 as close as possible to a 64% estimated funding guideline attainment level by FY2021.

The language also required that the Board of Regents work in collaboration with the Senate Budget and Taxation Committee and the House Appropriation Committee to develop a multi-year strategy to enhance the funding guideline attainment levels for all USM institutions. We see this as a positive turn for the long term funding prospects for higher education.

Funding Guideline Attainment Levels

<u>Institution</u>	FY 2016 Attainment Level	FY 2017 Attainment Level
UMB	68%	71%
UMCP	75%	80%
BSU	89%	86%
TU	60%	68%
UMES	78%	78%
FSU	85%	85%
CSU	128%	138%
UB	64%	63%
SU	71%	74%
UMUC	53%	26%
UMBC	59%	61%
UMCES	81%	78%
USM total	72%	73%