

Budget Equity in Campus Funding

This topic concerns the status of both funding adequacy and equity. This matter is important to a longer term effort to improve the System's budget allocation process. [It should be noted that this topic was discussed by the Board during the retreat a year ago.]

Per student funding varies widely between our campuses. Much of the differences in funding between USM institutions are related to their various missions. Research campuses generally receive greater funding per student than comprehensive institutions; such a difference is expected and justifiable. Beyond the mission driven structural differences, legitimate questions or concerns exist regarding the adequacy of campus funding. Similarly, the matter of funding equity between and among our institutions is an ongoing subject of debate.

State legislation that was enacted in 1999 articulated an overall framework for considering matters of funding adequacy and equity. The legislation was the result of the work of a legislative commission – the Larson Commission. The legislation required the development of funding guidelines. One key facet of the guideline was to serve as a barometer for both adequacy and equity in funding. While the funding guidelines have evolved, its role in terms of funding adequacy and equity has remained.

To be sure, there are degrees of funding adequacy as measured by the funding guideline. While virtually all of our institutions are not funded at the level prescribed by the funding guideline goal, it is indisputable that the majority of the USM campuses have advanced in quality and performance. So, to a large extent, funding is adequate. It is not optimal and much would be gained for Maryland if they were funded at the funding goal.

Funding equity has proven to be a more difficult concept to achieve. The guideline was built to control for the relevant differences between institutions – mission, legislative priority, populations served, and so on. To a large extent the guideline does “normalize the data,” and it can be used to compare the funding levels between campuses. However, there are different views about what constitutes equity. The legislature did wrestle with equity issues and the USM continues to do so in the allocation process.

Budget Equity in Campus Funding

What has changed over the past year?

1. Funding adequacy and equity improved due to a significant FY 2017 operating budget funding increase.
2. The effects of the funding to be provided under SB 1052 will be positive. This funding is focused on institutions that are the lowest in the guideline and, consequently, should narrow the equity gap.
3. SB1052 also calls the articulation of a path forward to improve the adequacy of funding overall.

What needs to be done?

1. Monitor attainment on incremental basis, directing resources to those institutions with lower funding attainment.
2. Control for impact of enrollment growth in future allocations.

Discussion topics –

1. Current status of funding adequacy and equity.
2. The connection between enrollment, State funding and tuition and fee revenue.
3. Conditions necessary to improve both adequacy and equity.
4. Next steps.

**University System of Maryland
FY 2016 Operating Budget
Funding per FTES Enrollment**

	<u>State Funds</u>	<u>Tuition & Fees</u>	<u>Total Funding</u>
UMB	\$33,807	\$19,532	\$53,340
UMCP	15,073	17,317	32,390
BSU	9,543	8,320	17,863
TU	5,926	9,803	15,730
UMES	9,406	7,604	17,010
FSU	8,411	8,408	16,820
CSU	18,275	6,505	24,780
UB	8,333	15,796	24,129
SU	6,162	9,342	15,504
UMUC-stateside	1,201	8,996	10,198
UMBC	<u>\$9,969</u>	<u>\$11,300</u>	<u>\$21,269</u>
USM average	11,464	11,175	22,198
USM average less UMB & UMUC	10,122	10,489	20,611

**University System of Maryland
Funding Guideline Attainment Levels**

	<u>FY 2016</u>	<u>FY 2017</u>
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	72%	73%