

**Friday January 4, 2019**

**Southern Maryland Higher Education Center**

 **Community Stakeholders Meeting**

**Chancellor Robert L. Caret**

**(AS DRAFTED)**

Good morning. I am pleased to join you for this year’s gathering of the Southern Maryland Higher Education Center (SMHEC) stakeholders. The theme of this conference—research, education, and economic development—is both timely and important. These are certainly keyprioritiesfor the University System of Maryland (USM) and a vital part of the mission we are undertaking here at the SMHEC going forward.

Looking over your agenda, I believe today’s conference is hitting all the right points. Along with sessions looking specifically at critical issues like research and autonomous technology, you also examine the “foundational” issues that will allow the region and the state to thrive, including the education pipeline and workforce development.

For my part today, I would like to first highlight what the USM does statewide, then narrow my focus to the USM in Southern Maryland. I will leave ample time for any questions you might have as well.

Starting with the impact of the USM statewide: We are 175,000 students, 12 institutions, and two regional centers. We attract $1.4 billion in academic R&D annually and rising. We feature expansive private industry partnerships as well as government partnerships with the NSA, the Army research lab, the U.S. Navy, and others. The USM is home to three research parks supporting 275 tenants and 9,800 jobs. We have ten business incubators with 174 corporate tenants.

Our overall impact is massive: Each year we have 40,000 graduates, with more than 13,000 graduating in the STEM-related disciplines. We provide 80 percent of bachelor’s degrees awarded in Maryland and 80 percent of all STEM degrees awarded in Maryland. 80 percent of USM students are **from** Maryland, with up to 80 percent **staying** inthe area after graduation. We are especially strong in key areas of workforce need. USM claims 70 percent of the 2000+ teacher candidates graduating in Maryland each year and 3,000 healthcare professions degrees awarded annually. In addition, USM faculty, staff, and students provide more than two million hours of community service annually.

In recent years, we have put a significant premium on competitiveness and company creation. I created the new position of Vice Chancellor for Economic Development. USM, Johns Hopkins, and TEDCO have established a partnership to fuel the growth of Maryland’s innovation economy with a $300 million pension fund investment. The USM and the state have joined forces in a 3-year, $33 million workforce development partnership to produce an additional 3,000 STEM graduates per year. We established the Maryland Momentum Fund, with the USM as an equity investor. To date we have three investments totaling $792,500 which have been matched by $1,892,500 in private funding. USM established a university affiliated apprenticeship with DLLR for cyber certification training via UMBC training centers, with UMBC centers providing training for NSA personnel globally. The USM helped to establish and fund new md tech internship program offering small/medium sized businesses a 50 percent subsidy to hire Maryland-based students in technical internships positions.

This emphasis on competitiveness and company creation has yielded major results. The initial goal of the USM’s 2020 strategic plan was to help generate 325 new startups. We have already generated more than 600 and in 2016, USM’s IP-based start-ups were on par with Stanford and MIT. We have 1,985 invention disclosures since 2012, last year technology licenses increased by 8 percent, up to 321, and last year patents issues increased by 18 percent to a USM record of 92.

Turning now to a focus on the USM in Southern Maryland, I note that late last year, members of my staff and I took a Southern Maryland higher education tour, meeting with all three key higher education forces here in Southern Maryland: The College of Southern Maryland, St. Mary’s College, and—of course—the Southern Maryland Higher Education Center.

The USM has a strong, long-standing relationship with the College of Southern Maryland (CSM).

The USM nursing program, UMCP engineering programs, and an extensive UMUC “alliance agreement” are all part of this relationship. In addition, as the USM executes the “First in the World” grant, developing new math pathways to increase college completion, CSM is a partner in that effort. The College of Southern Maryland is the dominant provider of higher education for the region: Area high schools produce roughly 4,600 graduates a year, less than half enroll in a higher education institution immediately after high school. Of those that do peruse higher education, 70 percent start at a community college and the vast majority (93 percent) start at CSM. About 800 students a year transfer from CSM to a USM institution. UMUC is by far the biggest recipient, getting about half. After that, Towson and UMCP are next. The most popular majors for CSM transfers to USM institutions are business, computer science, social science, and education.

St. Mary’s College of Maryland is one of the top liberal arts colleges in the nation. And—among publics—one of the top 10 per *US News*. It is an important member of the Southern Maryland community and a key partner in our efforts. For example, there is a UAS Test Site summer internship program open to students from USM, SMHEC, CSM, and S. Mary’s College, with St. Mary’s making housing available for the full-time, 10-12 week summer internship. In addition, at a recent meeting, the president and provost of St. Mary’s College, the CSM president, the SMHEC board chairman and curriculum committee, the USM vice chancellor for academic & student affairs, and the USM associate vice chancellor for accountability and planning, got together to discuss how to strategically leverage each other’s strengths to provide educational and training opportunities to the community.

Looking now at the Southern Maryland Higher Education Center, the USM clearly has a significant presence. Towson offers its degree in early childhood & k-12 education, Bowie offers both degrees in nursing and criminal justice, Salisbury offers social work, UMBC business and information systems, UMCP mechanical engineering and is expanding to offer electrical engineering and advanced professional masters in engineering and cyber security.

The Southern Maryland – USM Partnership Act of 2018 will serve to strengthen this relationship. The legislation creates a partnership to support new educational opportunities for students and the workforce in Southern Maryland, with an emphasis on TEM-related R&D, particularly in unmanned autonomous systems. The legislation essentially formalizes the working partnership that SMHEC and USM have developed since 2013. By formally combining the strengths of current institutional partners with value / best practices of USM leadership, the partnership will help SMHEC evolve and become more responsive to the needs of the Southern Maryland region.

The construction of SMHEC Building 3 will further advance our partnership. This is approximately a $28 million project. The funding request was not approved last year, but we have a *verbal commitment* for the first portion of construction funding ($13 million) in FY20, with the bulk of the balance coming in FYy21 and the rest (primarily equipment) in FY22. The mission of this new, 83,000-square foot academic and research center is two-fold: Expand educational opportunities in high-demand areas and have a major economic development impact.

This new facility will take the center to the next level, with state-of-the-art classrooms, cutting-edge research labs, and USM entrepreneurial support via MIPS, MTECH, Momentum Fund, etc. The USM stands at the ready to serve as an engaged partner, supporting Aero Maryland, autonomous systems, aircraft maintenance, etc. There is an exciting prospect of a growing R&D economy in Southern Maryland and we want to help make that happen.

Lastly, let me note a few her important USM initiatives here in Southern Maryland.

The University of Maryland Unmanned Aircraft System (UAS) Test Site brings together national, state, and regional government, leading members of the aerospace industry, and academia through the Mid-Atlantic Aviation Partnership (UMCP, VA Tech, and Rutgers). The site will advance unmanned aircraft technology, insure safe and efficient flight in the national airspace, and help position southern Maryland as a key player in automated vehicle research, production, and testing, thereby strengthening innovation-based economic growth and impact.

At Pax River, we have deepened our relationship with the U.S. Navy and local industry to develop a long-term strategy for the SMHEC and the autonomous vehicle facility.  Initially this has meant working to better understand mission needs at PAX river and the needs of local industry. This was a key component of both my statewide bus tour and my regional business-focused van tour.

To help develop the region’s cyber talent pool, we introduced SMHEC, business, and government leaders to UMBC training centers. UMBC TC has since completed a community survey and will begin offering cyber certification training at SMHEC.

St. Mary’s county received a pledge of support from TEDCO to establish a business and technology incubator at St. Mary’s county airport.

Working with SMHEC and county officials, USM engaged UMCP to establish the tech port incubator at SMHEC. An executive director was hired and has begun work helping small businesses and local industry develop and commercialize technology.

USM is also looking at how we can help support talent retention as well as development in the Southern Maryland region, linking Southern Maryland industry needs to programs targeted for SMHEC and linked to existing programs offered at UMES (such as aviation sciences).

The bottom line for USM efforts in Southern Maryland is the we see significant educational, research, innovation, and economic opportunities. All entities are committed to working in partnership with business and community leaders to expand their impact regionally and state-wide, to grow the “homegrown workforce” to take full advantage, and to enhance direct economic impact.

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