Members of the subcommittee, I’m pleased to join you again, this time to testify on behalf of the FY 2023 budget for the University System of Maryland (USM) Office. I thank you again for your support of the USM. I’m proud of the productive relationship we’ve forged to advance our mutual priorities.

I’ll keep my general comments brief and then turn to the issue raised by the legislative analysts and answer any questions you have.

I want to outline how the System Office adds considerable value to the USM and to the state. The USM Office is the “corporate office” of the University System. As such, we manage the primary organizational leadership functions, beginning with our core academic mission and financial stewardship.

The Office also serves as staff to the Board of Regents and its seven standing committees: Education Policy & Student Life, Finance, Audit, Economic Development & Technology Commercialization, Advancement, Governance & Compensation, and Intercollegiate Athletics and Student-Athlete Health & Welfare. In addition, the USM Office (USMO) serves board
workgroups, including Enrollment, Enterprise Risk & Crisis Management, and Strategic Communications.

In short, the USMO develops and oversees the USM’s $6.3 billion operating budget, and its $350 million-plus capital program for academic and auxiliary facilities. We conduct Systemwide strategic and financial planning, and manage a USM-issued capital debt portfolio in excess of $1 billion, maintaining a favorable AA+ (or equivalent) bond rating.

We coordinate academic program planning and program reviews for the System’s 12 institutions. We manage the System’s relationship with Maryland’s community colleges and lead efforts to develop 2+2 articulation programs. The USMO also manages the USM’s P–20 pipeline activities and pursues grants to support them. Through our William E. Kirwan Center for Academic Innovation, we develop and exploit emerging technologies and learning science to improve education outcomes.

The USM Office provides leadership at the state and national levels on major issues facing higher education, and we’re the USM’s primary interface with state government. We convene leadership groups across the System to study and disseminate best practices in all areas of university activities. And we lead the development of our regional higher education centers.

The USMO coordinates activities to achieve efficiencies and enhance effectiveness Systemwide through our E&E and E&E 2.0 initiatives. We facilitate technology transfer, entrepreneurship, and workforce development across the System. We manage the selection and evaluation of USM presidents; compile the System’s financial statements and coordinate the audit process; and develop and update board policies.

The USMO offers our universities technical expertise and negotiation support to maximize opportunities to leverage private investment and public/private development projects. We advise the board and our institutions on the most beneficial real property transactions, and we coordinate and oversee labor relations across the USM to ensure constructive and balanced relationships with unions representing 25 bargaining units within our institutions.

We educate our stakeholders and the public about the University System’s value to the state and the many constituencies we serve. And we strengthen a culture of philanthropy by providing fundraising leadership, professional development, board and volunteer training, database management, and program analysis to USM—and non-USM—institutions.

As you’re aware, in keeping with legislation governing the University System, the USM Office is one of the leanest such operations in the country. Well below 1 percent of the entire USM budget goes to administrative costs at the System Office, placing the USMO third out of 29 such systems in the country.
At the same time, what we’re able to accomplish with this funding is impressive. Let me share just a few ways our ability to operate as a system—working collaboratively, leveraging resources, forging partnerships, using economies of scale—improves the quality of our institutions, strengthens the state, and serves the needs of its citizens.
COVID Response
The past two years have been a time of challenge for the USM. But as I outlined in my prior testimony, we have met—and continue to meet—the challenges of this pandemic. And the USM Office has played an important role in the System’s success.

- USM OnTrack—a partnership led by the Kirwan Center—guided and supported our universities and faculty as we pivoted to online learning in spring 2020. The center’s leadership ensured that COVID wouldn’t interrupt high-quality instruction.
- The System’s COVID Research & Innovation Task Force drew on the collective strengths of our universities to advance critical pandemic-related R&D and to shape public policy.
- The USMO’s Return to Campus Advisory Group guided university-level decision-making as we welcomed students back to campus in fall 2020.
- Policies developed by the USM Office and adopted Systemwide have yielded rigorous safety protocols, high vaccination rates, and low disease positivity rates across the USM.

Regional Education Centers
The USM Office supports the development and management of the System’s three regional higher education centers: the Universities at Shady Grove (USG), the USM at Hagerstown (USMH), and the USM at Southern Maryland (USMSM). The centers allow students to enroll in a USM university, but take their classes at a center near their home, which advances our pledge to provide a convenient, accessible, and affordable college education to all Marylanders.

Students at our regional centers are taught by faculty shared with the partnering university. They take the same courses—with the same curriculum—as students enrolled at the partner university, and they receive their degree from that same university. The centers maintain close relationships with the community colleges where their students start their education, and collaborate extensively with business and civic leaders at the county and state levels.

USG offers more than 80 programs from nine USM institutions, including accounting, biotechnology, cybersecurity, hospitality, nursing, and social work. Operational responsibility for USG rests with the University of Maryland, College Park (UMCP).

USMSM, also under the direction of UMCP, offers 42 degree and certificate programs—primarily at the graduate level—from five USM institutions. Last fall, USMSM opened the SMART building, an $86 million academic and research facility that nearly doubles the center’s footprint. The building will advance autonomous systems research, and stimulate regional economic activity and job growth.

USMH, under the direction of Frostburg State University, offers 20-plus programs of study from five USM institutions. Since opening in 2005, it’s added undergraduate and graduate programs, most recently in hospitality and tourism management, community health, and physician assistant studies.
Economic Impact
The USM’s core missions of education, research, and service fuel Maryland’s strength and prosperity. Our institutions are hubs of invention and creativity—centers of research and discovery. As a System, we attract $1.6 billion in external grants and contracts every year. We’re home to three research parks housing nearly 300 companies and generating more than 10,000 jobs. The USM has supported 1,200 System-linked startups over the last decade. And through the Maryland Momentum Fund (MMF), the System is an equity investor in more than two dozen USM-affiliated startups, with our MMF investment matched 7:1 by external investors.

Last year, the Jacob France Institute undertook a study of the USM’s economic impact. In what’s regarded as a conservative estimate, the study concluded that the USM generated $10.4 billion in economic impact last fiscal year and supported 57,500 Maryland jobs. For every state dollar invested in the USM, we return $2–3 to Maryland’s people, families, and communities.

Education Partnerships
The USM has established ongoing partnerships with school districts throughout the state, with community colleges, with government agencies, and with private entities to better meet the education and workforce needs of Maryland. These P–20 efforts are focused squarely on student access and success, seeking to improve college and career opportunities for all students.

The USM manages the Maryland Education Enterprise Consortium, providing a coordinated procurement and contracting process that saves the state’s P–20 organizations tens of millions of dollars a year on technology products and services.

The USM also hosts the Maryland Center for Computing Education (MCCE). Established four years ago—with $8 million in state funding to date—the MCCE has provided computer science professional development to more than 1,000 P–12 educators. At the onset of COVID, MCCE and the USM’s 10 teacher preparation programs collaborated with local school districts to support teachers as they pivoted to online and hybrid instruction.

Just last month, we began rolling out a new and improved ARTSYS, the statewide credit transfer portal maintained by the USM. The ARTSYS update and expansion—undertaken with Quottly, a course-sharing platform provider—benefits 35 participating USM and non-USM institutions, including Maryland’s 16 community colleges.

The new ARTSYS platform streamlines the transfer process, saving students time, credits, and money. An easy-to-navigate portal shows students clearly which credits transfer where. A search engine permits students to explore many recommended transfer program pathways at once, easily save their own data and searches, and securely upload their transcripts using any mobile device. It also permits virtual meetings with advisors, in addition to face-to-face meetings.
Stewardship
With the implementation of the USM’s Effectiveness and Efficiency (E&E) initiative more than a decade ago, we’ve established ourselves as a national model for responsible cost-cutting and cost-containment in higher education. To date, this systematic reengineering of our academic and administrative processes—and its follow-up, E&E 2.0—have saved Maryland taxpayers $766 million.

Our commitment to sound fiscal management yields important benefits. For example, our excellent Systemwide bond rating—AA+ or Aa1, depending on the rating agency—saves the USM and our institutions millions of dollars every year when compared with a less favorable rating.

Additionally, as private philanthropy has become increasingly important for higher education, the USM Office of Advancement supports institutions engaged in campaigns, helps build long-term fundraising capacity and engagement, and promotes a culture of giving across the USM.

I’ll turn now to the issue raised by the Department of Legislative Services.

Comment Requested:

1. Page 6—The Chancellor should comment on efforts to increase the number of transfers from community colleges, including efforts to improve pathways from community colleges to USM institutions.

The number of students transferring from community colleges to our USM institutions depends on several factors.

The primary factor, of course, is the number of students enrolling at Maryland’s community colleges in the first place, for that student population is the source of our transfers. As community college enrollment has dropped in recent years—attributable, at least in part, to pandemic-related hardships—so, too, has the number of USM transfer students.

Certainly, it’s in the best interests of the USM—and, more broadly, of higher education itself—to increase the number of students attending our community colleges.

The second factor influencing our transfer numbers is the ease with which credits earned at a community college can be transferred to one of our USM institutions. As you know, responsibility for maintaining and improving the statewide transfer platform has, for years, fallen to the USM Office.

Nevertheless, we’ve recently made enormous progress on ARTSYS, the statewide course equivalency database maintained by the USM. The platform is undergoing an update and
expansion for 35 participating USM and non-USM institutions, including Maryland’s 16 community colleges.

The platform is improved in two important ways: 1) As courses are deemed comparable, ARTSYS automatically updates the system—that is, staff no longer have to update the system manually for each course reviewed. 2) The student portal is transformed by a search engine that permits students to explore many recommended transfer pathways at once; save their own data and searches; and securely upload their transcripts. The new platform also permits virtual meetings with advisors.

The improved ARTSYS platform will be implemented at all institutions by April of this year, scheduled according to each institution’s student information system. The functional training period for ARTSYS is the first week of March through the second week of May. However, for institutions that transitioned to the platform at the start of the implementation window, training may occur earlier.

To continue to improve our ability to support transfer student success, ongoing support for the technical platform ARTSYS as well as programmatic support for students will be necessary.

The **third** factor affecting the number of transfer students we enroll is course equivalency—the degree to which community college courses are aligned with those of the USM, and, consequently, the number of courses we accept for transfer.

In consultation with attorneys at the Maryland Higher Education Commission (MHEC), the USM, Morgan State University, St. Mary’s College of Maryland, the Maryland Independent College and University Association, and the Maryland Association of Community Colleges completed revisions to COMAR regulations and guidelines needed to meet the Transfer with Success Act—specifically, the act’s requirements for reporting the denial of transfer credits. These revisions will result in more community college courses being accepted for transfer at Maryland’s four-year public institutions.

The **fourth** factor affecting transfers is the health and expansiveness of articulation agreements between community colleges and our USM institutions. The University System has more than 850 documented articulation agreements allowing students enrolled in certain community college programs to progress seamlessly to a four-year degree at one or more of our USM universities.

ARTSYS is designed to make clear to community college students exactly what these curricular pathways look like, and the most efficient ways to move from a two-year college to the USM institution and degree program of their choice.
The **fifth** factor affecting transfers is the existence of full articulation pathways buttressed by wraparound support for students. These pathways provide more than guidance on which courses to take to attain a four-year degree without credit waste or duplication; they include such services as academic and career advising, peer support, access to internships, and formal mentoring programs.

This model is being pioneered by the Universities at Shady Grove (USG), on behalf of its nine partnering institutions and 80-plus degree programs. The support services USG offers are made available to students before they ever transition to the regional center—that is, while they’re still enrolled at a community college. It’s a robust model that can be adopted and replicated across the USM.

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