

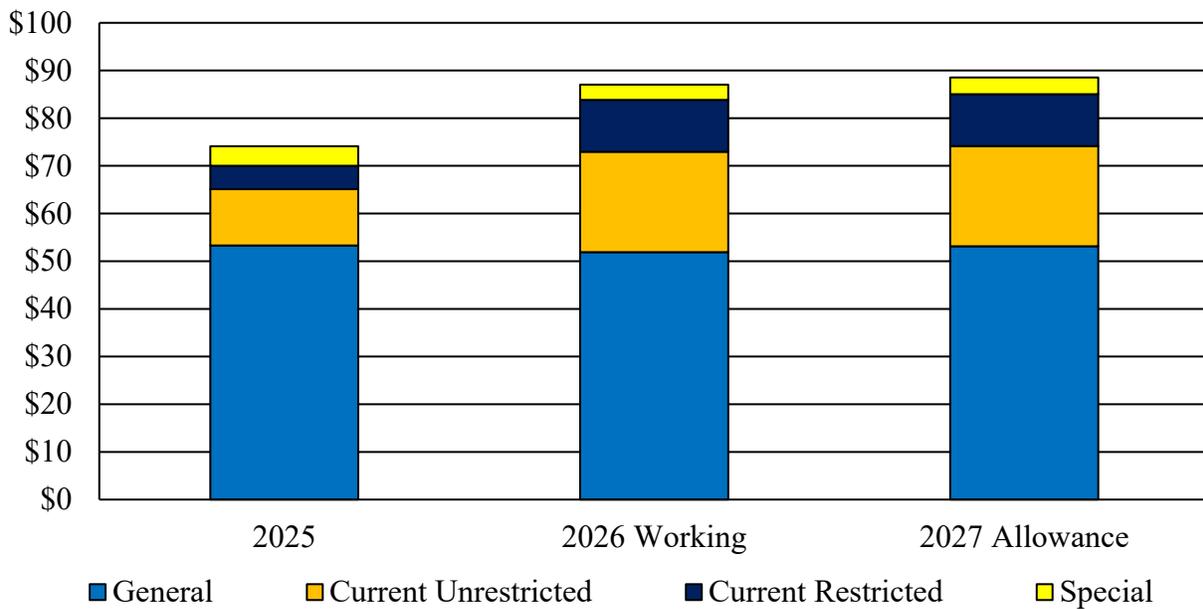
R30B36
University System of Maryland Office
University System of Maryland

Executive Summary

The University System of Maryland Office (USMO) works closely with the University System of Maryland’s (USM) 12 institutions and 3 regional higher education centers (RHEC) to leverage their collective expertise and resources, share best practices, and increase the system’s effectiveness and efficiency. This analysis includes both the USMO budget and the funding for the Universities at Shady Grove (USG), which is a RHEC but is budgeted separately.

Operating Budget Summary

**Fiscal 2027 Budget Increases \$1.5 Million, or 1.7%, to \$88.5 Million
(\$ in Thousands)**



Note: Numbers may not add due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions.

- Accounting for statewide salary adjustments budgeted within the Department of Budget and Management (DBM), total State funding for USMO and USG in the fiscal 2027 allowance increases by \$1.5 million, or 2.7%, compared to fiscal 2026 working appropriation after adjusting for a proposed deficiency appropriation and a contingent reduction.

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- The fiscal 2027 budget includes a proposed deficiency appropriation for fiscal 2026 totaling \$27.6 million across USM institutions and Morgan State University (MSU), of which USMO and USG’s share is \$705,712, to replace Higher Education Investment Fund (HEIF) with general funds, reflecting lower than expected revenues.
- The fiscal 2027 budget includes language to reduce \$6.8 million of general funds across USM institutions and MSU and a contingent appropriation of the HEIF of the same amount contingent on the enactment of legislation to decouple from certain tax provisions in the One Big Beautiful Bill Act (OBBBA) that would generate additional HEIF revenue, of which USMO and USG share is \$173,295. Accounting for this swap, the HEIF increases by 8.5%, or \$274,626, in the fiscal 2027 allowance combined in USMO and USG.
- State funds for USMO increase by 4.1%, or \$1.1 million, which consists of \$954,340 and \$138,241 in general funds and the HEIF, respectively.
- State funds for USG increase by 1.4%, or \$390,934, which consists of \$254,549 and \$136,385 in general funds and the HEIF, respectively.

Key Observations

- ***Transfers Students:*** Between fiscal 2019 and 2025, the total number of transfer students increased by 716 students. Fiscal 2025 had the highest enrollment of 39,165 transfers during this period. Transfers from Maryland community colleges declined by 19.5%, or 2,278 students, while transfers from other institutions grew 11.5% during this time. Between fiscal 2024 and 2025 however, transfers from Maryland community colleges increased by 212 students to 9,398 students.
- ***Community College Transfers by Status:*** Between fiscal 2019 and 2025, an increasing portion of Maryland community college transfers are transferring in as a junior, growing from 47.7% to 54.8%, respectively. Conversely, during this time period, the portion of those transferring in as sophomores declined from 35.0% to 27.6%, indicating that more students may be transferring in with a credential and see attending a community college for two years as a means of obtaining an affordable education.
- ***RHEC Enrollment Rises:*** After three years of declining enrollment in RHEC, enrollment increased by 0.8%, to 2,181.1 full-time equivalent students (FTES) between fiscal 2024 and 2025. Despite this increase, enrollment in fiscal 2025 is 16.4% lower than the highest enrollment of 2,609.8 FTES in fiscal 2021. Between fiscal 2019 and 2025, graduate students have comprised an increasingly higher portion of enrollment, from 31.1% in fiscal 2019, to 38.2% in fiscal 2025.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

R30B36
University System of Maryland Office
University System of Maryland

Operating Budget Analysis

Program Description

USMO is the staff agency to the USM Board of Regents. The office advocates on behalf of the 12 institutions and 3 RHECs, facilitates collaboration and efficiencies among institutions, and provides information to the public. USMO includes the Chancellor; executive and administrative staff; and the central services of budget, accounting, auditing, information technology, capital planning, advancement, and public government relations. This analysis includes both the USMO budget and the funding for USG, which is a RHEC but is budgeted separately.

The mission of USMO is to improve the quality of life for the people of Maryland by providing a comprehensive range of high quality, accessible, and affordable educational opportunities; engaging in research and scholarship that expand the boundaries of current knowledge; and providing knowledge-based programs and services that are responsive to the needs of the citizens of the State and the nation.

The goals of USMO are to:

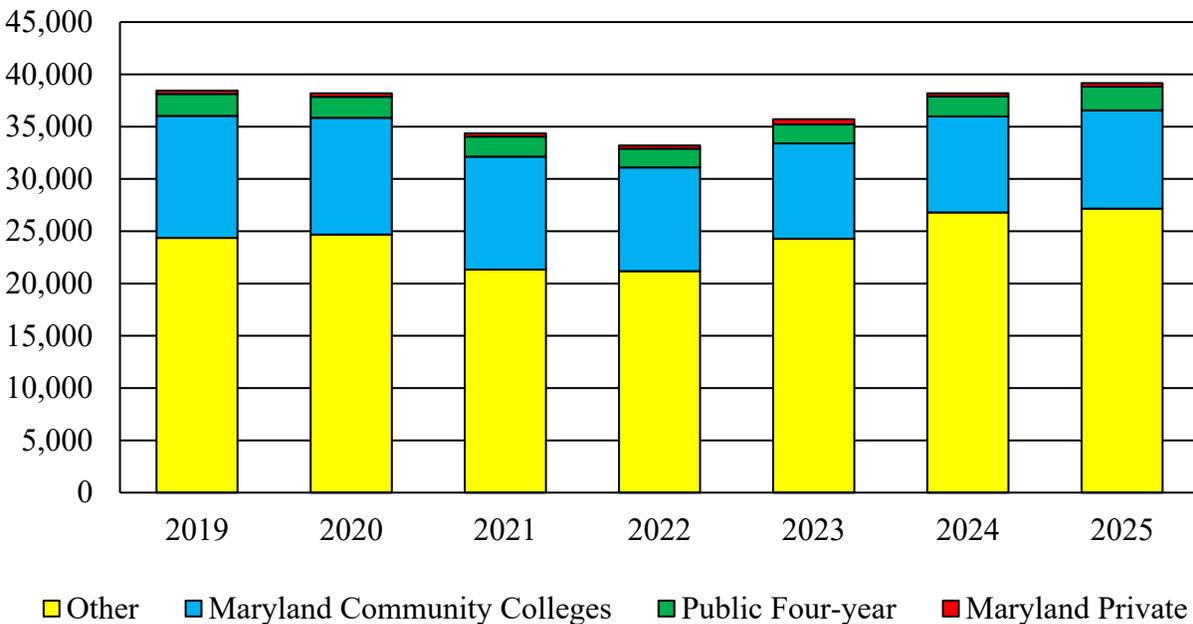
- offer expansive access to affordable, high-quality educational opportunities;
- perform groundbreaking research;
- instill a culture of innovation and entrepreneurship;
- promote economic growth and workforce development;
- provide vital services to communities and individuals; and
- partner with business, governmental, and nonprofit organizations to improve quality of life.

Performance Analysis:

1. Transfer Students

Increasing the number of transfer students is one of USM’s key components to growing enrollment, particularly transfers of Maryland community college students. As shown in **Exhibit 1**, the impact of the pandemic can be seen with the decline in the number of transfers in fiscal 2021 and 2022. The decline in fiscal 2021 can be attributed to a 13.6% (or 3,350 students) decline in transfers from other institutions (transfers from out-of-state or unknown institutions), which may have indicated that students preferred to stay closer to home during the pandemic. In fiscal 2022, the decrease of 1,155 transfers is primarily attributable to 882 fewer Maryland community college students transferring to a USM institution. Overall, the number of transfers in fiscal 2025 (39,165) students exceeds the prepandemic level (fiscal 2019) of 38,449 students, which is mainly due to an increase of 11.5% in the number of transfers from other institutions. Conversely, the number of Maryland community college transfers declined by 19.5% (2,278 students) during the same time period.

Exhibit 1
Transfers by Type of Sending Institutions
Fiscal 2019-2025

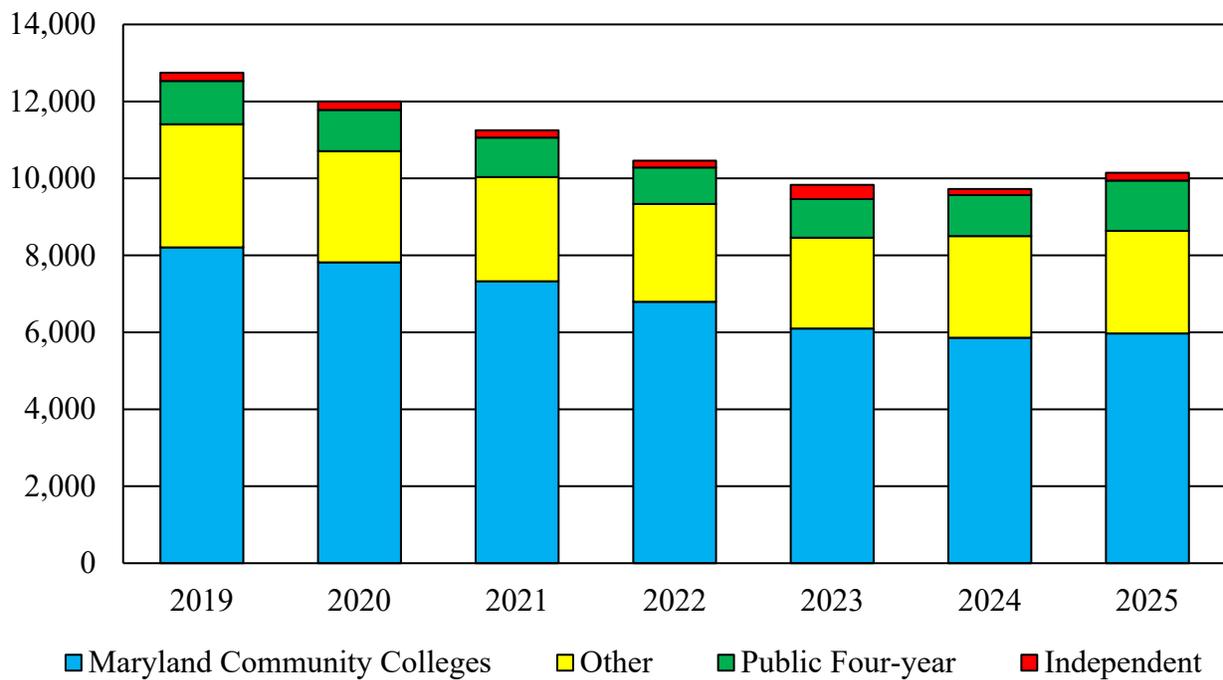


Note: Other includes out of state; Public Four-year includes transfers among other University System of Maryland institutions, Morgan State University and St. Mary’s College of Maryland

Source: University System of Maryland

As shown in **Exhibit 2**, when excluding University of Maryland Global Campus (UMGC), the total number of transfers steadily declined between fiscal 2019 and 2024, from 12,747 to 9,726 students. However, the number of transfer students increased by 4.3%, (421 students) between fiscal 2024 and 2025. The increase between these years was largely attributable to 241 students transferring from other Maryland public four-year institutions. Overall, since fiscal 2019, the number of Maryland community college transfers decreased by 27.3% (2,237 students). Declines prior to fiscal 2022 can be primarily attributed to the continual decline in enrollment at community colleges. Since that time, enrollment in Maryland community colleges has increased, and the impact can be seen in transfers with a slight increase (112 students) between fiscal 2024 and 2025. Overall, when excluding UMGC, the Maryland community colleges transfers share of all transfers declined from 64.4% in fiscal 2019, to 58.9% in fiscal 2025.

Exhibit 2
Transfers by Sending Institutions Excluding UMGC
Fiscal 2019-2025

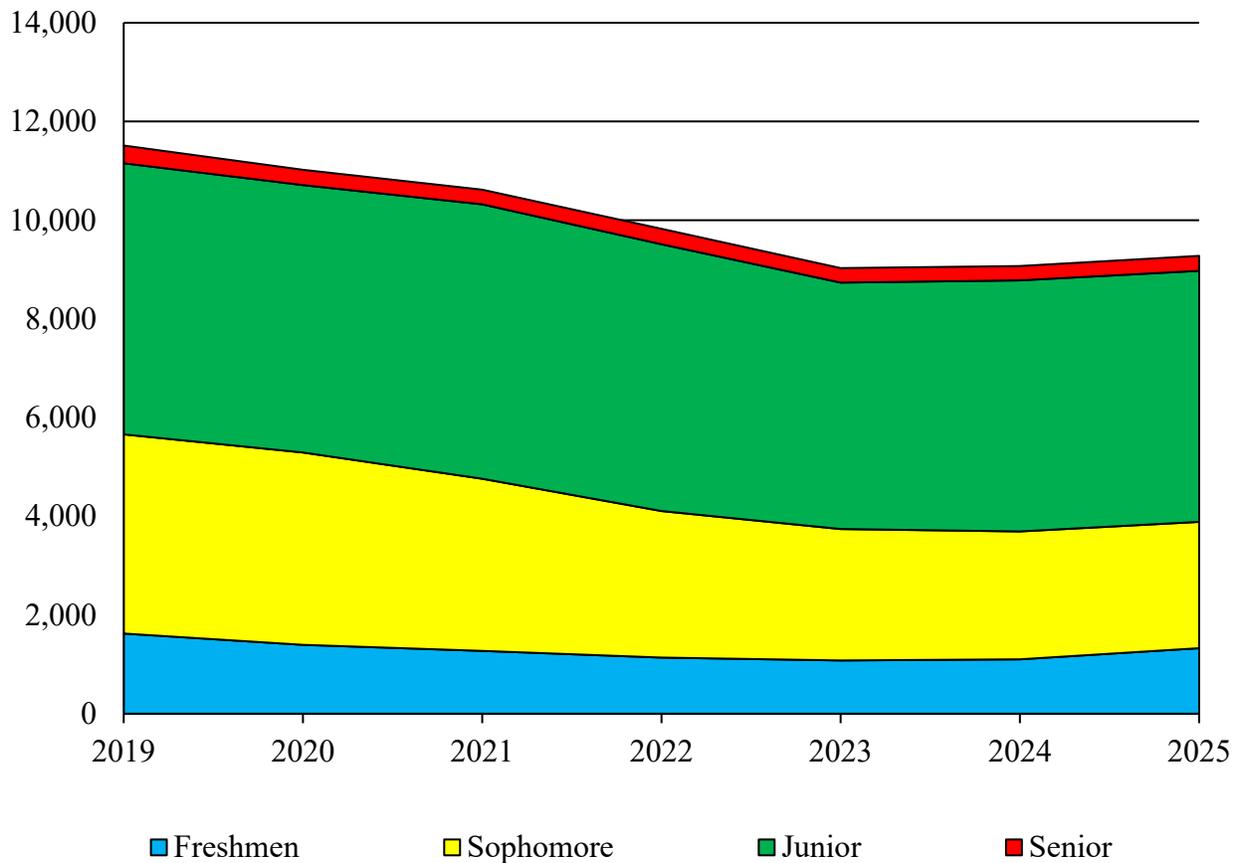


Source: University System of Maryland

The Chancellor should comment on factors impacting the transfer of community college students to institutions and efforts that USM and institutions are taking to encourage and increase the number of community college students transferring to USM institutions.

As shown in **Exhibit 3**, between fiscal 2019 and 2025, an increasing portion of students coming from the community colleges transferred in as a junior, increasing from 47.7% to 54.8%, respectively. Conversely, those transferring in as sophomores declined from 35% to 27.6%, during the same time period. This may indicate that more students are transferring to an institution with a credential, and see attending a community college for two years as a means to obtain an affordable education. After declining from 14.1% in fiscal 2019 to 11.6% in fiscal 2022, the portion transferring in as freshmen subsequently increased, reaching 14.3% in fiscal 2025.

Exhibit 3
Maryland Community Colleges Transfers by Student Level
Fiscal 2019-2025



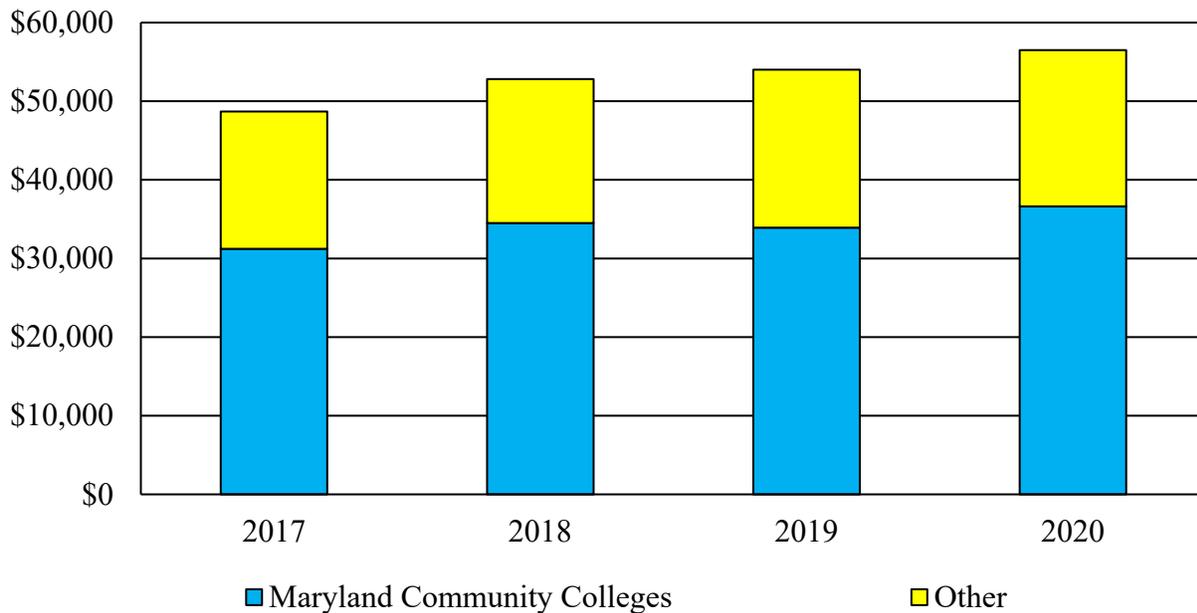
Source: University System of Maryland

Institutional Aid Impact on Graduation Rates

A key factor to improving student success, particularly with the changing demographics of Maryland high school graduates with an increase in first-generation and/or low-income students, is access to financial aid. Financial aid not only increases affordability and access, but also impacts retention and student completion. The various financial challenges students can face, such as how to pay for school, housing, and/or food can affect their ability to focus on coursework and can lead to students stopping or dropping out. In addition, financial aid can reduce the need for students to work or take out student loans. Overall, students receiving aid are more likely to persist and graduate.

Overall, as shown in **Exhibit 4**, between the fiscal 2017 cohort to the fiscal 2020 cohort, institutional aid for transfer students increased by 16.0%, or \$7.8 million. Expenditures on institutional aid for Maryland community college students accounted for \$5.4 million of the increase, to a total of \$36.6 million with the fiscal 2020 cohort. Spending on institutional aid for other transfers increased from \$17.5 million for the fiscal 2017 cohort to \$19.9 million for the fiscal 2020 cohort.

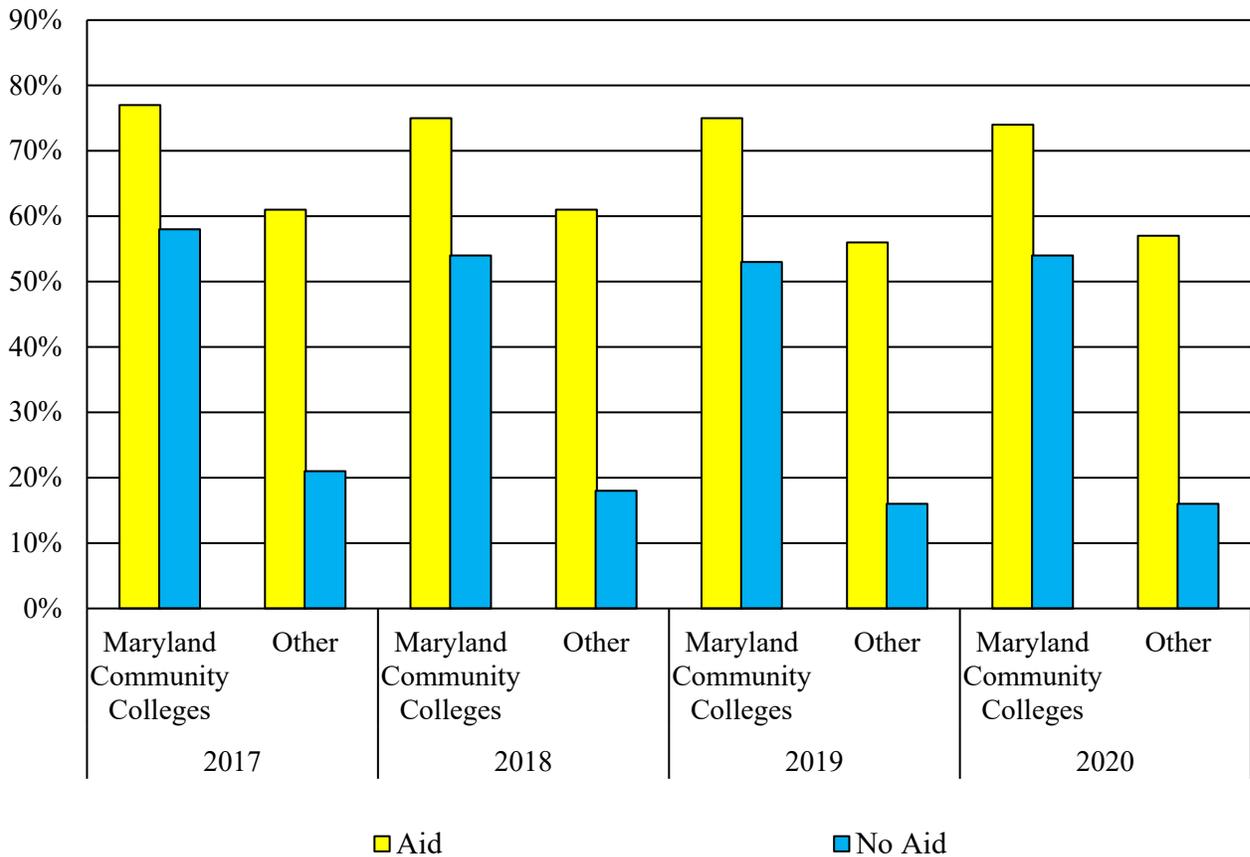
Exhibit 4
Institutional Aid to Maryland Community Colleges and Other Transfers
Fiscal 2017-2020 Cohorts
(\$ in Thousands)



Source: University System of Maryland

The impact of receiving institutional aid on student success is illustrated in **Exhibit 5**, which compares the six-year graduation rate of Maryland community colleges and other transfers with those who did and did not receive financial aid. Overall, students in those groups receiving aid graduate at a higher rate than those who did not receive aid. In general, the 2017 cohorts achieved the highest rates of graduation rates, with the rates steadily falling to the lowest rate with the fiscal 2020 cohort (the first cohort to be impacted by the pandemic). Other transfer students who did not receive aid had the lowest graduation rates, and these rates have been below 20% since the fiscal 2018 cohort.

Exhibit 5
Six-year Graduation Rates of Maryland Community Colleges and
Other Transfers
Received and Not Received Institutional Aid
Fiscal 2017-2020 Cohorts

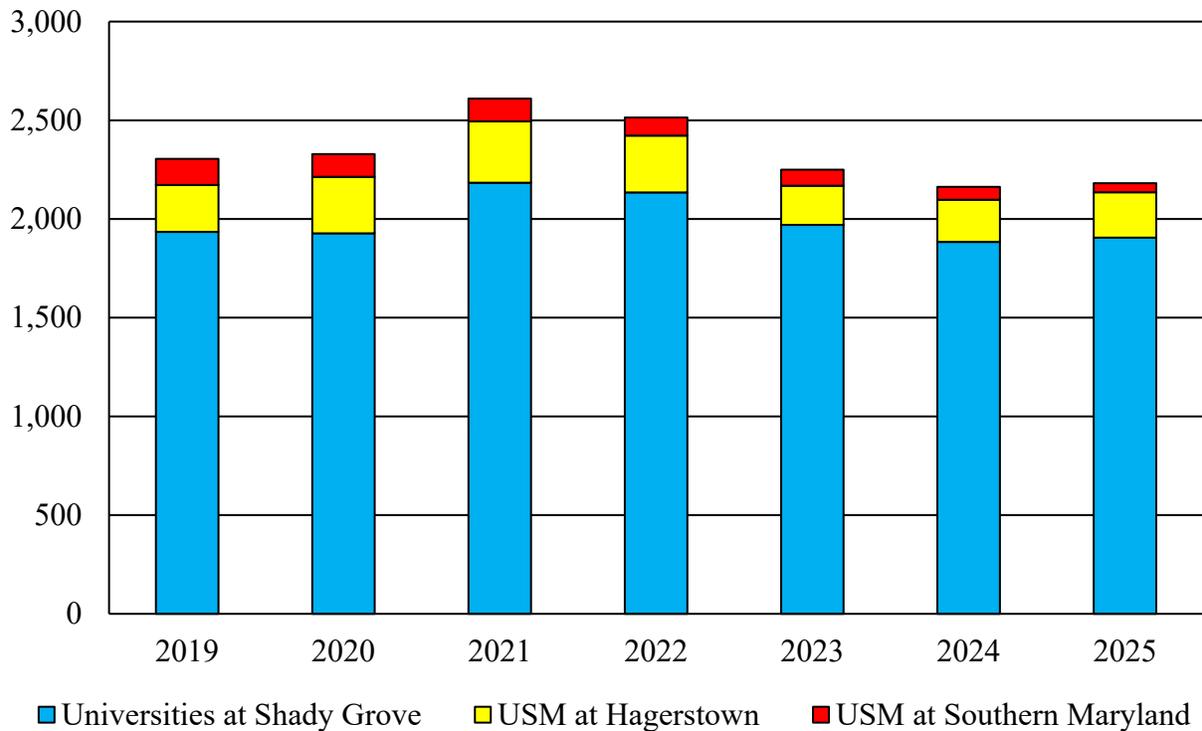


Source: University System of Maryland

2. Regional Higher Education Center

USM provides access to its institutions through three RHECs – USG, USM at Hagerstown (USMH), and USM at Southern Maryland (USMSM). (See **Appendix 1** for detailed enrollment by RHEC and institution). As shown in **Exhibit 6**, enrollment at the three RHECs reached its highest level between fiscal 2019 and 2025 in fiscal 2021 with 2,609.8 FTES. Since fiscal 2021, enrollment has declined by 16.4% to 2,181.1 FTES in fiscal 2025. At 60.1% (69.2 FTES), USMSM experienced the highest rate of decline in enrollment during this time period. Overall, between fiscal 2024 and 2025, enrollment slightly increased (0.8%) to a total of 2,181.1 FTES. While enrollment at USG and USMH increased by 21.6 and 16.3 FTES, respectively, in fiscal 2025, enrollment fell 20 FTES at USMSM.

Exhibit 6
RHEC Enrollment
Fiscal 2019-2025



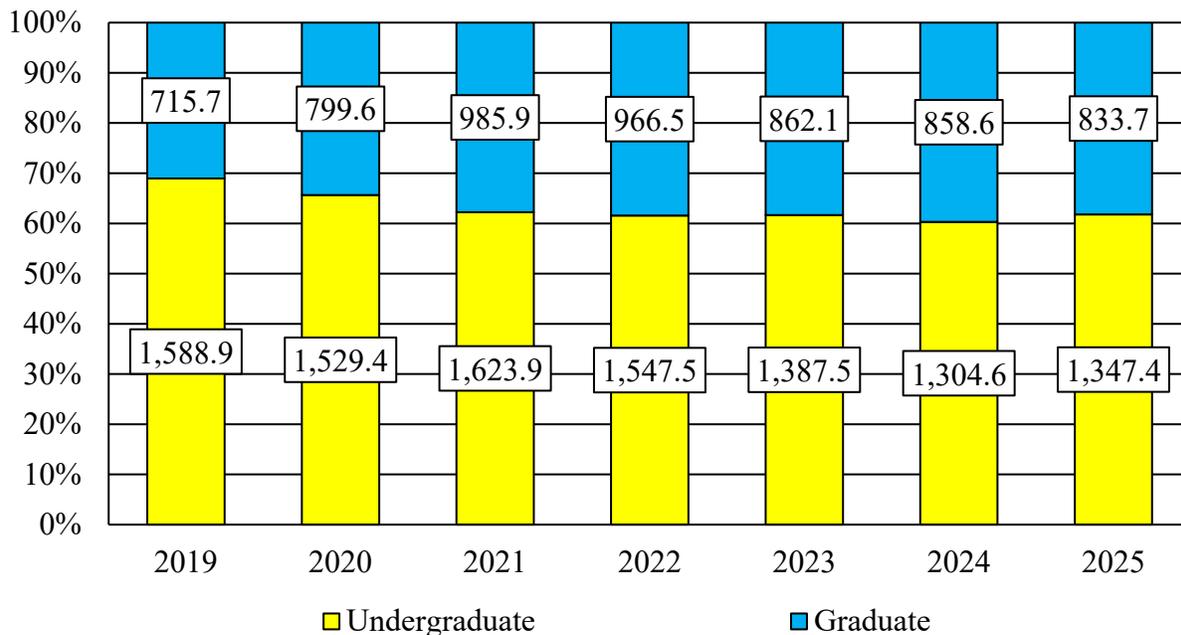
RHEC: Regional Higher Education Center
USM: University System of Maryland

Source: University System of Maryland

The enrollment growth of 256.5 FTES at USG between fiscal 2020 and 2021 was primarily related to the University of Maryland, Baltimore’s medical cannabis program, which was the first program in the country and resulted in demand exceeding expectations. However, enrollment in the program has since stabilized at a lower level, which has partly contributed to a decline in enrollment between fiscal 2021 and 2025 of 278.1 FTES.

Overall, as shown in **Exhibit 7**, graduate students have comprised an increasingly greater portion of enrollment at the RHECs. In fiscal 2019 undergraduate students accounted for 68.9% of enrollments at the RHECs. However, the portion of undergraduate students decreased to 61.8% by fiscal 2025. Conversely, in fiscal 2019 graduate students accounted for 31.1% of enrollment, which had increased to 38.2% by fiscal 2025. Between fiscal 2019 and 2025, undergraduate enrollment declined by 241.5 FTES, or 15.2%, while graduate enrollment grew by 118.0 FTES, or 16.5%.

Exhibit 7
RHEC Enrollment
Undergraduate and Graduate
Fiscal 2019-2025



RHEC: regional higher education center

Source: University System of Maryland

The Chancellor should comment on if RHECs are shifting focus from undergraduate to graduate programs. In addition, the Chancellor should discuss the enrollment challenges faced by RHECs and if the academic and business model needs to be reconsidered given the changing demographics of potential students and the competition for fewer students.

Fiscal 2026

Proposed Deficiency

The fiscal 2027 budget includes a proposed deficiency appropriation totaling \$26.7 million across USM institutions that would replace the HEIF with general funds reflecting an under attainment of the HEIF, of which USMO's and USG's share total \$705,712.

Actions to Address Reduced State Funding

The fiscal 2026 Budget Bill as introduced and Supplemental Budget No. 2 reduced USM's total State fund appropriation by \$155.5 million, of which USMO's and USG's portion totaled \$2.1 million and \$2.0 million, respectively. USMO and USG partly offset the reduction through \$902,571 provided for increments, which resulted in a total reduction of \$3.2 million (\$1.6 million for USMO and \$1.5 million for USG). USMO met this reduction by eliminating 4 full-time equivalent (FTE) vacant positions and backfilling positions at lower titles, duties, and salaries (\$1.2 million); reducing contractual services (\$372,763); and reducing expenditures on travel, supplies, association dues, and subscriptions (\$74,005). USG reduced spending on Workforce Development Initiatives and program enhancements (\$670,000), eliminated 2 FTEs (\$450,000); and reduced spending on contractual services and travel (\$415,180).

Fiscal 2027 Proposed Budget

University System of Maryland Office Proposed Budget

As shown in **Exhibit 8**, State funds in the fiscal 2027 allowance for USMO increase by 4.1%, or \$1.1 million, over the adjusted fiscal 2026 working appropriation after accounting for a proposed deficiency appropriation and a contingent fund swap of the HEIF for general funds and statewide salary increases in fiscal 2027 that are centrally budgeted in DBM. The fiscal 2027 fund swap is contingent on provisions in the Budget Reconciliation and Financing Act of 2026 that would decouple the State from certain tax provisions in the OBBBA. Increases in State support between the fiscal 2026 working appropriation and the fiscal 2027 allowance for USMO include \$996,523 for statewide costs primarily related to health insurance and \$348,444 for general salary increases. These increases are partly offset by decreases totaling \$252,385, primarily due to an increase in the budgeted turnover expectancy. It should be noted the general funds and HEIF for USMH and USMSM are included in USMO's budget (see **Appendix 2** for USMH and USMSM proposed budgets).

Exhibit 8
Proposed Budget
University System of Maryland Office
(\$ in Thousands)
Fiscal 2025-2027

	<u>Actual 2025</u>	<u>Adjusted 2026</u>	<u>Adjusted 2027</u>	<u>Change 2026-2027</u>	<u>% Change Prior Year</u>
General Funds	\$25,887	\$24,891	\$25,940	\$1,048	4.2%
General Salary Increase			348		
Fund Swap		355	-87		
Total Adjusted General Funds	\$25,887	\$25,246	\$26,201	\$954	3.8%
Special Funds					
HEIF	\$2,064	\$1,977	\$1,672		
Fund Swap		-355	87		
Total HEIF	\$2,064	\$1,621	\$1,760	138	8.5%
Total Adjusted State Operating Funds	\$27,950	\$26,868	\$27,960	\$1,093	4.1%
Other Unrestricted Funds	\$16,126	\$14,909	\$14,909		0.0%
Transfer (to)/from Fund Balance	-8,901	230	230		
Net Unrestricted Funds	\$35,176	\$42,007	\$43,099	\$1,093	2.6%
Total Restricted Funds	\$1,737	\$2,375	\$2,375		0.0%
Total Funds	\$36,913	\$44,382	\$45,475	\$1,093	2.5%

HEIF: Higher Education Investment Fund

Note: Numbers may sum to total due to rounding. The fiscal 206 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions.

Source: Governor’s Budget Books, Fiscal 2027; Department of Legislative Services

Universities at Shady Grove Proposed Budget

As shown in **Exhibit 9**, in the fiscal 2027 allowance, State funds for USG increase by 1.4%, or \$390,934, compared to the fiscal 2026 working after adjusting for a proposed deficiency, the contingent fund swap previously discussed, and the impact of the fiscal 2027 statewide salary increase that is centrally budgeted in DBM. Increases in State support between the fiscal 2026 working appropriation and the fiscal 2027 allowance include \$333,755 for statewide costs primarily related to health insurance and \$166,537 for general salary increases. These increases are partly offset by a decrease of \$109,358 due to an increase in the budgeted turnover expectancy.

Exhibit 9
Proposed Budget
The Universities at Shady Grove
(\$ in Thousands)
Fiscal 2025-2027

	2025	2026	2027	2026-2027	%
	<u>Actual</u>	<u>Adjusted</u>	<u>Adjusted</u>	<u>Change</u>	<u>Change</u>
					<u>Prior Year</u>
General Funds	\$27,399	\$26,314	\$26,839	\$525	2.0%
General Salary Increase			167		
Fund Swap		350	-86		
Total Adjusted General Funds	\$27,399	\$26,664	\$26,919	\$255	1.0%
Special Funds					
HEIF	\$2,036	\$1,950	\$1,650		
Fund Swap		-350	86		
Total HEIF	\$2,036	\$1,599	\$1,736	\$136	8.5%
Total Adjusted State Operating Funds	\$29,435	\$28,264	\$28,655	\$391	1.4%
Other Unrestricted Funds	\$5,080	\$6,218	\$6,218		0.0%
Transfer (to)/from Fund Balance	-470	-324	-324		
Net Unrestricted Funds	\$34,045	\$34,158	\$34,549	\$391	1.1%
Total Restricted Funds	\$3,148	\$8,500	\$8,500		0.0%
Total Funds	\$37,193	\$42,658	\$43,049	\$391	0.9%

HEIF: Higher Education Investment Fund

Note: Numbers may sum to total due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions.

Source: Governor’s Budget Books, Fiscal 2027; Department of Legislative Services

Personnel Data

	FY 25	FY 26	FY 27	FY 26-27
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	209.00	230.80	230.80	0.00
Contractual FTEs	<u>23.00</u>	<u>9.00</u>	<u>9.00</u>	<u>0.00</u>
Total Personnel	232.00	239.80	239.80	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	8.90	3.85%
Positions and Percentage Vacant as of 12/31/25	24.0	10.40%
Vacancies Above Turnover	15.1	

- The fiscal 2027 allowance does not provide for any new regular positions. However, USM institutions have personnel autonomy and may create or eliminate positions during the fiscal year. In fiscal 2026 year to date, USG eliminated 2 FTE State-supported positions, USMO eliminated 3.2 FTE State-supported positions and added 27 FTE non-State supported positions related to the expansion of shared services across USM institutions. These positions include roles in coordinated contracting, strategic sourcing, date and privacy services, and the Maryland Connect Workday Consortium, which includes five institutions.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Enrollment at Regional Higher Education Centers
Full-time Equivalent Student Enrollment
Fiscal 2019-2025

<u>USG</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
BSU	6.1	5.1	2.3	14.9	17.9	91.3	122.8
SU	27.8	25.1	19.2	29.3	24.5	22.2	36.1
TU	98.8	104.2	120.2	121.2	126.6	133.0	149.7
UBALT	81.1	55.2	43.5	29.3	35.1	28.7	24.3
UMB	544.5	604.9	772.5	791.1	758.5	703.0	647.7
UMBC	363.8	371.9	391.5	377.3	351.3	312.2	324.9
UMCP	597.3	590.0	683.2	650.7	578.6	522.2	532.4
UMES	54.6	40.4	25.2	14.4	8.2	10.3	6.6
UMGC	160.7	130.5	126.2	106.3	69.6	61	61.2
Total	1,934.7	1,927.3	2,183.8	2,134.5	1,970.3	1,883.9	1,905.7
<u>USMH</u>							
BSU							2.6
FSU	129.5	179.9	207.3	195.9	139.4	171.4	177.7
CSU	0.8	–	–	–	–	29.90	
SU	66.0	73.1	62.5	61.1	44.8		37.7
TU	36.3	31.4	36.2	24.7	13.0	11.9	10.0
UMES	–		1.8	1.5	–		
UMGC	5.4	2.1	3.1	4.4	0.90		1.50
Total	238.0	286.5	310.9	287.6	198.1	213.2	229.5
<u>USMSM</u>							
BSU	5.3	6.3	5.1	0.8	1.8	0.8	1.8
SU	26.6	19.6	19.9	21.8	16.0	15.3	15.5
TU	44.4	41.1	60.4	44.6	29.0	22.6	3.7
UMGC	27.4	26.5	15.4	9.7	13.1	7.7	7.8
UMCP	28.2	21.7	14.3	15.0	21.3	19.5	17.1
Total	131.9	115.2	115.1	91.9	81.2	65.9	45.9

Source: University System of Maryland

**Appendix 2
Proposed Budgets
Fiscal 2025-2027**

	<u>2025</u> <u>Actual</u>	<u>2026</u> <u>Working</u>	<u>2027</u> <u>Allowance</u>	<u>2026-2027</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
<u>USMH</u>					
Expenditures					
Salaries and Wages	\$858	\$868	\$868	\$0	0.0%
Operating Expenses	1,640	1,580	1,580	0	0.0%
Total Operating Expenses	\$2,498	\$2,449	\$2,449	\$0	0.0%
State Supported Revenues					
General Funds	\$2,357	\$2,389	\$2,389	\$0	0.0%
Transfer from USM Institution	66				
Transfer From Fund Balance	4				
Total State Supported	\$2,427	\$2,389	\$2,389	\$0	0.0%
Non-State Supported					
Rental, Testing and Other	\$71	\$60	\$60	0	0.0%
Total Revenues	\$2,498	\$2,449	\$2,449	\$0	0.0%
<u>USMSM</u>					
Expenditures					
Salaries and Wages	\$1,243	\$1,443	\$1,505	\$62	4.3%
Operating Expenses	2,290	1,827	1,880	53	2.9%
Academic Program Incentives		677	677	0	0.0%
Total Operating Expenses	\$3,534	\$3,947	\$4,063	\$115	2.9%
Revenues					
State Appropriations	\$3,371	\$3,424	\$3,424	\$0	0.0%
St. Mary's County Grant	40	40	40	0	0.0%
Calvert County Grant	23	23	23	0	0.0%
Rental Income and Other Services	100	461	576	115	25.0%
Total Revenues	\$3,534	\$3,947	\$4,063	\$115	2.9%

Source: University System of Maryland

**Appendix 3
Audit Findings**

Audit Period for Last Audit:	August 20,2018-September 30,2022
Issue Date:	September 2024
Number of Findings:	6
Number of Repeat Findings:	1
% of Repeat Findings:	16.6%
Rating: (if applicable)	n/a

Finding 1: USMO had not established sufficient procedures for USM institutions to follow when using contracts procured by other entities.

Finding 2: USMO did not have a policy to require institutions to consider tuition remission when awarding student financial aid.

Finding 3: **USMO did not maintain a current and comprehensive listing of all centers and institutes established by USM institutions and did not ensure that the establishment of those centers and institutes had been adequately justified by the respective institutions as required.**

Finding 4: USMO did not adequately safeguard cash receipts prior to deposit and did not have sufficient procedures to ensure all collections were subsequently deposited.

Finding 5: Redacted cybersecurity-related finding.

Finding 6: Redacted cybersecurity-related finding.

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 4
Object/Fund Difference Report
USM – University System of Maryland Office

<u>Object/Fund</u>	<u>FY 25</u> <u>Actual</u>	<u>FY 26</u> <u>Wrk Approp</u>	<u>FY 27</u> <u>Allowance</u>	<u>FY 26-27</u> <u>\$ Change</u>	<u>% Change</u>
Positions					
01 Regular	209.00	230.80	230.80	0.00	0.0%
02 Contractual	23.00	9.00	9.00	0.00	0.0%
Total Positions	232.00	239.80	239.80	0.00	0.0%
Objects					
01 Salaries, Wages, and Fringe Benefits	\$41,533,723	\$40,834,532	\$41,414,393	\$579,861	1.4%
02 Technical and Special Fees	204,775	46,176	174,028	127,852	276.9%
03 Communications	1,651,518	1,728,758	1,694,758	-34,000	-2.0%
04 Travel	369,361	299,537	311,469	11,932	4.0%
06 Fuel and Utilities	1,938,046	2,004,318	2,069,918	65,600	3.3%
07 Motor Vehicle Operation and Maintenance	5,180	10,460	10,660	200	1.9%
08 Contractual Services	8,738,134	14,517,525	14,701,971	184,446	1.3%
09 Supplies and Materials	2,060,524	3,445,525	3,486,134	40,609	1.2%
11 Equipment – Additional	165,236	70,353	65,353	-5,000	-7.1%
12 Grants, Subsidies, and Contributions	7,942,539	14,953,649	14,953,649	0	0.0%
13 Fixed Charges	8,279,165	8,236,189	8,224,523	-11,666	-0.1%
14 Land and Structures	1,218,014	892,764	901,464	8,700	1.0%
Total Objects	\$74,106,215	\$87,039,786	\$88,008,320	\$968,534	1.1%
Funds					
40 Current Unrestricted Funds	\$69,220,568	\$76,164,614	\$77,133,148	\$968,534	1.3%
43 Current Restricted Funds	4,885,647	10,875,172	10,875,172	0	0.0%
Total Funds	\$74,106,215	\$87,039,786	\$88,008,320	\$968,534	1.1%

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.

Appendix 5
Fiscal Summary
USM – University System of Maryland Office

<u>Program/Unit</u>	<u>FY 25 Actual</u>	<u>FY 26 Wrk Approp</u>	<u>FY 27 Allowance</u>	<u>FY 26-27 \$ Change</u>	<u>% Change</u>
04 Academic Support	\$7,587,212	\$6,230,603	\$6,252,768	\$22,165	0.4%
06 Institutional Support	29,325,777	38,151,462	38,873,434	721,972	1.9%
02 Research	112,632	9,270	9,270	0	0.0%
03 USG – Public Service	217,036	22,771	34,451	11,680	51.3%
04 Academic Support	12,981,338	12,355,843	12,293,742	-62,101	-0.5%
05 USG – Student Services	3,794,628	3,532,356	3,886,783	354,427	10.0%
06 USG – Institutional Support	16,933,526	17,070,501	16,782,042	-288,459	-1.7%
08 USG – Auxiliary	1,188,448	1,443,500	1,422,780	-20,720	-1.4%
17 USG – Scholarships & Fellowships	1,965,618	8,223,480	8,453,050	229,570	2.8%
Total Expenditures	\$74,106,215	\$87,039,786	\$88,008,320	\$968,534	1.1%
Current Unrestricted Funds	\$69,220,568	\$76,164,614	\$77,133,148	\$968,534	1.3%
Current Restricted Funds	4,885,647	10,875,172	10,875,172	0	0.0%
Total Appropriations	\$74,106,215	\$87,039,786	\$88,008,320	\$968,534	1.1%

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.