



Responses to the FY 2017 Operating Budget Analysis
Presented by
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I would like to thank the Chair, Vice-Chair and subcommittee members for your ongoing support of University of Maryland, College Park (UMCP). Thanks to the resources provided by the committee, the entire General Assembly and Governor Hogan, we achieved a series of important records in 2015:

- Best ever freshman class credentials (4.2 median GPA/ 1315 combined median SAT) and the most diverse (44.1% minority);
- Best ever six-year graduation rate (over 86%);
- Underrepresented minority graduation rates were recognized as one of the best in the nation (*Education Trust*);
- Faculty set a UMCP record for external research funding (\$550 million)
- Record private philanthropic contributions (\$201 million)

As the DLS analysis notes, we achieved these excellent outcomes with efficiency, specifically with a cost per degree that compares quite favorably to our peer institutions: “UMCP expenditures consistently fell below the average, with the difference widening by \$17,669 in fiscal 2012.”

Much of the credit for our academic success must go to our remarkable faculty, whose excellence in teaching and research has continued to rise despite years of budget cuts, furloughs and stagnant wages. They are essential to our continuing rise in excellence, and we are committed to retaining them.

This combination of quality and affordability was reflected in *Kiplinger's Personal Finance* magazine, which ranked UMCP as the #7 “Best Value” among U.S. public colleges.

I am delighted to answer all your questions. Below, I submit my responses to questions posed by DLS.

The President should comment on how it was determined that the cost of undergraduate credit for engineering and business was higher than the average cost of other majors if it is unable to demonstrate how it calculated the average cost for an upper level credit hour.

It is very clear that salaries for Business and Engineering faculty are higher than the average campus wide. These Schools offer unique and innovative services to their undergraduates, which are not provided by many other programs, yet are essential to these fields (e.g., cutting-edge laboratories; extensive internship programs and career services; and bridge programs to support success by minorities and women). All of these items, along with present ongoing costs for maintenance and replacement of equipment, supplies and support staff, substantially increase the cost of delivering undergraduate education in the Schools of Business and Engineering.

The President should comment on why computer science is charging differential tuition since it does not meet the five established criteria.

We disagree with the representation that the Computer Science major does not have high instructional costs. In fact, the average faculty salary in the Computer Science department is approximately 20% higher than the average campus wide.

This difference, however, has been masked by the dramatic growth in the number of computer science majors, combined with insufficient resources (prior to differential tuition) to hire enough new faculty to teach them. As a result, the student to faculty ration is unacceptably high—93:1—and this is more than four times greater than the average across the university. We cannot teach this kind of material in classes of that size and still maintain the quality of one of our signature programs. As we continue to address this situation, the true costs will become evident.

The President should comment on what steps will be taken if differential tuition adversely affects the enrollment of low-income, minority, and female students in these programs and if there are plans to expand differential tuition to other programs and if so, why.

We have set aside 28% of differential tuition revenue to hold harmless students with an Expected Family Contribution of \$8,000 or less. We will closely monitor the enrollment of low-income, minority and female students in these programs. If we find evidence of declining enrollments, we will develop strategies to address this concern.

The study by researcher Kevin Strange may not be applicable to our case. The study reported very small enrollment declines—roughly one percent or less—in programs with differential tuition. But the study analyzed a diverse mix of public systems that were not comparable to UMCP. Reliance on this study risks unfair comparison.

More directly, UMCP contacted our peer institutions and learned that none had experienced a decline in enrollment of low-income, minority, and female students due to differential tuition.

We have no plans to bring a differential tuition proposal to the Board of Regents.

The President should comment on decreasing spending on need-based aid in fiscal 2016.

Need-based aid in FY 2015 reflected enhanced spending initiatives above the base State allocation, which were designed to improve retention and student success through to graduation for low-income students. This plan was impacted by the successive State budget reductions in FY 2015 and FY 2016. Unfortunately, we could not sustain the full amount of the enhanced funding planned in FY 2016. Please note that financial aid spending for low-income students remained \$2.5 million higher in FY 2016 than it was in FY 2014.