

“Effectiveness and Efficiency”

The University System of Maryland’s campaign to control costs and increase student aid

Photos by Dennis Brack, Black Star, for CrossTalk

By Kay Mills

ADELPHI, MARYLAND

THREE YEARS into an “Effectiveness and Efficiency” campaign, the University System of Maryland has achieved some successes:

- Costs have been cut by \$40 million.
- Faculty workload has been increased by ten percent.
- Need-based student financial aid has risen substantially.
- Steps have been taken to shorten the time it takes a student to earn a bachelor’s degree.

Cliff Kendall, who chaired the Board of Regents when the “E and E” initiative was launched in June 2003, said that, faced with lean budget years and rising enrollments, the board decided to act. “We could sit and do nothing or we could take action,” he said. “We elected to do something.”

The system’s efforts have won support from Republican Governor Robert Ehrlich Jr., and from the Maryland General Assembly. After taking budget cuts of 7.4 percent and 6.8 percent earlier in this decade and boosting the system’s average tuition by almost 40 percent over the last four fiscal years, the university system (ten campuses, two research centers and a largely online college) received a 5.9 percent budget increase last year and a 14.4 percent hike (including a cost-of-living adjustment of almost two percent) this year.

Even so, the Board of Regents approved a 4.5 percent tuition increase for this fall, but Democratic legislators introduced a measure to eliminate the increase, and the state Senate passed it. Soon thereafter, Ehrlich, who had previously labeled the legislation an “election-year gimmick,” included an additional \$17.2 million in a supplemental budget, thereby

freezing tuition at current levels for full-time, in-state students.

Other factors helped to account for the swing in USM’s financial fortunes—the state has a budget surplus of more than \$1 billion this year, and Governor Ehrlich is running for

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re-election. But the university system’s efforts to become more efficient and more effective turned the governor “180 degrees. He saw how serious this effort was,” Chancellor William E. “Brit” Kirwan told a group at the American Council on Education’s annual meeting in Los Angeles in February. “The governor and the General Assembly are at war in our state. But one thing they agree on is higher education. So we’re in this sweet spot. How long we can stay there, I don’t know.”

Ehrlich wanted quality and efficiency in Maryland higher education, in the midst of what his chief of staff, James C.



Regent Cliff Kendall says rising enrollments and declining state support led the University System of Maryland to change its budgeting approach.

DiPaula, called a “near crisis situation” when he took office. The state was facing a potential \$2 billion deficit when Ehrlich became governor in 2003. “The regents took that challenge and ran with it,” DiPaula said.

In Maryland, the governor determines the budget, and the legislature can only decrease, not increase, his proposals unless it finds a source of revenue to pay for budget additions, said Joseph Vivona, USM’s chief operating officer. “You succeed in this state by having good relationships with the governor and the legislature. You don’t win by criticizing the governor.”

Susan Woda, a former student member of the Board of Regents who is writing her doctoral dissertation on the creation of the system, said, “A lot of people in higher education want to paint Ehrlich as the devil, but he has done what every governor has done in similar circumstances. When he ran, he said he had been left with some tough decisions. He said, ‘If you won’t do it, I’m going to cut you.’ Kirwan knew that it was important to see where Ehrlich was coming from and then give him what he wants.”

Kirwan and the regents streamlined some administrative procedures to provide more money for academic priorities. For example, the system leveraged its buying power by purchasing electricity as a group, not campus-by-campus, with savings estimated at ten to 15 percent, or \$5 million over the three-year life of the contract. Another \$5 million will be saved over five years through a new agreement with Microsoft. Kirwan and the regents also required each campus in the system to identify one percent in additional savings that



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could be realized over the last two fiscal years. And they agreed to enroll an additional 940 students without additional state money in the 2005 fiscal year.

USM increased its faculty teaching load by ten percent, always a difficult step for any university or system of universities. “There was tremendous hostility in legislatures across the country, whose members think that faculty teach two or three hours a week and then go off on our boats or whatever,” said Stephanie Gibson, professor of communications design at the University of Baltimore and a member of the Council of University System Faculty. The changes were “a response by the regents to try to address that.”

“We spent many hours at the regents’ meetings explaining that there was more to the workload than teaching,” said Martha Siegel, who has taught mathematics at Towson University for 30 years and heads the systemwide faculty council.

The ten percent workload increase, which began to be implemented last year, does not apply to individual faculty members but to every academic department, systemwide. Typically, faculty workload includes teaching, preparation, advising, serving on committees, research and other activities. Faculty at research institutions (the flagship campus at College Park and the University of Maryland, Baltimore County) are expected to spend half of their time on instruction—that is, five or six three-credit classes a year—and the other half on research and public service.

At “comprehensive” institutions such as Towson, located just northeast of the Baltimore city line, faculty are expected to expend two-thirds of their effort on instruction (seven or eight three-credit classes a year) and the remaining time on research and public service. The regents said that by this fiscal year (2006), faculty at each institution should be halfway toward those goals.

While faculty workloads were very heavy at some campuses (for example, Coppin State University, in West Baltimore), others had fallen below the new requirements. Towson, under pressure to hire more faculty because of rapid enrollment growth, was offering lighter teaching loads to attract new people.

After Robert Caret returned to Towson as its president

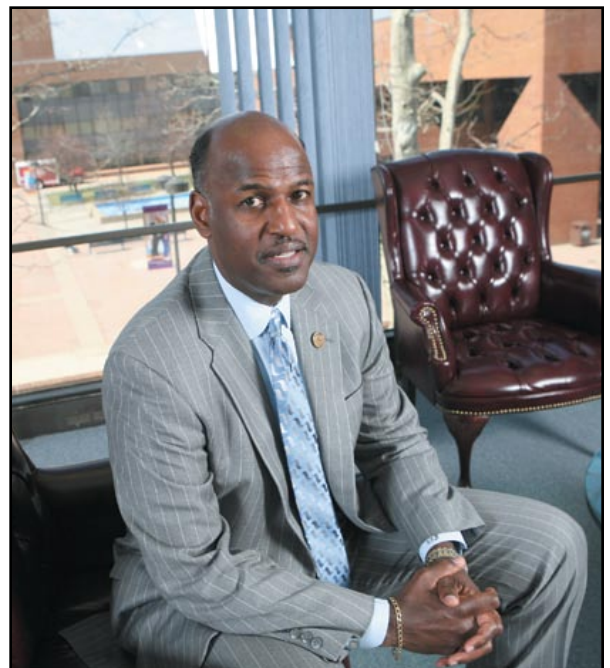
in 2003 (he had been at the school for 21 years before becoming president of San Jose State University), he imposed the tighter workload standards, in effect taking back what the faculty thought it had been given. “I said that we can’t be a campus of 20,000 and be a small liberal arts college,” Caret said. So lighter teaching loads would be granted only to faculty members whose research productivity warranted them.

“The faculty was not happy at all” with the ten percent workload increase, Martha Siegel said. The feeling was that the system should increase the number of tenure-track faculty, since they do most of the advising and committee work. Instead, the system was hiring less expensive part-time and adjunct faculty. Siegel also pointed out that professors who once taught classes with 20 students now might have 35 students but still received credit for just one teaching unit.

“Workload is the biggest issue on my campus,” Stephanie Gibson said. “It’s partly because the pay isn’t always commensurate with time and effort expended, but it’s also that there’s just so much work. The number of administrative tasks that we’re asked to do seems to increase exponentially every year.”

This is not to say that pay isn’t a faculty concern. “Salaries are my biggest issue,” said Dennis Coates, an economics professor representing UM-Baltimore County on the

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Both enrollment and state financial support have risen sharply since Stanley Battle became president of Coppin State University, in West Baltimore, in 2003.

faculty council. "At my institution, in my department, there's nobody who makes the average salary at the institutions we consider our peers," like the State University of New York at Binghamton.

In an effort to move students toward earlier degree completion, the system now requires them to earn at least 12 credits outside the traditional classroom—through online courses, study abroad programs, internships or Advanced Placement credits. Because capacity on some UM campuses is limited, first-time freshmen sometimes enroll in the spring instead of the fall. They are encouraged to earn at least 12 credits before arriving on campus, either through USM's largely online University College or at a Maryland community college.

The Maryland system expects an enrollment increase of 20 percent by the end of this decade, hence the urgency to save money, increase faculty productivity and encourage students to graduate sooner. Not only is Maryland experiencing the "baby boom echo," but more students are preparing themselves

Governor Ehrlich has doubled need-based aid since taking office, this year putting \$87 million into that pot.

for postsecondary education, Kirwan said in an interview. Towson University and Salisbury State, across the Chesapeake Bay on Maryland's Eastern Shore, will absorb much of the new growth. Towson,

with a current enrollment of 17,867, is expected to add another 3,000 by 2010, and 4,300 more by 2015.

For the first time ever, Governor Ehrlich included money in this year's budget for enrollment growth, allowing the system to accept almost 3,400 additional students. "We had said that we would take 700 students over the next three years without any additional money, but beyond that the state would have to provide more support," Kirwan said. "I cannot overstate the importance of that 'but.' Maryland has never funded enrollment growth. As a result, there was no incentive for campuses to grow." USM made this a centerpiece of its budget request this year, and the governor and the General Assembly agreed. Going forward, Maryland will recognize and fund enrollment growth, the chancellor said, although he added, "It's not written into law."

"We are very conscious of the fact that we have a surge of students coming and we need to prepare for them," said Regent Cliff Kendall. Re-examining the budget "gave everybody a chance to think differently" about how the system was going to do that.

As president of UM-College Park from 1988 to 1998, Kirwan was opposed to creating the system, fearing too much centralization. But he lost that argument, and the new system was knit together from four University of Maryland institutions (College Park, UM-Baltimore, the University of Baltimore and UM-Baltimore County) and six former state colleges (Frostburg State, Salisbury State, Towson State and three historically black schools—Bowie State, Coppin State and UM-Eastern Shore). There are also two research centers,

two education centers and University College, which offers distance education courses largely, but not entirely, online.

Over time, major changes were made, and now "it's a different system, one of the most decentralized systems in the states," Kirwan said. "There is an appropriate degree of autonomy vested in the presidents. I don't think there is a perfect way to organize higher education. If there were, we would have all done that."

Kirwan feels strongly about the urgency of increasing student financial aid, and he has been backed by the regents and the governor. American universities have been shifting to financial aid based more on merit than on need, the chancellor said, as they sought to improve the quality of their students. That was in part to look better in the influential *U.S. News & World Report* ratings, which Kirwan thinks "quite frankly, have done enormous harm to higher education." In the early '90s, Kirwan added, "90 percent of our aid had a need component. Now that's only about 60 percent."

In June 2004, Kirwan appointed a financial aid task force of legislators and business people, with Nancy Kopp, the state treasurer, as chair. "The guiding principle was providing affordable access to higher education for all qualified students and securing ample state support to enable us to achieve that end," the chancellor said. The task force urged that more of the money raised through tuition increases be directed toward decreasing undergraduate student loan debt and to helping those students with the greatest need.

The students worst off economically are graduating with 25 percent more debt than other students, Kirwan said. "That's not the way it's supposed to work. It's a powerful disincentive for going to college if you're going to come out with all this debt. We have to step back and look at what's good for society. It is that we provide access to students of economically disadvantaged backgrounds because higher education has become the primary means to move up the economic ladder and enjoy a better life."

USM has set as a goal that by 2009, the lowest-income students must graduate with 25 percent less debt. Toward that end, Governor Ehrlich has doubled need-based aid since taking office, this year putting \$87



Susan Woda, a former student member of the Board of Regents, says the university system now receives more state money because its "effectiveness and efficiency" campaign has won support from Governor Robert Ehrlich Jr.

million into that pot.

As Maryland looks ahead, tuition increases are likely to remain a touchy subject. State Senator Patrick J. Hogan, vice chairman of the budget and taxation committee and sponsor of the legislation freezing this year's increase, said the current budget surplus is a one-time event, because costs of Medicaid and K-12 education are going up, and deficits loom.

"These are students and their families who've gotten 20 to 35 percent (tuition) increases in the last couple of years," Hogan said. "I fully respect the regents' role to set tuition based on projected revenue," he added, but said that the one-year freeze was necessary because "it is only fair to do this for students, to give them a break."

In addition to spending more for operating expenses and for student aid, Ehrlich provided more money this year for the state's historically black campuses.

For example, state funding for Coppin State increased by \$9.4 million—45 percent—to \$30.1 million, enabling the campus to improve its public safety and maintenance services, and to support its recent 11.1 percent enrollment increase. The school now has 4,300 students and could reach 6,000 students by 2015, said President Stanley Battle. Coppin also broke ground last year for a \$57 million health and human services building, providing classrooms, labs and offices for its nursing, counseling, social work and criminal justice programs.

His campus had been "woefully underfunded," said Battle, who became Coppin's president in 2003 after serving as vice chancellor for student and multicultural affairs at the

University of Wisconsin-Milwaukee. "The governor made a commitment to help the university," he said. "That was courageous. I'm pretty sure I wouldn't have come otherwise."

But shortly after Battle arrived at Coppin, the campus faced cuts, along with the rest of the system. "I was not going to lay anybody off. For a new president, that was not going to look good," he said. So everyone on campus, Battle included, took from four to 11 furlough days without pay, for a savings of more than \$300,000. "The regents recognized what we did," he said. Evidently so did the governor.

Reflecting on USM's "effectiveness and efficiency" effort, Kirwan said his motivation and that of the Board of Regents was the sense that although

higher education is "still valued as something good for a person—to enter and achieve a degree—it is considered a private benefit." Higher education had begun to lose the public goodwill, he explained. "Because of this decline, we didn't have a lot of support in legislatures," he said. "Higher education took a beating in the first couple years of this decade. The public



As chancellor of the University System of Maryland since 2002, William E. "Brit" Kirwan has led efforts to cut costs, increase the faculty workload and provide more student financial aid.

thought we had begun to turn our back on the neediest."

Higher education had been unwilling "to recognize the way the rest of the world operates," Kirwan added. "[We] had been unwilling to take a serious look at our operations and to take steps to control costs." In order to restore the support higher education had enjoyed in the past, Kirwan became convinced that it would be necessary to address the two critical issues of costs and student aid. So the university restructured its budget submission—aligning it very carefully with state priorities such as enrollment growth and workforce development. And the effort has paid off, winning more support from the governor and legislature. ♦

Kay Mills is the author of "This Little Light of Mine: The Life of Fannie Lou Hamer," and four other books.

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