



T E S T I M O N Y

to the House Committee on Appropriations, Subcommittee
on Education and Economic Development
of the Maryland General Assembly

Gerald A. Heeger, President

February 23, 2005

Mission

University of Maryland University College (UMUC) is the Open University of the State of Maryland and of the United States. The University in its entirety has but one focus, the educational needs of the nontraditional student.

Vision

UMUC will become the premier global University serving nontraditional students, recognized by the accessibility to its programs; the quality of its teaching, learning, and student services; and its commitment to the success of its students.

Overarching Values

As an Open University,

- We are committed to the simultaneous achievement of academic excellence and to expanded access to higher education.
- We are committed to becoming the University of choice for working adults and other nontraditional students who comprise the University's three historical constituencies: residents of the state of Maryland, members of the U.S. Armed Services and their families, and national and international students pursuing a university education online.
- We are committed to providing outstanding undergraduate and graduate degree and certificate programs that are student-focused, workforce-relevant, and clearly articulated.
- We are committed to a faculty distinguished by its superior teaching skill, the level of its professional experience, and its academic achievement.
- We are committed to achieving a position of leadership in the use of technology as a means to enable and enrich distance education.
- We are committed to providing access and excellent service to geographically-dispersed students, faculty, and staff.
- We are committed to becoming a global community that recognizes the contributions of all its constituents—students, faculty, staff, alumni, and private and public stakeholders.

President's Testimony to the House Committee on Appropriations Subcommittee on Education and Economic Development of the Maryland General Assembly

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Introductory Remarks

Good afternoon, Chairman Proctor and members of the House Committee on Appropriations, Subcommittee on Education and Economic Development. I am pleased to have the opportunity to talk to you today about University of Maryland University College's leadership in providing quality, affordable higher education to adults and other nontraditional students. I will also address the critical importance of State support in ensuring that UMUC's role as a unique asset to Maryland can be fully realized.

I would like to begin my remarks by thanking the members of this Subcommittee and the General Assembly as a whole for the strong support for funding public higher education in Maryland. While UMUC draws only modest State funding, our ability to grow and to thrive is heavily dependent upon the University System of Maryland's viability and leadership.

I would like to organize my testimony around the following topics:

- UMUC's dramatic enrollment growth;
- UMUC's unique capacity for enrollment, which can be leveraged for the benefit of the State;
- UMUC's commitment to providing access to higher education, which is demonstrated specifically by its service to Maryland citizens and, notably, to minority populations;

- UMUC’s dedication to providing affordable education programs to our students and the ways in which we accomplish that goal; and
- How a strong UMUC provides significant opportunities to the State of Maryland.

To set the scene, let me give you an overview of UMUC’s purpose and mission.

As the “Open University” of Maryland and of the United States, UMUC’s mission is to serve working adults and other nontraditional students by meeting individual learning needs at any time and at any place. Our three historical constituencies are residents of the State of Maryland, members of the U.S. Armed Services and their families, and national and international students pursuing their higher education goals online.

Today, with nontraditional students continuing to be a fast-growing segment of the higher education marketplace, UMUC is uniquely positioned to provide high-quality undergraduate and graduate degree programs and certificates through convenient and innovative delivery solutions, and its success in this endeavor is reflected in the University’s striking growth in recent years.

UMUC’s Enrollment Growth

UMUC’s enrollment growth reflects the institution’s attractiveness as the university of choice for working adults and other nontraditional students both in Maryland and around the world.

Last year, UMUC enrolled more than 88,000 students worldwide—37,818 through its stateside operations and 50,234 through the University’s military contracts in Europe and Asia. Seventy-eight percent of UMUC’s stateside students are Maryland residents.

The following statistics demonstrate UMUC’s overall growth and reach:

- UMUC’s stateside headcount was 14,055 in fall 1994. By fall 2004, stateside headcount had more than doubled to 28,374, making UMUC the second-largest university in Maryland.
- This past fall, more than half of all new growth in State public higher education enrollments—and 87 percent of all new growth in the University System of Maryland—occurred at UMUC.

- From FY 2003 through FY 2005, UMUC enrolled close to 12,000 new undergraduate degree-seeking Maryland residents.
- In the next four years, UMUC expects to enroll an entering cohort of 22,000 Maryland undergraduates alone.

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A significant portion of UMUC's overall growth can be attributed to the university's award-winning online programs. The University's [online enrollments](#) grew from fewer than 4,000 in FY 1997 to 126,650 distinct enrollments in FY 2004 making UMUC one of the largest virtual universities in the world and a leader in harnessing technology to expand the reach of higher education. Last year, approximately 88 percent of our stateside students took at least one course online.

UMUC's Capacity to Meet Enrollment Demand

As the figures above suggest, UMUC's growth has major implications in the State. As the University continues to absorb a significant majority of Maryland's overall enrollment growth, it becomes a key solution to the State's capacity issues.

The Maryland Higher Education Commission projects that UMUC will be the largest university in Maryland by 2009, when one in three students attending University System of Maryland institutions will be pursuing their studies at UMUC. By fall 2014, UMUC's stateside student headcount, including its Maryland residents, is expected to grow to 53,153 students.

UMUC's growth and capacity have other positive implications for Maryland's citizens. They enable the University to address the State's demand for higher education at the lowest cost of any institution in the University System of Maryland. Although only 1.7 percent of state general funds go to UMUC, the University currently educates close to 25 percent of all USM students, and, as noted above, that percentage will increase dramatically over the next decade.

UMUC is also helping the State to meet its capacity needs by absorbing increasing numbers of younger students, the so-called baby boom echo. From fall 1998 to fall 2004, the proportion of

entering UMUC undergraduate students 25 years and younger grew from 29 to 45 percent, and the University expects a continuation of this growth.

UMUC: Providing Access to Higher Education

UMUC's unique ability to address the State's capacity issue directly underscores our commitment to provide access to higher education programs for nontraditional—and often underserved—populations.

Let me give you a few examples of how UMUC fulfills its commitment to access.

Service to Minority Populations

According to 2004 rankings in *Black Issues in Higher Education (BIHE)* magazine, UMUC was ranked fourth in the nation—and highest in the Northeastern United States—among universities that awarded master's degrees to African American students in business, management, marketing, and related fields. The rankings are particularly significant since they include degrees granted by historically black colleges and universities.

Other areas where UMUC was recognized by *BIHE*:

- UMUC was ranked sixth among traditionally white institutions nationwide in awarding undergraduate degrees to African American students.
- UMUC was ranked ninth in total master's degrees to all minority students in computer science and information services.

UMUC enrolls more African American students than any of Maryland's Historically Black Colleges and Universities (HBCUs). The University, in fact, has no self-defined ethnic majority in its student body—an extraordinary distinction in public higher education among traditionally white institutions. UMUC's current demographic distribution is 47 percent white, 32 percent African American, 5 percent Hispanic, 5 percent Asian, and 11 percent nonspecified/other.

In addition, 18 percent of UMUC students were born in a country other than the United States, and 13 percent of UMUC students have a native language other than English. Finally, 12 percent of UMUC undergraduates are single mothers juggling work, family, and academic study.

Expanded Programs at Regional Centers

So that students can pursue four-year degrees close to home even when there is no public four-year institution in their area, UMUC has expanded its offering of undergraduate degree programs at sites close to community college campuses and at higher education centers throughout the State.

UMUC demonstrates its commitment to access to Marylanders with its statewide presence. UMUC is a key partner in both the University System of Maryland Shady Grove Center and the Waldorf Center for Higher Education—and the University is committed to providing programs at the new Hagerstown Center.

At the Waldorf Center for Higher Education, College of Southern Maryland graduates can, through a combination of face-to-face and online classes, make a seamless transition to a four-year degree in business and management, communications, criminal justice, information systems management, and environmental science at UMUC or even to a Master of Arts in Teaching through a unique 2+2+1 associate's to bachelor's to master's program.

Because more than 10,000 people work in the health care field in Montgomery County, UMUC now conveniently offers on-site Master of Science in health care administration classes to students at the Shady Grove Center as one of the many other programs offered there by the University.

This spring, UMUC will begin offering two undergraduate degree programs in information systems management and in accounting at the new Hagerstown Center, allowing those who prefer classroom-based learning to pursue their degree close to home.

Alliances with Maryland Community Colleges

For many years, UMUC has been cultivating strategic partnerships with Maryland community colleges to assure the seamless transition of students from their two-year degree programs to UMUC's bachelor's degree programs. Each alliance involves multiple program articulation agreements. In 2004, the University was pleased to sign new alliance agreements with the Community College of Baltimore County and with Harford Community College, bringing the total number of community college alliances to nine and program articulations to 147.

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Finally, because of strong student demand for accelerated four-year degree programs, UMUC now offers these programs at five locations across the State.

UMUC: Making Higher Education Affordable

UMUC's commitment to growth and access also is a commitment to affordability.

Although only 1.7 percent of state general funds go to UMUC, the University currently educates close to 25 percent of all USM students.

- This past fall, the University raised its undergraduate resident tuition 2 percent, compared to 8–10 percent at other institutions.
- Since fall 2001, UMUC's undergraduate tuition increased by only 12 percent.
- This coming fall, UMUC's resident tuition will increase by 5 percent.

In response to the growing number of younger undergraduates, UMUC has just adopted—for the first time in its history—a full-time tuition, which will be implemented in the 2005–2006 academic year. At \$5,525 (annual), UMUC's full-time undergraduate resident tuition and fees will be the third lowest in the University System of Maryland.

Because of its commitment to affordability, the University has established strong scholarship and financial aid programs. In the past two years, need-based financial aid has doubled at UMUC. In addition, UMUC's need-based scholarship program for community college graduates, now in its second year, has been funded at \$1,000,000 over a three-year period. This program has awarded scholarships to more than 270 deserving students from 11 Maryland community colleges over the past two years.

UMUC is also responding to changes in the federal need formula, which is resulting in lower Pell Grant awards for our neediest students. As a result, UMUC has allocated funds to compensate for the Pell shortfall for those continuing students whose Pell Grants for academic year 2005–2006 will be reduced because of the formula change.

Recognizing that affordability solutions go beyond providing grants and scholarships, UMUC has created a new operational unit called Student Financial Services. The mission of the Student Financial Services unit at UMUC is to work proactively with all students worldwide to provide financial solutions that will enable them to complete their degree at UMUC. Student finance functions at UMUC have been integrated both to expand the range of financial assistance programs available to students and to improve the quality of customer service. These initiatives have resulted in the development of a service-oriented approach to financial aid—one that focuses on finding long-term financial solutions for students rather than merely dispensing awards and loans.

At UMUC, affordability is not only the result of concerns about the cost of tuition and the availability of financial aid but also of a commitment to efficiency and effectiveness. UMUC is proud of its leadership role in implementing efficiency and effectiveness measures that include the following:

- Application of technology to the University’s processes to increase productivity, which has significantly supported the consolidation of the enrollment management and advising functions at UMUC; has resulted in the development of a highly successful student financial aid self-help Web site; and is leading the initiative to acquire new customer relations management software and to adopt new document management systems;
- Development of more efficient academic practices, which included the movement to standard syllabi; led to the streamlining of curriculum to create paths to degree completion, as well as the redesign of the transfer credit evaluation process; and resulted in changes to the late registration period to decrease withdrawal rates;
- Outsourcing of appropriate functions, such as the Library help desk, which provides

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24/7 support to students without a burden on University resources;

- A clear focus on the University's core mission, which has resulted in decisions to close residential campuses in Schwäbisch Gmünd and Mannheim, as well as the elimination of other initiatives that do not parallel UMUC's mission; and
- Expansion of alternative revenue sources, which has included the expansion of the Inn and Conference Center and the increase in out-of-state online enrollments.

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UMUC: The “Opportunity Engine” for the State

The State of Maryland benefits significantly as a result of a strong UMUC. Our excellence in technology, combined with our capacity, has enabled UMUC to explore with the Board of Regents the possibility of opening our general education classes to undergraduates in other institutions in the State to ease some of the pressures of rapid growth. All of our general education courses are available online and therefore could be conveniently taken by students across the State.

In addition, the University is exploring with University System of Maryland Chancellor William E. Kirwan ways in which UMUC's many online general education courses could be made available to high school seniors to give them a head start on college study.

UMUC's knowledge in the areas of online teaching, online course development, copyright management, and faculty training and our state-of-the-art virtual e-learning platform also could be leveraged in a variety of ways to benefit the State.

Chancellor Kirwan recently stated that UMUC is vitally important to the future of the University System of Maryland—that its model of delivering higher education, a reflection of its unique mission,

points to where higher education is going in the State and in the nation. UMUC, he noted, has become Maryland's competitive advantage.

How the State Can Help UMUC

UMUC is unique in that the expansion of our out-of-state enrollments online has a positive effect on our citizens and our organization. As our nonresident enrollments continue to grow, we are able to reinvest the revenues back into the University and subsidize the cost of education to Maryland students. Our out-of-state growth enables us to keep our Maryland tuition low and therefore enhances accessibility.

We estimate that we will need to increase our out-of-state student population to 25 percent of undergraduate and 33 percent of graduate semester hours to self-finance our technology infrastructure, national marketing and brand development, a redevelopment of our course inventory, and quality improvements throughout the University.

Our [national growth](#) has already begun. In the last five years, we have attracted increasing numbers of out-of-state students to our online programs, particularly on the East Coast, in the Midwest, and in Texas, Oklahoma, California, and the State of Washington.

UMUC takes its role as a State university very seriously. As the mission statement emphasizes, UMUC is an Open University. To fulfill this mission of openness, the University must continue to make itself accessible through a combination of affordable costs and available courses relevant to Maryland's economy. Reaching the goal of being the State's Open University, however, will require further support from the State in several ways.

Since fall 2001, UMUC's undergraduate tuition increased by only 12 percent.

The primary way in which the General Assembly can support UMUC is by assisting the University in meeting its critical space demands. According to State guidelines, UMUC currently has a 200,000 square-foot space shortfall—and the University is projecting an additional 200,000 square-foot shortfall by 2010. The University's growth has put demands on the infrastructure that could not have been anticipated five years ago. As such, UMUC is seeking State support to address these concerns. We

are pleased that, for the first time, UMUC is included in the FY 2007 Capital Budget. We appreciate the support of the Governor's Office and the Legislature and count on a continuation of that support as we address one of our most critical needs.

UMUC is working with the Board of Regents to identify ways in which the University can be more competitive both nationally and internationally and to identify regulatory opportunities that will assist in that process. We appreciate the support of the Board of Regents and look forward to working with this Subcommittee and the General Assembly as we solve these issues.

Conclusion

Recently, Regent Adela Acosta described UMUC as, "less a place than a mission." It is an apt description. At UMUC, we pursue the mission of educational quality and access, not as competing goals, but as complementary aspirations. Nontraditional students deserve the best university education possible. At UMUC, we are committed to making that a reality.



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