



OFFICE OF THE CHANCELLOR

June 29, 2016

The Honorable Thomas V. Mike Miller
President of the Senate
State House
Annapolis, MD 21401-1991

Dear President Miller:

Section 12-106 of the Education Article of the Annotated Code of Maryland requires the University System of Maryland (USM) to report annually on progress under the USM's 10-year strategic plan (MSAR #550). In accordance with this requirement, I am pleased to submit for your review a copy of my *Fiscal Year 2016 Annual Report to the Board of Regents*. This report highlights progress that the USM and its institutions have continued to make under the themes and goals identified in the USM's strategic plan during this important year of transition. It also lays out some of the challenges and opportunities that we see emerging for the USM, and the state, as we continue our efforts to build a bright future for Maryland.

As in past years, the information presented in this report will be supplemented by data and information on progress under the strategic plan presented annually in the USM's Managing for Results report, which goes to the Office of the Governor in August.

Should you have any questions or comments concerning this report, please contact Anthony Foster on the USM staff at 301/445-1912.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Caret", with a long horizontal stroke extending to the right.

Robert L. Caret
Chancellor

Enclosure

cc: Joseph F. Vivona
Patrick Hogan
Anthony Foster

1807
University of Maryland,
Baltimore

1856
University of Maryland,
College Park

1865
Bowie State University

1866
Towson University

1886
University of Maryland
Eastern Shore

1898
Frostburg State University

1900
Coppin State University

1925
Salisbury University

1925
University of Baltimore

1925
University of Maryland
Center for Environmental
Science

1947
University of Maryland
University College

1966
University of Maryland,
Baltimore County



OFFICE OF THE CHANCELLOR

June 29, 2016

The Honorable Michael E. Busch
Speaker of the Maryland House of Delegates
State House
Annapolis, MD 21401-1991

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Sincerely,

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Robert L. Caret
Chancellor

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UNIVERSITY SYSTEM OF MARYLAND

CHANCELLOR ROBERT L. CARET'S FY 2016 ANNUAL REPORT
PRESENTED TO THE BOARD OF REGENTS JUNE 10, 2016

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MICKEY L. BURNIM

COPPIN STATE UNIVERSITY
MARIA THOMPSON

FROSTBURG STATE UNIVERSITY
RONALD NOWACZYK (AS OF 5/16)
TOM BOWLING, INTERIM PRESIDENT (THROUGH 5/16)

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WALLACE D. LOH

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JULIETTE B. BELL

UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
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UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
DONALD F. BOESCH

USM REGIONAL CENTERS AND DIRECTORS

UNIVERSITIES AT SHADY GROVE
STEWART EDELSTEIN, EXECUTIVE DIRECTOR

UNIVERSITY SYSTEM OF MARYLAND AT HAGERSTOWN
MARK HALSEY, EXECUTIVE DIRECTOR

INTRODUCTORY MESSAGE FROM CHANCELLOR CARET

Chairman Shea and members of the University System Board of Regents:

I am honored to deliver my first annual report to the Board of Regents as chancellor of the University System of Maryland (USM). On behalf of the USM community, thank you for your personal and collective commitment to the USM's mission, aspirations, and strategic priorities.



What a tremendous privilege and responsibility it is for me to lead one of the nation's most prominent systems of higher education. My statewide bus tour in fall 2015 and my daylong visits to each USM institution throughout the past year reinforced what we all know: The USM is expected to continue to successfully play its critical and vital role in moving Maryland forward.

FY 2016 has been a year of leadership transition and other changes. Earlier this year, D'Ana Johnson, a partner with the firm of Bonner Kiernan Trebach & Crociata in Washington, D.C., was appointed to the Board of Regents, replacing Louise Michaux Gonzales, who served with distinction.

Also this year, the board expanded its scope with the creation of the Workgroup on Diversity and Inclusion. The group is engaging faculty, staff, students, and administrators in open dialogue, and will recommend best practices and strategies to improve diversity and inclusion across the system.

Sadly, former Governor Marvin Mandel, who served as a regent from 2004-09, passed this year. His commitment to high-quality public higher education was unquestionable, as was his deep and passionate belief in the university system's ability to elevate the citizens of Maryland and strengthen the state's economic future.

We also welcomed three new presidents. On July 1, 2015—the same day I assumed the position of chancellor—Maria Thompson, former provost and vice president for academic affairs at the State University of New York at Oneonta, joined Coppin State University as president. In January 2016, Kim Schatzel, former

provost and interim president of Eastern Michigan University, became Towson University's new president. And in May 2016, Ron Nowaczyk, former provost and vice president for academic affairs at Clarion University, took office as president of Frostburg State University.

3

NEW PRESIDENTS



MARIA THOMPSON
COPPIN STATE
UNIVERSITY



KIM SCHATZEL
TOWSON UNIVERSITY



RON NOWACZYK
FROSTBURG STATE
UNIVERSITY

P.J. Hogan, who served for eight years as USM's vice chancellor for government relations, left for the private sector. Fortunately, we found the ideal candidate to step into this demanding position, Patrick N. Hogan, who served in the House of Delegates from 2003-07, and again from 2011-15. Before joining the USM last November, he was deputy legislative officer for Maryland's Office of the Governor.

Also in the USM Office, J. Thomas Sadowski, former president and CEO of the Economic Alliance of Greater Baltimore, joined us in the newly created position of vice chancellor for economic development in May. In this position, he will work to strengthen the USM's role in workforce and economic development.

2016 LEGISLATIVE SESSION

Now, let me turn to the legislative session. During the 2016 session, Maryland Governor Larry Hogan and our legislative leaders demonstrated their strong support for USM's top priorities: ensuring access to exceptional and affordable academic opportunities and driving economic development.

The General Assembly approved \$1.34 billion in state support for the USM as part of our \$5.3 billion FY 2017 operating budget. This is an increase of \$75 million—or approximately 6 percent—over the FY 2016 budget revised for increased deficiency funding (\$16.5 million). The governor's FY 2016 and FY 2017 budget increases add up to approximately \$92 million to fund:

- \$5 million to keep tuition for in-state, undergraduate students at a modest 2 percent.
- \$7 million in enhancement funding to improve college completion rates.
- \$38 million for pay increases.
- \$42 million for increased health care and retirement expenses.

In addition, through cost cutting and reallocation actions driven by our ongoing Effectiveness and Efficiency (E&E) efforts, the USM will provide at least \$17 million in added savings.

Turning now to the FY 2017 capital budget, the General Assembly allocated nearly \$308 million for capital construction projects across USM (up from \$261 million in FY 2016). Critical projects that have been funded or advanced include:

- \$81 million to construct and equip Health Science Facility III at the University of Maryland, Baltimore (UMB).
- More than \$31 million to construct and equip a natural sciences building at Bowie State University (BSU).
- An increase from \$2.6 million to \$7.6 million in planning funds for the interdisciplinary life sciences building at the University of Maryland, Baltimore County (UMBC), and \$100 million preauthorized for FY 2018 and 2019.
- \$2.5 million for initial planning and design of an Education and Health Professions Building at Frostburg State University (FSU).
- \$3.5 million to start design of a Pharmacy and Allied Health facility at the University of Maryland Eastern Shore (UMES).
- \$70 million to continue construction of A. James Clark Hall, which will cultivate new bioengineering technologies at the University of Maryland, College Park (UMCP).
- \$1.3 million preauthorization for planning funds to renovate the Julian Science Building for the College of Business at Coppin State University (CSU).
- \$36 million to construct the Biomedical Education facility at the Universities at Shady Grove (USG), with preauthorized amounts in FY 2018 and 2019.
- \$3 million to plan a USM building (Building III) at the Southern Maryland Higher Education Center.



The General Assembly approved \$7 million in enhancement funding to improve college completion rates.

Finally, in terms of legislation, a number of bills impacted the USM. However, I highlight only one in this report—Senate Bill (SB) 1052: The University of Maryland Strategic Partnership Act of 2016. The USM Board of Regents was essentially united in its approval of the overall “concept” of this bill, to strengthen *MPowering the State*, the increasingly successful alliance between UMB and UMCP launched in 2012. In addition, many of the legislation’s specific elements earned the board’s support and endorsement: the formation of a joint steering committee; expanded partnerships to more effectively compete for public and private research grants and contracts; the creation of both the University of Maryland Center for Economic and Entrepreneurship Development in College Park and the Center for Maryland Advanced Ventures in Baltimore; funds to improve the financial health of our other institutions; and the important focus on the needs of Baltimore aimed at improving job availability and economic vitality.

There was widespread concern that such complex legislation could have unintended negative impacts, not just on UMB and UMCP, but also on other USM institutions and the 70 percent of USM students attending these other universities. Fortunately, the General Assembly amended the bill to protect and enhance other USM campuses. The approved bill also allows UMB and UMCP to continue to operate “two distinct campuses within the University System of Maryland.”

We expect this expanded partnership to benefit the state, the system, these universities, and the students we serve. We will see improved academic programs, stronger research activity, increased tech transfer and commercialization, and even more impactful public and community service.

With their actions, Governor Hogan and the legislators have set Maryland apart from—and in many ways, above—our competitors in the knowledge economy. Furthermore, our success in Annapolis underscores their strong support for public higher education, the USM, and the people and priorities we serve.



AS THIS ANNUAL REPORT OUTLINES, put within the context of our strategic plan—*Powering Maryland Forward: USM’s 2020 Plan for More Degrees, a Stronger Innovation Economy, and a Higher Quality of Life*—the university system’s role as a focused educational leader, dynamic economic engine, and vital contributor to our quality of life continues to propel Maryland forward, benefitting our institutions, business community, state, and—most importantly—the students we serve. Note that this report groups selected FY 2016 achievements and accomplishments under the strategic plan’s five themes.

THEME 1

INCREASING MARYLAND’S COLLEGE COMPLETION RATE

RATIONALE

THE ABILITY OF OUR STATE AND OUR NATION TO COMPETE IN A GLOBAL, KNOWLEDGE-BASED ECONOMY IS DIRECTLY LINKED TO THE EDUCATIONAL ATTAINMENT OF OUR CITIZENS. THE STATE OF MARYLAND HAS ESTABLISHED A GOAL OF HAVING 55 PERCENT OF ITS POPULATION 25 YEARS AND OLDER HOLDING AN ASSOCIATE’S OR BACHELOR’S DEGREE BY 2025. THE USM HAS A VITAL ROLE TO PLAY IN THIS EFFORT, BOTH ON A SYSTEMWIDE LEVEL AND ON OUR INDIVIDUAL CAMPUSES.

KEY GOAL

WHEN THE STRATEGIC PLAN WAS DEVELOPED, IT WAS DETERMINED THAT FOR THE USM TO ACHIEVE ITS “SHARE” OF THE STATEWIDE INCREASE IN DEGREE PRODUCTION, WE WOULD NEED TO PRODUCE 28,000 BACCALAUREATE DEGREES PER YEAR BY 2020. THAT WAS A SIGNIFICANT INCREASE—ALMOST 50 PERCENT—OVER OUR 2009 “BASELINE” OF JUST OVER 19,000 BACCALAUREATE DEGREES.

PROGRESS

IN FY 2015, THE USM AWARDED MORE THAN 24,900 BACCALAUREATE DEGREES (MOST RECENT DATA AVAILABLE). THAT REPRESENTS AN ANNUAL INCREASE OF ALMOST 5,700 DEGREES, PUTTING THE USM 65 PERCENT OF THE WAY TOWARD OUR GOAL.



This emphasis on improving completion required many simultaneous efforts. And while affordability and access remain perhaps the two most important, efforts to improve retention, advance partnerships with community colleges, expand our regional education centers, and other initiatives also were impactful.

AFFORDABILITY AND ACCESS

The USM will hold the tuition increase for in-state, undergraduate students to a very modest 2 percent for the coming year, continuing the system’s long-term strategy to moderate tuition. It was just over a decade ago that USM tuition and fees ranked among the 10 highest in the nation at No. 6. Today we are in the middle of the pack at 23rd.

This commitment to affordability and quality continues to garner recognition.

- Salisbury University (SU), Towson University (TU), and UMCP are among the Top 100 of Northeast Institutions (*The Washington Monthly’s* 2015 “America’s Best Bang for the Buck Colleges”).
- SU, TU, UMBC, and UMCP are among the 300 best values based on quality and affordability (*Kiplinger’s Personal Finance*).
- UMBC and UMCP are best-value colleges (*The Princeton Review’s* annual list of “Colleges That Pay You Back”).
- BSU, FSU, SU, and UMES are institutions whose graduates “over-perform” (*The Economist*).

Key to getting more students into and through the college pipeline successfully will be opening the doors of higher education to more underrepresented minority and low-income students. Last fall, USM’s first-time, full-time freshman cohort was more diverse than ever before and included a growing proportion of low-income students.

Indications are we can expect success for these students in terms of reaching graduation. Today the USM's six-year graduation rates for first-time, full-time freshmen are at an all-time high. Almost 70 percent of full-time students who started school in fall 2009 graduated from a USM school in at most six years, and the systemwide time-to-degree average for undergraduates is 4.2 years. Also, the 49 percent graduation rate of African-American students who completed their degree anywhere within the USM was on par with our all-time high. Given that the four-year and five-year graduation rates for the students who started as freshmen in 2010 and 2011 have also increased, we expect to see continued improvement in the time to degree.

In fact, this will be a key focus of the USM "enhancement funding" proposed by Governor Hogan and approved by the legislature as part of our FY 2017 state funding. That funding will increase students' access to "gateway" courses (the foundational courses that serve as prerequisites for many degree programs), yield stronger and more effective student advising, and increase the use of analytics to improve student retention and outcomes.

COMMUNITY COLLEGES AND HIGHER EDUCATION CENTERS

Our strong partnerships and articulation agreements with community colleges are leading to more success in widening access to qualified students. First-time transfers make up two-thirds of newly enrolled undergraduate students at USM institutions, with almost half coming from a Maryland community college.

We have hundreds of articulation agreements to ensure students' smooth transfer from community colleges to four-year universities and scores of reverse-transfer agreements, through which students transfer credits back to community colleges to complete their associate's degrees.

Through these innovative partnerships, we are targeting key areas of need in Maryland. We are making progress on a 2+2 cybersecurity degree similar to existing 2+2 teaching and engineering degrees (two years at a community college followed by two years to earn a bachelor's degree from a USM university). We are also working to streamline transfer from an associate's degree in nursing to a bachelor's of science in nursing through concurrent admission and enrollment agreements.

The USM's \$3 million First in the World grant from the U.S. Department of Education will also strengthen the system's partnerships with community colleges. This four-year grant will help the USM test and develop innovative strategies to improve student outcomes. Five USM institutions—Coppin, Towson,

the University of Baltimore (UB), UMBC, and University of Maryland University College (UMUC) are partnering with seven community colleges—Anne Arundel, Cecil, Southern Maryland, Garrett, Harford, Howard, and Montgomery—to develop new math pathways to reduce developmental education and increase college retention and completion.

As we expand community college partnerships, our two regional higher education centers—the Universities at Shady Grove (USG) and University System of Maryland at Hagerstown (USMH), at which USM institutions offer upper-degree and graduate courses—grow in importance. Between the two of them, all 11 USM universities offer more than 100 high-demand degree programs.

In addition, the USM is expanding its presence at the Southern Maryland Higher Education Center (SMHEC). The university system is committed to building and operating an 83,000-square-foot academic and research center at SMHEC to expand educational opportunities in high-demand areas and spur economic development in the region.

COMMUNITY OUTREACH

Both as a system and through campus-based efforts, we are reaching out to local communities and local school systems to advance our completion goals.

- Way2GoMaryland—the USM's information campaign to put more of Maryland's middle school students on track to college—hosted major events, participated in scores of events in partnership with local school systems and organizations, and is culminating a five-year partnership with First Generation College Bound, focused on keeping Prince George's County students on track to college.
- UMB launched the UMB CURE Scholars Program to identify promising middle school students in Baltimore and prepare them for health care and research careers through hands-on workshops and lab experiences and mentorship.
- UMBC initiated a \$1.6 million partnership with Baltimore City Public Schools and the Northrop Grumman Foundation to boost science, technology, engineering, arts, and math education.
- UMCP joined the Coalition for Access, Affordability, and Success, a diverse group of public and private colleges and universities working together to improve the admission application process for all students.
- The USM Office is completing its first year of a three-year, \$500,000 grant from the National Science Foundation (NSF) to create professional development training for current teachers to teach new computer science courses in Prince George's County Public Schools.

Taken together, all these efforts—improving affordability, focusing on access, expanding partnerships, and others—are having a real impact. Access is up, time-to-degree is down, and the achievement gaps impacting minority and low-income students are narrowing.

Access is up, time-to-degree is down, and the achievement gaps impacting minority and low-income students are narrowing.

THEME 2

ENSURING MARYLAND'S COMPETITIVENESS IN THE NEW ECONOMY

RATIONALE

THE USM STANDS AS AN IMPACTFUL AND ADAPTABLE ECONOMIC FORCE. IN OUR CLASSROOMS WE EDUCATE THE NEXT GENERATION OF HIGHLY SKILLED PROFESSIONALS, READY TO GO TO WORK—AND TO LEAD. IN OUR LABS WE GENERATE GROUNDBREAKING INNOVATION AND DISCOVERY, ADVANCING OUR QUALITY OF LIFE. AND IN OUR PARTNERSHIPS WITH BUSINESS AND INDUSTRY, WE TRIGGER ENTREPRENEURIAL ACTIVITY, JOB CREATION, AND ECONOMIC GROWTH.

KEY GOALS

- BY 2020, INCREASE BY 40 PERCENT THE NUMBER OF STEM GRADUATES PRODUCED BY USM INSTITUTIONS.
- CREATE 325 COMPANIES AND FIVE INTERNATIONALLY RECOGNIZED RESEARCH CENTERS OF EXCELLENCE BY 2020.

PROGRESS

IN BOTH OUR INTERNAL (STEM) GOALS AND OUR EXTERNAL (COMPANY CREATION) GOALS, THE USM HAS EXCEEDED EXPECTATIONS DRAMATICALLY:

- UPPER-DIVISION STEM ENROLLMENT IS UP 61 PERCENT OVER OUR BASE YEAR OF 2010.
- UNDERGRADUATE STEM DEGREES AWARDED ARE ALREADY UP ALMOST 60 PERCENT, FROM 3,857 IN FY 2010 TO 6,147 IN FY 2015.
- IN JUST FOUR YEARS, MORE THAN 450 COMPANIES HAVE BEEN LAUNCHED FROM THE INTELLECTUAL AND ENTREPRENEURIAL ASSETS OF USM INSTITUTIONS.



The impact of the *MPowering the State* partnership has been profound: 1,400 invention disclosures, 200 technology licenses, and 40 new startup companies.

The USM has aggressively embraced its role as a driver of the economy. This is underscored by the Reuters list of the 100 most innovative universities from across the globe, released in late 2015. In that ranking—which took into account the volume of patent applications, the number that were granted, the number of scientific journal articles published, and other criteria—the USM, considered as a single body, placed 54th.

GRANTS

External funding awarded to the system and its individual institutions reached nearly \$1.3 billion in FY 2015 (latest total available), an increase of 7.2 percent over FY 2014. USM received almost 10,000 awards from government, industry, and others. Considered as a single body, nationally, USM ranks eighth in total research funding and second in total federal research and development funding among higher education institutions. Here is just a partial list of FY 2016 grants and contracts.

- The Institute of Human Virology (IHV) at UMB received a five-year, \$24.5 million grant from the U.S. Centers for Disease Control and Prevention (CDC) to partner with the government of Botswana to combat the HIV/AIDS epidemic.
- Thanks to an \$11 million multi-institution CDC grant, researchers at the School of Medicine at UMB will focus on new and innovative ways to improve how hospitals and other health care facilities prevent the spread of germs.
- The School of Social Work at UMB received five federal grants totaling more than \$40 million to enhance the well-being of people ranging from children and adolescents to middle-aged men.
- At UMCP, Northrop Grumman renewed its commitment to the Advanced Cybersecurity Experience for Students program with a \$2.76 million gift.
- UMCP is partnering with Johns Hopkins University on the \$30 million Maryland Advanced Research Computing Center with \$30 million in funding from the state of Maryland. The center will provide digital processing power to researchers, from astrophysicists crunching data to biomedical researchers analyzing genomes.
- UMB and UMCP will work together on a four-year, \$10 million grant to lead the U.S. Department of Agriculture's Coordinating Nontraditional Sustainable Water Use in Variable Climates (CONSERVE) Center of Excellence. The center's focus will be on developing water reuse solutions, nontraditional water sources, and new water treatment technologies to safely and sustainably grow food crops. UMES experts also will join this effort.
- UMBC has joined the multi-institutional Center for Sustainable Nanotechnology, supported by a \$20 million NSF grant.
- Also at UMBC, the Joint Center for Earth Systems Technology (JCET) partnership recently renewed its collaborative agreement with NASA Goddard, bringing approximately \$46 million to the JCET program and UMBC over the next five years.
- Both Salisbury and Frostburg received major support from the state's Nurse Support Program to help advance nurse education efforts. Salisbury University's nursing department received the largest grant in its history—nearly \$2.1 million—and FSU received nearly \$2.5 million.
- At UMES, a trio of researchers secured nearly \$1.2 million in grants from the U.S. Department of Agriculture to support a variety of research projects related to pesticides and other environmental concerns, and producing safe and nutritious salad greens.
- The Towson University Geoscience Educational Opportunities for Careers program received a \$350,000 grant from the NSF to help meet the growing need for geoscientists in the workforce.
- Thanks to a \$445,000 grant from the U.S. Department of Defense, students and faculty at Bowie will be able to conduct research in cybersecurity, computer forensics, and life sciences using the XC40 supercomputer, which will provide the core capability for BSU's new Center for High-Performance Information Processing.

TECH TRANSFER, ENTREPRENEURIAL ACTIVITY, AND COMPANY FORMATION

Maryland has an incredible ecosystem of talent, knowledge, and research capacity. But taking technologies created by faculty members or students and getting them to the commercial marketplace is not as automatic as it should be. Therefore, we are ramping up commercialization efforts.

During the past few years, the Board of Regents created the Economic Development & Technology Transfer Committee, revised tenure and promotion criteria to stress entrepreneurial activity, and created University of Maryland: *MPowering the State*, the collaboration between UMB and UMCP. The impact of this partnership has been profound: 1,400 invention disclosures, 200 technology licenses, and 40 new startup companies.

In calendar year 2015 alone, 141 companies were created from the intellectual and entrepreneurial assets of USM institutions.

This new culture of innovation and entrepreneurship is taking root throughout the system and its institutions, positioning the USM as a focused educational leader and a dynamic economic engine.

THEME 3**TRANSFORMING THE ACADEMIC MODEL****RATIONALE**

THE REACH AND SPEED OF COMMUNICATIONS TECHNOLOGY, AND THE INCREASED UNDERSTANDING OF HOW PEOPLE LEARN, PROCESS, AND RETAIN INFORMATION, HAVE COMBINED TO INFORM THE DEVELOPMENT OF EDUCATIONAL APPROACHES THAT IMPROVE LEARNING OUTCOMES WHILE REACHING MORE STUDENTS.

KEY GOAL

EXPAND USM'S COURSE TRANSFORMATION EFFORTS TO ENHANCE STUDENT LEARNING AND SUCCESS AND ESTABLISH A FRAMEWORK FOR THE SYSTEMWIDE DEVELOPMENT, ARTICULATION, AND PROMOTION OF TRANSFORMATION EFFORTS.

PROGRESS

AS IS THE CASE WITH STEM GRADUATES AND COMPANY FORMATION, THE USM HAS ALREADY SIGNIFICANTLY SURPASSED ITS 2020 GOAL OF MORE THAN 40 COURSE REDESIGNS. AS OF FY 2014—THESE EFFORTS TAKE TWO YEARS TO COMPLETE—WE HAVE SEEN 57 COURSE REDESIGNS UNDER THE USM INITIATIVE.





Redesigned courses employ more active learning, computer-based learning resources, on-demand help, and undergraduate peer mentors and course assistants to supplement faculty teaching. The redesign of 57 lower-division, large-enrollment courses has allowed for the cumulative reallocation of more than \$5.7 million in instructional costs. They have enrolled more than 143,000 students. And, based on the net decreases of 7 percent in drop, failure, and withdrawal rates, more than 10,000 students passed these courses who might not have without the redesign.

The promise course redesign offered—improved learning outcomes at a reduced cost—is being realized. And through its William E. Kirwan Center for Academic Innovation, the USM is doing even more to advance the impact of academic innovation.

For example:

- The Maryland Open Source Textbook (MOST) initiative, which creates opportunities for faculty to use available open-source materials in place of textbooks, has saved more than 2,600 students cumulatively \$368,000 in instructional material costs. In addition, UMUC is the first major American university to replace 100 percent of its undergraduate textbooks with no-cost digital resources. By fall 2016, all of UMUC's graduate classes will be textbook-free, too. The collective savings is estimated to be in the millions for the more than 80,000 students taking classes at UMUC annually.
- The Kirwan Center is working on a "student success matrix" data collection project in collaboration with USM institutions. The matrix will identify, catalog, and track the many initiatives under way across the system aimed at closing the achievement gap. The center is also exploring the use of "digital badging" to validate graduates' career-ready skills for potential employers.

**More than 10,000 students passed courses
who might not have without course redesign.**

THEME 4

CONTINUING EXEMPLARY STEWARDSHIP PRACTICES

RATIONALE

AS MARYLAND'S PUBLIC SYSTEM OF HIGHER EDUCATION, THE USM WORKS TO MAINTAIN THE HIGHEST POSSIBLE STANDARDS OF STEWARDSHIP AND ACCOUNTABILITY. THIS RESPONSIBILITY IS HEIGHTENED BY THE FACT THAT THE FINANCIAL RESOURCES OF THE STATE, STUDENTS, AND THEIR FAMILIES ARE CONSTRAINED.

KEY GOALS

- IDENTIFY AND IMPLEMENT "THE NEXT GENERATION" OF INITIATIVES UNDER THE SYSTEM'S EFFECTIVENESS AND EFFICIENCY (E&E) INITIATIVE, A CONTINUOUS EFFORT TO IMPROVE ACADEMIC AND ADMINISTRATIVE POLICIES, PRACTICES, AND PROCEDURES TO ACHIEVE OPTIMAL USE OF RESOURCES.
- BUILD A VIBRANT CULTURE OF PHILANTHROPY ACROSS THE USM.

PROGRESS

E&E—AND E&E 2.0—CONTINUE TO BE A DEFINING SUCCESS STORY FOR THE USM, STREAMLINING OPERATIONS WHILE GENERATING COST SAVINGS. AND WHILE NO SPECIFIC GOAL WAS SET FOR PHILANTHROPIC FUNDS RAISED, THE SYSTEMWIDE TOTAL OF \$335 MILLION FOR FY 2015 (LATEST AVAILABLE TOTAL) REPRESENTS A 50 PERCENT INCREASE OVER THE BASELINE YEAR OF 2010.



To date, the systematic reengineering of our academic and administrative processes has resulted in direct savings of more than \$500 million.

The overwhelming success of the USM's Effectiveness and Efficiency (E&E) initiative over this past decade has garnered significant statewide support and national attention. To date, this systematic reengineering of our academic and administrative processes has resulted in direct savings of more than \$500 million. With the launch of E&E 2.0 in FY 2015, the USM has taken this effort to the next level.

E&E 2.0

Thanks to E&E 2.0, we are removing bureaucratic obstacles, leveraging contracts, and developing a funding guideline model that provides greater funding equity and adequacy across the range of USM institutions. In addition, we are examining opportunities for more collaboration or consolidation of back-office processes in anticipation of the next major information technology investment three to five years from now.

Another key focus of E&E 2.0 is the systemwide use of analytics—the systematic use and analysis of data and statistics—to improve both academic and business processes. E&E 2.0 also has led to recommendations to streamline USM procurement policies and practices.

At the campus level, USM institutions are employing cost savings and cost avoidance, strategically reallocating existing resources, and targeting non-tuition funding streams. The USM Office hosts several consortia that include all USM institutions as well as external educational entities. It is estimated that these consortial activities as well as other leveraging initiatives will collectively account for approximately \$25 million in savings in FY 2016 while the individual institutional efforts collectively will save approximately \$20 million.

PHILANTHROPY

Our emphasis on stewardship also compels the USM to strengthen our culture of philanthropy. All institutions are planning for capital campaigns that will significantly exceed the performance of prior efforts. There will be a major focus on building endowments at each institution to provide a perpetual source of support for students and faculty.

Examples of active and engaged philanthropy in FY 2016 include the following:

- Developers Palmer Gillis and Tony Gilkerson announced the donation of the Plaza Gallery Building on West Main Street in Salisbury—valued at \$4.4 million—to Salisbury University, helping the institution create a stronger downtown presence.
- Frostburg received its largest gift ever, \$2.5 million from the estate of Woodward Pealer, a local businessman and longtime supporter of FSU. The funds will support scholarships and faculty development.
- At UMES, Lexus provided a \$100,000 gift to honor the legacy of Charlie Sifford, the first African American to join the PGA Tour in 1961. The Lexus Endowment will help UMES students establish careers in the golf industry.
- Avis and Bruce Richards made a \$1 million gift to support veteran students at UMCP with the Avis and Bruce Richards Veterans Scholarship. The couple also announced the Veterans Education \$1 Million Matching Challenge, with a goal to raise \$1 million from Veterans Day 2015 through Veterans Day 2016, which they will match dollar for dollar.
- The Philip E. and Carole R. Ratcliffe Foundation renewed its support for the Ratcliffe Environmental Entrepreneurs Fellows Program, an initiative of USM's Institute of Marine and Environmental Technology (IMET). This brings the foundation's support of IMET to nearly \$1.4 million.

ENVIRONMENTAL SUSTAINABILITY

Exemplary stewardship practices also call for protecting the environment. Donald Boesch, vice chancellor for environmental sustainability and president of the University of Maryland Center for Environmental Studies, leads these efforts.

- USM faculty experts contributed analyses to the Maryland Commission on Climate Change that led to the commission's bipartisan and unanimous recommendation to expand the state's greenhouse gas emissions reduction goals, from 25 percent by 2020 to 40 percent by 2030. This new requirement is included in the Greenhouse Gas Emissions Reduction Act of 2016 passed by the General Assembly and signed by Governor Hogan.
- In aggregate, the USM institutions are on track to achieve the state's goal, with a reduction of more than 16 percent of carbon emissions eliminated from our operations.
- Also in FY 2016, USM expanded its focus on alternative and renewable sources of energy and implemented cost-reduction tools, including smart micro-grids and campus renewable energy districts.



THEME 5

ADVANCING INSTITUTIONAL QUALITY

RATIONALE

WE MUST CONTINUE TO POSITION THE USM AS A NATIONAL LEADER IN EDUCATION EXCELLENCE, RESEARCH AND DEVELOPMENT BREAKTHROUGHS, ECONOMIC DEVELOPMENT, AND QUALITY-OF-LIFE IMPACT.

KEY GOAL

ACHIEVE AND SUSTAIN NATIONAL EMINENCE BY ATTRACTING, SUPPORTING, AND RETAINING HIGH-QUALITY STUDENTS, FACULTY, AND STAFF.

PROGRESS

OUR INSTITUTIONS AND THEIR LEADERS HAVE DISTINGUISHED THEMSELVES IN NUMEROUS WAYS. FOLLOWING ARE JUST A FEW EXAMPLES.



INSTITUTIONS

- All three of USM's research universities—UMCP, UMB, and UMBC—rank among the top 500 universities worldwide, with UMCP listed at No. 72. (Center for World University Rankings 2015 global rankings).

In the *U.S. News & World Report* Best Colleges national rankings:

- UMCP ranks 19th among national public universities and rose to 57th overall.
- Towson ranks 12th and Salisbury 18th in the Public Schools-Regional Universities (North) category.
- Bowie and UMES rank in the top 30 of Historically Black Institutions.
- UMBC ranks No. 4 in the nation—joining MIT and Stanford in the top five—in the new ranking of the “Most Innovative Schools.”

In the *U.S. News & World Report's* Best Graduate School national rankings:

- UMCP has 31 programs and specialties recognized, including:
 - A. James Clark School of Engineering, No. 24
 - College of Education, No. 26, with Counseling and Personnel Services again ranked No. 1 in the country
 - School of Public Policy, No. 31
 - Robert H. Smith School of Business, No. 41.
- At UMB:
 - School of Nursing, No. 8
 - School of Pharmacy, No. 9
 - School of Law, clinical training specialty and health care law specialty in top 10.
- *Business Insider* profiled the nation's top 20 public colleges and universities where “students go on to earn the highest salaries.” UB and UMCP made this list, based on a new report from the Georgetown University Center on Education and the Workforce.
- In a ranking of Historically Black Colleges and Universities by College Choice, an independent online publication dedicated to helping students and their families find the right college, Bowie and Coppin are in the top 25.
- Frostburg, Salisbury, and UMBC were each named a 2015-16 College of Distinction in recognition of their continued commitment to the four distinctions: engaged students, outstanding teaching, vibrant communities, and successful outcomes.
- UMES achieved the status of Doctoral University in the most recent

Carnegie Classification, joining UMCP and UMBC in this category.

- Between rankings issued by *U.S. Veterans Magazine*, *USA Today*, and Military Friendly Schools, seven USM institutions—Towson, UMCP, Coppin, UB, Salisbury, Frostburg, and UMUC—were listed among the nation's best military- and veteran-friendly schools, with UMUC receiving the No. 1 ranking from *Military Times*.
- The University System of Maryland Foundation (USMF) received the Baltimore Washington Corridor Chamber Foundation's 2016 Award of Excellence, recognizing USMF's longstanding advocacy and support for the advancement of public higher education in the Baltimore-Washington region.

LEADERSHIP

Along with the noteworthy institutional achievements, our leaders have also received numerous honors. Following are a few examples:

- Regent **Frank Kelly** was named one of the 12 inductees in *The* (Baltimore) *Sun's* inaugural class of the Maryland Business and Civic Hall of Fame. Kelly was honored for his instrumental role in developing the R Adams Crowley Shock Trauma Center, the University System of Maryland, the University of Maryland Medical System, and the Maryland Stadium Authority.
- Regent **Norm Augustine** received the 2016 Governor's International Award from the World Trade Center Institute in recognition of his work as former chairman and CEO of Lockheed Martin, leadership of the Maryland Economic Development and Business Climate Commission, involvement in the United States Energy Security Council, and service on the USM Board of Regents.
- UMB President **Jay Perman** received the Giving Back Award from *INSIGHT Into Diversity*—the oldest and largest diversity magazine in higher education—in recognition of his passion, dedication, and demonstration of outstanding social responsibility.
- At UMCP, physics alumnus and Fischell Department of Bioengineering namesake **Robert E. Fischell** was named a recipient of the National Medal of Technology and Innovation, the highest honor for technological achievement bestowed by the president of the United States.
- **Deb Moriarty**, Towson's vice president for student affairs, was elected president of the National Association of Student Affairs Personnel Administrators.
- The Higher Education Group honored **Stan Jakubik**, a USM assistant vice chancellor, with its inaugural Lifetime Achievement Award for contributions he has made to higher education during his 45-year career.

CONCLUSION

As a community firmly committed to serving our students and state with excellence, the Board of Regents, system leadership, faculty, and staff have successfully navigated the USM through a period of transition while building momentum. Of course, much work remains to be done.

We must redouble our efforts to gain wider understanding and broader support for the vital role the USM plays in creating a bright future for our state. We are the principal supplier of the highly skilled workforce, so critical for success in today's world; we are the catalyst for the growth of the state's knowledge-based economy; and through our myriad academic and outreach programs

geared to preserving the cultural and natural heritage of our state, we are a primary resource in building a higher quality of life for all Marylanders. That is why our well-being is so inextricably linked to the state's well-being. And that is why the quality and the capacity of our institutions must be protected and nurtured.

It is my expectation that when I deliver my second annual report to the board next year, I will once again have good news to report about institutional rankings and honors, success stories about programs and initiatives, and additional evidence of our continued progress.

HONOR ROLL

REGENTS' FACULTY AWARDS

TEACHING

- HEATHER GABLE, FSU
- JUNGHO KIM, UMCP
- KAREN HOPKINS, UMB
- ROMMEL MIRANDA, TU

MENTORING

- PAULINUS CHIGBU, UMES
- MATTHEW HEMM, TU
- RUSSELL HILL, UMCS
- IVAN SASCHA SHEEHAN, UB

PUBLIC SERVICE

- ANNE SPENCE, UMBC
- DEBRA STANLEY, UB
- JANE WOLFSON, TU
- VALLI MEEKS, UMB

RESEARCH, SCHOLARSHIP, AND CREATIVE ACTIVITY

- RAMANI DURAIWAMI, UMCP
- REBECCA ADELMAN, UMBC
- HANY SOBHI, CSU
- UPAL GHOSH, UMBC

INNOVATION

- HODA EL-SAYED, BSU

REGENTS' STAFF AWARDS

EFFECTIVENESS AND EFFICIENCY

- MARSHA VELLI (EXEMPT), UMBC
- UCHE ENWESI (EXEMPT), UMCP

EXCEPTIONAL CONTRIBUTION TO THE INSTITUTION OR UNIT

- COLLEEN WRIGHT-RIVA (EXEMPT), UMCP
- MICHELE KIMERY (NON-EXEMPT), UMBC

EXTRAORDINARY PUBLIC SERVICE TO THE UNIVERSITY OR TO THE GREATER COMMUNITY

- BEATRICE WRIGHT (EXEMPT), UMES
- JULIA HENG (NON-EXEMPT), UMCP

OUTSTANDING SERVICE TO STUDENTS IN AN ACADEMIC OR RESIDENTIAL ENVIRONMENT

- SHERRY LARKINS (EXEMPT), CSU
- M. ROBERT MADDUX (NON-EXEMPT), SU

ELKINS PROFESSORS

- HANY F. SOBHI, CSU
- GEORGE UDE, BSU
- JAYA SINGHAL, UB
- OSCAR A. BARBARIN, UMCP

ABOUT USM

The University System of Maryland comprises 12 institutions, two regional higher education centers, and a system office. USM provides access to excellent higher education opportunities, performs groundbreaking research, offers vital services to communities and individuals, and fuels economic and workforce development. As a public system of higher education, USM advances the state of Maryland and benefits all of society.

USM FACTS: **INSTITUTIONS:** 12
REGIONAL CENTERS: 2
UNDERGRADUATE STUDENTS: 120,295 STATEWIDE (126,344 WORLDWIDE)
GRADUATE/PROFESSIONAL STUDENTS: 41,705 STATEWIDE (41,782 WORLDWIDE)
FULL-TIME FACULTY: 8,747
PART-TIME FACULTY: 6,591
STAFF: 23,419
ACADEMIC PROGRAMS: MORE THAN 1,000 BACHELOR'S, MASTER'S, DOCTORAL, AND PROFESSIONAL
LOCATIONS: MORE THAN 100 IN MARYLAND
BUILDINGS: NEARLY 1,000, INCLUDING 20 LIBRARIES
OPERATING BUDGET: \$ 5.13 BILLION (FY 2016)

VISION

The vision of USM is to be a preeminent system of public higher education, admired around the world for its leadership in promoting and supporting high-quality education at all levels and life stages, fostering the discovery and dissemination of knowledge for the benefit of the state and nation, preparing graduates who are engaged citizens and have the knowledge, skills, and integrity to effectively lead people and organizations in a highly competitive, global environment, and instilling in all members of its community a respect for learning, diversity, and service to others. The overarching goal of the USM is to build lives and families and educated citizens.

MISSION

The mission of the University System of Maryland is to improve the quality of life for all the people of Maryland by providing a comprehensive range of high-quality, accessible, and affordable educational opportunities; engaging in research and creative 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. USM fulfills its mission through the effective and efficient management of its resources and the focused missions and activities of each of its component institutions.



UNIVERSITY SYSTEM OF MARYLAND OFFICE OF THE CHANCELLOR

3300 Metzert Road | Adelphi, MD 20783
301.445.2740 | www.usmd.edu