



**University of Maryland Global Campus  
Fiscal Year 2025 Operating Budget Testimony**

**President Gregory W. Fowler, PhD**

**Maryland Senate Budget and Taxation Subcommittee  
Education, Business and Administration**

**Senator Nancy King, Chair**

February 8, 2024

**Maryland House Appropriations  
Education and Economic Development Subcommittee**

**Delegate Stephanie Smith, Chair**

February 7, 2024

## Testimony & Response to Department of Legislative Services Analysis

Members of the subcommittee, thank you for the opportunity to speak to you today.

I am joined by Joseph Sergi, Senior Vice President and Chief Operating Officer, and Frank Principe, Senior Vice President & Chief Government Affairs and External Relations Officer.

I also want to thank our analyst, Kelly Norton, for her guidance and expertise.

Before I begin, I want to take a moment to acknowledge the more than 56,000 UMGC students each year—many of whom call Maryland home—who serve or have served in the armed forces around the world. Our commitment to educating America's servicemembers and their families remains steadfast—and mirrors *their* commitment to serving wherever their country needs them.

In doing this work over the past 12 months alone, UMGC team members have seen their homes flooded by a super typhoon in Guam, two student servicemembers lost their lives in an Osprey accident in Okinawa, and both students and staff in the Mediterranean had their lives disrupted by Prepare to Deploy orders in countries like Italy or, in the Middle East, by orders to remain sheltered.

We are humbled by the opportunity to live and serve with those in uniform and proud to fly the Maryland flag in more than 180 locations and more than 20 countries and territories around the globe ... helping ensure access to education and its power to transform lives and continuing a proud tradition that dates back more than 75 years ... when Maryland was the only state to answer the call to send faculty overseas to teach troops in postwar Europe.

### Overview and Background

Today, UMGC's mission remains unchanged. Currently, the institution serves some 90,000 students each year in Maryland, across the country, and around the world, offering open admissions, affordable learning experiences backed by the reputation of the University System of Maryland (USM), and access to face-to-face, hybrid, and online instruction at locations worldwide.

While UMGC's operations are funded primarily by tuition revenue, the university offers the second-lowest tuition and fees of any Maryland public institution. In FY2023, the university received approximately \$57.3 million from state appropriations, accounting for approximately 13 percent of its unrestricted operating budget.

## **Serving Maryland**

More than 100,000 UMGC alumni currently live in Maryland, and some 30,500 Marylanders attended UMGC in FY23—a number that continues to grow—while more than 5,300 earned a UMGC degree.

UMGC enrolls more Maryland community college transfer students than any other institution in the state, and through its Maryland Completion Scholarship, allows eligible community college graduates to complete a UMGC bachelor's degree for \$12,000 or less! More than 15,000 of these scholarships have been awarded since the program began in 2014—and more than 7,700 recipients have already earned a degree. We are particularly grateful to the General Assembly for last year's additional \$1 million appropriation in support of the Maryland Completion Scholarship, which allowed us to grant hundreds more scholarships to Maryland students.

I am also pleased that our reputation as a transfer-friendly school extends beyond Maryland, with *U.S. News and World Report* citing UMGC's almost 10,000 transfer students as the largest number of transfer students in the nation in 2022.

## **Serving Underserved Populations**

Our commitment to transforming the lives of underserved populations was recently recognized by the U.S. Department of Education designating us a Minority Serving Institution, serving more than 55,000 Black, Asian, Hispanic, Indigenous, or multiracial students annually.

In Maryland, UMGC ranks #1 in minority student enrollment and #1 in conferring cybersecurity and IT degrees to women and students of color ... and through win-win partnerships with several of the state's HBCUs, we are seeking to help them add capacity and capabilities in the online and digital space while also benefitting from their expertise in serving populations that have not always been best served by higher education.

## **Opportunities and Challenges**

Our vision is for UMGC to be the school of choice for adults and business partners because we are learner-centric, data-driven, and skills-based. This year UMGC released its updated strategic plan, designed to guide the university as it works to achieve that vision.

UMGC's enrollment demographics and sources of revenue present opportunities and challenges in the near term and going forward. Our workforce-facing strategy includes fostering partnerships either directly or indirectly with corporations such as GEICO and MedStar, where the companies cover the cost of employee tuition for acquired skills, leaving students with little or no debt. In

Maryland last year, more than 3,300 students enrolled in UMGC classes as a result of such partnerships.

As technological advances create jobs and require skills that didn't exist five years ago, UMGC is evolving rapidly as well, providing microcredentials that can ultimately stack into traditional degree programs while providing certification that opens new job pathways in shorter amounts of time for those who wish to seize imminent opportunities. More than 14 state governors, including Governor Wes Moore here in Maryland, have now committed to opening state jobs to those who can demonstrate required skills, regardless of whether they have completed a degree, and we are building skills-based learning experiences with workforce relevance as a cornerstone, so that learners know what skills they need and which learning experiences will deliver them. Ultimately, we aspire to be a key resource in Maryland, finding ways to enhance economic mobility for those who need us the most.

While UMGC continues to seek new ways for learners to gain skills—through virtual learning, for example, or by creating a metaversity—we will also seek to ensure that new technologies close equity gaps rather than expanding them. We were proud, for example to partner with Public Wireless this year to provide bandwidth at no additional cost to needy students, and we will continue to seek new ways to realize the state's commitment to such resources.

We will also continue to partner with other postsecondary institutions in Maryland to fulfill the state's goals of accessibility and affordability. In the past year, you may have seen one of several televised news stories about our PG3D Scholarship Program, which we offer in partnership with Prince George's County Public Schools and Prince George's Community College. Under that dual-enrollment program, recent graduate Jamel White was able to complete his high school diploma, associate degree, and bachelor's degree in cybersecurity—all debt-free. With hundreds more students registered in this program, we truly are supporting Maryland's degree completion goals.

### **UMGC's 2024 Legislative Priorities**

As we continue to focus on our public mission of improving the lives of adult learners by operating as Maryland's open university, we respectfully ask that you:

- Continue discussions on the impact of UMGC's Maryland Completion Scholarship.
- Continue supporting renovation of the UMGC Administration Building, allowing a hybrid workforce to contribute to the state's workforce and sustainability goals.
- Continue discussions regarding State funding of COLA/merit increases.
- Support the recommendations of the Program Approval Commission, especially around fully online programs.

Thank you again for this opportunity to speak with you today and for the support you have provided to the University System of Maryland and to UMGC. And now I would be pleased to answer your questions.

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### **Comments Requested**

#### **The President should comment on other areas of decrease related to State funding.**

UMGC's state funding was reduced by \$3.4 million for FY2025. Funding for the Maryland Completion Scholarship was reduced by \$1 million, and the allocation that helped offset the prior year's COLA and merit increases was reduced by \$2.4 million.

#### **The President should provide a reason for the increase in contractual FTEs for fiscal 2025 after the decrease in fiscal 2024.**

UMGC's enrollments are expected to increase during the coming year, and we have increased the number of contractual FTEs commensurately for FY2025.

#### **The President should provide details on the intended use of the sale proceeds and if it could be used to alleviate the need for the anticipated transfer from the fund balance.**

The proceeds from the sale of UMGC's Largo properties will fund future strategic initiatives designed to ensure that we can continue to provide students with a secure, high-quality digital learning environment and remain competitive with the national online universities that are increasing their presence and enrollments in Maryland. The FY2025 fund balance transfer, in turn, will be used for the UMGC Business Plan, which seeks to enter select regional markets to test growth initiatives and invest in immediate digital infrastructure needs and national marketing requirements.