



UNIVERSITY OF
MARYLAND EASTERN SHORE

R30B25
March 2017

RESPONSE TO THE DEPARTMENT OF LEGISLATIVE SERVICES

The President should comment on the admission process and enrollment targets and whether UMES had the capacity and resources to accommodate a significant increase in enrollment and if the academic preparedness of students admitted in fall 2015 was equivalent to previous classes. (page 11)

UMES Response

Enrollment Process

The enrollment process at UMES follows a similar cycle of that of other institutions, which includes the following phases:

- 1) Lead Generation and Recruitment Phase
- 2) Application Phase
- 3) Decision Phase (Denial/Admittance)
- 4) Enrollment Phase
- 5) Matriculation Phase
- 6) Graduation

Capacity and Resources to accommodate a significant increase in enrollment

In light of the University's enrollment fluctuations, the University conducted a process review that examined the admissions process. What we discovered were several things:

- 1) Current admissions processes that rely heavily on manual functions, which prolong the time it takes to make enrollment decisions;**

2) Insufficient staffing levels due to turnover and lack of funding, to manage the influx of additional applications, which was exacerbated by the partnership with Royall and Company, which increased our applications from an average of 5,500 to an average of approximately 10,000 applications. (It should also be noted that UMES lacked the fiscal resources to take advantage of the full suite of services offered by Royall and Company that may have assisted the university in yielding a greater number of students; and

3) Insufficient fiscal resources to communicate with students and their families in order to increase the “yield” of admitted and enrolled students during critical stages of the enrollment cycle.

To address these issues, the University is currently in the process of overhauling our admissions process to include more automation. We have decided to replace our current contract with Royall, with Hobsons Radius CRM + Application and Naviance. Through these two solutions, we will be able to build our own admissions application as well as manage all phases of the communication process to students from prospects through enrollment.

The University has also reconstituted its Enrollment Management Team to insure greater inclusivity in order to address holistic enrollment concerns that impact the entirety of the campus, including but not limited to housing, dining services, marketing, classroom management and academic course offerings.

Additionally, we will be able to move away from the traditional “lead generation” of identifying student to “active-search matching” students who meet our specific student success profile. We have also conducted a crosswalk review between the offices of Admissions, Registrar, Financial Aid and the Bursar to ensure that the mechanisms of “handing off” students from one part of the process to the next are working effectively and efficiently.

The University has also restructured the enrollment unit by hiring an Associate Vice President for Enrollment Management, and we are reevaluating the University’s budget to allow for the hiring of additional staff, while trying not to harm other critical units within the University.

Enrollment Targets

Historically, we have used data from Institutional Research to determine our enrollment projections. The data that we review includes academic program capacity, State and regional H.S. graduation rates, market data and institutional capacity. Based on our fall

2016 enrollment decline, we have recalibrated our future projections include the historical number of applications, yield rate and current student return rate. Our new projection model includes all of these factors, which allows us to develop what we believe are more realistic enrollment targets.

Academic Preparedness of Students

In 2015, we experienced enrollment of one of our largest first-year classes. This increase was challenging for the campus. Some areas that were impacted included general education course planning, housing, food services, and academic support. We also noticed that the fall 2015 cohort had slightly lower SAT 25th and 75th Percentile Scores than in previous years. Based on the number of incoming freshmen that required remediation and the number of students on academic probation after the first semester of matriculation, it appears that the students were not well prepared, which helped contribute to the lower retention rate for that class of 58%.

The President should comment on reasons for the decline in continuing students and efforts being taken to retrain students so they progress and earn a degree. (page 12)

UMES Response

Overall, we discovered that we had an average return rate of all students from fall to fall of 68%.

The University has identified several factors that have contributed to the decline in persistence of continuing students:

- 1) competing personal and family obligations,
- 2) lack of adequate financial resources,
- 3) poor institutional fit,
- 4) inadequate academic preparation to complete college level education leading to drop-out,
- 5) transfer-out; and
- 6) academic dismissal.

To help mitigate these issues, we are implementing several strategies:

- 1) creating a more intrusive and centralized academic advising model;
- 2) working with the Office of Financial Aid and the University's Foundation to provide more emergency funds to help students close cost of attendance gaps;
- 3) increasing academic support services on campus to include expanding tutoring services, particularly in the math and science disciplines, and supplemental instruction; and
- 4) coordinating our retention efforts by implementing Starfish Retention Solutions by Hobsons. The latter will help us identify students who are experiencing difficulty early and get them connected with the appropriate academic/personal/social interventions.

We are utilizing the Hobsons PAR Student Success Matrix to help identify all of our interventions on campus and ensuring knowledge of the interventions are made known.

We are also committed to reinforcing the University's ICARE core values of integrity, commitment, accountability, respect and excellence as we understand that the campus climate also plays an integral role in student engagement and success. In addition, last fall, we hired a new Vice President for Student Affairs who is looking at new ways to increase student engagement on campus.

The President should comment on the financial impact of assuming the \$12.7 million debt, especially in the near-term when Hawk Plaza will not be fully occupied and the projected occupancy revenues and costs for fiscal 2018. The President should also comment on if UMES received any concessions from the lenders for assuming the \$12.7 million of debt. (page 24)

UMES Response

Long-term fiscal impact of assuming the \$12.7M debt

UMES expects the financial impact of assuming the debt and operations of hawk Plaza will be a positive one. Project income is expected to support the debt service as well as ordinary operating expenses with appraised estimated net annual operating income at \$769,500 and \$844,278. This determination was made based upon a number of assumptions, including future vacancy rates, rents, operating expenses, and University ownership. While these amounts are assumed based on future performance, the University is comfortable that the basis of the valuations are realistic and achievable.

The University currently leases 429 beds under two-year master leases in two private student housing projects for an aggregate cost of \$4.6 million. The master leases may be terminated at the end of the 2016-17 academic year. Acquisition of Hawk Plaza is expected to be an integral part of University student housing options for graduate and undergraduate students and an asset that will reduce the need to lease privately-owned student housing.

Hawk Plaza is expected to reduce costs to the University over the long-term through integration into University housing available to all students, and reducing the need to lease private housing.

The University can operate the project profitably by reducing the vacancy rate by opening it to all students and not restricting rental to graduate students; by eliminating the costly private-property management services currently in place; and by reducing insurance costs (Maryland Hawk is required to pay for private insurance whereas the University is covered by the State's self-insurance program).

Short-term fiscal impact of assuming the \$12.7M debt

The consolidation of Hawk Plaza with existing housing inventory and operations will mitigate the effects of the assuming the debt obligation. By using combined campus housing revenues to finance overall housing expenses, the university will be able to cover the debt obligations in the short-term until the students are assigned to occupy the project in fall 2017.

Concessions

Final loan terms have not been determined at this time. The terms of the loan assumption are currently being negotiated through the Office of the Attorney General, with input and support from USM and UMES.

The President should comment on the decline in the portion of institutional aid going toward need-based aid. (page 25)

UMES Response

The university received \$324,000 in a supplemental allocation to be used to increase the amount on need-based aid over FY13; **that funding was indeed spent for financial aid.**

In FY14, however, the university experienced a decrease in enrollment over that achieved in FY13 and consequently, the university received a decreased amount of tuition and fee revenue, a portion of which (20%) is ordinarily used to provide institutional aid.

The majority of the university's students are eligible for financial aid. Consequently, the university would maintain that any institutional aid ("need based, merit-based, or athletic, or other aid) that provided to a majority of our students is "need-based" aid to the extent it is provided to students demonstrating a financial need. For example, a student who may be Pell-eligible, may also be a high achieving student. Consequently, that student may qualify for what is categorized as "merit-based aid." To the extent an award is made to that student from the pool of "merit-based" funding, this does not negate the fact that the student is a financially needy student.

The President should comment on financial literacy efforts being taken to educate and guide students in making financial decisions. (page 28)

UMES Response

UMES has entered into an agreement with USA Funds to provide certain services designed to reduce defaults by borrowers who obtained higher education loans. USA Funds' Student Connections Success Center assists students with relevant nonacademic skills to ensure they are getting the most out of their college years, finishing their programs of study on time and preparing themselves for success after graduation. The service provides resources for students in various stages of enrollment – pre-college, in-college success, and post-college. Topics of training include: Understanding the Basics of Budgeting; Creating and Maintaining a Budget; Achieving Goals; Paying for College; Understanding Credit; and Obtaining Credit

Therefore, the Department of Legislative Services recommends restricting \$100,000 of UMES's general fund appropriation until it submits a report on its actual fiscal 2017 revenues and expenditures by program area and its

fiscal 2018 revenues and expenditures by program area based on fall 2018 enrollment.

UMES Response

UMES disagrees with this recommendation. This would have an unnecessary adverse effect and put additional financial stress on the university's budgetary situation. There is no need to restrict any of UMES' general fund appropriation. The university will provide all required reports and any information requested. This would include a report by November 10, 2017 on its actual fiscal 2017 revenues and expenditures by program area and its fiscal 2018 revenues and expenditures by program area based on fall 2018 enrollment.