

Resources

Salisbury University continues to face significant financial challenges. While we recognize that all USM institutions are burdened with significant budget reductions this fiscal year, SU has the added burden of having among the lowest State support per Full Time Equivalent Students (FTES) in the USM, coupled with one of the lowest rates of tuition.

The combination of low FTES funding, low tuition, and low State-supported fees places Salisbury at the lowest funding level of all USM institutions. The gap between SU's funding and that of other institutions is widened when funding increases are applied as a percentage of the current State appropriation or tuition. This funding gap should not exist and does not reflect our student demand or the high quality of programs that Salisbury provides its students. As consideration is given to a tuition increase in the coming academic year, we ask that the USM and the Board of Regents seize the opportunity to make a major structural correction to Salisbury's tuition which will help to close this funding gap.

The implications of Salisbury University's low funding are significant, as demonstrated throughout this report. As a designated growth institution, the University has continued to increase the size of its classes each year. In the current fiscal year, recognizing our continued funding challenges and a tuition freeze, SU set out to only increase by 100 students. Enrollment management is not an exact science, however, and a larger percentage of students accepted our offer of admission than was true historically, yielding a slightly larger freshman class (about 77 more students than last fall). At the same time, Junior and Senior retention improved, meaning a smaller than normal number of upper class students left the University; again, this increased the overall FTES. Still, this is the lowest FTES increase in four years.

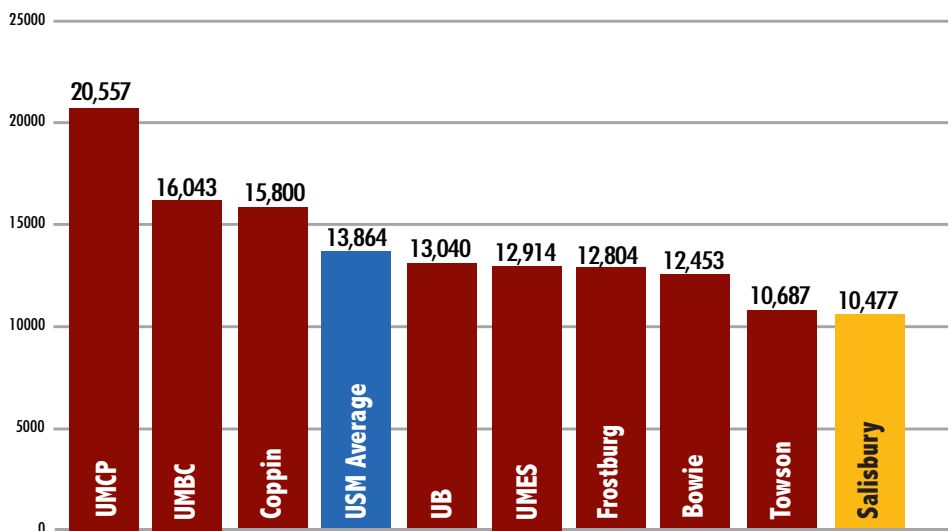
Undergraduate Tuition & Fees: AY 2009-10:

- Annual In-State: \$6,618
- Annual Out-of-State: \$15,114

The combination of low State funding per FTES, low tuition, and low State-supported fees places Salisbury University at the lowest funding level of all USM institutions. A structural adjustment to tuition is needed to help to diminish this funding gap.

If Salisbury University were funded at the USM average, it would realize an additional \$24 million in operating funds.

Total State Support per FTES (FY 10 Request)*



* Total State Support includes General Funds, Higher Education Investment Funds, tuition, and State-supported fees.

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Because of SU's high demand, we are turning away a considerable number of students. Over 3,200 students were denied admission in fall 2009, almost 700 of which would have been deemed extremely well-qualified for admission. And transfer admission has been cut off for the last two years. In fall 2009, 749 transfer applicants were turned away, including 369 who were potentially qualified for admissions, and an estimated 250 who never had the opportunity to apply. Similarly, it is estimated that next spring 125 potential freshmen may be turned away and an estimated 200 transfers will be denied admission or the opportunity to enroll.

One of the major impacts of our low funding level is an extremely high ratio of staff to students—significantly higher than the USM average. This results in staff carrying extremely high workloads, and it is especially detrimental in areas such as student counseling and in our efforts to close the achievement gap.

Due to Salisbury University's overall lower funding, student-to-staff ratios are much higher than the USM average. We believe our retention efforts are negatively impacted because of high student-to-staff ratios in Academic Support and Student Services areas.

Comparison of Student to Regular (PIN) Faculty & Staff Ratios - USM Institutions FY 2010 Allowance

	Instruction	Academic Support	Student Services	Institutional Support	Operation & Maintenance of Plant
Towson	21.99	65.04	106.71	55.27	135.21
Bowie	21.13	116.24	90.14	39.70	228.86
Coppin	19.85	59.83	51.13	28.30	68.70
UB	18.69	48.99	55.57	24.64	76.67
Salisbury	18.55	93.25	121.69	52.79	81.59
Frostburg	16.19	54.52	82.83	36.81	48.94
UMES	16.07	38.94	91.95	36.50	43.10
UMCP	13.45	31.54	87.34	39.55	38.68
UMBC	12.59	70.32	74.66	35.37	101.10
UMB	5.13	13.98	159.44	11.06	18.60
USM Average	16.36	59.26	92.15	36.00	84.14

Source: Governor's Budget Book FY 2010

As has been noted, a second area impacted significantly by SU's low funding is our ability to offer competitive financial aid packages. Because we are so limited in the funding we can offer in the form of grants and scholarships, we are less able to compete for students with our System competitors—UMCP, UMBC and Towson. This impedes our ability to increase our numbers of diverse and high-ability students.

In fact, **every one of the Board of Regent's dashboard indicators on which SU falls below standards is due wholly to our lack of funds; these include average faculty salaries below the 85th percentile, low operating expenditures per student, low percentage of undergraduates receiving financial aid, high average undergraduate debt burden upon graduation, low State appropriation per FTES, and low expenditure for instruction per FTES.**

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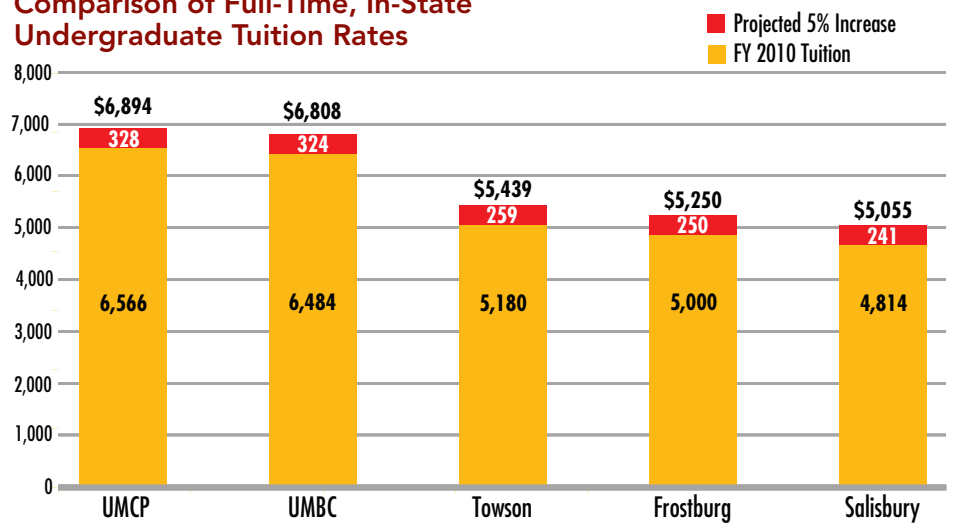
To recap, Salisbury University is the highest-ranking comprehensive university in the System. Yet its tuition lags almost \$200 behind Frostburg and is more than \$360 less than Towson. The tuition we charge should reflect the quality of our programs and our high student demand.

SU should be given approval to increase its full-time, in-State tuition in an actual dollar amount that will bring our tuition to the level of Towson University's. An increase of even \$400 would yield the University an additional \$2.7 million in operating revenue. Such an increase would have an enormous impact on SU's ability to serve our students, while beginning to correct one aspect of our chronic underfunding.

An across-the-board approach to tuition increases does not address Salisbury University's urgent need to bring its tuition rates in line with the universities for which we compete for students: UMCP, UMBC and Towson.

There is no logical reason Salisbury University's tuition should be lower than what is charged by Towson, UMBC, and UMCP.

Comparison of Full-Time, In-State Undergraduate Tuition Rates



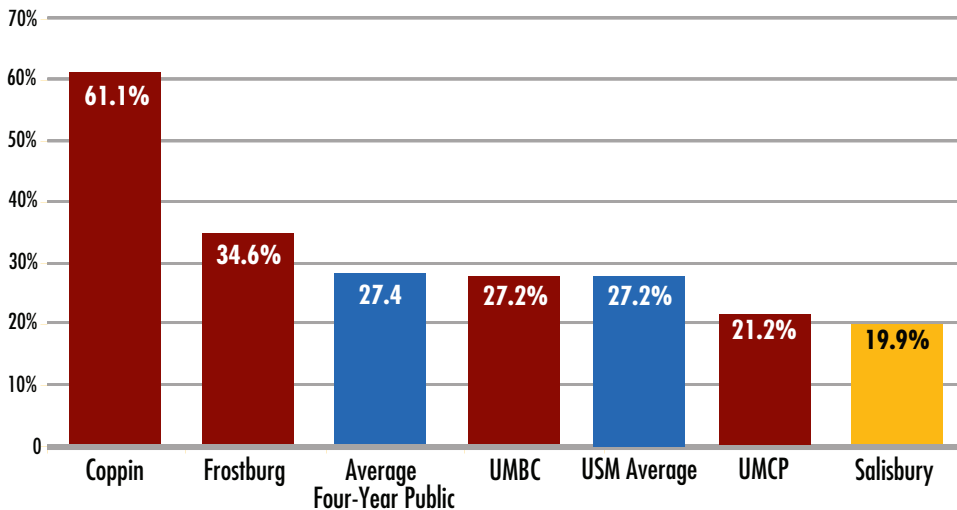
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Trends in General Fund Support per FTES, Maryland Public Four-Year Institutions (FY 99-FY 08)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	% Change 10 years
Coppin	5,269	5,794	6,642	6,865	6,704	6,582	6,283	6,300	9,944	10,604	101.3%
Bowie	4,910	5,667	6,610	6,180	5,738	5,217	5,175	5,213	7,486	7,698	56.8%
Frostburg	5,234	5,823	6,180	6,659	5,925	5,421	5,644	6,285	7,128	7,296	39.4%
UMB	22,199	24,770	26,503	29,169	27,542	25,715	25,023	26,907	28,825	29,589	33.3%
UMES	6,337	7,491	7,447	7,646	6,778	6,572	6,661	6,978	8,035	8,955	41.3%
UMBC	6,539	7,340	7,870	8,553	7,697	7,056	7,114	7,685	8,532	8,978	37.3%
UMCP	10,578	11,553	12,527	13,046	11,759	10,835	11,047	11,337	12,677	13,127	24.1%
Towson	4,167	4,584	4,936	5,097	4,536	4,264	4,261	4,386	4,963	5,119	22.8%
Salisbury	4,393	4,769	5,126	5,185	4,645	4,276	4,277	4,455	5,036	5,129	16.8%
UB	6,758	7,108	7,548	7,814	6,862	6,231	6,359	6,875	7,716	7,475	10.6%
UMUC		1,084	1,306	1,432	1,559	1,082	1,026	1,368	1,613	1,909	
Average USM	7,638	7,817	8,427	8,877	8,159	7,568	7,534	7,981	9,269	9,269	26.0%
Morgan State	7,084	7,867	8,660	8,665	8,529	7,910	7,741	8,868	10,300	11,023	55.6%
St Mary's College	7,499	7,945	8,422	8,836	7,545	6,876	7,006	7,157	7,941	8,039	7.2%
Average Four Year Public	7,581	7,830	8,444	8,857	8,140	7,541	7,509	7,986	9,246	9,611	26.8%

Source: Governor's Budget Book

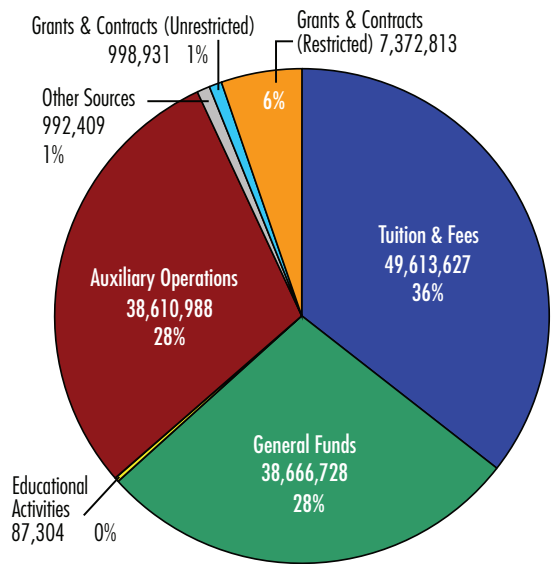
Percent Increase in General Fund Support per FTES (FY 04-FY 08)



Salisbury University has received among the lowest increases in State General Fund appropriations during the period FY04-FY08. This is, in large part, due to our enrollment growth and the inability of the USM to fund enrollment growth adequately.

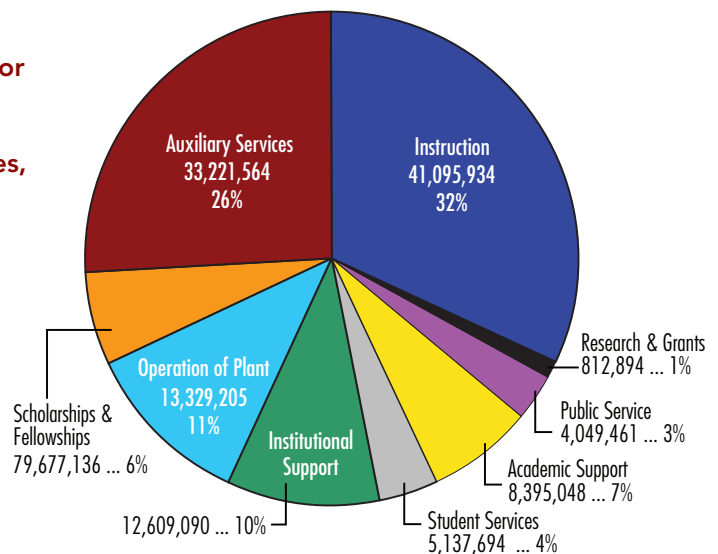
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Fiscal Year 2009 Revenue by Category

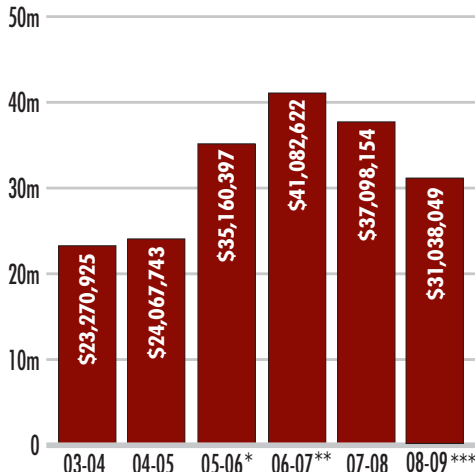


Fiscal Year 2009 Expenditures by Program

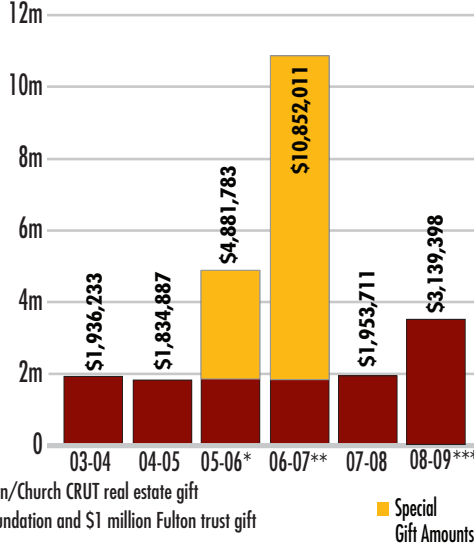
While program costs for Instruction represent 32 percent of total University expenditures, they represent 44 percent of our State-supported expenditures. Despite the high percentage of funds spent for Instruction, our instructional spending per FTES is not a positive dashboard indicator for the University.



Endowment Values
(as reported on annual Voluntary Support of Education [VSE] survey report)



Giving Totals by Fiscal Year
(as reported on annual Voluntary Support of Education [VSE] survey report)



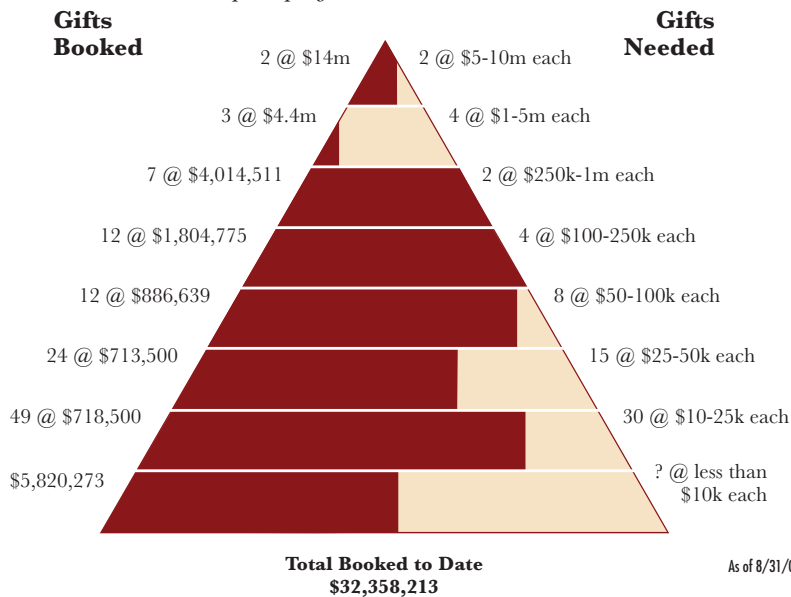
* includes \$1.7 million estate of Audrey Christopher and \$1.3 million Brown/Church CRUT real estate gift
 ** includes \$6 million estate of Lucy Tull, \$2,000,000 gift from Perdue Foundation and \$1 million Fulton trust gift
 *** unaudited

Planned giving has taken on a very important role during Salisbury University's "Taking Excellence to New Heights" campaign. In the first three years, some \$20,000,000 has been committed by SU friends and alumni who wish to leave an indelible legacy on our campus in the future.

While the world economy faltered, Salisbury University alumni continued to illustrate their dedication to the mission of the institution. Alumni participation rates hit a record high at 17 percent for fiscal year 2009.

Campaign 2012: Gifts Booked

In an effort to sustain and build upon the fundraising success of Campaign 2012 "Taking Excellence to New Heights," the goal has been increased from an initial goal at kick-off of \$25 million to \$35 million. This will allow for continued support of all projects and programs with an intensified focus on the required matching funds to complete the Franklin P. Perdue School of Business capital project.



Salisbury University ramped up its "friend-raising" efforts by creating lifelong learning opportunities both on campus and around our region. "Learn with SU" invites participations 50 and over to enjoy various cultural, education, and wellness programming. Summer camps for children also have been added to enhance our outreach and our mission of service to the community.

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