

Testimony Presented To

The House Subcommittee on Education and Economic Development

The Senate Subcommittee on Education, Business and Administration

By President Janet Dudley Eshbach, Ph.D.

March 2015



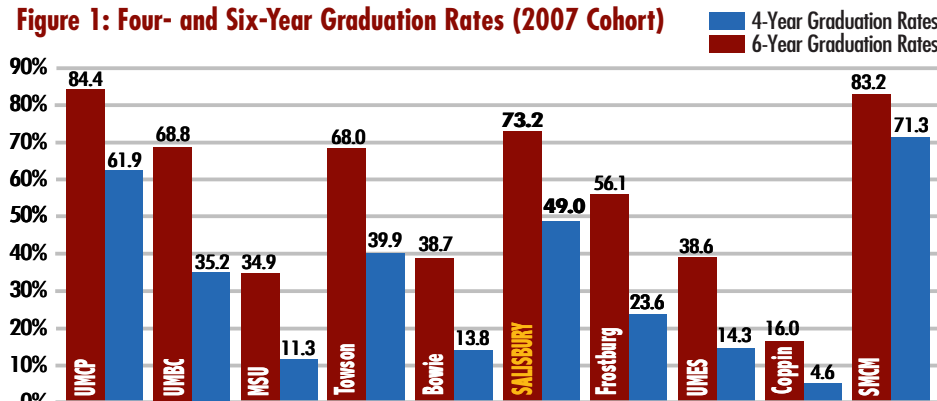
I am pleased to have the opportunity to come before our elected officials once again to talk about Salisbury University (SU) and our achievements and challenges. While we obviously are facing a difficult budget year, it is difficult not to embrace the feeling of change in the air.

As an institution that has operated efficiently for years, we appreciate the need for all agencies and institutions to examine “business as usual” practices to ensure that we are providing the very best services for Maryland’s citizens at the lowest cost possible. We support Governor Hogan’s goal to eliminate Maryland’s structural deficit, and we recognize our responsibility as a Maryland institution to help the State reach this goal. At the same time, the State has set ambitious goals to educate our citizens, build a productive workforce, and help attract and retain economic development. SU is poised to serve as an important partner in achieving strong results on all these goals by graduating more students at a lower cost to the State of Maryland and our citizens.

**Salisbury University: Efficient and Effective**

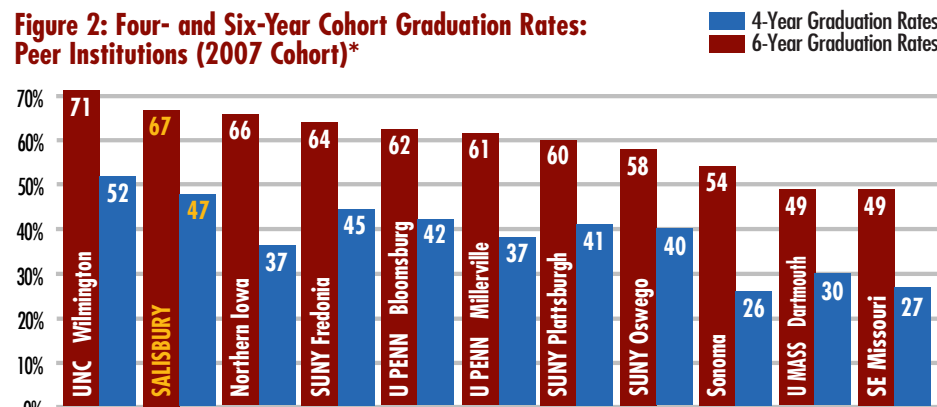
Salisbury University is arguably one of the most efficient institutions in Maryland. With affordable tuition and modest State investment, SU consistently produces high graduation and retention rates (Figures 1-3 and 7). As noted by budget analysts in the Fiscal 2016 Budget Overview for Higher Education: “SU, in particular, has a graduation rate of 73.2% while receiving the least revenue per FTES statewide ... SU and TU have consistently been the State’s most efficient for many years.” As demonstrated in Figures 4 and 5, SU clearly offers the best return on State investment.

**Figure 1: Four- and Six-Year Graduation Rates (2007 Cohort)**



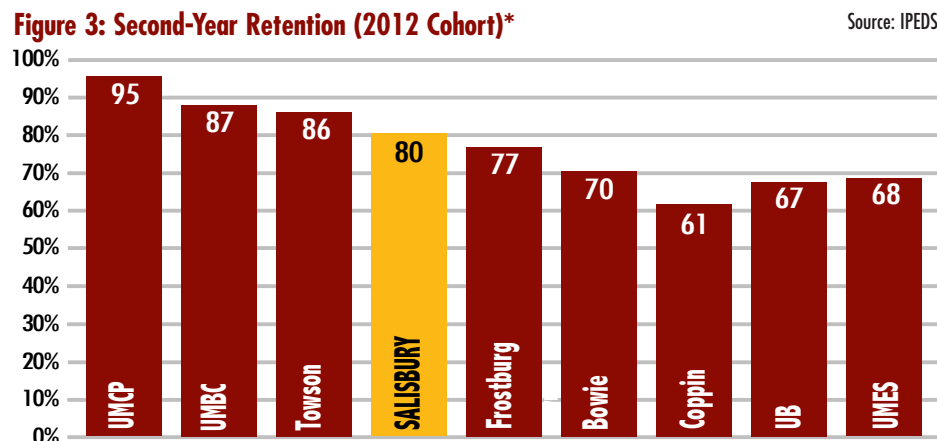
Source: Maryland Higher Education Commission *Retention and Graduation Rates at Maryland Public Four-Year Institutions*, December 2014. Note: The graduation rates reported in Figure 1 include those students that graduated from SU or those who transferred and graduated from any Maryland public four-year institution.

**Figure 2: Four- and Six-Year Cohort Graduation Rates: Peer Institutions (2007 Cohort)\***



Source: IPEDS, 2007 cohort for first-time, full-time, degree-seeking ONLY students.

**Figure 3: Second-Year Retention (2012 Cohort)\***



Source: IPEDS

\* Retention and graduation rate data reported by the Department of Legislative Services may not match figures reported by Salisbury University (SU). Retention and graduation rate figures reported by SU are based on data definitions provided by the federal government through the Integrated Postsecondary Education Data System (IPEDS). IPEDS allows universities to exclude students from a cohort if they left the institution for one of the following reasons: death or total and permanent disability; service in the armed forces (including those called to active duty); service with a foreign aid service of the federal government, such as the Peace Corps; or service on official church missions.

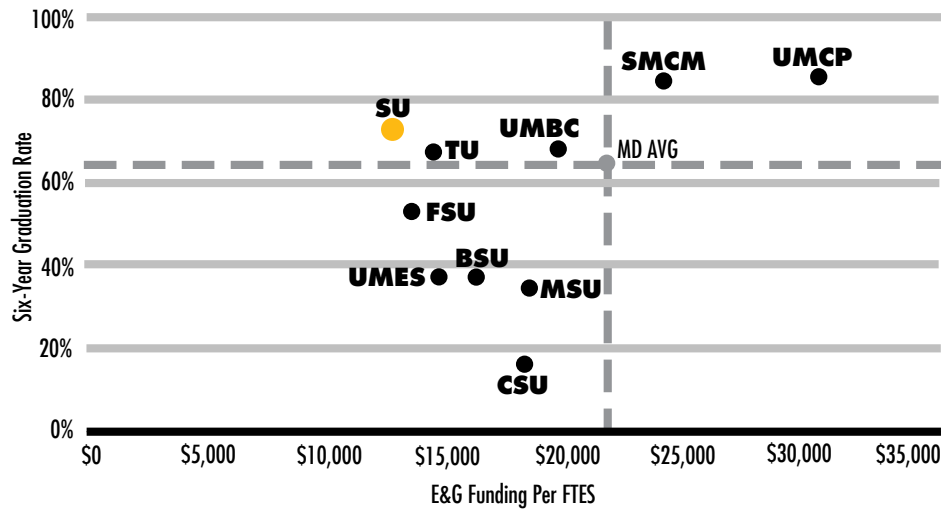
At SU, we are experiencing the same decline in the number of applications that institutions across Maryland and the country are experiencing, though to a lesser degree. Our demand remains strong, and while undergraduate first-time student enrollment (including degree- and non-degree-seeking students) declined by 8% from fall 2013 to fall 2014, total undergraduate enrollment was down a mere seven students.<sup>1</sup> Overall headcount is up 127 students from fall 2013, exceeding the USM enrollment projection target. SU also made an intentional shift to increase the number of transfer students accepted to support the State's community college initiatives while maintaining steady enrollment. The 8,730 applications received for only 1,173 spots last fall represent a 2% decline from 2013, when 8,912 students applied to attend SU. Similarly, while SAT scores dropped six points from fall 2013 to 1,727, the average high school grade point average for all first-time students was 3.75, a new record high for SU.

Increasing diversity among our students has been a major priority over the last 15 years, not only to enable broad access, but also to provide our students with the rich experience of learning and growing among people of many backgrounds. The number of minority undergraduate students continues to increase, with 3% more entering in fall 2014 than in fall 2013 (Figure 6). That builds upon the almost 61% increase in African-American students over the last 10 years. (Hispanic, American Indian/Alaskan native and Asian students also have increased but remain low in number.)

Unfortunately, despite our strong outcomes, SU retains its place at the bottom of Education and General Revenues as demonstrated in Figure 5. This chronic underfunding, despite SU's excellent performance, is a disservice to our students and to the citizens of Maryland. If we are to achieve the goal of 55% of Marylanders having a college degree, we must invest in those institutions that graduate more students in less time and at lower cost (Figure 8). In his recent State of the State address,

<sup>1</sup> The University System of Maryland Fiscal 2016 Overview prepared by the Department of Legislative Services reported in error a "17.1% drop in first-time students at Salisbury University" (page 8).

**Figure 4: Education and General Revenue Per FTES and Six-Year Graduation Rates FY 2013**



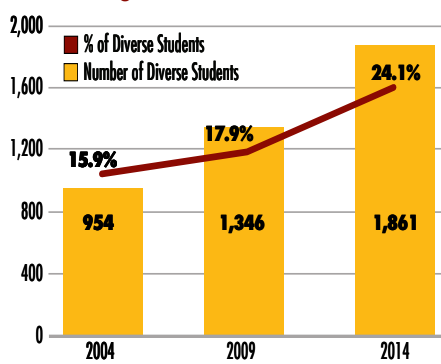
Source: Higher Education Fiscal 2014 Overview, Department of Legislative Services, Office of Policy Analysis, pgs. 14-15.

**Figure 5: Education and General Revenue Per FTES Public Four-Year Institutions**

	2010	2011	2012	2013	2014	Adjusted 2015	Adjusted 2016
UM, Baltimore	69,071	70,439	69,143	73,223	74,161	81,623	82,618
UMCP	29,540	29,193	31,431	32,303	34,425	35,233	35,895
Bowie	14,231	14,388	15,316	15,870	16,179	17,150	17,648
Towson	13,917	14,305	14,680	14,531	14,815	15,373	15,589
UMES	12,731	13,748	16,068	16,122	17,001	17,100	16,939
Frostburg	14,038	14,371	14,657	14,857	15,217	16,146	16,657
Coppin	16,586	18,354	19,111	19,278	20,185	21,778	22,144
UB	20,286	21,541	21,422	20,118	22,182	23,147	23,210
Salisbury	11,955	12,041	12,441	13,181	13,786	14,332	14,981
UMUC	13,623	15,294	14,846	15,090	14,020	15,213	15,491
UMBC	20,744	19,287	19,178	19,764	20,958	21,674	22,228
Morgan State	18,021	17,107	18,183	19,740	20,509	21,972	22,324
St. Mary's	20,782	22,753	24,874	22,102	23,420	28,200	28,119
USM Average	19,182	19,377	20,033	20,458	23,851	25,116	25,499

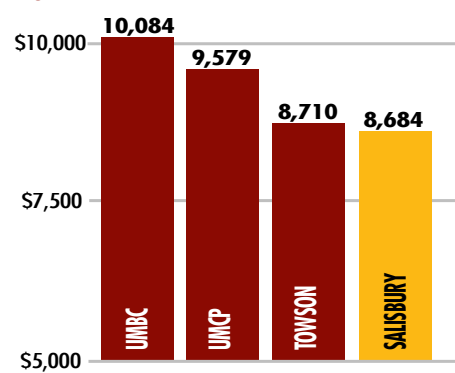
Source: Department of Legislative Services; Governor's Budget Books, Fiscal 2016 overview. Education and general revenue represent tuition and fees, State funds (general and Higher Education Investment Funds), grants and contracts (federal, State and local), and sales and services of education activities less auxiliary program enterprise revenue.

**Figure 6: No. of Undergraduate Minority Students and Undergraduate Minority as a Percentage of Known Students**



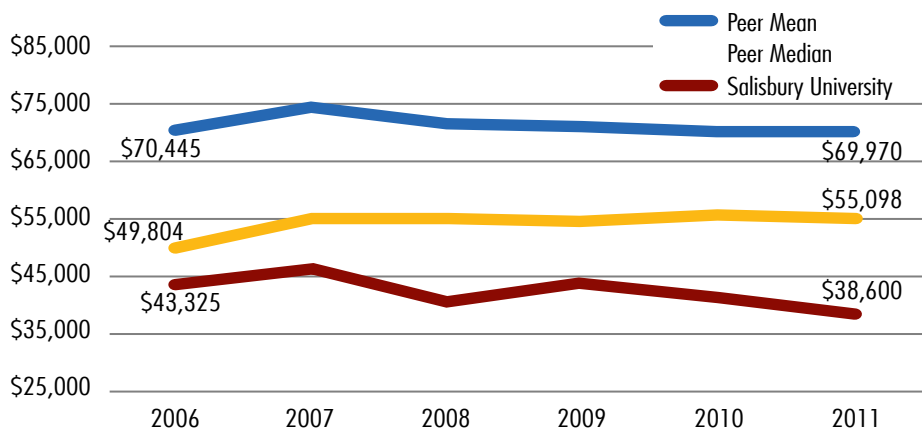
Minority students include Black or African-American, American Indian/Alaska Native, Asian, Hispanic, Hawaiian/Pacific Islander and students who report two or more of the above races.

**Figure 7: Cost of Attendance FY 2015**



Total cost of attendance includes tuition, technology fee and auxiliary fees.

**Figure 8: 2006-2011 Education and Related Costs Per Degree and Other Awards**



Source: Data from the Delata Project (Trend in College Spending).

Governor Hogan noted that the “failure to spend the taxpayer’s money in a responsible way could eventually jeopardize our ability to adequately fund education, transportation, environmental programs, and provide support to the vulnerable and most in need.”<sup>2</sup> We couldn’t agree more.

### Innovation Equals High Demand and Strong Results

Despite having the lowest amount of Education and General Revenues per student, SU continues to implement creative initiatives aimed at sustaining and improving our outcomes.

#### Retain and Graduate Students

As noted above, SU maintains consistently high retention and graduation rates relative to the USM and our national peers. In recent years, we have invested considerable time and energy implementing low-cost programs that help retain students and support their persistence to graduation. The creation of Living Learning Communities in which first-year students with similar interests live and study together, mid-year notifications and tutoring when new students are struggling academically, and supplemental instruction, which augments classroom work in the most difficult courses, have all made a significant difference in helping our first-year students succeed and return for year two (Figure 9).

#### Academic Transformation

SU continues to explore transforming the academic program and offering a variety of course-delivery modes. Courses in science, technology, engineering and mathematics (STEM); psychology; and physical education have undergone transformation. Our social work program is offered in a hybrid format (video conferencing and online). In addition, we recently initiated the Office of Innovation in Teaching and Learning to assist faculty in academic transformation.

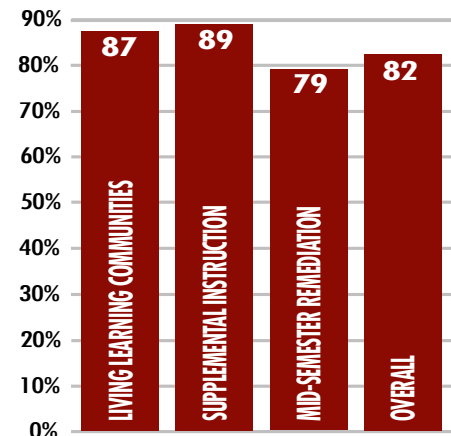
#### STEM/Allied Health

SU was named to the inaugural list of STEM Jobs Approved Colleges for 2015, for “leading the way in connecting education with high-demand, high-growth STEM occupations.” SU has achieved dramatic growth in STEM enrollments and graduates. Since 2009, enrollment in STEM-related majors has increased by more than 25% at SU, with a nearly 60% increase in earth science, mathematics, chemistry, physics and computer science majors. SU has eight STEM undergraduate majors and three STEM graduate programs (M.S. in Applied Biology, M.S. in GIS Management, M.S. in Mathematics Education). SU also is preparing to graduate its first cohort of the Doctor of Nursing Practice program.

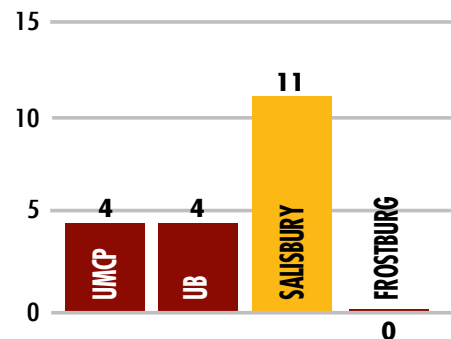
#### Entrepreneurship

In recent years, SU’s Franklin P. Perdue School of Business has served as an

**Figure 9: SU’s Retention Rates for Participants in Initiatives - 2013 Cohort**



**Figure 10: New Tier 2 Companies Created Through Small Business Development Centers by USM Institution**



Source: University System of Maryland New Company Tracking - January 1, 2012 - June 30, 2012.

Tier 2: Venture accelerator/mentoring or incubator companies/research parks or companies with Angel investments exceeding 50K or SBDC mentoring.

incubator for new businesses, having the USM’s largest number of start-ups according to recent data (Figure 10). Since 1987, the Perdue School of Business has hosted a student entrepreneurship competition. Prize money has increased over the years to more than \$50,000. In 2013, the Baltimore-based Philip E. and Carole R. Ratcliffe Foundation also announced a \$1 million gift to SU to inaugurate the Ratcliffe Shore Hatchery program, in which business founders throughout the mid-Atlantic may compete for up to \$200,000 in startup funding and mentoring annually, with an eye toward expanding employment opportunities. In 2014, the ABC-TV show *Shark Tank*

<sup>2</sup> Governor Lawrence Hogan, State of the State Address, <http://governor.maryland.gov/2015/02/04/state-of-the-state-address>, February 4, 2015.

## SU's National Rankings

(Rankings as of February 25, 2015)

- *Kiplinger's Personal Finance* magazine's Top 100 "Best Values in Public Colleges" for 2015 (February 2015 issue) – 7th consecutive year. Also, *Kiplinger's* "24 Best College Values Under \$30,000 a Year."
- *The Daily Record* named SU President Janet Dudley-Eshbach to its 2015 listing of Influential Marylanders.
- *U.S. News & World Report's Best Colleges* for 2014-2015 (September 2014 issue) – 18th consecutive year. SU is one of the Top Public Regional Universities in the North and is one of Maryland's highest-placing campuses. Based on this ranking, SU also was spotlighted on the *U.S. News* website as a university that operates most efficiently for the 3rd consecutive year. SU also is included on the "Best Colleges for Veterans" list and the "A-plus Schools for B Students" list.
- *The Princeton Review's The Best 379 Colleges* and *The Best Northeastern Colleges* for 2014-2015 (August 2014 editions) – 16th consecutive year.
- *The Princeton Review* (and *USA Today*) Top 80 "Best Value Public Colleges" for 2014 (January 2014) – SU also was included in 2009 and 2010.
- *The Princeton Review's Guide to 332 Green Colleges: 2014 Edition* (April 2014) – 5th consecutive year. Published in partnership with the U.S. Green Building Council.
- A *University Business* magazine "Model of Efficiency" for spring 2014. Applauded for innovative approaches to streamline operations, SU was the only Maryland campus honored and one of only 8 recognized nationwide – SU also was honored in spring 2012.
- *Washington Monthly* magazine's "America's Best Bang-For-The-Buck Colleges" (September/October 2014 edition).
- *Forbes* magazine's "America's Top Colleges" for 2014 (August 2014 edition).
- *Money* magazine's "The Best Colleges for Your Money" for 2014 (August 2014 edition).

selected SU as the site of its first small-market audition, drawing hundreds of entrepreneurs from throughout the East Coast, and we've just learned that *Shark Tank* is returning this spring. All of these programs help to prepare our students for employment in business or to start up their own.

### ■ Teacher Education

SU is proud of its legacy as a teachers' college and continues to provide strong and relevant teacher education to our students. Since 2011, 20 SU graduates have been named by the counties where they teach throughout Maryland as Teachers of the Year. This year, continuing to meet demands of this important market, SU launched our second doctoral program, the Doctor of Education in Contemporary Curriculum Theory and Instruction in Literacy (Ed.D.).

### ■ Graduate Education

SU recognized the need to build upon our graduate and professional programs and set out several years ago to grow our graduate school. The program has undergone considerable review of its academic programming, marketing, processes, pricing, etc. to meet the needs

of this unique and diverse market. As illustrated in Figure 11, SU enjoyed a significant jump in graduate enrollment last fall. With continued innovation, including the introduction of our online Master of Business Administration (M.B.A.), we hope that graduate enrollment will continue to grow as it better prepares Maryland's workforce for professional employment.

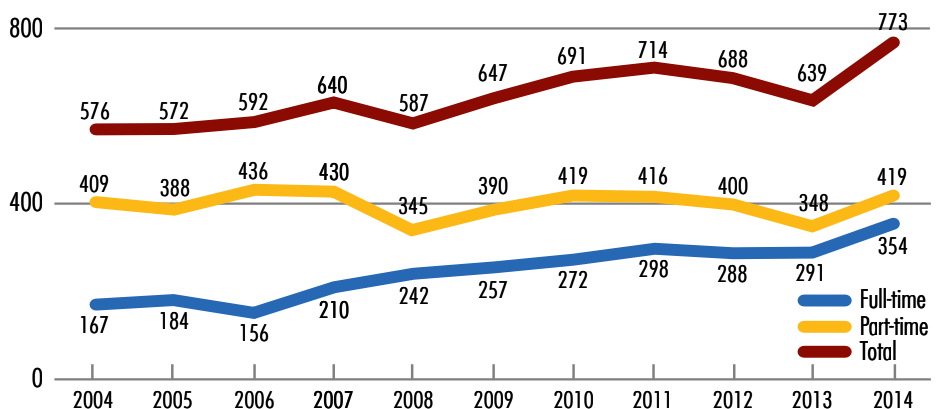
All of these efforts and others demonstrate that SU is a dynamic and entrepreneurial institution working hard to change with the times and provide the diversity of courses and formats that meet our students' needs and continue to attract more Marylanders to higher education.

### Budget Reductions Come at a High Cost

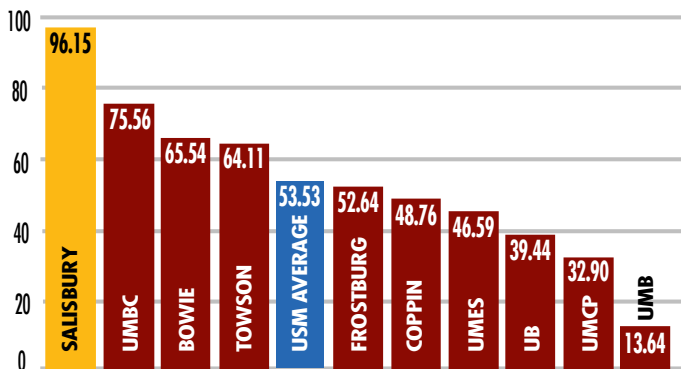
As noted above, SU has strong and creative programming that attracts excellent students and produces graduates at a lower cost than our competitors. But because we are so lean, faculty and staff have large workloads; cuts to staffing, programs or operations hit us disproportionately hard, and they cause hardships for our students, ultimately detracting from State goals.

Anticipating a mid-year budget reduction, SU slowed filling vacant positions early last fall and froze hiring almost completely in November. Our mid-year FY 2015 reduction of \$1.5 million was met by delaying facilities renewal projects and payment of construction management fees, freezing faculty and staff positions, and contributing a small amount of fund balance. All of these reductions did not

**Figure 11: 2014 Graduate Headcount by Status**



**Figure 12: Number of Students Per Full-Time Staff/Faculty: Academic Support**



provide enough dollars to meet the cut, and rather than lay people off, SU chose to make a rare mid-year tuition increase after students had already received their spring semester bills.

Finally, I must comment on the proposal to take back the cost of living adjustment (COLA) received by faculty and staff this past January 1. While we all recognize our responsibility in meeting the State's budget challenge, I ask that you not do so on the backs of our faculty and staff. I have noted several times the large workloads of SU's faculty and staff. They have forgone increases, given salaries back through furloughs and have remained dedicated. I urge you to find another way of meeting our budgetary needs without retroactively taking the 2% COLA back from hardworking faculty and staff.

Looking ahead, FY 2016 reductions are of great concern. Selected program workload data are provided in Figures 12 and 13. What this means in a very practical sense is that the loss of any one position has significant impact on our students. Employee positions remain unfilled, which may cause issues of compliance and/or accreditation. Students working toward a degree may not be able to get the classes they need, thus delaying their graduation and reducing the pace at which degrees are awarded at a time when the State wants

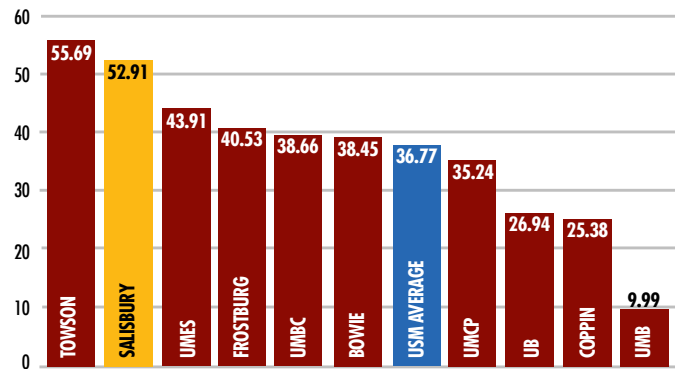
to increase degree completion. Some programs may be eliminated. As an example, we may discontinue our costly program in Respiratory Therapy, which is offered at the Universities at Shady Grove. The program meets an important workforce need and SU's is the only accredited baccalaureate program in the State. But the costs associated with distance programming, faculty and administrative staffing in a remote location, and demands for lab space and specialized equipment may make the program one of the first to be cut. We will make strategic choices about where we spend our very limited dollars, but the cost to the State should not be ignored.

Another area significantly impacted by additional budget cuts is financial aid. SU already has limited dollars for financial aid as compared with our USM

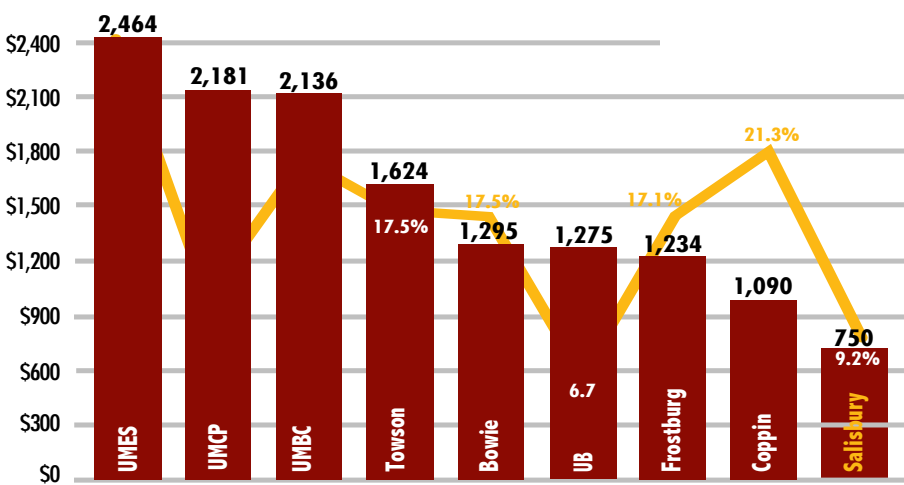
colleagues (Figure 14). Inadequate financial aid makes it difficult for SU to attract diverse students from varying socioeconomic backgrounds. In addition, while it enables us to provide an award to attract students, it is insufficient to retain them and allow students to persist to graduation. Again, this may meet the State's goal of reducing the deficit, but it will prove costly to the State in the long run in terms of the number of degrees awarded, longer time-to-degree and falling short of the goal to increase degree production.

New sexual harassment policies and expectations have led SU to create and staff a new Office of Institutional Equity. Across the country, there is increased awareness of these issues, resulting in more complaints and investigations. These efforts are costly in terms of training, investigation and legal review.

**Figure 13: Number of Students Per Full-Time Staff/Faculty: Institutional Support**



**Figure 14: Institutional Aid Per Student FY 2013**



Includes institutional grants, institutional scholarships, athletic scholarships and private scholarships.



### **In Conclusion**

SU is a model of efficiency and effectiveness. For relatively low cost and modest State investment, we produce outstanding results for the citizens of Maryland. If we are to educate more Marylanders, we must strategically invest more, not less, in public higher education. Salisbury University is poised to grow enrollment at low cost with an appropriate infusion of funds. In doing so, we can meet the workforce demands of our State while preparing more Marylanders to help grow the State economy.

*President Janet Dudley-Eshbach, Ph.D.*



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## Responses to FY16 Analyst Comments



By President Janet Dudley Eshbach, Ph.D.

March 2015



### **The President should comment on SU's enrollment strategy and the decline of first-time students.**

During the summer of 2014, audit findings from MHEC revealed that there was a conflict in the USM Board of Regents (BOR) and MHEC's policy on coding transfer students. The BOR policy allows institutions to count students with 12 or fewer credits as first-time students. However, the auditor's report, per MHEC's request, noted that we are to follow the more strict MHEC definition. Any student who earns credits post-high school graduation must be counted as a continuing or transfer-in undergraduate student, even if they bring with them 12 or fewer credit hours.

As a result, in fall 2014, our tracking and designation of first-time students was modified to align with the more strict MHEC definition. While Salisbury University's first-time student population did decline in fall 2014, part of the decrease was due to a definitional change. If the same strict definition had been used for fall 2013, the first-time student headcount would have been approximately 1,264 vs. the 1,362 that was reported. As such, there would have been a 7.9% decline in first-time student enrollment between fall 2013 and fall 2014, rather than 14.5%.

In addition to this policy change that resulted in a perception of a significant drop-off in first-time enrollment, SU has made an intentional effort to increase the number of transfer students attending the University to support the USM goal of providing greater opportunities for transfer students. Net cost for transferring from a community college with an associate's degree to SU decreases the overall cost of attendance for a student.

### **The President should comment on how SU is able to comply with the Title IX requirements within its existing budget.**

As stated in my written testimony, new sexual harassment policies and expectations demanded that the University address Title IX requirements sooner than later. Given the ever-changing and complex policies and procedures and the potential for liability associated with non-compliance, we chose to allocate financial resources, starting in 2012, toward the creation of the Office of Institutional Equity. Most recently, we calculated the cost of this operation to be approximately \$400,000 per year, staffed by 3.3 FTES. Although this represents a significant investment of our limited resources, we believe it is less costly than what could result from a failure to comply.

### **The President should comment on the institutional priorities when determining how the budget reductions will be allocated over the program areas and in particular minimizing the impact on financial aid.**

As with the allocation of new funds, the University's Strategic Plan establishes institutional priorities. As the charts throughout my testimony demonstrate, Salisbury University is a highly cost-effective institution, with the State's lowest E&G revenue per student. Thus, most of our revenue necessarily goes to the mandatory costs of our operation. At current levels of E&G, SU cannot offer the levels of financial assistance available at other institutions. During the years of budget increases, greater funding (as a percentage of operating and also in actual dollars) has gone toward this top institutional priority. The proposed budget reductions will affect our financial aid allocations as well as the quality and number of the University's academic programs.

**The President should comment on whether financial literacy or other programs are offered to students to educate them about options and implications of using various methods to finance their college education.**

Yes. Salisbury University partners with USA Funds® to offer students Life Skills®, a free online learning program that offers information to assist students in managing their time and money wisely. With more than 30 lessons to choose from, students can find information on a wide range of topics, including financial aid resources, loan management and personal finances. Students are able to access the Life Skills® program through the Financial Aid section of SU’s website. The Financial Aid Office at SU actively encourages students to begin utilizing the program through an incentive program and poster campaign. Financial Aid officers met with all incoming students this spring to discuss the program and encourage its use. Still, I think more can be done. Our General Education program is under revision, and one goal is making financial literacy a requirement.

**The President should further comment on the student success collaborative and how it is being used to improve student success.**

The Education Advisory Board (EAB) Student Success Collaborative (SSC) advising platform was piloted in spring 2014 by four academic departments, with a campus-wide roll-out beginning in fall 2014. The program is designed to assist students in making better academic program selections. With usage currently limited to one semester, it is too early to report impact on retention and graduation. However, the breadth of utilization across campus during the first program planning period was promising. Some 24 departments (out of 28) used the student advising platform, as did Academic Affairs, the Advising Services coordinators and the Registrar’s Office.

In addition to Academic Affairs, the SSC empowers Student Affairs professionals to conduct student success outreach efforts in their respective areas. The following offices were trained on the student advising platform: Career Services, Center for Student Achievement, Housing and Residence Life, Multicultural Student Services, and TRiO.

Prior to the SSC, student success for enrolled students was primarily determined by cumulative GPA or “gate” GPA for professional programs. Now, advisors are able to be proactive with students falling

short in other areas. More specifically, targeted campaigns are being designed for students with low credit completion, students who do poorly in their major courses (despite overall GPA) and students who have missed completing key success marker courses in a timely manner. The SSC also defines student groups for at-risk populations. This makes strategic outreach to international students, sophomores, transfers and TRiO students much easier. As an example, earlier this semester, students on academic probation were invited to participate in a half-day Saturday Academic Boot Camp to help them improve their academic performance and status.

Finally, one of the benefits of EAB is that they will conduct research that is customized to answer questions posed at SU’s request. Such an EAB customized research study informed SU’s decision to preload incoming freshmen into their first semester classes. Piloted with spring 2015 admits, the process will continue for the fall 2015 incoming class. Goals for preloading efforts include providing a more personalized experience at orientation, increasing the number of credits taken to an average of 15, avoiding mistakes in advising due to transfer credit, limiting student (and parent) frustrations associated with registration logistics and allowing for minor exploration while completing General Education requirements.