

**Response to Department of Legislative Services Recommendation on the Relocation
of the
University of Maryland Center for Environmental Science
USM Board of Regents Chairman Cliff Kendall**

Mr. Chairman and members of the committee, I am here to support the Governor's proposed budget for the University of Maryland Center for Environmental Sciences (UMCES) and answer any question about UMCES that you may have. My primary comments, however, will be on the budget language proposed by the Department of Legislative Services (DLS) on the future of UMCES.

In its analysis, DLS makes the following statement: "UMCES would benefit from relocating or consolidating functions with one or more USM institutions, transferring either UMCES as a whole entity or the three laboratories or their administrative functions to the institution(s) whose mission best aligns with that particular program or center." I am at a loss to know how DLS came to this conclusion. It is completely at odds with the views of the Board of Regents (BOR).

The DLS recommendations go on to say: "It is the intent of the General Assembly that the University of Maryland Center for Environmental Science (UMCES), either as a whole or by individual laboratories realize cost savings through administrative efficiencies with the appropriate University System of Maryland (USM) academic institution(s) by June 30, 2010." Further, DLS recommends that, "the amount saved as a result of the efficiencies, up to \$1,000,000 herein restricted, shall revert to the general fund."

These recommendations by DLS seem to ignore the very substantial, and nationally recognized efforts, the Board of Regents (BOR) has undertaken to streamline its operations, rigorously seek cost savings, and relocate and consolidate administrative units whenever appropriate. These efforts began in 2004 when I appointed a special BOR Effectiveness and Efficiency workgroup (E&E) to rigorously examine all of the USM operations, academic and administrative, with the goal of protecting quality; holding down the growth in costs; and improving efficiency. Since the inception of E&E, we have taken more \$80 million out the USM's base budget operations. We have reduced time to degree substantially, grown the USM student population by over 15,000 students in a highly cost effective manner, worked with the state to move Maryland from having the 5th highest tuition in the nation to the 18th highest. We now have 4 USM institutions ranked as among the 50 best values in higher education. We have increased the investment in facilities renewal and lowered the debt accumulated by our graduates. These efforts have resulted in considerable national publicity for the way USM has managed its resources in a cost effective manner and improved the quality of its institutions.

I find it quite ironic, therefore, that DLS would suggest that we seek \$1 million in "efficiencies" in the budget of UMCES. Is DLS oblivious to what we have been doing for the past 5 years through E&E? Do they have any sense of the rigorous, extensive and comprehensive manner in which the BOR have driven efficiencies in all of our institutions? Where do they think the \$80 million in cost savings came from?

Moreover, the recommendation that the BOR consider relocation of UMCES to other USM campuses ignores the very extensive organizational review the BOR undertook in 2004 as part of its E&E efforts. The results of this review were reported to the General Assembly. In this organizational study effort, the BOR reviewed the mission of the University of Baltimore and decided to turn it into an institution offering full four degrees by allowing it to admit freshman and sophomores. We also reviewed UMUC and determined that, given its special nature with global educational delivery responsibilities, it needed additional autonomy from state regulations. We brought proposed legislation to you to accomplish these needed changes and you supported our request.

As part of the 2004 E&E review, we also looked specifically at the organization of our two free standing institutes, UMCES and UMBI. In the case of UMBI, as I reported at yesterday's hearing of this committee, we decided to relocate one of its units, the Institute of Human Virology (IHV), to the University of Maryland Baltimore (UMB). While the Board decided to keep the rest of UMBI intact at that time, it determined that a further review of UMBI's structure should take place when there was a transition in leadership. As I stated yesterday, with Jennie Hunter-Cevera's recent decision to step down as UMBI president, I have announced the appointment of a special regents' ad hoc committee to review UMBI and develop recommendations for maximizing the return on the state's investment in the institution.

In the case of UMCES, the Board determined that UMCES should retain its present structure as a free standing institute reporting directly to the Chancellor. This determination was based on: the Center's (1) long record of exemplary service and effective management (affirmed by Legislative and internal audits) and leadership; (2) specific statutory mandate; (3) critical service to State government and collaboration with state agencies on matters ranging from Chesapeake Bay restoration to climate change; (4) the distant locations of its laboratories from the System's research universities; (5) already extensive contribution to high quality graduate education within System institutions; (6) distinctiveness from the research and service programs at other USM institutions; (7) coherence of these programs across its laboratories; and (8) lean administrative structure that already relies on the accounting, personnel, purchasing, and capital planning services of the System's larger institutions.

In reaching this conclusion about UMCES, the BOR benefited from an external review of UMCES by national experts that Chancellor Kirwan commissioned. Let me quote just a few excerpts from this external panel's final:

- *UMCES is clearly among the leading research institutions of its kind, with a very strong national and international reputation, with first-rate faculty and facilities, and with an emerging, high quality, graduate education program.*
 - *the quality of its research is first rank, as good as any of its peer institutions*
 - *quality of the graduate education at UMCES is fine and the amount is reasonable, but it is fundamentally an ad hoc education program*
 - *in the area of public service UMCES ranks as high as, or higher, than almost any other higher education institution*
- *The Center has capitalized on the advantages of the current model, and the positive climate has allowed them to recruit very good faculty.*

- *the Center's independence has stimulated excellent research to grow from the bottom up and facilitated interdisciplinary, multi-disciplinary research*
- *if the Center were not arranged as it is, faculty might be tied up or "stove piped" in departments and colleges, and it would be more difficult to put together the kinds of groups that have flourished at UMCES*

These ongoing periodic reviews of USM institutes and institutions have occurred as part of the Board's responsibilities to operate a high quality and efficient public higher education system. Under my direction and in accordance with our E&E efforts, these reviews were based on careful examination of mission requirements, cost effectiveness and inter-institutional relationships, often involving external expert evaluations.

The Board of Regents has and will continue to review and evaluate the performance, organizational effectiveness and sustainability of UMBI and UMCES as well as all USM constituent institutions and institutes. We believe that in accordance with the statutory authority and governance statute the Board of Regents is in the best position and has the responsibility to determine the organizational model that provides the maximum benefits to the State of Maryland, our citizens, our partners, and our students. For all of these reasons, I strongly urge you to reject the budget language proposed by DLS.