



University of Maryland University College

T E S T I M O N Y

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to the Senate Budget and Taxation Committee,  
Subcommittee on Education, Business, and Administration  
of the Maryland General Assembly

Susan C. Aldridge, President

**February 14, 2006**

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## Mission

University of Maryland University College (UMUC) is the Open University of the state of Maryland and of the United States. The university in its entirety has but one focus, the educational needs of the nontraditional student.

## Vision

UMUC will become the premier global university serving nontraditional students, recognized by the accessibility to its programs; the quality of its teaching, learning, and student services; and its commitment to the success of its students.

## Overarching Values

As an Open University,

- We are committed to the simultaneous achievement of academic excellence and expanded access to higher education.
- We are committed to becoming the university of choice for working adults and other nontraditional students who comprise the University's three historical constituencies: residents of the state of Maryland, members of the U.S. Armed Services and their families, and national and international students pursuing a university education online.
- We are committed to providing outstanding undergraduate and graduate degree and certificate programs that are student-focused, workforce-relevant, and clearly articulated.
- We are committed to maintaining a faculty distinguished by its superior teaching skill, professional experience, and academic achievement.
- We are committed to achieving a position of leadership in the use of technology as a means to enable and enrich distance education.
- We are committed to providing access and excellent service to geographically dispersed students, faculty, and staff.
- We are committed to becoming a global community that recognizes the contributions of all its constituents—students, faculty, staff, alumni, and private and public stakeholders.

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## **President's Testimony to the Senate Budget and Taxation Committee, Subcommittee on Education, Business, and Administration of the Maryland General Assembly**

*Susan C. Aldridge, President*

*University of Maryland University College*

*February 14, 2006*

### **Introductory Remarks**

Good afternoon, Chairman Hogan and members of the Senate Budget and Taxation Committee, Subcommittee on Education, Business, and Administration. As the newly appointed president of University of Maryland University College (UMUC), I am pleased to have the opportunity to talk to you today about the university's leadership in the state in providing quality higher education opportunities to a rapidly increasing population of nontraditional students.

Over the years, UMUC has been an institution known for employee training, continuing education, and its relationship with U.S. military. Now UMUC is Maryland's Open University, serving as the second largest four-year university in the state and expanding access to higher education across Maryland. UMUC is recognized across the nation and throughout the world as the leader in serving nontraditional students and has answered the call for national eminence established by the Maryland General Assembly in 1999.

UMUC continues to be a true success story in American higher education. As it strives to meet the expectations of its students and other stakeholders, UMUC has been a model of accessibility, affordability, and quality. The strength of this success lies in the university's mission as an open university focused on the needs of the nontraditional student. This mission underlies all our efforts locally, across the state, nationally, and in the 34 countries overseas where UMUC serves military students and their families.

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The Maryland General Assembly has played an important role in this success and deserves much of the credit.

- In fiscal year 1997, the Maryland General Assembly urged the governor to provide operating funds to the university for the first time. The timing of the funding was important, as it provided much-needed seed money to fuel our unprecedented enrollment growth.
- In 2004, the legislature passed SB 738 (Chapter 239), which created more governing flexibility for the University System of Maryland (USM) and, more importantly for UMUC, by lifting the state's cap on the number of authorized positions an institution could have.
- In 2005, the General Assembly passed HB 96/SB 486 (Chapter 357). The important provisions of this legislation established UMUC as Maryland's Open University and allowed UMUC discretion in the management of its business plan. This action has made UMUC more competitive in the education marketplace.

The key to UMUC's success at fulfilling its goals and meeting many expectations is its investment of resources in academic programs that are of the highest quality and that meet the needs of the modern workforce. Developing such programs makes UMUC an institution of choice and the fastest growing institution in Maryland. This growth helps us sustain the quality needed to be competitive in the higher education marketplace, an arena that grows each year. The importance of this growth cannot be overstated, as it is what makes UMUC more affordable and more accessible and allows its programs to be of higher quality. Our growth not only helps UMUC and its students, but (as this testimony will point out) it also helps the USM and the state of Maryland.

This testimony will address three topics, but the underlying issue in all three is growth and its role in each of these important areas:

- The importance of being Maryland's Open University;
- Sustaining quality; and
- Three competing goals: access, affordability, and quality.

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## Maryland's Open University

Chapter 357 of 2005 formally established UMUC as Maryland's Open University. The concept of the open university is not common in the United States. For UMUC, it means providing open access to all qualified students, understanding and meeting the needs of those students, and adhering to the highest values of a public university in meeting the needs of the state.

### Mission and Values

Despite UMUC's size and complexity—with classroom locations around the world, online education access, and a diverse student body—its mission statement is simple and concise, reflecting what we do and what our long-term goals are:

University of Maryland University College is the Open University of the state of Maryland and of the United States. The university in its entirety has but one focus, the educational needs of the nontraditional student.

As an open university, UMUC does not turn away any student who meets the university's entrance criteria and has the determination to achieve his or her academic goals. Furthermore, UMUC dedicates its energies to delivering high-quality education programs related to workforce and societal needs. However, guaranteeing access to higher education is not enough. UMUC also invests significant resources in providing students with the tools that they need to succeed. Some of our students arrive ready to learn; others are less well-prepared. We see it as our responsibility to provide the support that students need to be successful, and we work hard to remove all barriers to student progress through programs and services such as

- A required orientation to the online classroom;
- Required information literacy classes;

**UMUC is Maryland's Open University, serving as the second largest four-year university in the state and expanding access to higher education across Maryland.**

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- A written communications tutorial center;
  - Streamlined degree paths; and
  - A new series of “first course” early learning experiences to give students with different backgrounds the foundation that they need to be successful in college study.

As the Open University of Maryland, UMUC plays a key role in the state’s efforts to meet its capacity demands. Through flexible on-site classes and asynchronous online degree programs, UMUC’s capacity is limited only by the number of students who have the desire to succeed. UMUC plays a key role in the USM’s capacity strategy and has absorbed approximately half of all the growth statewide in the last decade. As the “Baby Boom Echo” increases the demand for higher education, UMUC will continue to meet the shortfall of the state’s brick-and-mortar institutions. In 2005, the USM Board of Regents adopted a policy requiring incoming first-year students to complete at least 12 of their credits in a nontraditional format, including independent study or internships. We believe that many students and institutions will utilize UMUC’s online offerings to meet this requirement.

### Students of the Open University

UMUC will soon be the largest university in Maryland, and it continues to grow in ways unprecedented in its 58-year history. This growth is fueled by the rapidly changing needs of the workplace and by students returning to school to acquire new skills and competencies and gain the credentials they will need to advance their careers. Growth is congruent with our philosophy to provide access to all deserving students. For example,

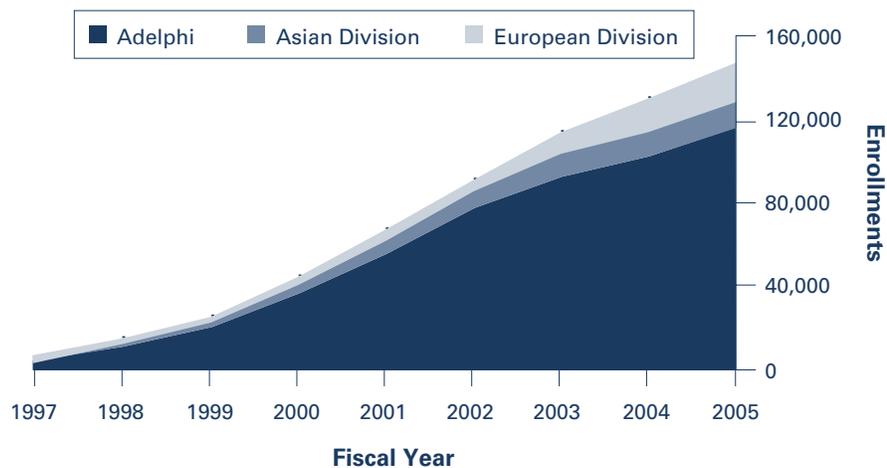
- In the 10-year period from 1994 to 2004, UMUC’s stateside headcount more than doubled.
- From fiscal year 2003 to fiscal year 2005, UMUC enrolled almost 19,000 new degree-seeking Maryland residents, including 6,700 new Maryland students in fiscal year 2005 alone.

This tremendous enrollment growth has demanded a commensurate increase in our staffing levels to serve these students, which has, in turn, created significant space constraints. It is for this reason the governor included \$15 million in the fiscal year 2007 capital budget to cover approximately 40 percent of the cost of a new building.

A significant portion of UMUC’s overall growth can be attributed to the university’s award-winning online programs. UMUC’s online enrollments grew from fewer than 4,000 in fiscal year 1997 to 144,000 in fiscal year 2005 (Exhibit 1), making UMUC one of the largest virtual universities in the world and a leader in technology-delivered higher education. Ninety-one percent of all UMUC students take at least one of their courses online.

Our students come to us with highly diverse educational backgrounds and with concurrent job and family commitments. In fact, UMUC has the most diverse student body of any university in Maryland. Among our stateside students, the great majority of whom are Maryland residents,

- 79 percent are employed full-time.
- 52 percent have children.
- 12 percent are single working mothers.
- 42 percent are first-generation college students.
- 32 percent are African American and 43 percent are members of minority groups.
- 13 percent have a first language other than English.
- 18 percent were born outside the United States.



Source: UMUC Office of Institutional Planning and Accountability

**Exhibit 1. University of Maryland University College *Growth in Online Enrollments***

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The median income of an undergraduate UMUC student is \$40,000 and the median age of all UMUC students is 33 years.

Recently, the university experienced an unexpected enrollment phenomenon. Approximately one-third of all new UMUC undergraduate students are now under the age of 25. Though this is still a relatively small portion of our student population, it is the fastest-growing group in the university. The growth of this demographic group, a result of the “Baby Boom Echo,” will require UMUC to monitor how this group of students learns and stays committed to completing its academic goals.

UMUC continues to be a statewide and national leader in serving minority students and currently enrolls more African American students than any institution in Maryland, including historically black colleges and universities (Exhibit 2). In fact, one-fifth of all African American students enrolled at four-year institutions in Maryland are studying at UMUC.

According to recent rankings in *Black Issues in Higher Education*, UMUC has achieved the following national rankings in awarding degrees to African American students:

- First in master’s degrees and third in baccalaureate degrees in computer and technology programs in 2003–4;
- Fourth in degrees in business, management, marketing, and related fields;
- Sixth in undergraduate degrees overall; and
- Seventh in master’s degrees overall.

<b>Name of the University</b>	<b>Number of African American Students Enrolled in Fall 2004</b>
Bowie State University	4,653
University of Maryland Eastern Shore	2,700
Coppin State University	3,628
Morgan State University	6,227
<b>University of Maryland University College</b>	<b>8,975</b>

Source: Maryland Higher Education Commission. Fall 2004 Enrollment by Place of Residence.

**Exhibit 2. University of Maryland University College *Unduplicated Headcount of African American Students Fall 2004***

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UMUC also ranked first in Maryland in granting graduate business degrees to African American students. The university is proud of these numbers and of its success in extending access to high-potential students.

Though much of UMUC's growth has taken place with online students, there is very little difference in the ethnic composition of this student group and those taking courses on-site throughout the state. UMUC takes its role as the state's leader in serving African American students very seriously. There has been a history, widely documented, of underfunding programs for African Americans, and state and federal efforts nationwide seek to address this disparity. While additional funding priorities have been provided to historically black institutions, UMUC has reached the top levels of service nationally with no such targeted funds. UMUC will continue to provide student services that are critical to retention efforts and high-quality academic programs that lead to success after graduation.

Family income is the most common variable in explaining when students will be able to pursue their higher education goals. In the African American community, too often family income and the need to support families financially at a young age requires students to delay their academic goals. UMUC's mission to serve this type of nontraditional student makes it the perfect fit, and often the only fit, for students who might otherwise delay their education indefinitely.

### **Expanding the Open University Concept Statewide**

The concept of the Open University extends beyond having the resources needed to provide academic programs to students. It also involves a dedication to reach out to students proactively to provide all the tools and support they need to succeed in their academic pursuits. Because we wish the learning opportunities that we offer to be barrier-free, we offer our classes and degree programs in a variety of modalities: on-site in 17 locations (military bases, community colleges, and regional higher education centers) throughout Maryland, at nights and on weekends, in accelerated or standard formats, and via the Web, where classes and related support services are available 24 hours a day, seven days a week.

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The university has instituted a number of initiatives to improve quality and enhance student services:

- An undergraduate curriculum simplification project that moves students towards their goals more quickly by creating clear degree paths;
- A mentoring program for transfer students;
- Reengineered enrollment services;
- New delivery formats;
- Library services, a technology help desk, and an online writing center available 24 hours a day, seven days a week.
- A revised financial aid Web page that ensures rapid, precise, informative, and helpful services to students; and
- The development of WebTycho Next Generation, an enhanced version of UMUC's proprietary online course delivery software, scheduled for launch in summer 2006.

**UMUC ranked first in Maryland in granting graduate business degrees to African American students.**

### **Community College Partnerships**

UMUC now has more than 160 program articulation agreements with Maryland community colleges and has established alliance partnerships at nine of these colleges. These partnerships result in tremendous advantages for students, the institutions, and the state. Students benefit by paying lower overall tuition costs for a bachelor's degree by enrolling in a community college for their lower-level coursework and at UMUC—which has the second lowest tuition among public four-year schools in the state—for their upper-level courses. Also, UMUC waives any additional application fees for students in these programs. Students are able to enroll simultaneously in their local community college and UMUC, plan their entire bachelor's degree curriculum in advance, and know that their community college credits will transfer seamlessly to UMUC. Community colleges benefit

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because now they can be even more appealing to students seeking a bachelor's degree. UMUC benefits by connecting with students earlier in their academic careers, and the state benefits because the barriers to a traditional education are replaced by a new model that targets the fastest growing segment in higher education.

In addition, over the past three years, UMUC has dispensed more than \$1.6 million in need-based scholarships to 443 graduates of Maryland community colleges. These scholarships are intended to close the gap between the price of tuition at a community college and at UMUC, thus making college more affordable to these students and encouraging community college graduates to stay in Maryland.

Community college students have a strong history of success at UMUC. In addition to shared missions of open access and workforce-relevant course offerings, UMUC and Maryland's community colleges also serve an overwhelming portion of the state's nontraditional students.

### The Impact of Growth in Maryland and Across the Nation

The University System of Maryland is home to an overwhelming portion of college students attending four-year colleges in Maryland—approximately 72 percent. According to the update of the USM strategic plan, titled *The USM in 2010*, the mission of the USM is

. . . to improve the quality of life for the people of Maryland by providing a comprehensive range of high quality, accessible, and affordable educational opportunities . . .

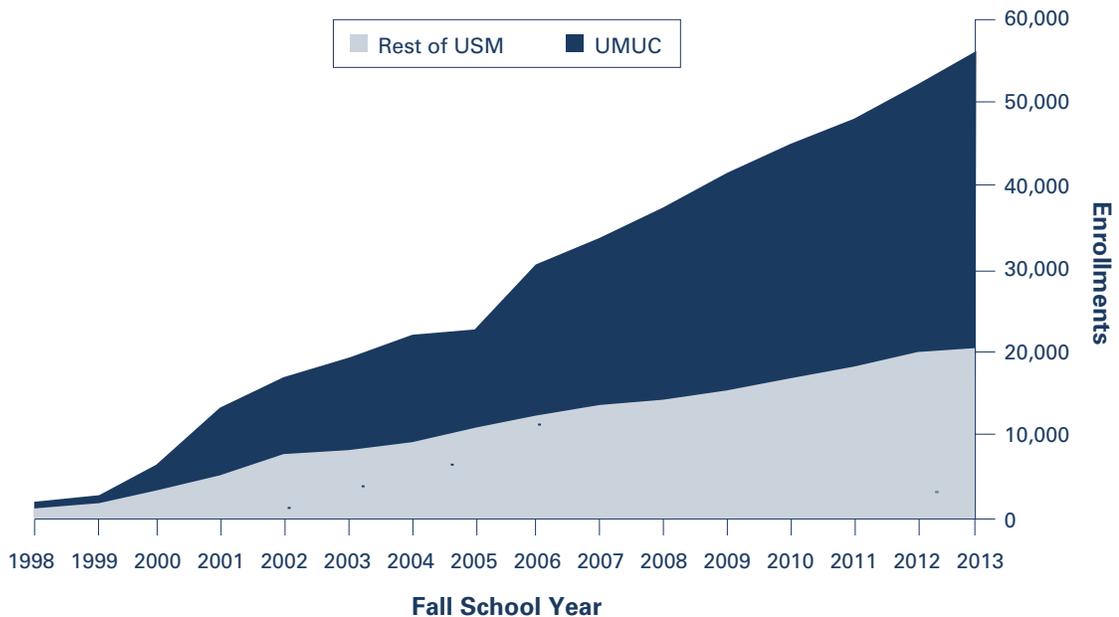
Over the past 10 years, UMUC has increased its role in providing educational opportunities to USM students (see Exhibit 3). In 1995, UMUC students represented approximately 11 percent of USM enrollments. That number is now approaching 25 percent and is expected to reach 33 percent within the next five years.

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The result is that UMUC is becoming an increasingly important asset to the USM, for several reasons. One reason is that UMUC is making important contributions toward the USM's fulfilling its mission, and according to projections by the Maryland Higher Education Commission and the USM, UMUC's role will continue to grow. By expanding the university's physical presence at sites around the state as well as the number of our online programs, UMUC will be a leader among USM institutions in making high-quality programs in Maryland accessible and thereby improving the quality of life for people in all regions of the state.

### Quality is a Responsibility of an Open University

Growth by itself is not a desirable characteristic of an open university, particularly one that is public and has student service as the core of its mission. UMUC embraces the continuous effort to make academic programs of the highest quality available to students. It is important to the students, and it is an important part of being in the USM.



Source: UMUC Office of Institutional Research and Accountability

**Exhibit 3. University of Maryland University College *Cumulative Increase in Fall Headcount: UMUC as a Proportion of the USM***

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This past year, UMUC was pleased to draw accolades and national recognition for several of its courses and programs. The Graduate School's MBA program received the distinguished 2005 Sloan Consortium Award for "Most Outstanding Online Teaching and Learning Program." This is UMUC's second Sloan award for an outstanding program and third overall Sloan award since 2001.

In addition, the University Continuing Education Association (UCEA) conferred a Program of Excellence Award upon the Graduate School of Management and Technology's Master of Science in environmental management program, and the university's Science Teacher Workshop received a Distance Learning Course Award at the UCEA Mid-Atlantic regional conference in 2005.

UMUC is dedicated to differentiating itself in an increasingly competitive environment through the quality of its programs and through leadership in the use of technology. The university also believes service to underserved students brings a special responsibility to assure that they receive a quality learning experience.

For UMUC, quality means

- A curriculum that is current, relevant, and innovative;
- Highly skilled faculty who are amply supported with training and resources;
- Emphasis on standards, expectations, and outcomes; and
- Support services that foster student success.

To keep its curriculum current, UMUC is constantly scanning the environment to determine the fields of study most in demand in the workplace. In 2005–06, the university added several new programs:

- Bachelor of Science degree program in gerontology;
- Post-baccalaureate certificate and master's degree track in homeland security management;
- Global MBA program attuned to students who wish to work in the global economy;

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- Master of Science in health administration informatics; and
  - Master of Science in financial management and information systems.

UMUC's contributions to the USM's overall enrollment picture helps the USM, as well as all institutions in the System, in another way. In a 2000 report by Moody's Investors Service, one of the reasons that the USM has been able to maintain a strong bond rating over the years is because it consistently demonstrates that it provides education programs to 70–75 percent of all students in Maryland. The continued growth of UMUC's enrollments, thus, maintains the USM's strength in the state's overall enrollments and allows the USM to issue bonds at relatively lower interest rates. This financial management success places less stress on each institution to find other sources of revenue in general and to avoid further tuition increases specifically.

Finally, UMUC's national and international presence helps brand Maryland throughout the world. The university currently enrolls approximately 45,000 active-duty military personnel and their dependents overseas through its contracts with the U.S. military. When these students return from overseas and resume their civilian lives back in the United States, they disperse a Maryland education across the United States.

### **Access, Affordability, Quality**

In higher education, quality, access, and affordability are often at odds with each other. Quality is traditionally seen as incompatible with access and affordability. Those with open access are considered to be unable to provide quality programs.

At UMUC, we believe we can accomplish all three of these goals through the use of technology and business process reengineering principles. We are doing this by emphasizing

- Scale,
- Standardization,
- Self-service,
- Technology-mediated delivery,
- Standards and expectations,

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- Consistency,
  - Measurement,
  - Mass customization, and
  - Cost management and differential pricing.

Enrollment is only a part of the affordability picture. In the last two years, UMUC has implemented both cost-saving and revenue-generating measures under the Efficiency and Effectiveness Initiative through a series of efforts related to business processes, competitive contracting, use of technology, and entrepreneurial activities, among others. The expenditure reduction or elimination efforts included the implementation of a teleworking policy for 31 full-time employees and the use of nine-month faculty contracts. In addition, we entered into large-scale competitively bid contracts for items such as bulk computer purchases and enterprise-wide software licenses. We also “locked in” utility rates prior to the large increases of the past several months. At the same time, UMUC has increased revenues by partnering with the University of Baltimore for use of UMUC’s proprietary WebTycho online course delivery platform and by completing a new hotel addition for the Inn and Conference Center. By the end of fiscal year 2006, UMUC expects to save approximately \$13.3 million in expenditures and generate an additional \$2.8 million in revenues that may be applied to planned quality initiatives.

### **The National Importance of Accessibility, Affordability, and Quality**

UMUC’s three primary goals have been important to Maryland for years. Recently, the federal government also took action to address these issues. On October 17, 2005, U.S. Secretary of Education Margaret Spellings announced the creation of the Commission on the Future of Higher Education. The secretary created the commission based on recent trends in higher education that were going relatively unchecked, but not unnoticed. In her

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comments, the secretary made the following observation about how our understanding of higher education is changing:

For instance, at the U.S. Department of Education, we can tell you almost anything you want to know about first-time, full-time, degree-seeking, non-transfer students. The trouble is that over half of today's college students are nontraditional students.

The university currently enrolls approximately 45,000 active duty military personnel and their dependents overseas.

This statement comes as no surprise to the students, faculty, and staff at UMUC. Our enrollment growth and the proliferation of for-profit institutions serving that audience underscore the growth of nontraditional students in the nation. The secretary's comments were not just recognition of a growing market, but a call to refocus and widen the perspective on higher education; this new perspective includes what the community needs to succeed and what society expects higher education to deliver. The secretary instructed the 19-member task force to issue a report by August 2006 specifically focusing on accessibility, affordability, quality, and accountability.

UMUC is proud of its success in meeting each of these challenges, something it has been doing so for years. The university is more accessible than ever as it provides courses strategically located throughout Maryland and via the Internet. Our unprecedented growth supports our success in this effort. We have also responded by having the lowest tuition increases in the state by far over a three-year period. From fall 2002 to fall 2005, UMUC increased tuition by 12 percent, whereas the statewide average was 34 percent. Currently, we are evaluating the results of an outcomes assessment of our graduates. This study will enable us to be more strategic in how we teach and will show us where to apply the greatest amount of student services.

### **Competing in the State, National, and International Marketplace**

As shown above, UMUC is heavily reliant on a high student enrollment volume in order to be successful. At the same time that the university is meeting a statewide need for affordable and accessible degree programs, it also has to be competitive with other institutions inside and outside Maryland that serve nontraditional students. Though most

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public and private institutions in Maryland have not attempted to increase their enrollments significantly in the adult student market, numerous for-profit institutions have.

In Maryland, MHEC has approved requests from seven for-profit institutions to offer courses at various locations around the state. There are also approximately 300 for-profit institutions across the country vying for students that fit a similar profile to UMUC's students. Shares in some of these institutions are publicly traded, providing them with enormous resources; the industry generated approximately \$17 billion in 2005.

UMUC continues to be very competitive in the higher education marketplace. When counting all students worldwide, UMUC currently serves approximately 88,000 students. The competition for nontraditional students is expected to be more intense in 2006, as market analysts project a significant drop in the rate of growth of enrollments by this type of student. According to the *Chronicle of Higher Education*, the rate of growth among for-profit institutions is expected to be between 13 and 20 percent, compared to the 43 percent growth experienced in 2002. The rate of growth has slowed each year since the high growth year of 2002.

UMUC will continue not only to be very competitive in this arena, but will do so with distinction. Whereas for-profit institutions have shareholders as their primary audience, UMUC has only its students. Though UMUC is much more market-sensitive than traditional institutions, its reputation for quality, regional accreditation, and its role as a public institution within the USM provide greater credibility for knowledge cultivation and a well-rounded education.

## Conclusion

UMUC demonstrates how its ability to grow, yet stay focused on the principles of being an open university, supports its three main goals for its students: access, affordability, and quality. Recent actions by the General Assembly have provided UMUC with the ability to

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be competitive in the higher education marketplace. When the General Assembly passed and the Governor enacted Chapter 239 in 2004, it gave UMUC the ability to hire sufficient staff to provide the best possible support to our students. However, as a result of adding staff, UMUC faces significant space constraints that continue to be addressed through rented facilities in the area, causing significant administrative disruptions and strains on our operating budget. UMUC will seek approval for \$15 million in the state capital budget to cover a portion of the costs for addressing part one of a plan to meet the university's critical need for additional space.

In the meantime, UMUC will continue its successes and increase its contributions to the state by growing, by managing effectively, and by making quality higher education more and more accessible to Marylanders.



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