Report on 2011 MD General Assembly Session

May 4, 2011

Dear members of the University of Maryland community:

I am writing to inform you regarding the 2011 Maryland General Assembly legislative session and its impact on UM operations. We have fared very well, given the fiscal constraints across the State.

The Governor and the General Assembly continue to make higher education a priority. We are grateful for their support. The University System of Maryland (USM) budget received a reduction of $4M to the Governor’s proposed budget of $1B, although some additional mandated budget adjustments may occur. After three years of furloughs of faculty and staff, there will be none in FY12. There will be a $750 one-time bonus for eligible State employees, including our faculty and staff. We will be allowed to make a limited number of retention counter-offers to staff in operationally critical positions. While a modest 3% tuition increase is likely for students, we are awaiting confirmation from the Board of Regents, and will update the campus when details are available.

The Governor and General Assembly have taken steps to improve the long-term funding status of the State pension system and retiree health benefits. There are two significant changes for current employees: in the State pension system, an increase in the required individual contribution rate from 5% to 7%; in health benefits, an increase in the co-pays for prescription drugs. Most of the other changes in benefits will affect only new employees and retirees. Specific information on these changes will be disseminated as soon as they are available.

We are pleased that the Governor and the General Assembly supported $30M in the capital budget for construction of the Physical Sciences Complex, Phase I. This building will provide state-of-the-art laboratory and office space for the Departments of Physics and Astronomy, the Institute for Physical Sciences and Technology, and the Joint Quantum Institute. In addition, the capital budget includes $5M to start addressing the "invisible crisis" of crumbling infrastructure on campus.

Language in the budget bill requires the USM Board of Regents to perform a study on the pros and cons of merging the University of Maryland, College Park and the University of Maryland, Baltimore. If the Board of Regents concludes that merger is appropriate, the Board has to provide a report by December 15, 2011, outlining how and when it will be accomplished and identifying any legislative changes needed.

Given the state of the economy and the painful budget reductions to public higher education across much of the nation, the funding provided to USM for FY12 is a testament of the steadfast commitment by the Governor and the General Assembly to higher education and the State's flagship campus. The University very much appreciates this support.

Finally, I want to extend my heartfelt appreciation to those on campus who worked so diligently on the University’s behalf during this legislative session. Students, faculty, and staff advocated tirelessly for our institutional needs. You are the roots of our institution. Thank you for your selfless commitment to our mission.

Sincerely,
Wallace D. Loh
President