

University System of Maryland Office  
FY 2025 Operating Budget  
*Testimony & Response to Department of Legislative Services Analysis*  
USM Chancellor Jay A. Perman

House Appropriations Committee  
Education and Economic Development  
Subcommittee  
Stephanie M. Smith, Chair  
February 7, 2024

Senate Budget & Taxation Committee  
Education, Business and Administration  
Subcommittee  
Nancy J. King, Chair  
February 9, 2024

Members of the subcommittee, thank you for this opportunity to testify on the FY 2025 budget for the University System of Maryland (USM) Office. I thank you again for your support of the USM as a whole, and I'm proud of the close relationship we've forged to advance our mutual priorities.

The USM Office (USMO) is the "corporate office" of the University System. As such, we manage the primary organizational leadership functions, beginning with our core academic mission and financial stewardship. The Office also serves as staff to the Board of Regents and its seven standing committees—Education Policy and Student Life and Safety; Finance; Audit; Economic Development and Technology Commercialization; Advancement; Governance and Compensation; and Intercollegiate Athletics and Student-Athlete Health and Welfare—together with assorted workgroups.

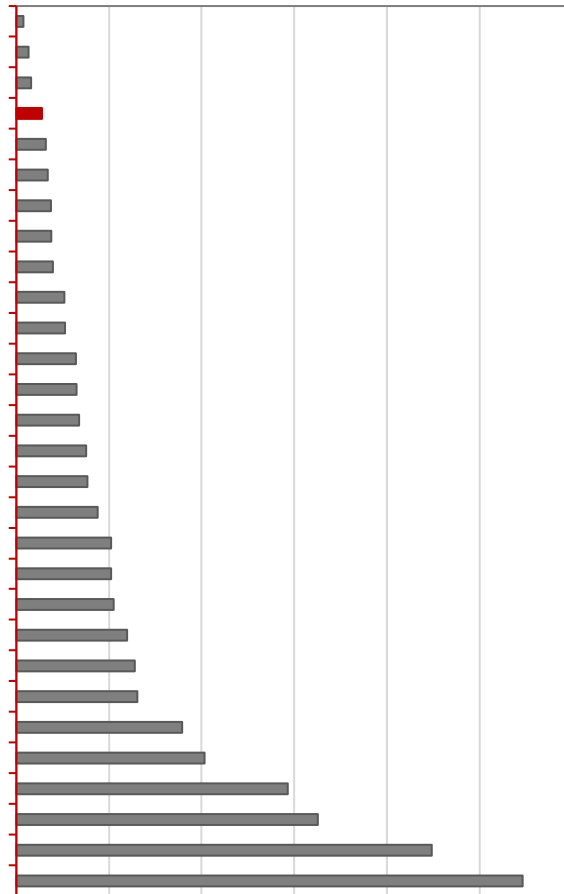
The Office develops and oversees the USM's \$7.1 billion operating budget, and its \$300 million capital program for academic and auxiliary facilities. We conduct Systemwide strategic and financial planning, and manage a USM-issued capital debt portfolio in excess of \$1 billion. Our efforts help maintain a favorable AA+ (or equivalent) bond rating, saving the USM and our universities millions of dollars every year when compared with a less favorable rating.

We coordinate academic program planning and program reviews for the System's 12 universities; manage the System's relationship with Maryland's community colleges and support articulation and pathway programs; and manage the USM's P-20 pipeline activities and pursue grants to

The USM Office also provides leadership at the state and national levels on major issues facing higher education, and we're the System's primary interface with state government. We convene leadership groups across the USM to study and share best practices in all areas of university activities.

Through our Effectiveness & Efficiency initiatives, the USMO coordinates activities to achieve cost savings and improve performance Systemwide. We facilitate technology transfer, entrepreneurship, and workforce development across the System; manage the selection and evaluation of USM presidents; compile the System's financial statements and coordinate the audit process; and develop and update Board policies.

The USMO offers our universities technical expertise and negotiation support in leveraging private investment and initiating public/private development projects, and we advise the Board and our universities on the most beneficial real property transactions.





universities' intellectual property, and 313 USM technologies have been licensed or optioned by our industry partners. And at the USM, we invest in our own ideas: Our Maryland Momentum Fund—supporting early-stage ventures spun out of our universities—now has a portfolio of 28 Maryland-based companies.

To meet Maryland's education and workforce needs, the USM sustains partnerships with school districts throughout the state, with



The RHECs are geographically located so that their competition is primarily with online programs.

The working adult seeking a bachelor's or master's program won't find another option close by in Southern or Western Maryland, especially for professional programs. (St. Mary's College of Maryland in Southern Maryland serves primarily traditional age, residential

colleges. (Our RHECs do have some graduate enrollment, which has remained relatively stable.)  
As community college enrollment recovers, we also expect some recovery at our regional centers.

of these programs are *not* offered online, and were it not for the regional center, students would have no option but to leave the area or opt out of higher education altogether.



