Executive Summary

Comprehensive Financial Analysis of University of Maryland, College Park

Faculty, staff and student dissatisfaction with University of Maryland (UMD) leadership has been increasing because of misguided financial priorities, inadequate transparency and consultation, and policies that have put employees at risk, especially during the COVID-19 pandemic. In response, the University of Maryland Chapter of the American Association of University Professors (UMD AAUP) commissioned a comprehensive financial analysis of the University of Maryland (UMD) through the generous support of our members, the UMD staff union, AFSCME Local 1072, and the Fearless Student Employees. We hired Howard Bunsis, a professor of accounting at Eastern Michigan University and an expert on university finances.

The analysis of financial documents from 2013–2022 uncovers deeply concerning spending priorities and strategies adopted by UMD leadership. Despite an increasingly strong financial position – even in the aftermath of the COVID-19 pandemic – as evidenced by consistently positive cash flows, comparatively high state allocations, ample assets to cover debt obligations, and increased external grant funding, reserve levels, and endowment,[1] UMD leadership has:

- Expanded undergraduate enrollment by over 4,000 students and boosted *annual* tuition/fee revenues from \$407 million in 2013 to a high of \$541.5 million in 2020, without proportionately increasing the number of faculty.[2]
- Replaced Tenure Track (TTK) faculty (-6.9%) with lower paid and precariously employed contingent faculty (+19%) and graduate teaching assistants (+11%).[3]
- Increased compensation for university leadership while the salaries of those bearing the burden of the university's work – instructional, research, and front line employees in maintenance and departmental support – have remained stagnant when adjusted for inflation.[4]
- Reduced the head-count of employees in almost all categories – *except* their own (i.e., management and business and financial operations) – which concentrates more work on the remaining employees.[5]
- Spent lavishly on university athletic programs, forcing taxpayers and students to subsidize a deficit of nearly \$132.5 million from 2013–2020. Most shockingly, the majority of this subsidy comes directly from students' pockets in the form of a *mandatory* student athletics fee.[6]

These findings show that the growing dissatisfaction of so many university employees and students are responses to fundamental changes in how the university is run. UMD leadership over the past decade has adopted strategies that are detrimental to its mission. They are putting more students in classrooms with fewer full-time professors and more overworked, precariously employed, and drastically underpaid contingent faculty and graduate-student teaching assistants. They are spending extravagantly on the athletics program and their own salaries while cutting jobs in almost all other areas and holding down non-leadership employee wages. These policies are harmful to UMD employees, students, and the Maryland communities we serve. We demand systematic changes in spending priorities from our UMD leaders. Join us. A better university is possible.

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[1] See slides 6-9, 26, 38, 59-60, 82-83, 117. This surplus is emphasized by President Pines in the recent announcement of a \$41 million increase in the UMD base budget.

[2] See slides 47, 81, 89.

[3] See slides 54, 88-92, 110.

[4] See slides 86, 95-97.

[5] See slides 94-96.

[6] See slides 67, 99-102, 104, 121.