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Recommendations to Improve the Long-term Success of the
University System of Maryland at Hagerstown

Prepared by:

Workgroup to Study the
University System of Maryland at Hagerstown

As Requested by the
Report of the Chairmen of the
Senate Budget and Taxation Committee
and
House Appropriations Committee

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University System of Maryland at Hagerstown Regional Higher Education Center

Executive Summary

The 2009 Joint Chairmen's report required the Maryland Higher Education Commission (MHEC) to create a workgroup to study the fiscal and programmatic viability of the University System of Maryland at Hagerstown (USMH), including the participation of non-University System of Maryland institutions at USMH and financial support from local governments and the community and to submit a report to the budget committees. In response to the Joint Chairmen's request, MHEC and USM convened a workgroup that included local elected officials, representatives from Hagerstown Community College (HCC), Frederick Community College (FCC), Washington County Public Schools, Kaplan University, business and community leaders and other stakeholders. The workgroup thoroughly studied the operation of USMH and produced this report detailing its findings and making recommendations to improve the immediate and long-term success of the center.

USMH is one of eight regional higher education centers (RHECs) in Maryland. The RHECs are important educational resources and are vital to the delivery of postsecondary education in the State. They provide access to affordable higher education programs to citizens in underserved areas of the State and fulfill local employment training needs. In addition to the educational mission, USMH was opened with a dual mission that included the goal of serving as a catalyst to revitalize the economy of downtown Hagerstown. This report examines both components of that dual mission.

USMH is a part of the USM and is governed by the USM Board of Regents. It works closely with Hagerstown and Frederick community colleges, Kaplan University, Washington County Public Schools, and local business and community leaders. The facility is located in downtown Hagerstown in a historic property. While primarily serving the city of Hagerstown and Washington County, it also draws students from the adjacent Maryland counties of Allegany, Frederick and Garrett, as well as counties in nearby Pennsylvania and West Virginia. The USMH center opened in January 2005 and enrollment has grown steadily since. Currently 21 undergraduate, graduate, and certificate programs are offered at USMH by six USM universities. Programs have focused on local workforce training needs such as nursing, education and social work. USMH places a priority on increased support for financial aid for its students and has raised more than \$470,000 for scholarships through community fund-raising efforts.

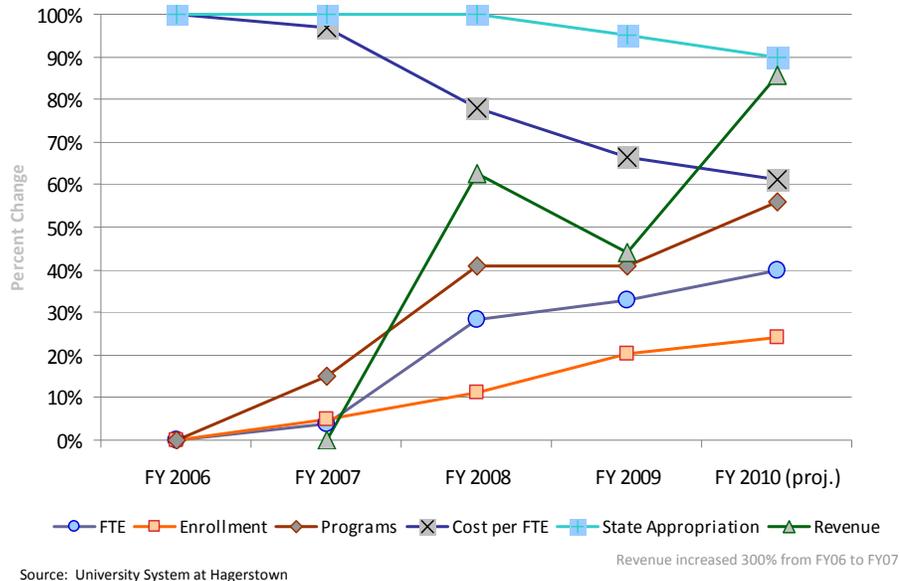
The workgroup reviewed the following data and resultant conclusions. As they are indicators of the fiscal and programmatic strength of USMH—focal topics of the legislative charge—they were referred to in the formulation of the recommendations made in this report.

- Full-Time Equivalent (FTE) Students: FTE has increased steadily since USMH opened in 2005, from 78.4 in fiscal 2005 to 247 in fiscal 2009.
- Enrollment: Annual duplicated headcount has increased each year from 382 in fiscal 2005 to 849 in fiscal 2009.
- Revenue: Non-state funds or revenue generated has increased from \$10,000 in fiscal 2006 to \$53,000 in fiscal 2009.

- Programs: USMH has experienced a 75-percent increase in the number of programs, from 12 in fiscal 2005 to 21 in fiscal 2010.
- Cost per FTE: The cost per FTE has steadily decreased from \$12,821 in fiscal 2005 to \$7,556 in fiscal 2009, and it is projected to reach \$5,933 by fiscal 2012.

The following graph highlights trends in each of these components over the past five years.

Trends at University System of Maryland at Hagerstown:
FY 2006 to present



Resources for USMH come primarily from state appropriations. The fiscal 2010 current budget is \$1.97 million of which \$1.89 million is state funding. The balance comes from rental income and testing fees. The current five-year plan calls for non-state support to increase to approximately \$93,000 by fiscal 2012, driven primarily by income from additional rental fees. Space in the facility is limited, however, and USMH's priority will continue to be to maximize enrollments. One challenge to enrollment growth is the fact that the facility was designed primarily for traditional classrooms with limited conference and laboratory space, limiting the size and type of programs that can be offered.

To improve the immediate and long-term success of USMH, the workgroup has made the following recommendations:

- The current organizational structure for USMH under USM is the most appropriate governance structure for the center. USMH should continue to work closely with Hagerstown and Frederick community colleges, Kaplan University, the Washington County Public Schools, the Washington County Health System and other business and government agencies in Washington County to fulfill the postsecondary education needs in the region.

- The location of the Center within the City of Hagerstown has achieved the economic revitalization component of the Center's mission. Hagerstown has seen a strong increase in development and economic activity since the inception and arrival of USMH to the city. The Center should continue to work with the City to provide programs and other opportunities to continue to attract students, businesses and economic development.
- USMH should continue to develop creative scheduling solutions to maximize use of the facility. This will help increase the outside support for the center and utilize the facility during off-peak times, thereby reducing reliance on State funding. When possible, USM should purchase additional space near the center for expansion of USMH to include larger rooms and meeting spaces. The USMH staff and Advisory Board should also continue to raise funds for scholarships and other purposes with the support of the city and county governments and the local business community.
- The USM policy for offering programs at the USMH Center allows for non-USM institutions to participate, should no USM institution be able or willing to provide a needed program. USMH should continue to solicit USM institutions to provide programs at the center. If no USM institution is able or willing to provide a needed program, USM and Center staff should work with MHEC to solicit program delivery from non-USM institutions within Maryland or from outside the State.

I. Legislative Charge and Budget Language

The 2009 Joint Chairmen's report requires the Maryland Higher Education Commission (MHEC), in collaboration with the University System of Maryland, to create a workgroup to study the fiscal and programmatic viability of the University System of Maryland at Hagerstown (USMH), including the participation of non-University System of Maryland institutions at USMH and financial support from local governments and the community and to submit a report to the budget committees by September 1, 2009 which includes recommendations to improve the immediate and long-term success of USMH. The language of the Joint Chairman's report is as follows:

"It is the intent of the General Assembly that the Maryland Higher Education Commission (MHEC) in collaboration with the University System of Maryland (USM) shall convene a workgroup consisting of:

- (1) local elected officials, including the Mayor of Hagerstown and the President of the Washington County Commissioners;*
- (2) representatives from Hagerstown Community College;*
- (3) business and the community leaders including representatives of the Greater Hagerstown Committee and the Hagerstown/Washington County Chamber of Commerce; and*
- (4) other stakeholders including the University System of Maryland at Hagerstown (USMH) Advisory Board and the President of Kaplan College in Hagerstown. The workgroup shall study the fiscal and programmatic viability of USMH.*

The workgroup review shall include considering the most appropriate governance structure for the center; ensuring the financial and programmatic success of the center including strengthening the relationship with Hagerstown Community College; increasing local participation, both financial and non-financial; and expanding programmatic offerings to include non-USM programs and institutions. MHEC shall report to the budget committees on or before September 1, 2009, on the recommendations of the workgroup which shall include recommendations to improve the immediate and long-term success of the center."

The Commission convened the workgroup as stated in the executive summary with Senator Donald F. Munson, Delegate Leroy E. Myers, Jr., Delegate John P. Donoghue and Hagerstown Mayor Robert E. Bruchey, II serving as the local elected officials. The workgroup membership is provided in Appendix 1. Because the workgroup was meeting into October, MHEC made a request, which was granted, for the due date of the report to be moved to November 1, 2009. This report provides information on the center, and the workgroup findings and recommendations.

II. History and Current Status

Background

USMH is one of eight regional higher education centers (RHECs or Centers) in Maryland. By definition, regional higher education centers are centers located in Maryland that provide at least junior- and senior-level baccalaureate programs and/or graduate education through two or more institutions of higher education. As stated in Section 10-212 of the Education Article of the Annotated Code of Maryland, regional higher education centers are important educational resources and are vital to the delivery of postsecondary education in the State. Their duties and goals are:

- To provide access to affordable higher education programs to citizens in unserved or underserved areas of the State;
- To respond to the needs of business and industries in the areas in which they serve; and
- To encourage participation by the institutions of higher education for the benefit of students and to serve the needs of, and provide programs to, elementary and secondary schools, business and industry, and governmental agencies.

Of the eight RHECs, six are outside the University System of Maryland and have differing governance and operational structures. Five of these centers are affiliates of or are associated with one or more community colleges or public four-year colleges and universities. One was created by the General Assembly through statutory law.

Two of the centers, USMH and the Universities at Shady Grove (USG or Shady Grove), are within the University System of Maryland and are governed by the USM Board of Regents. Shady Grove opened in 2000 in Rockville, MD, and was formed as a USM center in 2001 to meet demand for upper-division baccalaureate and graduate postsecondary education in Montgomery County. USMH opened in January 2005. Appendix 2 is a summary of the eight centers in Maryland.

University System of Maryland at Hagerstown

The USMH was designed to specifically meet two objectives: to provide for the educational and training needs of the citizens/students in the Greater Hagerstown and Washington County region; and to help stimulate economic revitalization of downtown Hagerstown. Prior to the establishment of USMH, the University System of Maryland had a presence in Washington County for 12 years through the Frostburg State University Center in downtown Hagerstown. Due to the increased demand for workforce development and retention, as well as a shifting emphasis toward technology-based skills in the region, it was determined that access to the total educational resources that only a System-level center could provide was required to meet the growing need.

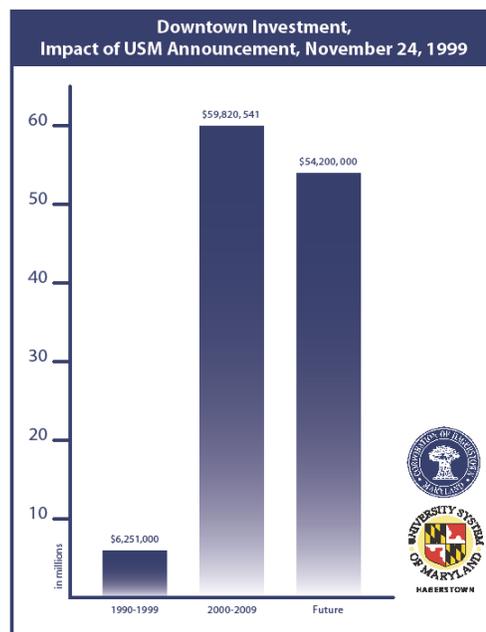
In September 1998, several members of the business community in Washington County approached the University System of Maryland to open discussions on the development of a center modeled after the Universities at Shady Grove to support the higher education needs of the region. As a result of this meeting, a steering committee was organized to work with the

USM to identify potential locations for the Center and to establish local support for its development.

USMH is located in downtown Hagerstown in the five-story historic property known as the Baldwin House complex. While the selection of an alternative site would have provided the opportunity to build a multi-use center with potentially revenue-producing facilities for conferences and other community activities, the selection of the Baldwin House complex was driven by USM's collaboration with then Governor Parris Glendening and his commitment to Smart Growth, to involvement with the region's economic revitalization and in particular the revitalization of the downtown area of the City of Hagerstown.

USM worked closely with the Glendening administration to meet Smart Growth objectives. It was recognized that locating the center in downtown Hagerstown would benefit students by giving them convenient access to the city's resources and facilities. At the same time, the downtown facility met the goals of investing in the Hagerstown economy and revitalizing the city, saving on road and other infrastructure costs, and preserving open space and natural resources. It was also thought that the downtown campus would provide a boost to the city's economy, since restaurants, business service centers and other retail ventures benefit from student presence.

Locating the center downtown has, to a great extent, met the objectives of the site selection. Following the announcement in 1999 that the center would be located in the Baldwin House, development of downtown Hagerstown increased significantly. Data from the office of economic development show that during the decade prior to 1999, only 10 major development projects occurred, totaling \$6.2 million invested. Since that time, 31 projects have been built or are currently underway with a total investment of \$59.8 million, or almost 10 times the level of investment in the prior decade. These projects include both public and private projects in equal shares. The city has commitments for another 16 projects with a total estimated investment of over \$54 million anticipated in the near future. Exhibit 2 provides a summary of current and future investment.



The projects include private commercial and residential projects as well as a church. Public investment includes a school for the arts, the Hagerstown Center, and a courthouse. Projects recently completed have also included development of a park, widening of streets and alleys, improvements to sidewalks and crosswalks and the addition of parking structures to improve the infrastructure supporting the city. Appendix 3 provides detail on the scheduling and sources as well as a map of current and future projects developed in Hagerstown.

Regional Characteristics

Since the center is located in Hagerstown, it serves primarily the city of Hagerstown and Washington County. However, the center also draws students from the adjacent Maryland counties of Allegany, Frederick and Garrett, as well as counties in nearby Pennsylvania and West Virginia.

City of Hagerstown and Washington County

Hagerstown is the county seat of and the economic center of Washington County and is the sixth largest city in Maryland. The population of Hagerstown for the year ending 1 July 2008 was 39,728, and the total 2008 Urbanized Area population, as defined by the US Census Bureau within Washington County, MD, was 145,384. Total population for Washington County is projected to grow at a faster rate than for the State overall, from 149,250 in 2010 to 189,750 in 2030, or by an average annual rate of 0.9 percent. The projected average annual growth rate for the State is 0.52 percent per year.

Historically, Hagerstown's economy depended heavily on railroad transportation and manufacturing, notably of aircraft, trucks, automobiles, textiles, and furniture. Today, the city is recovering from the loss of its traditional economic base and Washington County has a diversified, stable business environment of approximately 3,500 businesses with a distribution of 25 percent in trade, transportation and utilities, 14 percent in education and health services, 12 percent in manufacturing, and 10 percent in financial services. The local economy includes modern service companies in various fields as well as continued strength in manufacturing and transportation in railroads and highways. Surrounding Hagerstown, there has been and continues to be a strong agricultural presence, and tourism also provides economic support, especially with respect to the retail sector and Civil War sites. More recently, aero-defense, engineering and advanced technology businesses are contributing to the local economy. While significant gains have been made in the past 45 years, economic indicators in this region continue to lag according to the Bureau of Economic Analysis, REIS 2009 reports.

Washington, Allegany and Garrett Counties comprise the western-most part of Maryland and share many economic characteristics with the adjoining portions of the Cumberland Valley in Pennsylvania to the north and West Virginia and Virginia to the south. Washington, Allegany and Garrett Counties are part of the defined Appalachian region and participate in the Maryland local development district in Appalachia, which is now known as the Tri-County Council for Western Maryland, Inc. Appendix 4 provides a map of the Appalachian Region.

Allegany, Garrett and Frederick Counties

Allegany County has a total population of 72,238 in 2008. Total population is projected to grow from 73,100 in 2010 to 75,900 in 2030, or at an average annual rate of .13 percent. Total population for Garret County in 2008 is 29,698 and is projected to grow from 29,950 to 32,250 between 2010 and 2030, or at an average annual rate of .26 percent.

Frederick County is immediately east of Washington County and is Maryland's largest geographic county. Its total 2008 population is 225,721. Total population for Frederick County is projected to grow at a very high average annual rate of 1.39 percent, or from 233,600 to 331,700 between 2010 and 2030.

Employment/Economy/Education

Although agricultural resources are many and varied in Washington County, the county's economy was long dependent, up until recent times, on manufacturing and service jobs. Education, therefore, was not viewed as a high priority among large sectors of the community that could depend on plentiful manufacturing and service jobs being available to young people immediately after high school. As a result, many county families and students had no aspirations beyond a high school education. Even school system educators used to believe that many, if not most of their students were not "college material." Furthermore, the 2000 census indicated that almost one-fourth of adult residents of Washington County lacked a high school diploma—among the lowest education rates in the state. The census also showed that only 14.5 percent of county residents had earned a bachelor's degree—less than half as many as in neighboring Frederick County. A relatively high poverty rate and the low number of families with college-educated adults have made it a challenging task to increase college entry for many of our young people. Washington County Public Schools, however, has sought to change the culture by providing opportunities for students to see college as a viable option for the future. In 2000, the high school dropout rate was nearly 6 percent, and the graduation rate was only 78 percent.

Over the last nine years, the importance of a college education has been promoted throughout the school system by teachers, counselors, and administrators. Today, the high school graduation rate stands at an all-time high of almost 92 percent and the dropout rate has declined to a record low of 1.67 percent. Special initiatives and programs, such as all tenth graders taking the PSAT; increased participation in AP and other courses of high rigor; magnet programs, such as IB; dual enrollment with HCC; and student participation in the Advancement Via Individual Determination (AVID) initiative have all contributed to raising awareness and motivation to go to college. The college participation rate has increased from 54 percent in 2001, to a current 77.2 percent.

For the years 2005 through 2007, 18.1 percent of Washington County residents age 25 or older held a bachelor's degree or higher, compared to the State average of 34.7 percent. The percentages of residents age 25 or older holding bachelor's degrees or higher were 8.1 percent for Allegany County, 9.5 percent for Garrett County, and 21 percent for Frederick County for the same time period.

The number of graduates from the Center has been trending upward over the past five years. The number of graduates reported for fiscal 2009 is 137, up from 70 in fiscal 2006. This growth represents a steady annual increase during that time period. Of the 137 degrees awarded in fiscal 2009, 12 bachelor's degrees were awarded in Early Childhood Education, 15 were in Nursing, nine were in Liberal Studies, five were in Criminal Justice, four were in Sociology, three were in Social Work and two were in Accounting. Seventy-eight graduate degrees also were awarded with 59 in Education, 14 in Business Administration and five in Nursing.

Several colleges provide educational opportunities for the region. Washington County is supported by Hagerstown Community College, which offers more than 100 programs of study for associate degrees, certificates, letters of recognition, university transfer, career preparation, or personal development, as well as non-credit continuing education courses, customized training programs and Washington County's adult education program. Also located in Hagerstown is the newly renamed and restructured Kaplan University Hagerstown Campus, formerly Hagerstown Business College. The University has been serving the Greater Hagerstown area since 1938 and offers certificate, associate and baccalaureate programs in the areas of Allied Health, Business, Criminal Justice, Design, Law and Legal Studies and Information Technology. Frederick County is supported by Frederick Community College and two private institutions; Hood College in Frederick and Mount St. Mary's University in Emmitsburg. Allegany and Garrett counties are also supported by their own respective community colleges and Frostburg State University, a Master's level public university and member of USM, is located in Allegany County.

Regional employment consists of jobs in healthcare, education, government, financial services, real estate and business development and manufacturing. The largest employer in the area is the Washington County Health System. This is followed by the Washington County Public Schools and the State of Maryland. Private employment in the area comes from service companies and includes operations and technology support for Citigroup as well as credit and debit card processing services provided by First Data. Other large employers in descending order of employees include Washington County Government, Volvo Powertrain North America (manufacturing), FedEx Ground (service), the Federal Government, Hagerstown Community College, Staples Distribution Center (retail), the Bowman Group LLP, Lehigh Phoenix, the City of Hagerstown and Unilever Ice Cream. There is also a strong retail market in Hagerstown, with Food and Beverage leading retail sales in 2008.

Center Characteristics/Profile

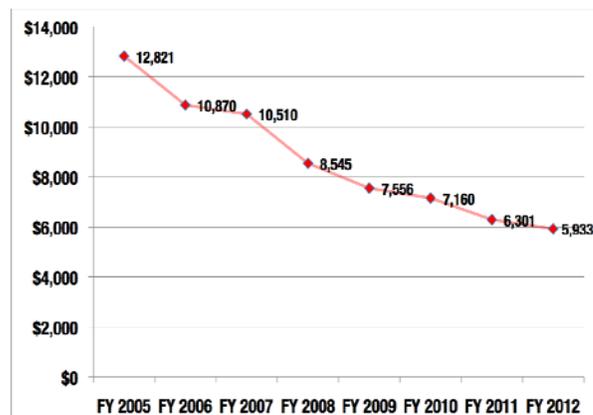
Enrollments

The USM Office of Institutional Research reports 454 students enrolled for the fall 2008 semester. This number represents 56 percent graduate students and 44 percent undergraduate students. The number of undergraduate students enrolled at USMH has been growing steadily. USMH had an increase of 4.5 percent in enrollment from fiscal 2006 to fiscal 2007; an increase of 6.0 percent in enrollment from fiscal 2007 to fiscal 2008; and an increase in enrollment of 8.5 percent from fiscal 2008 to 2009. Appendix 5 provides Headcount Enrollment data from the center's opening in spring 2005 through fiscal 2009.

Operating Funding

Resources for the University System of Maryland at Hagerstown come primarily from state appropriations. It is a USM policy to provide support to both regional higher education centers with funding allocated from the annual USM Office operating budget. The fiscal 2010 current budget for USMH is \$1,965,000 of which \$1,890,000 is state funding. The level of State funding in fiscal 2009 is \$7,566 per FTE student, which was the highest of any Center in the State, as shown in Appendix 2. However, as Exhibit 3 shows, funding per FTE has dropped significantly and steadily since the opening of the center. Funding at the center in fiscal 2005 was \$12,821 per FTE. As the center has increased its enrollment, the level of funding per FTE student has been able to be reduced. The center predicts reaching a level of \$5,933 per FTE by fiscal 2012.

Exhibit 3. University System of Maryland At Hagerstown:
State Appropriations Per FTE



Source: University System of Maryland at Hagerstown

While the center is planning to continue to grow enrollment, there will eventually be a point when the current space in the center has become fully utilized. USM and the center have recognized that the current facility will soon reach its capacity to accommodate additional enrollments. USM has stated that they are doing everything they can to lower costs, but have been willing to make the investment in the center because of the importance in delivering education to the region. To continue growing the center, consideration would eventually have to be made to obtaining additional space in the future. This would also have to include careful cost-benefit analysis of how additional space could be added to provide the opportunity for growth and for alternative revenue to support the additional space.

The balance of funding to the center relates primarily to rental income and testing fees. At the current time, USM institutions offering courses at USMH are not charged a rental cost for the use of classroom space in the building. This decision was based on the precedent set when Shady Grove was opened. Since USMH operations were initially funded through redirected USM allocations, USM chose to focus these resources on stimulating growth during the start-up phase of USMH. Rental charges for classroom space were seen as disincentives for institutions to bring new programs, particularly those with high start-up costs, needed for growth. This strategy will be reviewed in the future as USMH continues to grow, the current slate of programs becomes

more established, and new programs are added following the pattern set at Shady Grove. Appendix 6 provides a breakdown of Center revenue for fiscal 2009.

Staffing

In fiscal 2007, 14 full-time equivalent (FTE) staff was employed by the center. Beginning in fiscal 2009, USMH eliminated five staff positions, reducing its FTE administrative staff to nine. This action was taken after a careful review of the center's organizational administrative needs and the resources available. The restructuring was designed to better position USMH to grow and flourish, with funding directed to increasing programs, higher enrollment and better student support. Looking forward, the USMH business plan calls for staffing levels to remain at nine FTE through fiscal 2012.

Funding from Non-State Sources of Support

USMH has been and remains committed to seeking outside revenue to support the operation and reduce reliance on state funding. Non-state revenues generated through rental fees, testing site services, and other activities netted approximately \$54,435 in fiscal 2009. The non-state revenue is budgeted for \$75,000 in fiscal 2010. The current five-year plan calls for non-state support to increase to approximately \$93,000 by fiscal 2012, driven primarily by income from rental fees. However, it must be noted that space in the facility is limited and USMH's first priority is, and will continue to be, the utilization of its classroom space in such manner as to maximize enrollments.

In addition to increasing non-state sources of support for operations, USMH also continues to place a priority on increased support of financial aid for its students. USMH has raised more than \$250,000 through community fund-raising efforts. The Community Foundation of Washington County has added an additional \$212,500 to those funds through a matching campaign, for a total of \$470,000 as of September 2009. While scholarships can not be awarded from the Community Foundation funds until after 2011 per the agreement negotiated with The Community Foundation, beginning in fiscal 2012, these funds will be available to increase access to area students and support workforce-related scholarships. Ten \$2,500 scholarships were awarded in May of 2009 to students attending USMH this fall.

Partner Institutions

USMH opened in January of 2005 with two USM universities, Frostburg State University and the University of Maryland, Baltimore offering programs that had previously been available at the Frostburg State University satellite location on the square of Hagerstown. All of Frostburg State University's programs and the University of Maryland, Baltimore's graduate program in nursing moved into USMH in January of 2005. In order to meet market demand, Towson University began offering both undergraduate and graduate nursing programs in the fall of 2006, with UMB withdrawing its graduate nursing program at that time.

In 2005, the University of Maryland, University College (UMUC) became the first new academic partner at USMH offering accounting and information systems management degrees.

USMH now has the following five university partners offering academic programs: (1) Frostburg State University, (2) University of Maryland, University College, (3) Towson University, (4) University of Maryland, College Park, and (5) Salisbury University. The University of Maryland, Baltimore offers non-credit social work training for working professionals. Appendix 7 provides a chronology of participation by partner institutions.

Programs

USMH has grown 75 percent in academic program offerings, from 12 academic programs in January of 2005 to 21 academic programs currently. Programs to date have been and will continue to be focused on the workforce training needs of Washington County, such as Nursing, Education, and Social Work. Several new programs will begin in January of 2010, including a B.S. degree in Psychology and the first doctorate to be offered in Hagerstown, the Ed.D. In addition, due to the critical workforce shortage in nursing, Towson University will be adding another cohort in January 2010. This has been made possible through a *Who Will Care* grant from the Maryland Hospital Association awarded to the university. New programs are in the pipeline and under discussion for implementation in fall 2010. Currently, all programs offered at the center are provided by institutions from USM. Within the past five years, there has been only one inquiry from a non-USM institution, Mount St. Mary's University, seeking to offer a program at the Center. The proposed graduate program in business was already being offered by FSU and a duplication of the program was deemed unnecessary based upon market demand. Appendix 8 provides a listing of programs currently being offered.

Capital Funding

The USMH facility is owned and operated by USM. The state purchased the Baldwin House property from the City of Hagerstown for \$10.00. The state invested \$15.4M for design, construction and equipment. The facility opened in January 2005.

Facility

USMH was designed and constructed as academic classroom and office space. USMH has 76,000 square feet. The space includes 34 offices with 59 desks. Office space is currently at 76-percent capacity. There are 24 classrooms including four interactive video network rooms, three nursing labs, two computer classrooms with 24 computer stations each, two open computer labs with 24 computer stations each, and one dedicated classroom rented annually to the Hagerstown Police Department for cadet training. The largest classroom holds 40 people. Classrooms are designed to hold four different sizes from 25 students to 40 students. Ten of the 24 classrooms are utilized Monday through Friday from 9:00 am until 4:30 pm. Every classroom is utilized Monday through Thursday from 5:00 pm until 9:00 pm, with a few classes running from 8:00 pm until 11:00 pm. There is a library/media center, a reception area, and several student lounge areas. Appendix 9 provides detail on the number of rooms and total net assignable square foot (NASF) by type of space in the center.

Maximizing available space

Although the USMH facility is relatively new, physical space limitations inherent in its design have already begun to affect program growth calculations. As stated above, the center was designed primarily as a traditional classroom facility with limited conference and laboratory space. This lack of laboratory space limits the size and type of program that can be offered at the center (for instance no wet labs are currently available, limiting the center's ability to offer courses in the biosciences). At the same time, the lack of conference space - no room seats more than 40 - limits the center's ability to accommodate nonacademic lectures or in-service training events; although some office space is rented out. The expansion of new academic programs over the past three years has meant that demands for classrooms during key hours of operation has begun to reach the center's room capacity. To help address these challenges, USMH, as part of its five-year business plan, is moving to a unified evening schedule in 2009 that will allow it to maximize scheduling and encourage students to take multiple courses back-to-back. This should free up some additional capacity in the evening when most students attend. The center is also exploring options to increase the number of rooms equipped with interactive video network (IVN) equipment, which will allow more students to participate through distance learning. Finally, to utilize available meeting space, the USMH leadership has developed a brochure listing rental space and information, along with the fee schedule, that is advertised on the USMH website and to key businesses within the region.

USM Policy: Replicate USM institution

USMH reflects unique collaborative partnerships that lie at the core of the Center and which ensure the quality of the learning experience for students as well as provide outreach to the citizens, businesses, public schools, community colleges and government entities in the region. The priorities set in establishing the programs and services available at the Center include the following:

- To ensure that students receive the same high quality of education at USMH that they would by attending one of the USM home campuses;
- To provide a range of student services comparable to those on USM home campuses; and,
- To ensure that all aspects of higher education at USMH are supported by networked information technology.

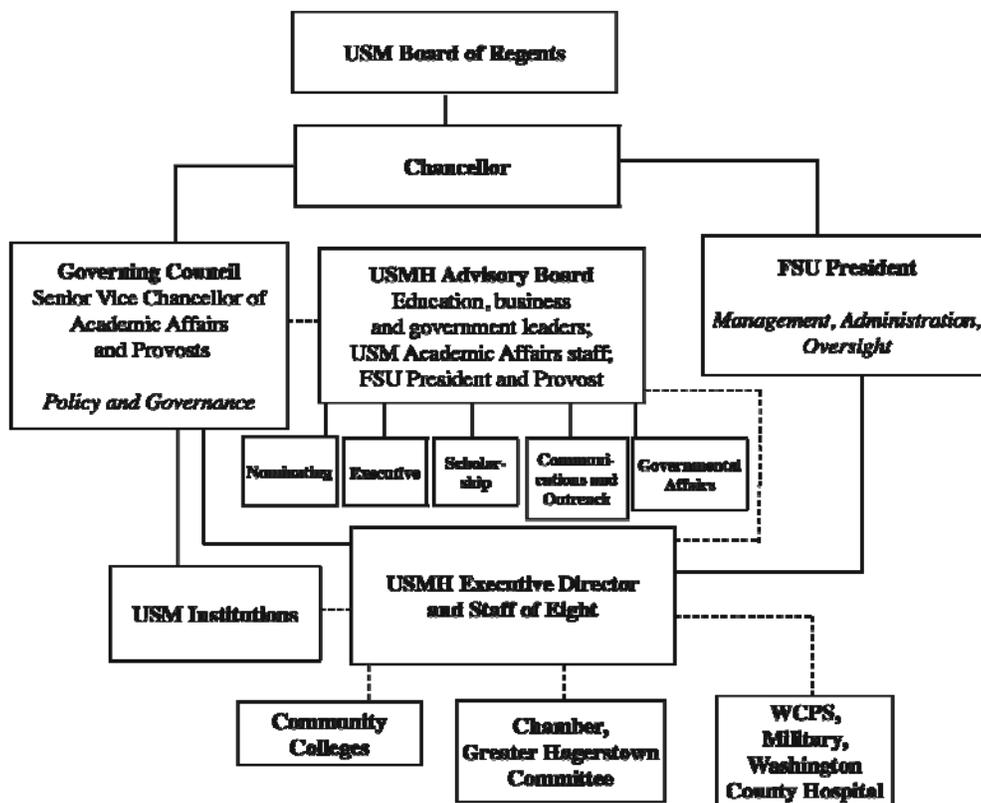
In other words, the USM is committed to providing the high-quality programs and educational experiences and services available at the institutions' home campuses to students enrolled at the USMH center.

Both centralized and participant-provided services are available at USMH. Center-based services include a library/media center and technology support that is utilized by the faculty and students from all partner universities. The Center also coordinates community-building activities such as a Student Ambassador program and student appreciation days. Counseling, advising, registration, disability and financial aid services are provided on-site and/or on-line by each university.

III. Considerations Concerning the Most Appropriate Governance Structure for the USMH Higher Education Center

The organizational structure for both the University System of Maryland at Hagerstown and the Universities of Shady Grove follows the same model designed by the University System of Maryland. The structure includes: governance by the USM Board of Regents, a Governing Council responsible for academic and other executive decisions, a Board of Advisors of local business and education leaders and government officials appointed by the Chancellor, one managing USM institution, support from the USM Office and center staff. Exhibit 4 provides the organizational structure for USMH.

Exhibit 4. USMH Organization and Management Structure



University System of Maryland Board of Regents

USMH is governed by the University System Board of Regents (Board of Regents). In accordance with the powers granted and duties imposed by Title 12 of the Education Article, the Board of Regents of the University System of Maryland is responsible for the management of the University System and has all the powers, rights, and privileges that go with that responsibility, including the power to conduct or maintain any institutions, centers, schools, or departments in the University System at the locations the Board determines. As provided by statute, the Board may not be superseded in its authority by any other State agency or office in managing the affairs

of the University System or of any constituent institutions and centers under the Board's jurisdiction.

USMH Governing Council

The overall guidance of the Center is the responsibility of the Hagerstown Governing Council (HGC), composed of the Provosts of the participating USM institutions, chaired by the USM Senior Vice Chancellor for Academic Affairs, and staffed by the Executive Director of the USMH. The HGC approves policies affecting the academic program inventory, the annual budget, and the financial plan for the Center, subject to the approval of the Board of Regents.

USMH provides a unique education experience by taking advantage of its connection to the region. The support of the community is paramount to the Center's success. USMH is organized and structured around the concept of partnerships and collaborations. Internal to the USM are partnerships with the participating USM institutions that provide the educational programs at USMH. These partnerships ensure that students have access to uniform high-quality learning experiences and that they will be prepared to contribute to the economic development of the region by entering the workforce in areas which the local business, industrial, and government communities have identified as needed. Business, industry, and government partners have an institutional voice through the Center's Board of Advisors.

USMH Advisory Board

Appointed by the Chancellor, the Board of Advisors for USMH serves to advise the USM leadership about issues, needs, and interests of the region, its business and county leaders, as they relate to the Center. The Board works closely and meets regularly with the chair of the Governing Council, and the Center Executive Director to discuss matters related to the continuing development of the Center.

The USMH Board of Advisors consists of twenty-two individuals representing education, government and business. The Board membership includes political representatives from state, county, and city government; educational representatives from USM, USMH, Hagerstown and Frederick Community Colleges, and Washington and Frederick County public schools; and CEO's, as well as other representatives from a variety of businesses in Washington County.

The principal responsibility of the Board is to provide guidance to ensure that student, business, local and state government, and community needs are met. Its members serve to advocate on behalf of the development of USMH and promote activities, policies and programs that ensure the advancement of its educational and economic development mission. Within this framework, the Board 1) provides advice and support to USM Board of Regents and USMH executive director and 2) oversees strategic development and implementation that includes program identification, financial planning and development, cooperation and partnership building, marketing and promotion, facilities development, and evaluation and assessment. Appendix 10 provides the names and titles of the members of the USMH Advisory Board.

Managing Institution

Frostburg State University (FSU) is the managing institution for USMH. As such, FSU provides administrative and facilities support to the center without the need for USMH to duplicate services. This is arranged through a relationship with the center under a contract that details services to be provided and the annual level of funding to be paid to FSU for those services. The contract currently provides 5 percent of the total Center budget annually to Frostburg state for this support, or approximately \$100,000 in each of the past five years. The USMH executive director reports to the President of FSU. The University provides services in the areas of human resources, budget and finance, maintenance and facility, safety and security, information technology, governmental affairs, and marketing and public information.

USM Support

The University System of Maryland Office of Administration and Finance provides support in the areas of financial planning, budget management, capital issues, enrollment management, and institutional research. Support in the areas of new academic program development, monitoring of all academic programs and leading the USMH Governing Council are the responsibility of the USM Office of Academic Affairs. The USM Office of Governmental Affairs provides advice and guidance in political matters.

Center Personnel

USMH currently has nine full-time staff and six part-time staff. There is one Executive Director responsible for the management and direction of USMH who also serves as secretary to the Governing Council. There is one Director of Marketing and Public Information and one full-time assistant; one Director of Library/Media services and Testing, one part-time library staff member and one library substitute; there are two full-time IT technician and four part-time IT technicians, there is one full-time executive assistant and two full-time administrative assistants.

IV. Ensuring the Financial and Programmatic Success of the USMH Higher Education Center

Enhancing the Strong Relationship with Hagerstown Community College and Building Upon the Relationship with Frederick Community College and other Local Institutions

USMH maintains strong and active relationships with Hagerstown and Frederick Community Colleges. The center is also working closely with the newly restructured Kaplan University Hagerstown Campus.

Hagerstown Community College

The relationship between USMH and the Hagerstown Community College (HCC) is very similar to the relationship that exists between the USG center and Montgomery College in Montgomery County. HCC is the primary community college serving Washington County and is the primary feeder of students to the USMH center. The president of HCC serves on the USMH Advisory

Board, contributing important input regarding academic programs that meet the needs of HCC graduates. HCC currently has a dual admission agreement with Frostburg State University (FSU) at FSU and USMH that allows HCC students to enroll simultaneously at both institutions and eliminates the need to apply to FSU for the junior and senior years. HCC is also working to develop similar agreements with the other center institutions.

USMH participates in HCC's Learning Communities and attends all college fairs at the institution that serve to enhance the strong relationships between USMH and advisors at the community college. HCC is the only outside college participating in USMH open houses, which are center events where USMH institutions provide potential students with information and details regarding their programs. An admissions representative from HCC attends all of the USMH college fairs in order to serve students planning to transfer into programs at USMH. Articulation and dual-admission agreements are developed, implemented and continuously reviewed by the college and partner institution faculty collaboratively. HCC has offered courses specifically for the purpose of matching the prerequisite requirements for courses offered by institutions at the center. USMH and HCC marketing departments have collaborated to create joint advertising, promoting the seamless transition from HCC to programs at USMH while providing a high-quality, convenient and affordable education. Finally, because of the current space limitations at USMH, the center is working with HCC on an agreement to obtain access and use of science laboratories for those classes requiring lab time at the college location 2 miles from the center.

Frederick Community College

The vice president of academic affairs at Frederick Community College (FCC) serves on the USMH Advisory Board providing valuable input regarding the programmatic needs of the Frederick-area population. USMH participates in FCC's transfer fairs and advertises in FCC's student newspaper. FCC staff provide USMH staff with statistics and directory information to assist the USMH marketing department with marketing efforts.

Kaplan University

Kaplan administrators are working to establish articulation agreements with USMH partner university representatives to provide Kaplan students the opportunity to continue their postsecondary education at the Center.

Strong Relationship with the Surrounding Area

A major goal of the USMH mission is to promote and expand the economic development of downtown Hagerstown. As a result, the Center has a special relationship with the City of Hagerstown. Examples of the city's support of the Center include the city's instrumental role in acquiring land next to USMH and developing it into the park known as University Plaza, rental of classroom and office space for the Hagerstown Police Department cadet training and the Downtown Police Squad, and contributions to the USMH scholarship fund. In addition, the Mayor of Hagerstown is an active member of the USMH Board of Advisors.

USMH also maintains a special relationship with Washington County. The President of the County Commissioners serves on the USMH Board of Advisors. The County contributed funds during 2004, before USMH was officially open, to be used in marketing the new initiative and has also contributed to the USMH scholarship fund. Washington County Public Schools (WCPS) works actively to support education programs at USMH that benefit WCPS staff by offering tuition assistance to staff taking classes at USMH. WCPS will have 25 employees enrolled for the College Park Education Doctorate. In addition, the Superintendent of WCPS serves on the USMH Board of Advisors. The Washington County Health System (WCHS) supports nursing education programs at USMH by paying the tuition of their nurses in the graduate nursing program provided by Towson University. In addition, the WCHS CEO serves on the USMH Board of Advisors. The Washington County Department of Social Services executive director supports social work programs at USMH.

USMH is also working to attract more students from Frederick County. Of 10 scholarships awarded during 2009, three went to Frederick County residents attending USMH. USMH continues to explore ways to attract more students from across the region.

Increasing Fiscal and Non-Financial Local Participation

Increasing Alternative Revenue Sources

The USMH center has had modest success in raising alternative revenue sources. Relationships with local political leaders, educational institutions and governmental agencies provide the main source of rental income. The Barbara Ingram School for the Arts, a newly opened performing arts high school in Washington County, rents academic classroom space during the day for use by its faculty and students. Maryland Senator Barbara Mikulski and State Delegate John Donoghue each rent office space at USMH for their regional offices.

While these efforts have been successful, the center is limited in its ability to contract for large training programs or meetings due to the configuration of rooms and center space, since it does not have large spaces to offer. Until the center can expand into additional space that can be configured to accommodate large groups, the center is limited to renting to small groups, classes or functions.

Fundraising

The business, education, and political leaders of Washington County were active raising scholarship funds for USMH during 2005. The April 2005 grand opening of USMH generated \$25,000 in scholarship funds. These funds were deposited in the local Community Foundation and became a part of the Waltersdorf/Henson matching Campaign. This fund is over-subscribed and has not lost one pledge patron. It is on track to raise more than the \$212,500 needed to be matched by the Waltersdorf/Henson Endowment Challenge Campaign. In 2011, this fund will have more than \$450,000 deposited, of which the interest will be used to fund scholarships.

Once community volunteer fundraisers determined the Community Foundation Fund was over subscribed and would meet the requirement to receive matching funds, a line item was

established in the USM Foundation for USMH scholarships. In September of 2008, \$25,000 was raised at the annual Elizabethtowne Feaste and Frolic fundraiser and was deposited in the USM Foundation. Ten \$2,500 scholarships were awarded in May of 2009 for students attending USMH this fall. An additional \$20,000 was raised at the September 2009 Elizabethtowne Feaste and Frolic event and was deposited into the USMF account.

The Washington County Chamber of Commerce annually hosts the Higher Education Awards Banquet recognizing academic excellence of faculty teaching in programs at USMH, as well as at other institutions in the county. The Chamber has created a scholarship fund and deposits the proceeds from the event into the fund.

V. Expanding Programmatic Offerings and Related USM and MHEC Policies and Processes

New programs are suggested by a variety of sources, including the USMH Advisory Board, the Center Director, local community colleges, members of the public, area employers, and the USM. An analysis of each proposed program is conducted to determine actual student demand and operational, facility and equipment costs. If this analysis determines that a proposed program is justified on the basis of both demand and cost, negotiations are conducted with the USM institutions to determine the details of partnering to offer the program.

With the participation of the Center, academic and financial issues are negotiated by the USM Office and Chancellor with the USM institutions. Initial decisions regarding whether or not to offer the program are made, and if the decision is to offer the program, which USM institution should provide it. The selected institution is then responsible for developing a program proposal, which is then vetted for approval by the Governing Council.

If no USM institution is willing to offer a program at the center, and the need has been clearly demonstrated, the center director will work to secure a program from another in-state private or public institution outside the University System.

In October 2004, MHEC prepared a report that had been requested by the Joint Chairs of the Budget Committees of the Maryland General Assembly, titled, "Examination of Maryland's Regional Higher Education Centers." Among other things, the report set out the State policy for approving institutions to offer programs at regional higher education centers. The following process for approving a non-USM institution to deliver a program at a USM regional center is consistent with the recommendations of MHEC policy.

When a center has established that there is a regional or state-wide need that cannot be met by a USM institution, the center director will so notify USM and MHEC.

- MHEC, in consultation with USM, will develop and distribute an RFP to inform the higher education community of programs needed by the center.

- MHEC will review proposals from public institutions to ensure that programs are consistent with the institution's approved mission (private institutions do not have approved missions).
- When MHEC has completed its review, all program proposals will be forwarded to USM.
- USM will review the proposals to ensure that the programs satisfy criteria of quality and need.
- The center director will review the proposals and make recommendations to the provosts' governing council, which makes the decision about which institution seems best suited to offer the program at the center.
- The center director will then ensure that the proposed program has sufficient resources to successfully offer the program and will develop with the institution an MOU similar to that used for USM institutions.
- The MOU will stipulate that the program will be charged the full cost of operation and overhead, and will not be eligible to receive planning or start-up funds from the center.

Institutional Participation

In addition to the academic programs and related services, USMH also provides a testing center for students enrolled on-line with UMUC. UMB offers non-credit training classes in social work for working professionals. The Hagerstown Police Department conducts in-service training and comparative compliance training for its officers. USMH rents meeting space to local business, education, and government entities. Appendix 11 provides data on Non-Credit Training CEUs offered at the Center

VI. Observations and Recommendations to Improve the Immediate and Long-Term Success of the Center

Observations

The governance structure of the University System of Maryland at Hagerstown under the University System of Maryland Board of Regents, USMH Governing Council and USMH Advisory Board is extremely valuable to the community and surrounding region in ensuring the success of the USM Hagerstown Center.

The organizational structure of the center allows for effective interplay between the USMH Governing Council, consisting of partner institution Provosts and the Senior Vice Chancellor of Academic Affairs for USM, and the USMH Advisory Board, composed of state, county, and city government political representatives; educational representatives from USM, USMH, Hagerstown and Frederick Community Colleges, and Washington and Frederick County public schools; and CEO's and other representatives from businesses in Washington County. This structure allows both the Board of Advisors and Center staff to have continuous and regular meetings with the Governing Council to discuss the effectiveness of the center in providing needed programs. It also provides the opportunity to continuously inform the governing council and Board of Regents of the need for new programs at the center. In addition, the support the center receives from both Frostburg State University and the University System of Maryland staff is extremely helpful in ensuring that the center is working as efficiently as possible.

The connection of the center to the University System of Maryland provides the opportunity to deliver needed programs by USM institutional partners. From the inception of the center by the local government, the center was always envisioned to be a University System of Maryland Center. This relationship has been vital to the development of the center in Hagerstown and Washington County, and to the City of Hagerstown's revitalization.

The relationship of the center to the community and other educational institutions within has been strong since the center's inception and continues to be strengthened.

As was shown in Exhibit 2 and Appendix 3, the placement of the USMH Center in the City of Hagerstown has contributed substantially to the revitalization of the City. The location has also benefited the Center by providing a convenient and vibrant destination for residents of Washington County to pursue their higher education goals. Students of the Center not only have the resources of the Center available to them, but they also benefit by having other city resources, such as the public library, district and circuit courts and local hospitals and health centers nearby.

Executives of Hagerstown Community College and Frederick Community College are members of the USMH Advisory Board. They have all committed to continue promoting the center to their students and to working with the center and partner institutions to ensure transfer to the USMH center is as seamless as possible for students.

Washington County Public Schools and the Washington County Health System continue to work the USMH Center to ensure that programs offered at the center are ones that are needed by students to receive the proper credentials to be hired as teachers, staff and health professionals. Further, these entities work with the center for training and continuing education needed for their current faculty, health professionals and staff.

USMH and the Community Foundation have worked very closely through community fund-raising efforts and the Community Foundation has added funds through a matching campaign. Community volunteer fundraisers have worked with the Center to raise funding at annual events such as the Elizabethtowne Feaste and Frolic fundraisers. Finally, faculty from the USMH Center have been included for recognition at the annual Washington County Chamber of Commerce Higher Education Awards Banquet.

Center Staff and Board of Advisors are continually looking at ways to increase funding and other types of participation from local sources within the limitations of the center's configuration.

There are currently limitations to the center facility and these have been recognized by both USM and USMH Staff, e.g. the size and number of rooms, lack of large meeting space and inflexibility of the spaces within the building. However, the relationship between the Center and the City allows for future expansion opportunities. Development of additional space within close proximity to the Center can continue to contribute to the two goals of the Hagerstown location,

namely accommodating additional programmatic needs for educating and training citizens of the region and continued revitalization of the City of Hagerstown.

A goal for both USM and the Center is to lower the per-student level of State funding to the Center. To do this, the center must have space to be able to continue increasing enrollment and the number and size of classes offered. The Center has been very successful over the past five years in increasing its enrollment, but as has been earlier noted, is reaching the capacity of the current facility.

The center has also been effective in working with the community to program space during times when there is a lower demand on the center's resources. Rental of classroom space to the Barbara Ingram School for the Arts, rental of office space to Maryland Senator Barbara Mikulski and State Delegate John Donoghue and the annual rental of a classroom to the Hagerstown Police Department for cadet training are all examples of how the Center is working closely with the local community to utilize space. While the Center has achieved success with renting classroom and office space, it is not able to accommodate training programs or functions for larger groups in need of larger meeting spaces. Addition of this type of space would assist the center in building alternative revenue sources and reduce the need for the continued level of State funding.

The USM Hagerstown policy allows for non-USM institutions to provide programs at the Center if USM institutions can or will not provide the programs first.

When a demonstrated need for a program has been identified and the USMH Governing Council and the USM Office and Chancellor concur, discussions and negotiations focus on finding the proper USM institution to provide the program.

To date, all proposed programs with demonstrated need have been offered at the center by USM institutions. If no USM institution is willing to offer a program at the center, the center director will work to secure a program from another in-state private or public institution outside the University System, consistent with the State policy developed by MHEC.

Recommendations

- The current organizational structure for USMH under USM is the most appropriate governance structure for the center. USMH should continue to work closely with Hagerstown and Frederick community colleges, Kaplan University, the Washington County Public Schools, the Washington County Health System and other business and government agencies in Washington County to fulfill the educational training needs in the region.

- The location of the Center within the City of Hagerstown has achieved the economic revitalization component of the Center's mission. Hagerstown has seen a strong increase in development and economic activity since the inception and arrival of USMH to the city. The Center should continue to work with the City to provide programs and other opportunities to continue to attract students, businesses and continued economic development.
- USMH should continue to develop creative scheduling solutions to maximize use of the facility. This will help increase the outside support for the center and utilize the facility during off-peak times, thereby reducing reliance on State funding. When possible, USM should purchase additional space near the center for expansion of USMH to include larger rooms and meeting spaces. The USMH staff and Advisory Board should also continue to raise funds for scholarships and other purposes with the support of the city and county governments and the local business community.
- The USM policy for offering programs at the USMH Center allows for non-USM institutions to participate, should no USM institution be able or willing to provide a needed program. USMH should continue to solicit USM institutions to provide programs at the center. If no USM institution is able or willing to provide a needed program, USM and Center staff should work with MHEC to solicit program delivery from non-USM institutions within Maryland or from outside the State.

Appendix 1. Workgroup to Study the University System of Maryland at Hagerstown Regional Higher Education Center

Mr. Geoffrey Newman
Director of Finance Policy
Maryland Higher Education Commission

Honorable Donald F. Munson
Maryland State Senate

Honorable LeRoy E. Myers, Jr.
Maryland House of Delegates

Honorable John P. Donoghue
Maryland House of Delegates

Honorable Robert E. Bruchey II
Mayor
City of Hagerstown

Dr. Gaye E. McGovern
Chair
University System of Maryland at
Hagerstown Board of Advisors

Dr. Guy Altieri
President
Hagerstown Community College

Dr. Carol Eaton
President
Frederick Community College

Dr. Jonathan Gibraltar
President
Frostburg State University

Mr. Brien J. Poffenberger
President
Washington County Chamber of
Commerce - Hagerstown

Ms. Mary Baykan
Director, Washington County Free Library
System
Executive Director, Western Maryland
Public Libraries
Greater Hagerstown Committee

Mr. Christopher Motz
Campus President
Kaplan University Hagerstown

Ms. Karen Giffin
Director of Community Affairs
City of Hagerstown

Ms. Donna Hanlin
Assistant Superintendent for Secondary
Instruction
Washington County Board of Education

Dr. Margaret Bartow
Vice President for Learning and Provost
Frederick Community college

Dr. Judith C. Oleks
Vice President for Academic Affairs
Hagerstown Community College

Dr. Sue Blanshan
Director of Academic Affairs
Maryland higher Education Commission

Mr. John Franklin Barr
President
Washington County Commissioners

Dr. Irwin Goldstein
Senior Vice Chancellor for Academic
Affairs
University System of Maryland

Ms. Teri Hollander
Associate Vice Chancellor for Academic
Affairs
University System of Maryland

Mr. Mark Beck
Director for Capital Planning
University System of Maryland

Ms. Monica West
Associate Director for Budget Analysis
University System of Maryland

Dr. David Warner
Executive Director
University System of Maryland at
Hagerstown

Ms. Erin Harman
Director of Marketing and Public Relations
University System of Maryland at
Hagerstown

Ms. Andrea Mansfield
(Former)
Assistant Secretary for Finance Policy
Maryland Higher Education Commission

Appendix 2. Maryland Regional Higher Education Centers

Center	Governance/Affiliation	Year Established	Total State		Total State		Total Revenue per FTE FY 2009	Total State Appropriations per FTE FY 2009
			Total Revenue FY 2009	Appropriations FY 2009	FTE Enrollment FY 2009	Total Revenue per FTE FY 2009		
AAACC Regional Higher Education Center at Arundel Mills	Anne Arundel Community College	2003	\$6,898,153	\$2,550,640	1,321.24	\$5,221	\$1,930	
Eastern Shore Higher Education Center	University of Maryland Eastern Shore, Salisbury University, and Chesapeake College	2004	220,243	153,850	176.20	1,250	873	
Higher Education & Conference Center at HEAT	Harford Community College, Harford County, Maryland Department of Transportation	1995	720,622	177,000	223.00	3,231	794	
Laurel College Center	Prince George's Community College, Howard Community College	2001	2,011,321	156,392	450.4	4,466	347	
Southern Maryland Higher Education Center	Statutorily Created, Independent Governing Board appointed by the Governor	1994	1,501,652	441,570	392.3	3,828	1,126	
Waldorf Center for Higher Education	College of Southern Maryland and University of Maryland University College	1997	1,145,869	160,270	366.00	3,131	438	
Universities at Shady Grove	University System of Maryland Board of Regents	2000	13,019,000	7,390,328	1,783.70	7,299	4,143	
University System of Maryland at Hagerstown	University System of Maryland Board of Regents	2005	1,919,057	1,865,492	247.00	7,769	7,553	

FTE Enrollment is enrollment based on credit hours taken. One full time equivalent student equals 15 credit hours per semester undergraduate, and 12 credit hours graduate.
 Sources: Regional Higher Education Centers, Maryland Higher Education Center, University System of Maryland

Appendix 3. Current and Future Development Projects in Hagerstown Downtown Investments Map -- Public and Private Investment, 1990-Future

PUBLIC Investment

Map #	Property	Applicant	Investment Amount	Year	Investment Type	Type of Use	July 1, 2009 Assessment
1	N. Locust Street	City of Hagerstown	\$166,000	2007	Public	Streetscape	0
4	US 40 Streetscape	State Highway Administration	\$2,000,000	1997-02	Public	Streetscape	0
9	17-21 E. Franklin	City of Hagerstown	\$1,010,308	1998-00	Public	Commercial	\$50,000
10	Central Parking Lot	City of Hagerstown	\$1,750,000	2000	Public	Parking	0
12	Elizabeth Hager Center, 2-6 N. Potomac, 12.12.15.16 Public Square	City of Hagerstown	\$2,192,000	1995	Public	Commercial	\$875,564
15	Public Square	City of Hagerstown	\$501,000	1998	Public	Streetscape	0
18	14-16 W. Washington	Public Square LLC	\$250,000	1997-98	Public	Commercial	0
20	USM Hagerstown Center, 32-48 W. Washington	State of Maryland	\$13,500,000	2002-05	Public	School	\$10,448,766
21	University Plaza	City of Hagerstown	\$1,501,831	2004-05	Public	Park	0
28	Washington County Courthouse, 95 W. Washington	Washington County	\$2,600,000	2002-05	Public	Courthouse	\$2,920,632
30	County Office Building, 35 W. Washington	Washington County	\$862,000	2002-05	Public	Commercial	\$2,800,166
31	Barbara Ingram School for the Arts, 7-11 S. Potomac	Board of Education	\$10,636,000	2007-09	Public	School	\$691,266
36	South Potomac Sidewalk Widening	City of Hagerstown	\$432,000	2007-08	Public	Streetscape	0
40	SW Quadrant Alley Widening Project	City of Hagerstown	\$585,000	2002	Public	Streetscape	0
41	District Court, 36 W. Antietam	State of Maryland	\$4,400,000	2000	Public	Courthouse	\$4,633,500
42	Unikote Parking Lot	City of Hagerstown	\$85,600	2003	Public	Parking	0
47	A&E Parking Deck	City of Hagerstown	\$2,400,000	2008	Public	Parking	3,725,100
52	Washington County Free Library, 100 S. Potomac	Washington County Free Library	\$16,000,000	FUTURE	Public	Library	\$5,068,500
53	Antietam St. & Locust St. Ped. Crosswalk	City of Hagerstown	\$10,000	2003	Public	Streetscape	0
55	Baltimore St. & Locust St. Ped. Crosswalk	City of Hagerstown	\$10,000	2007	Public	Streetscape	0
	Alley Widening on E. Washington	City of Hagerstown (with County Contribution)	\$813,802	2009	Public	Streetscape	0
	TOTAL		\$61,705,541				\$31,213,494

Appendix 3. Current and Future Development Projects in Hagerstown Downtown Investments Map -- Public and Private Investment, 1990-Future

Map #	Property	Applicant	Investment Amount	Year	Investment Type	Type of Use	July 1, 2009 Assessment
2	24 E. Franklin Street	Alan Greenwald		0 FUTURE	Private	Mixed Use	\$199,000
3	110 N. Potomac Street	Tim Gordon	\$1,600,000	2008-10	Private	Mixed Use	\$611,866
5	65-69 W. Franklin Street	Gibney	\$90,000	2007	Private	Mixed Use	\$235,000
6	63 W. Franklin Street	Steve Swayne	\$275,000	1993	Private	Mixed Use	\$309,466
7	41 North Potomac Street	Deputy & Cook	\$500,000	2005-06	Private	Mixed Use	\$537,132
8	35-39 N. Potomac Academy Theatre, 56-58 E. Washington	Cushwa, Brantner, and Strite	\$350,000	1993	Private	Mixed Use	\$230,932
11	1310-12 E. Washington	Milton Stamper	\$1,300,000	2008	Private	Commercial	\$987,000
13	10-12 E. Washington	Michelle Dietrich	\$368,000	2005	Private	Commercial	\$242,300
14	8 Public Square	R. Bruce Carson Jewelers	\$150,000	2006	Private	Commercial	0
16	3 Public Square	Public Square LLC	\$1,400,000	2000	Private	Commercial	\$1,258,866
17	4-6 W. Washington	Towne Center LLC	\$0	1986	Private	Commercial	0
19	20 W. Washington	Dick McCleary	\$1,270,000	1997-99	Private	Commercial	\$1,674,000
22	66 W. Washington	McCleary and Azadi	\$750,000	2001-2009	Private	Commercial	\$114,166
23	24-28 Jonathan Street	Cushwa, Brantner, and Strite	\$425,000	1994	Private	Commercial	\$620,532
24	128 W. Washington Street	Lyles Development	\$950,000	FUTURE	Private	Commercial	\$1,144,400
25	138 W. Washington Street	Washington Street LLC	\$750,000	FUTURE	Private	Commercial	\$482,000
26	Renaissance Center, 170 W. Washington	Skip Tovomik	\$4,500,000	FUTURE	Private	Commercial	\$310,466
27	149-151 W. Washington Street	Moore Carousel	0	FUTURE	Private	Mixed Use	\$149,182
29	43 W. Washington Street	Vincent Groh	0	FUTURE	Private	Mixed Use	\$419,166
32	Faith Chapel Center, 6-8 S. Potomac	Faith Chapel	0	2002	Private	Church	\$874,332
33	23-27 East Washington Street	Bowman Development	\$1,800,000	FUTURE	Private	Commercial	\$144,532
34	31 East Washington Street	Demcore Development	\$1,800,000	FUTURE	Private	Mixed Use	\$912,966
35	28 South Potomac Street	Demcore Development	\$4,000,000	2002	Private	Commercial	\$2,373,632
37	25 S. Potomac Street	HNDP	0	FUTURE	Private	Mixed Use	\$326,900
38	Maryland Theatre, 21 S. Potomac	Maryland Theatre	\$658,000	1996-99	Private	Theater	\$1,394,132
39	13-17 South Potomac Street	Demcore Development	\$2,600,000	FUTURE	Private	Mixed Use	\$651,232
43	43-45 South Potomac Street	Demcore Development	0	FUTURE	Private	Mixed Use	\$1,159,966
44	55-57 South Potomac Street	Demcore Development	\$3,500,000	FUTURE	Private	Mixed Use	\$815,832

Appendix 3. Current and Future Development Projects in Hagerstown Downtown Investments Map -- Public and Private Investment, 1990-Future

32-36 South Potomac 45 Street	Bowman Development	\$1,200,000	2005-08	Private	Mixed Use	\$197,400
38-48 South Potomac 46 Street	Bowman Development	\$3,200,000	2005-08	Private	Commercial	\$1,475,366
48-48 South Potomac Street	Bowman Development	\$0	2005-08	Private	Commercial	0
49-37 W. Antietam Street	Demcore Development	\$1,800,000	FUTURE	Private	Mixed Use	\$445,000
101-103 South Potomac 50 Street	Demcore Development	\$5,000,000	FUTURE	Private	Mixed Use	\$301,732
Odd Fellows Temple, 51-111-113 S. Potomac	Watts & Elgin	\$330,000	1995	Private	Commercial	\$685,832
Potomac Square, 28 E. 54 Baltimore	HNDP	\$15,500,000	FUTURE	Private	Residential	\$477,500
Darby Condominiums, 56-138 E. Antietam	Tom Plant	\$2,500,000	2006	Private	Residential	\$3,780,000
TOTAL		\$58,566,000				\$25,541,828

Appendix 3. Current and Future Development Projects in Hagerstown Downtown Investments Map -- Impact of USM Announcement, 11/24/99

USM Hagerstown Center, 32-48 W. Washington	State of Maryland	\$13,500,000	2002-05	Public	School	\$10,448,766
21 University Plaza	City of Hagerstown	\$1,501,831	2004-05	Public	Park	0
22 66 W. Washington	McCleary and Azadi	\$750,000	2001-2009	Private	Commercial	\$114,166
Washington County Courthouse, 95 W. Washington	Washington County	\$2,600,000	2002-05	Public	Courthouse	\$2,920,632
County Office Building, 35 W. Washington	Washington County	\$862,000	2002-05	Public	Commercial	\$2,800,166
Barbara Ingram School for the Arts, 7-11 S. Potomac	Board of Education	\$10,636,000	2007-09	Public	School	\$691,266
31 Faith Chapel Center, 6-8 S. Potomac	Faith Chapel	0	2002	Private	Church	\$874,332
Demcore Development	Demcore Development	\$4,000,000	2002	Private	Commercial	\$2,373,632
35 28 South Potomac Street	City of Hagerstown	\$432,000	2007-08	Public	Streetscape	0
36 Sidewalk Widening SW Quadrant Alley	City of Hagerstown	\$585,000	2002	Public	Streetscape	0
40 Widening Project District Court, 36 W. Antietam	State of Maryland	\$4,400,000	2000	Public	Courthouse	\$4,633,500
41 Antietam	City of Hagerstown	\$85,600	2003	Public	Parking	0
42 Unikote Parking Lot	Bowman	\$1,200,000	2005-08	Private	Mixed Use	\$197,400
32-36 South Potomac Street	Bowman Development	\$3,200,000	2005-08	Private	Commercial	\$1,475,366
45 38-48 South Potomac Street	City of Hagerstown	\$2,400,000	2008	Public	Parking	3,725,100
46 Street	Bowman Development	\$0	2005-08	Private	Commercial	0
47 A&E Parking Deck	City of Hagerstown	\$10,000	2003	Public	Streetscape	0
48 48 South Potomac Street	City of Hagerstown	\$10,000	2007	Public	Streetscape	0
Antietam St. & Locust	City of Hagerstown	\$10,000	2006	Private	Residential	\$3,780,000
53 St. Ped. Crosswalk	Tom Plant	\$2,500,000	2009	Public	Streetscape	0
Baltimore St. & Locust	City of Hagerstown	\$813,802				
55 St. Ped. Crosswalk	City of Hagerstown (with County Contribution)	\$59,820,541				
Darby Condominiums, 138 E. Antietam	City of Hagerstown					
Alley Widening on E. Washington						
TOTAL						\$37,956,490

Appendix 3. Current and Future Development Projects in Hagerstown Downtown Investments Map -- Impact of USM Announcement, 11/24/99

FUTURE

Map #	Property	Applicant	Investment Amount	Year	Investment Type	Type of Use	July 1, 2009 Assessment
24	24 E. Franklin Street	Alan Greenwald	0	FUTURE	Private	Mixed Use	\$199,000
24	128 W. Washington Street	Lyles Development	\$950,000	FUTURE	Private	Commercial	\$1,144,400
25	138 W. Washington Street	Washington Street LLC	\$750,000	FUTURE	Private	Commercial	\$482,000
26	Renaissance Center, 170 W. Washington	Skip Tovornik	\$4,500,000	FUTURE	Private	Commercial	\$310,466
27	149-151 W. Washington Street	Moore Carousel	0	FUTURE	Private	Mixed Use	\$149,182
29	43 W. Washington Street	Vincent Groh	0	FUTURE	Private	Mixed Use	\$419,166
33	23-27 East Washington Street	Bowman Development	\$1,800,000	FUTURE	Private	Commercial	\$144,532
34	31 East Washington Street	Demcore Development	\$1,800,000	FUTURE	Private	Mixed Use	\$912,966
37	25 S. Potomac Street	HNDP	0	FUTURE	Private	Mixed Use	\$326,900
39	13-17 South Potomac Street	Demcore Development	\$2,600,000	FUTURE	Private	Mixed Use	\$651,232
43	43-45 South Potomac Street	Demcore Development	0	FUTURE	Private	Mixed Use	\$1,159,966
44	55-57 South Potomac Street	Demcore Development	\$3,500,000	FUTURE	Private	Mixed Use	\$815,832
49	37 W. Antietam Street	Demcore Development	\$1,800,000	FUTURE	Private	Mixed Use	\$445,000
50	101-103 South Potomac Street	Demcore Development	\$5,000,000	FUTURE	Private	Mixed Use	\$301,732
52	Washington County Free Library, 100 S. Potomac	Washington County Free Library	\$16,000,000	FUTURE	Public	Library	\$5,068,500
54	Potomac Square, 28 E. Baltimore	HNDP	\$15,500,000	FUTURE	Private	Residential	\$477,500
TOTAL			\$54,200,000				\$13,008,374

Public & Private Investment in Downtown Hagerstown, 1990-2008



Tax Map Parcel Line

- Private Investment
- Public Investment
- Public Infrastructure
- Future Planned Investment

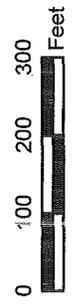
Total Public Investment:
\$43,887,000

Total Private Investment:
\$22,396,000

Total Future Planned Investment*:
\$35,085,000

Total Public and Private Investment:
\$101,068,739

*Total Investment Sum Does not include Washington County Free Library



Map Projection: NAD83 State Plane Maryland (feet)
 Data Source: City of Hagerstown, 2007
 Prepared By: Hagerstown Planning Dept., 02/02/09



**USMH
at
Hagers
town**

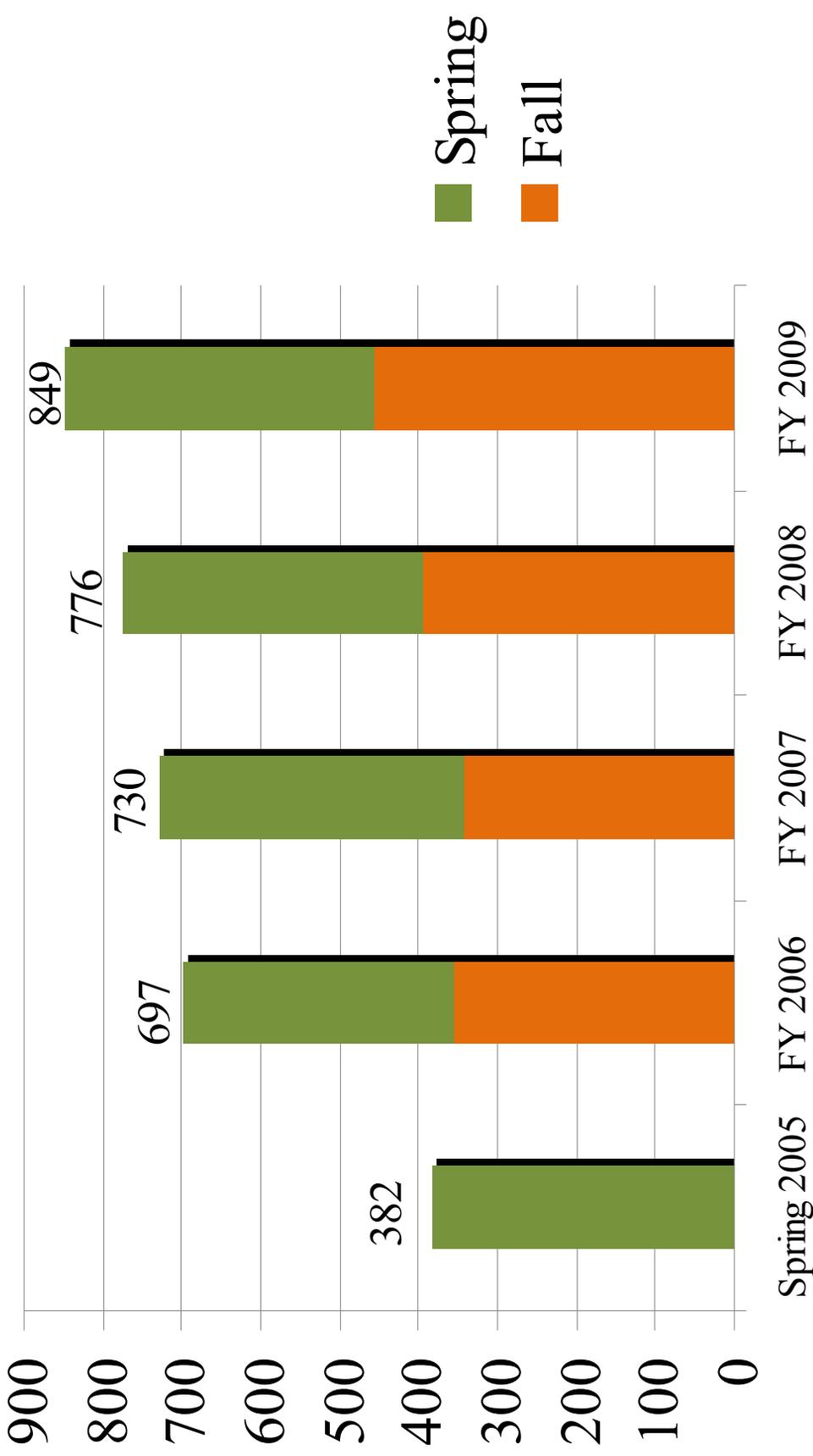
Appendix 4. The Appalachian Region

The Appalachian Region



Source: Appalachian Regional Commission

Appendix 5. USMH Headcount Enrollment: Spring 2005 – FY 2009



Appendix 6. University System of Maryland Hagerstown Regional Higher Education Center Revenue: FY 2009

Source	Revenue
<i>Direct Governmental Appropriations</i>	
State Appropriation - RHEC Grant	
State Appropriation - Other Funds \$	1,865,492
SG III Operating Costs	
Debt Service for Furniture & Equipment	
Enrollment Growth Initiative Funds	
County Appropriation	
Federal	
<i>Institutional Subsidy</i>	
<i>Grants and Contracts</i>	
<i>Fees and Usage Income</i>	
	Institutional
Corporate/Nonprofit Organizations	
Student	26,010
Other	27,555
<i>Transfers to and from fund balance</i>	
<i>Other</i>	
Sub-Total Revenue	\$ 1,919,057
<i>In-Kind Support (specify)</i>	
Total Revenue	\$ 1,919,057

Source: University System of Maryland

Appendix 7. Chronology of Participation at USMH by Partner Institutions & Programs

<p>Opened with Frostburg and UMB</p>  	<p>University of Maryland College Park brings engineering</p> 	<p>Towson brings undergraduate nursing programs</p> 	<p>Salisbury brings social work programs</p>  <p>UMUC brings investigative forensics</p>  <p>Towson brings graduate nursing</p> 	<p>UMUC brings criminal justice</p> 	<p>College Park to bring education doctorate</p>  <p>Frostburg to bring psychology</p> 
J a n u a r y 2 0 0 5					
J a n u a r y 2 0 0 6					
A u g u s t 2 0 0 6					
A u g u s t 2 0 0 7					
A u g u s t 2 0 0 8					
J a n u a r y 2 0 1 0					

Appendix 8. USMH Program Offerings

- **Baccalaureate programs include:**
 - **Accounting**
 - **Business Administration**
 - **Criminal Justice**
 - **Early Childhood Education**
 - **Information Systems Management**
 - **Investigative Forensics**
 - **Liberal Studies**
 - **Nursing**
 - **B.S.**
 - **R.N. to B.S.**
 - **Psychology**
 - **Social Science**
 - **Social Work**
 - **Sociology**
- **Graduate programs include:**
 - **Business Administration**
 - **Ed.D**
 - **Master of Arts in Teaching**
 - **Elementary**
 - **Secondary Education**
 - **Master of Education**
 - **Engineering**
 - **Nursing**
 - **Social Work**

Appendix 9. Office and Classroom Inventory

Offices and Classrooms at USMH

Offices:

34 offices 59 desks 14 unoccupied currently

Classrooms:

24 classrooms including 4 IVN, 3 nursing labs, 2 computer classrooms, 2 open computer labs, 1 dedicated to HPD* (rented) leaving 12 open classrooms.

Classroom by number, type, and occupancy:

534	nursing clinical simulation lab	8
533	nursing acute care lab	16
531	nursing health assessment lab	18
530	classroom	12
528	interactive video network room	12
526	interactive video network room	12
525	interactive video network room	20
524	interactive video network room added in 2008	20
433	classroom	
431	computer classroom	24
428	computer classroom	24
427	classroom	30
426	classroom (science lab for high school rental)	25
425	classroom	20
424	classroom	25
331	classroom	40
329	classroom	35
328	open computer lab/classroom	24
326	open computer lab/classroom	24
325	classroom	40
324	classroom (dedicated HPD rental)	20
126	classroom	40
125	classroom	20
124	classroom	30

Source: University System of Maryland

*HPD – Hagerstown Police Department

Appendix 9. Office and Classroom Inventory

ROOM USE CATEGORY	Type	NASF
100	Classroom	13,420
210	Class Lab	5,207
220	Open Lab	0
250	Conference	0
300	Office	6,806
410	Study Room	2,266
420	Stack	1,025
440	Processing Room	180
510	Armory	0
520	Athletic/PE Facilities	0
523	Spectator Seating	0
530	Media Production	0
540	Clinic	0
550	Demonstration	0
560	Field Building	0
570	Animal Quarters	0
580	Greenhouse	0
590	Other (all purpose)	0
610	Assembly (theater, auditorium, arena, chapel,	0
620	Exhibition	0
630	Food Facility	0
640	Day Care	0
650	Lounge	2,597
660	Merchandising	0
670	Recreation	0
680	Meeting	0
710	Central Computing or Telephone	0
720	Shop	0
730	Central Storage	0
740	Vehicle Storage	0
750	Central Service	90
760	Hazardous Materials	0
800	Patient/Medical-See detailed list	0
900	Sleep Study/ Apartment	0
50	See Detailed list	1,425
60	See Detailed list	0
70	See Detailed list	0
90	See Detailed list	1,020

Source: University System of Maryland

Appendix 10. USMH Board of Advisors

- Dr. Gaye McGovern – Chair – President, Gaye McGovern Insurance Agency, Inc., State Farm Insurance Company
- Mr. Tim Palkovitz – Vice-Chair – President, Hagerstown Paint & Glass Company
- Dr. Guy Altieri – President, Hagerstown Community College
- Mr. John Barr – President, Board of Commissioners Washington County
- Ms. Amy Black – Director, Human Resources, First Data Merchant Services
- The Honorable Robert Bruchey – Mayor, City of Hagerstown
- Delegate John Donoghue – House of Delegates Maryland General Assembly
- Mr. Robert Garver – Business Development Rep., Maryland Dept. of Business and Economic Development
- Dr. Jonathan Gibraltar – President, Frostburg State University
- Dr. Irwin Goldstein – Senior Vice Chancellor, University System of Maryland
- Mr. James Hamill – President, Washington County Health System
- Dr. Elizabeth Morgan – Superintendent, Washington County Public Schools
- Senator Donald Munson – Maryland Senate, Maryland General Assembly
- Mr. Tom Newcomer – President, R. Bruce Carlson Jewelers
- Mr. Peter Perini – President, Perini Health Care
- Mr. James Pierné – President, Susquehanna Bank
- Mr. John Schnebly – President, Keller-Stonebraker Insurance, Inc.
- Ms. Mary Scire – Coordinator, Articulation & Curriculum, Frederick Community College
- Dr. Stephen Simpson – Provost, Frostburg State University
- Mr. Thomas Slater – Member, USM Board of Regents, Thomas G. Slater, P.C.
- Mr. Timothy Troxell – Executive Director, Economic Development Commission
- Dr. David Warner – Executive Director, USM Hagerstown

Appendix 11. USMH Non-Credit Training CEUs

UMB	Social Work Training	187	
HPD Hagerstown Police Department	Gang Recognition Training	40	
HPD	In-Service Training	40	
HPD	Comparative Compliance Training	480 hours	