



(Note: I had scheduled the distribution of this letter to occur prior to media coverage of the Effectiveness and Efficiency Report. I felt it was important—and the right thing to do—to communicate this information to you before sharing it with the public. Unfortunately, *The Sun* was able to obtain an earlier draft of the report a few days ago, leading to premature coverage in today's *Sun* and *Washington Post*. Following is the letter I had written to you in full for distribution tomorrow.)

October 19, 2004

Dear University System of Maryland Faculty and Staff:

Whenever anyone asks me what the most important priorities of the University System of Maryland are, my response is always the same: Providing our students with affordable access to excellent academic programs and opportunities, and maintaining nationally eminent research and service programs.

Each of you demonstrates your commitment to these priorities every day. I am grateful for your invaluable and tireless work, especially during these difficult fiscal times.

With an increasing enrollment demand and limited financial resources, it is clear that the university system cannot afford to do business as usual. We have an opportunity and an obligation to change the way we serve students and the citizens of Maryland, so that we preserve the quality of our programs and services, and use available funds as efficiently as possible.

To this end, Clifford Kendall, chair of our Board of Regents, launched the USM Effectiveness and Efficiency (E&E) Project in summer 2003. Some of you are aware of this effort, which is intended to maintain our drive for excellence by enabling the university system to optimize the use of its available funding resources.

Under Chairman Kendall's leadership, the system office staff and I have worked with other members of the board, the institutional presidents, provosts, vice presidents and other campus representatives, and an outside consultant to develop a set of E&E initiatives. These action items are the result of an arduous examination of how USM delivers its many programs and services. They build on the system's ongoing cost-containment program. In FY 2004, our cost-containment actions led to savings, cost avoidance, and internal reallocations totaling \$65 million. This figure represents significant effort and sacrifice on your part, which the board members and I greatly appreciate.

Implementation of the new E&E initiatives will signal an important change in how the university system fulfills its responsibilities as an academic and business organization. As a result, we will be a stronger and more effective university system. Most important, we will still stay on course to achieve greater excellence in the years ahead.

Following is a summary of the E&E actions that we want to pursue as a system. We will continue to work with our institutional leadership and our faculty, staff, and student councils as we refine and implement these initiatives.

- Develop inter-institutional collaborations for more of our administrative functions, including financial aid and human resource management;
- Purchase more commodities on a system-wide basis to leverage buying power and bring down costs;
- Re-engineer processes and maximize new software applications to eliminate unnecessary duplication of functions;
- Develop policies that will build enrollment capacity and enable students to move through their academic programs more quickly, including limiting degree programs to 120 credits (with appropriate exceptions), a surcharge on tuition once students earn enough credits for a degree, and moving the average faculty teaching load to the middle of the prescribed policy ranges for both comprehensive and research institutions;
- Develop institutionally based online course policies that promote and encourage greater use of online instruction.

In addition, the Board of Regents will undertake an organizational review of the System. Based on its findings, the board will develop recommendations regarding the most effective and efficient structure for the university system and its institutions.

In pursuing these and other actions, we can increase the university system's quality and capacity, promote greater efficiencies, and provide our students with more affordable access. Furthermore, we can take fuller advantage of the value of working as a system. These actions represent the right strategy for moving the system ahead at this time, as we continue to press aggressively for an increase in state general funds.

I will make my first public presentation of the E&E report during the October 22 meeting of the Board of Regents at Salisbury University. The full report is available on the University System of Maryland's Web site: <http://www.usmd.edu/jcr/index.html>.

Thank you again for all you are doing to advance the university system's quality.

Sincerely,

A handwritten signature in black ink that reads "W E Kirwan". The signature is written in a cursive, slightly stylized font.

William E. Kirwan,  
Chancellor