Support with Amendments

House Appropriations Committee

House Bill 352 Budget Reconciliation and Financing Act of 2024

Matt Power, President
mpower@micua.org
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On behalf of the member institutions of the Maryland Independent College and University Association (MICUA) and the nearly 55,000 students we serve, I thank you for the opportunity to provide this testimony to support with amendments House Bill 352 Budget Reconciliation and Financing Act of 2024.

The Budget and Reconciliation Act (BRFA), as proposed, decimates the 50-year partnership between the State of Maryland and MICUA's membership. It represents the largest reduction of any program in the BRFA and reduces the Sellinger program by nearly half. There is no logic to the creation of this new formula other than to slash funding for the Sellinger Program. As a result of the new formula, three schools receive drastic reductions (74%, 52%, 46%) eight receive cuts ranging from 10% to 22% and one institution receives a 0.4% reduction. This is inherently unfair and inequitable for all the MICUA institutions. We urge the Committee to work with MICUA to provide fair and equitable funding for the Sellinger Program.

No single program in the entire FY 25 operating budget receives anywhere near a cut of this magnitude. The reduction in raw dollar terms is nearly THREE times any other reduction in the BRFA. The cut is unnecessarily punitive and will hurt prospective undergraduates who are already struggling to determine if they can afford college in the coming year. The US Department of Education's FAFSA delays are already expected to result in the smallest enrollment in decades because students will not know what level of federal or State financial aid they will receive, likely until May. That is why funding Sellinger this year is more critical than ever. MICUA institutions will know their Sellinger allocations by April and can utilize those funds to start making awards to Maryland undergraduates. 89% of all Sellinger funds are dedicated to financial aid for Maryland students and at nearly all MICUA institutions, 99% of that financial aid funding is awarded to Maryland undergraduates. MICUA enrollments have only just begun to rebound from the impacts of the pandemic, but the combination of the FAFSA delays and the proposed cut in the BRFA will decimate enrollments in a way that will take years to recover from. If MICUA institutions close, there simply is not enough capacity in the other segments of higher education to serve the needs of our existing students, let alone our prospective students.

MICUA recognizes the fiscal realities facing the State and urges the committee to consider our proposal to achieve significant budgetary savings in a way that does not have wildly disproportionate and random impacts on our institutions.

(1) Preserve the legislative integrity of the Sellinger formula created by the General Assembly more than five decades ago. Reject the current language in the BRFA and restore the formula to its original design.
(2) Include a provision in the BRFA that ensures no single MICUA institution can receive more than 35% of the Sellinger formula allocation in one fiscal year.

Our proposal is a fair compromise, rooted in our respect for the partnership our members have shared with the State of Maryland, in some instances, for over two centuries. We urge the Subcommittee to adopt this good faith proposal that still results in a nearly 20% reduction to the Program, but also distributes the reductions in a much more fair and equitable way. We have provided you with additional materials that demonstrate the incredible value the State receives from our partnership, and we encourage you to review these materials carefully as you consider our proposal.

If you have any questions or would like additional information, please contact Irnande Altema, Associate Vice President for Government and Business Affairs, ialtema@micua.org.

For all of these reasons, MICUA requests a favorable with amendments report for House Bill 352.

MICUA's Request

Fair and Equitable Funding of the Sellinger Formula

1. Preserve the legislative integrity of the Sellinger formula created by the General Assembly more than five decades ago. Reject the current language in the BRFA and restore the formula to its original design.

2. Include a provision in the BRFA that ensures no single MICUA institution can receive more than 35% of the Sellinger formula allocation in one fiscal year.

A Cut of This Size Devastates Maryland Undergraduates

- The current BRFA language results in an unprecedented 50+% reduction to the Sellinger program. No single program in the entire FY 25 operating budget receives anywhere near a cut of this magnitude.
- The BRFA cut creates huge funding disparities for the institutions. Three schools receive drastic reductions (282%, 108%, 84%), seven receive cuts ranging from 11% to 28% and one institution receives no cut in its funding.
- 89% of ALL Sellinger funds are dedicated to financial aid for Maryland students.
- At nearly all MICUA institutions, 99% of that financial aid funding is awarded to MARYLAND UNDERGRADUATES.
- Slashing half the financial aid to Maryland undergraduates will decimate enrollments.

The Timing Couldn't Be Worse

- The US Department of Education FAFSA delays are already expected to result in the smallest enrollments in decades.
- This cut will result in fewer low-income and first-generation students enrolling. 25% of MICUA undergraduates are recipients of Pell grants.
- Sellinger funding is CRITICAL to ensure MICUA members can award financial aid in time for students to make smart financial decisions.
- MICUA members avoided closures due to the pandemic and are just beginning to recover from the financial and enrollment declines. If MICUA institutions close, the State's 4-year publics don't have the capacity to serve the needs of our existing and prospective Maryland students.

MICUA

MARYLAND INDEPENDENT COLLEGE *and* UNIVERSITY ASSOCIATION

Maryland's Workforce Will Suffer

- The Maryland economy now demands a highly educated workforce to survive, let alone thrive and grow.
- Maryland ranks 6th in bachelor's degree attainment and 3rd in graduate or professional degree attainment because Maryland created a diverse system of education within our publics, independents and community colleges. There is a path for everyone in the State to pursue higher education.
- No individual sector of higher education can possibly meet all the demands of our economy and the needs of Maryland students, which is why, for 50 years the General Assembly has sought to provide to the independent sector a small % of the per student funding that was provided to USM institutions.
- MICUA members produce 50% of the education degrees at or above the baccalaureate level and Sellinger funding is critical to ensuring that teachers can afford their education. How does the State fulfill the goals of the Blueprint if our teacher candidates leave the State to get their degrees?
- Even with all three segments of higher education receiving support from the State, Maryland still loses two Maryland high school graduates for every one it imports from another State. This cut will result in more brain drain and more Maryland high school graduates leaving the State.

The History of The Sellinger Program

1971

MICUA is founded by independent college and university presidents.

1972

The University of Baltimore, then a private institution, seeks to be taken over by the State, citing financial troubles. The Pear Committee is established and recommends that the State provide public support for private higher education to strengthen a dual system of higher education.

1973

Following the recommendation of the Pear Committee, a program of State operating support is established.

1993

The State's formula to distribute aid is officialy renamed the **Joseph A. Sellinger** State Aid Program.

2023

MICUA celebrated **50 years** of continued public/private partnership with the State.

www.micua.org

410-269-0306

140 South Street
Annapolis, MD 21401