

TESTIMONY

Senate Budget and Taxation Committee

SB 375 – Relief From Budget Mandates

Tina Bjarekull, President
February 24, 2016

MEMBERS

Capitol Technology University

Goucher College

Hood College

Johns Hopkins University

Loyola University Maryland

Maryland Institute College of Art

McDaniel College

Mount St. Mary's University

Notre Dame of Maryland University

St. John's College

Stevenson University

Washington Adventist University

Washington College

AFFILIATE MEMBERS

Ner Israel Rabbinical College

St. Mary's Seminary & University

Thank you for the opportunity to provide this testimony in opposition to SB 375, *Relief From Budget Mandates*. If enacted, this bill would sever the State's long standing commitment to a broad and diverse system of higher education and could permanently cap the appropriation to the Sellinger Program at FY 2018 level.

The Sellinger Program is the State's longest and arguably most effective public-private partnership. For well over 200 years, Maryland has partnered with its private nonprofit colleges and universities to create one of the most successful systems of higher education in the country. Through the Sellinger program, State support for Maryland's eligible independent colleges and universities is directly linked to State support for public higher education. This link was established to provide a rational basis to compensate the independent institutions for the services and savings they provide to the State and to foster collaboration between the sectors of higher education. In addition, the formula supports choice for Maryland students.

Unlike most mandated funding programs, the Sellinger formula does not include an inflation factor. Funding for the Program may increase or decrease depending on the State's appropriation on a per-student basis to Maryland's public universities. Through the Sellinger formula and the Cade community college funding formula, State aid for Maryland's public-purpose institutions of higher education rise and fall together.

Higher education is very different from elementary and secondary education where attendance is mandated and acceptance guaranteed. Public universities do not admit all students who apply for admission, they are not located in every region of the State, and they do not offer every academic program. State support of private institutions helps to fill the gaps and creates a cohesive system with greater diversity and choice. Today, 88% of Sellinger funding is used to provide financial aid to Maryland students, and the vast majority of that aid is distributed based on need. The remaining funds are used to support the State's goals for higher

education, including diversity of students, administrators, faculty, and staff; expansion of programs in workforce shortage areas, such as teachers, nurses, and STEM fields; and college preparation and intervention services for at-risk students.

A cap on the Sellinger Formula, as conceived by SB 375, would drive up State costs for higher education. The State pays \$4,000 per degree conferred at a MICUA member institution compared to more than \$33,000 at a public university. Moreover, the MICUA member institutions boast the highest graduation rates and lowest college loan default rates. Partnering with Maryland's independent colleges and universities is an effective and efficient way to provide higher education services. The long term effect of this bill, decades in the future, would be to slowly destroy the State's two century old public-private partnership, as well as its commitment to a varied and responsive system of higher education that increases access and affordability.

For these reasons, MICUA requests an unfavorable report for SB 375.