



House Appropriations Committee
Education and Economic Development Subcommittee

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February 23, 2024

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 testimony about the proposed reductions to the Sellinger Program, that are quite literally devastating to our membership.

Change in the Calculation of Per FTES Funding

MICUA fully supports the Department of Legislative Services' (DLS) recommendation to require the use of the selective public four-year institutions self-reported FTES data that is based on credit hours for calculating the funding per FTES for the Cade, Sellinger, and Baltimore City Community College formulas. As DLS notes, the Department of Budget and Management's (DBM) break from past practice resulted in a \$7.5M reduction to the Sellinger Program, PRIOR to the contingent reductions in the Budget Reconciliation and Financing Act.

The Budget Reconciliation and Financing Act (BRFA)

MICUA urges the Committee to reject the language and new formula methodology included in the FY 25 BRFA. 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 Subcommittee to work with MICUA to provide fair and equitable funding for the Sellinger Program.

Maryland Undergraduates Across the State Will Suffer From These Reductions

The current BRFA language results in a nearly 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 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's Proposal

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.

(Refer to subsequent pages for "By the Numbers 2024" which demonstrates the impact of our members.)



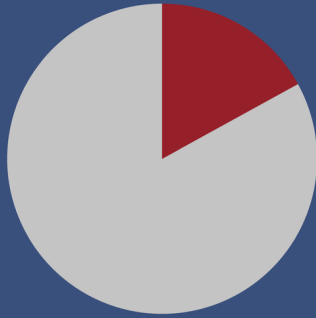
By the Numbers 2024

Return on Investment



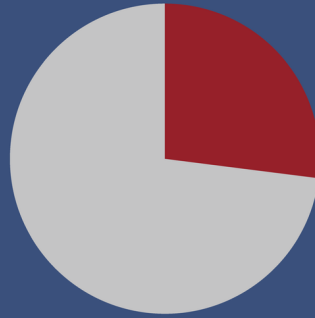
4%

State Education Funding



17%

Students Enrolled in Maryland Higher Education



27%

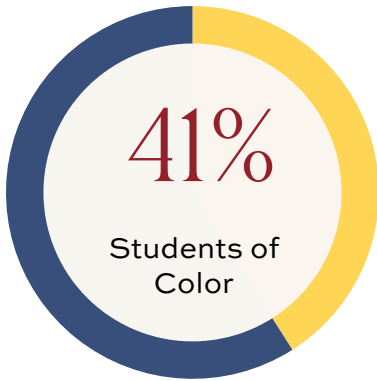
Bachelor's Degrees Conferred in Maryland



47%

Graduate Degrees Conferred in Maryland

Source: Governor's Budget Book FY2023, IPEDS 2023

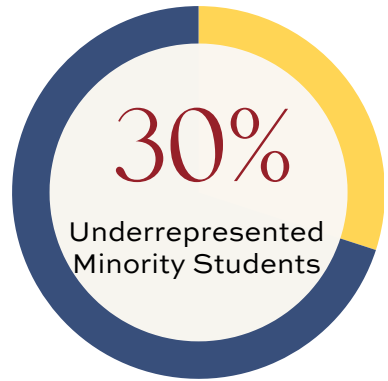


41%

Students of Color

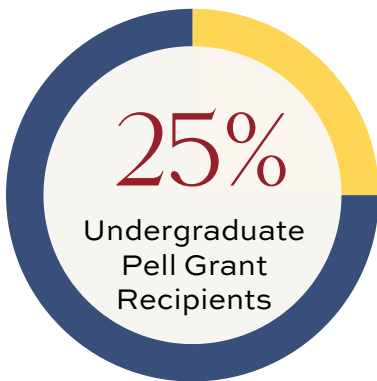
MICUA Student Body at a Glance

Source: IPEDS 2023



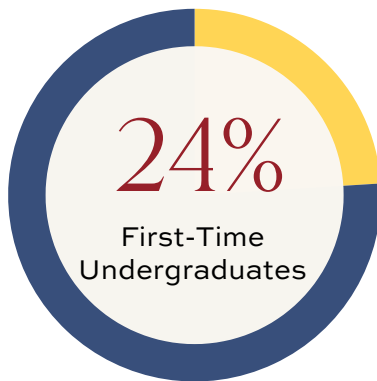
30%

Underrepresented Minority Students



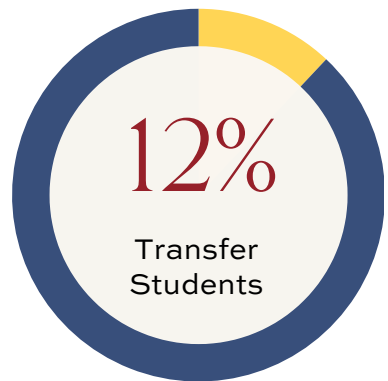
25%

Undergraduate Pell Grant Recipients



24%

First-Time Undergraduates



12%

Transfer Students

Save Sellinger

The State's Longest Public/Private Partnership

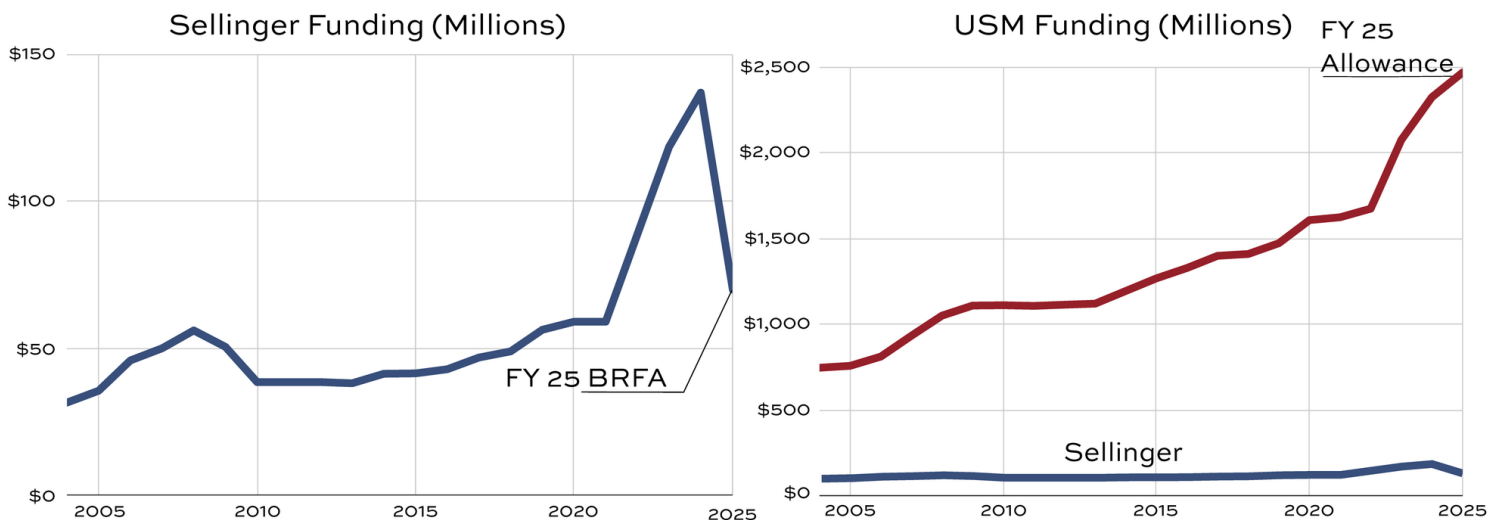
The State of Maryland's partnership with MICUA members dates to charters with Washington College (1782) and St. John's College (1784).

Established in law in 1973, the Sellinger Program statutorily links funding for independent colleges to the per student appropriation at public – 4 year institutions. Similarly, the Cade formula that funds community colleges is tied to the Sellinger formula.

All Sellinger funding supports the State's goals of Access, Success, and Innovation. Since 2020, the Sellinger program awarded financial aid to an average of **13,760 Maryland** students annually.

88% of Sellinger funding is utilized to provide financial aid to Maryland residents. Sellinger funding also supports Career Counseling, Nursing and Teacher Preparation, Diversity, Equity, and Inclusion, as well as Service Year participants.

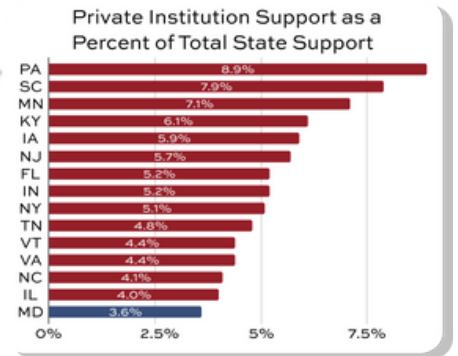
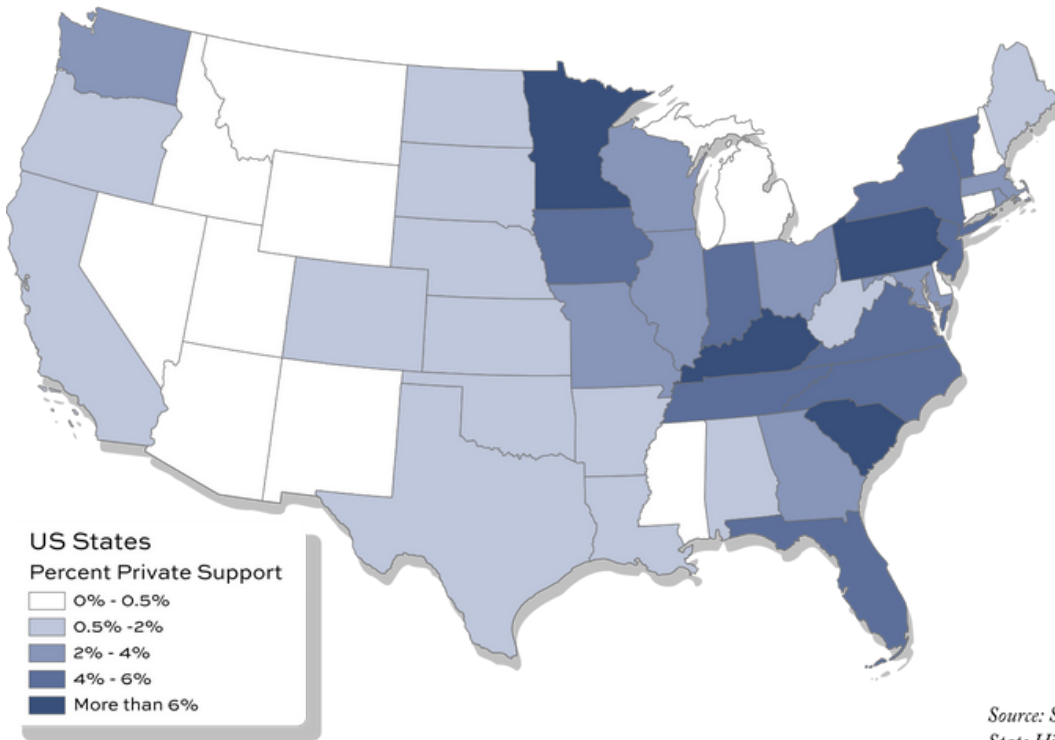
Sellinger and USM Funding



Sellinger funding was nearly identical in 2008 and 2019.

USM has received year over year funding increases for each of the past twenty years.

State Support for Private Institutions



45 States provide support to private institutions.

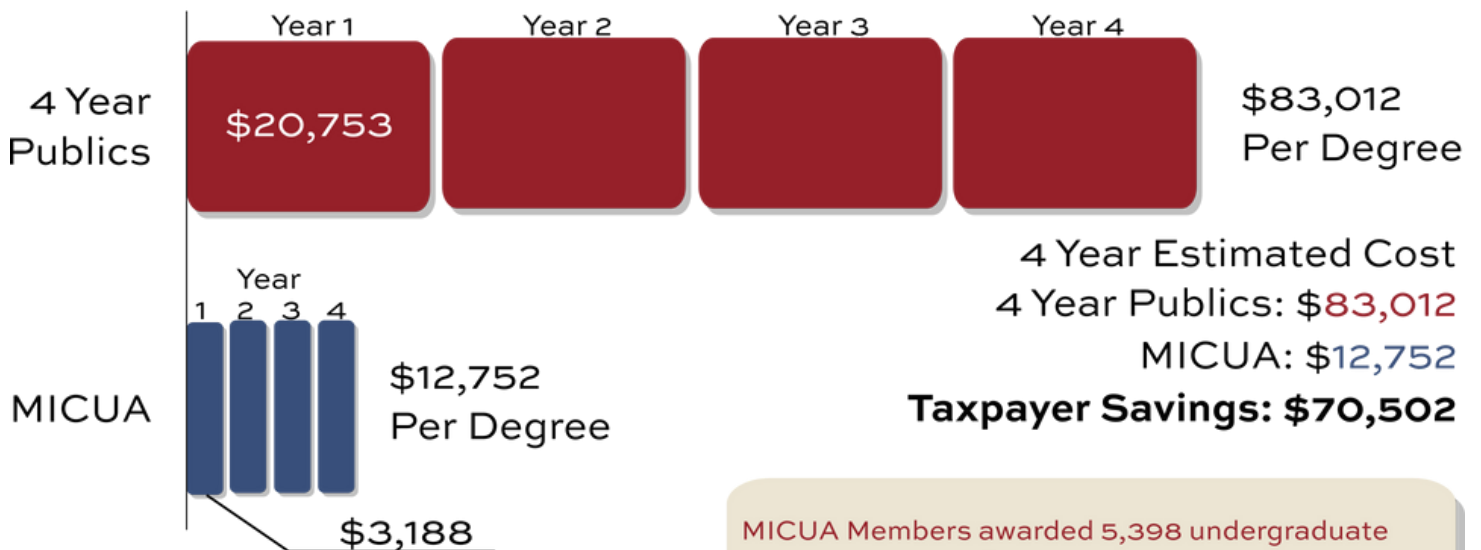
14 other states provide a higher percentage of state funding to private institutions than Maryland.

The top state importers of Maryland high school graduates grant a higher % of state funds to private institutions.

Source: State Higher Education Executive Officers Association
State Higher Education Finance 2021

A Better Value for Taxpayers

Estimated Taxpayer Subsidy Per Degree

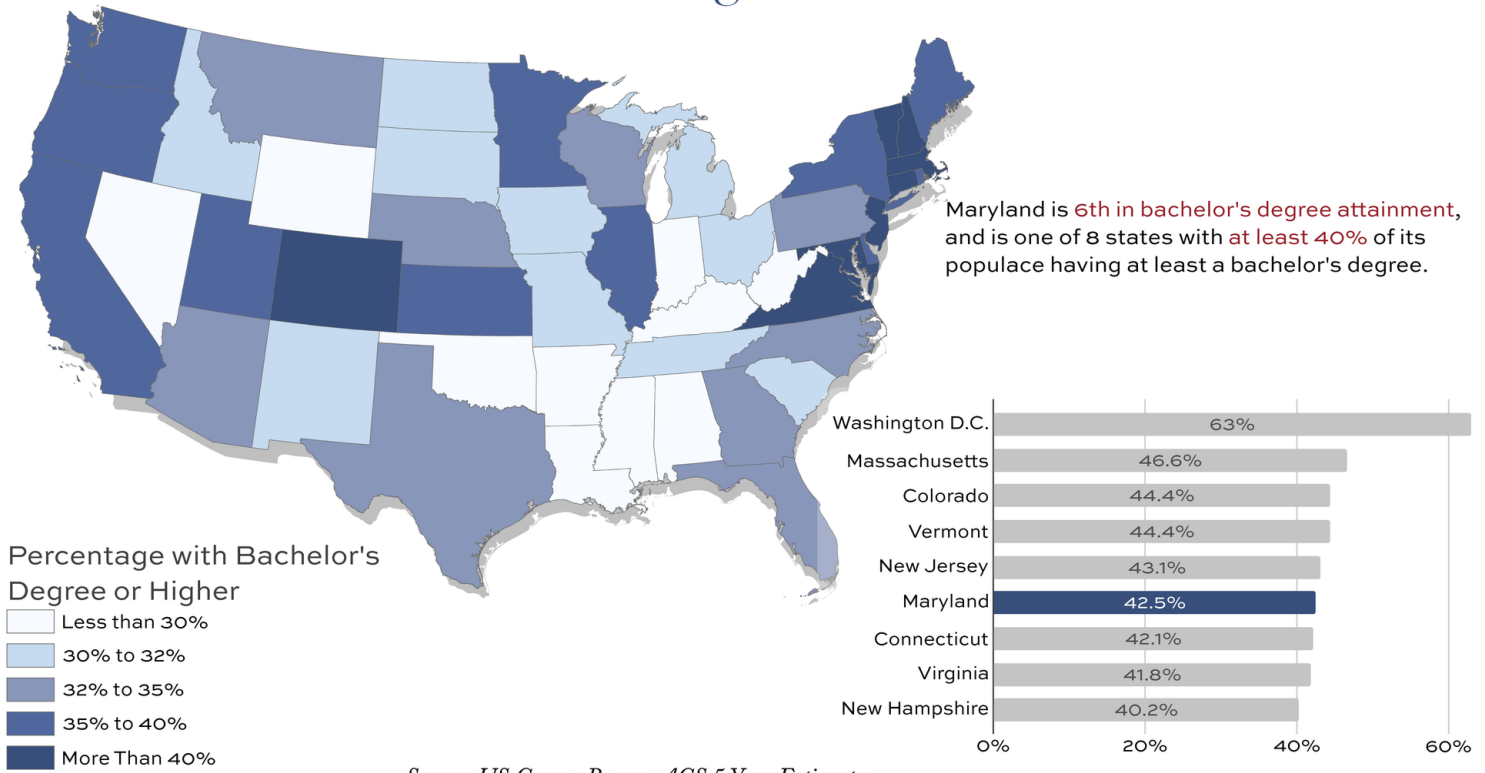


MICUA Members awarded 5,398 undergraduate degrees in 2023. If those degrees were awarded at public schools taxpayers would pay **\$448,098,776**.

Source: DLS Higher Education Overview

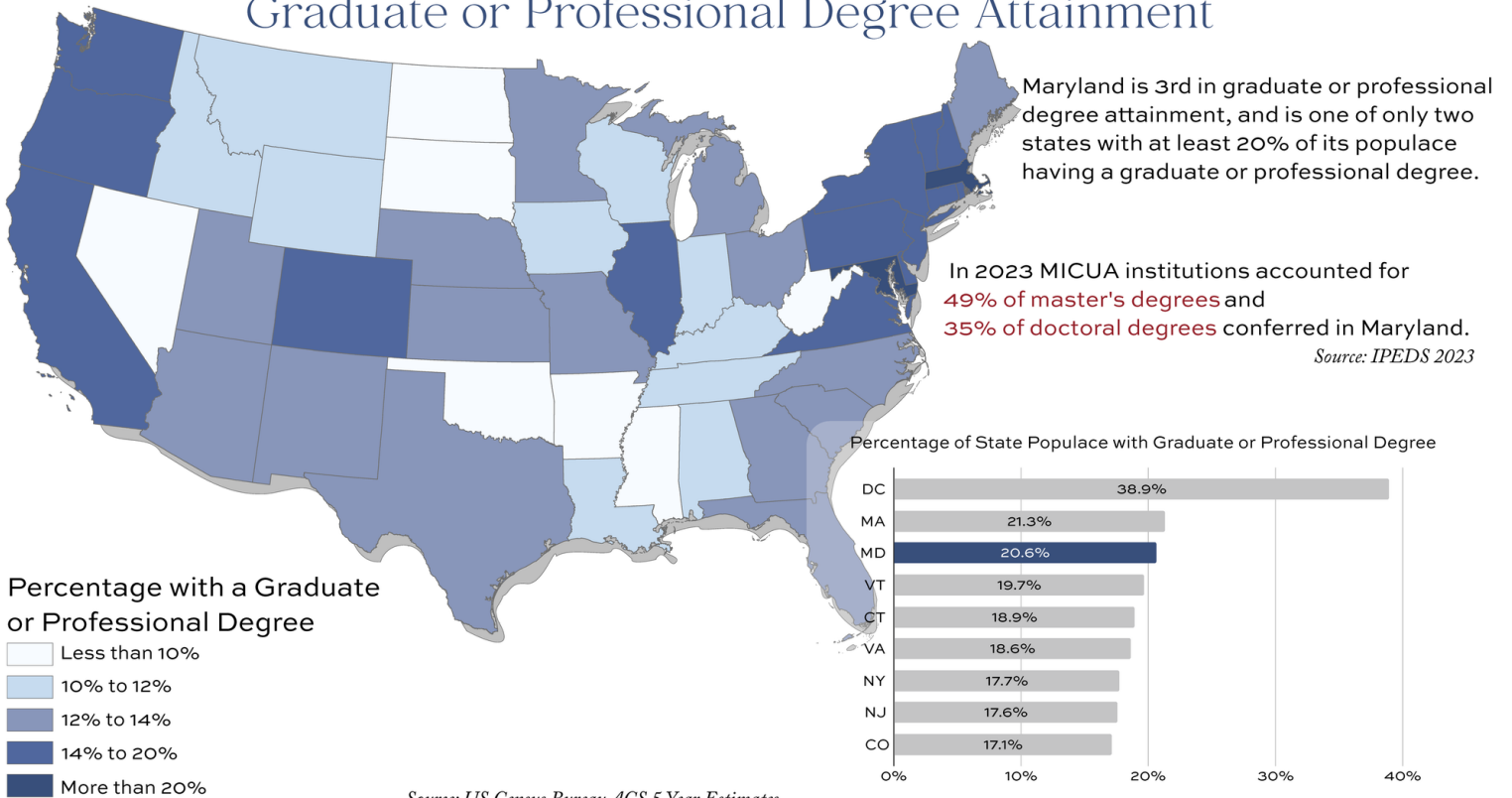
Maryland's Economy Requires a Highly Educated Populace

Bachelor's Degree Attainment



Source: US Census Bureau ACS 5 Year Estimates

Graduate or Professional Degree Attainment



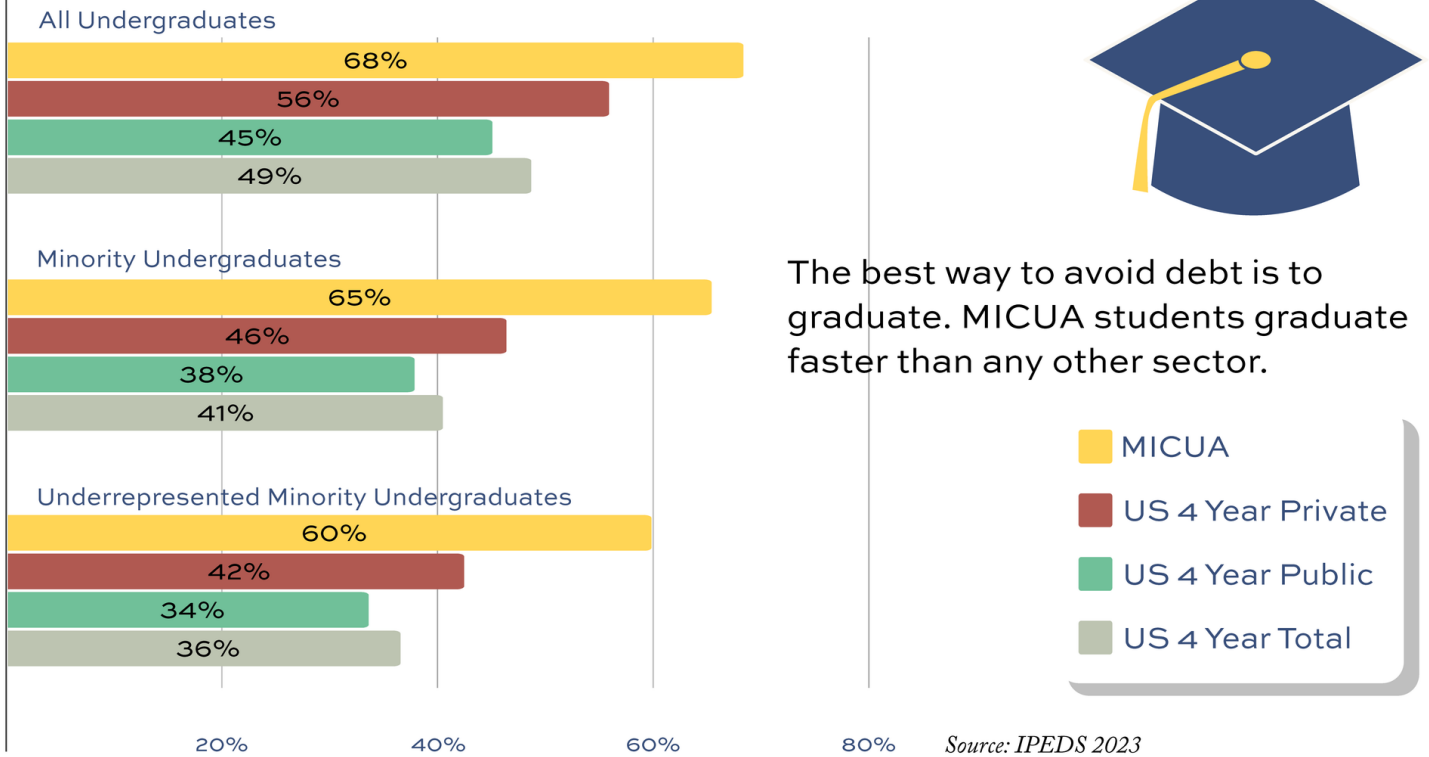
Source: US Census Bureau ACS 5 Year Estimates

Source: IPEDS 2023

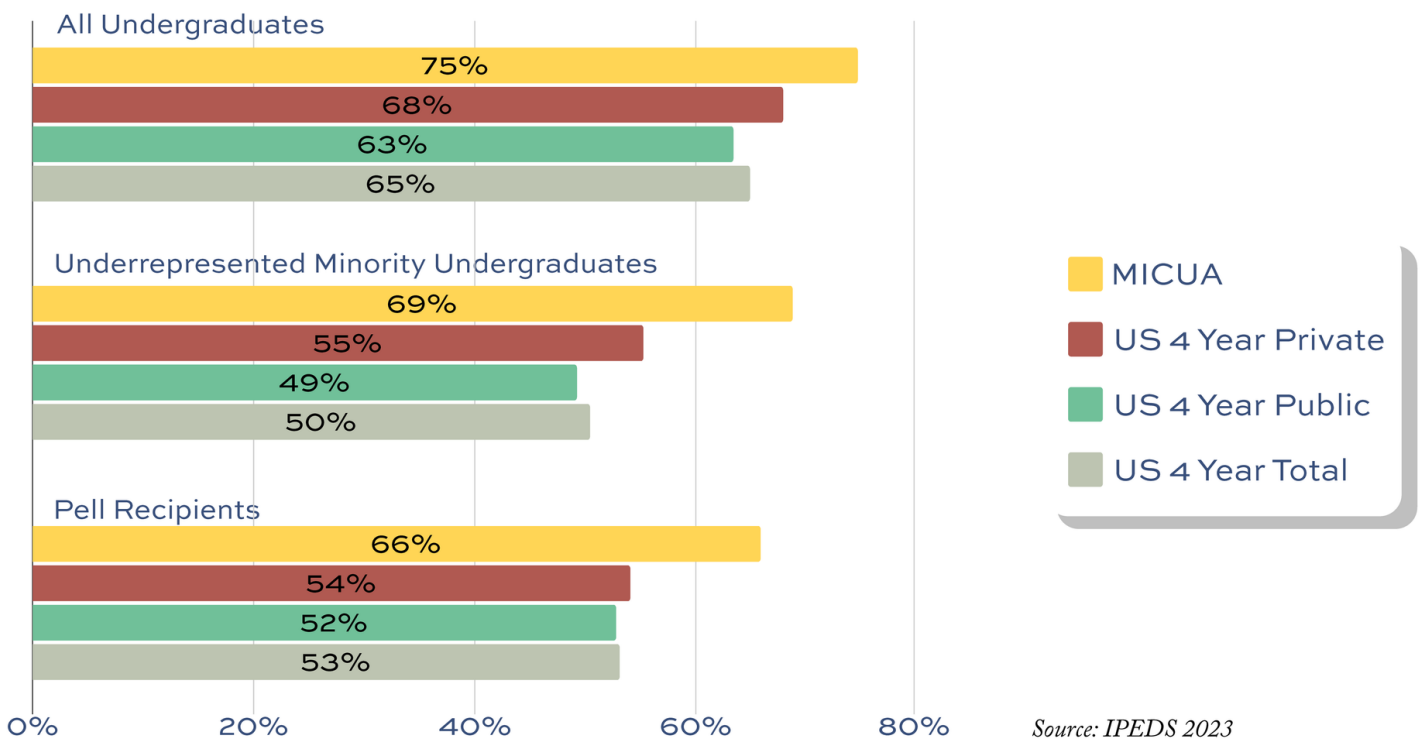
4 Year Graduation Rates



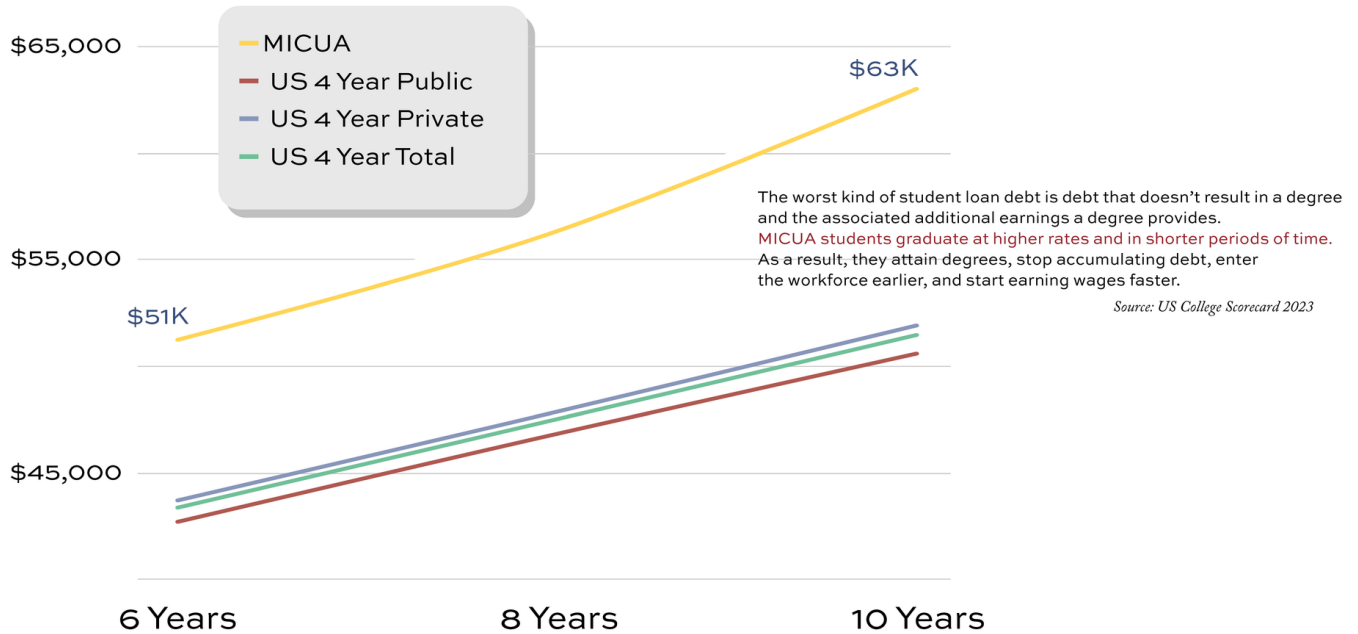
The best way to avoid debt is to graduate. MICUA students graduate faster than any other sector.



6 Year Graduation Rates



Median Earnings After Graduation

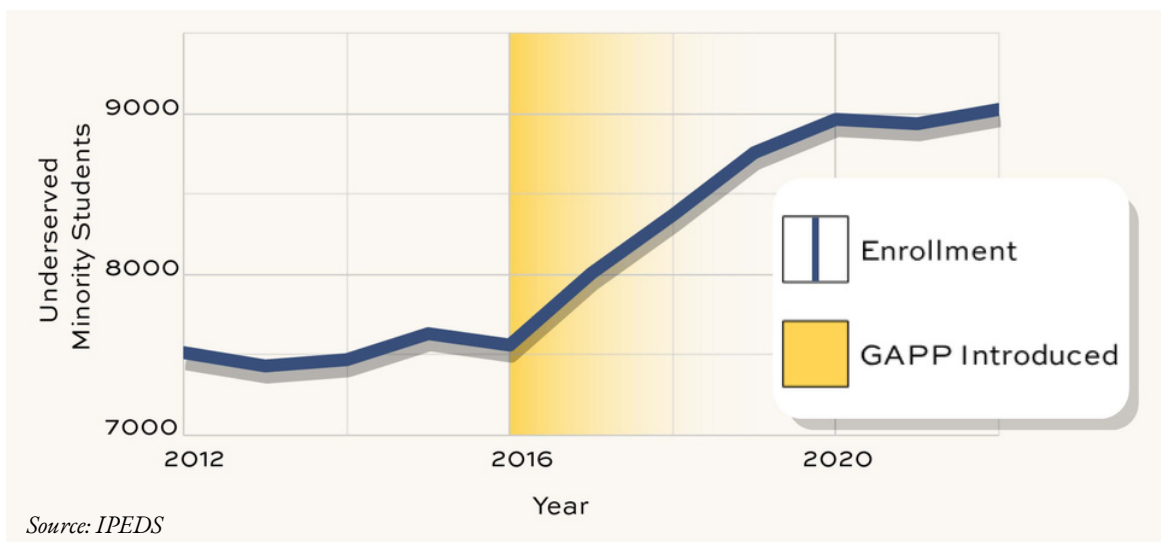


The Impact of GAPP

Since 2016 and the introduction of the Guaranteed Access Partnership Program (GAPP), enrollment of underserved minority undergraduate students has increased by **20%**.

GAPP is a public-private partnership to help close the college affordability gap by supporting capable Maryland high school graduates with financial challenges.

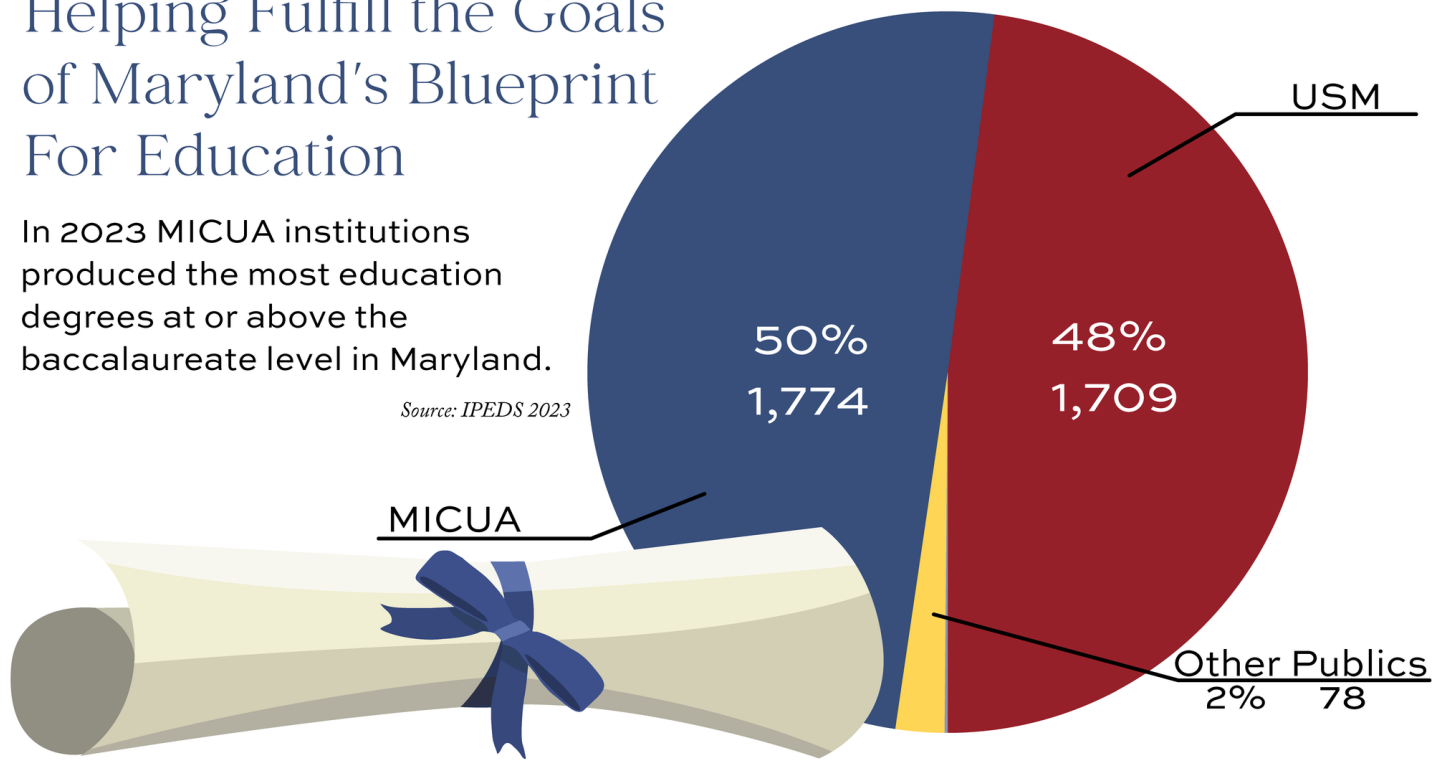
For the 2023-2024 academic year, the maximum annual State GA award is \$20,700. So, a student who is eligible for a maximum GA grant of \$20,700 and a matching \$20,700 GAPP grant would receive **\$41,400** in the 2023-2024 academic year. The maximum Pell award for 2023-2024 is \$7,395, so if a student received the maximum GAPP (\$41,400) and Pell awards, that would be a total of **\$48,795**.



Helping Fulfill the Goals of Maryland's Blueprint For Education

In 2023 MICUA institutions produced the most education degrees at or above the baccalaureate level in Maryland.

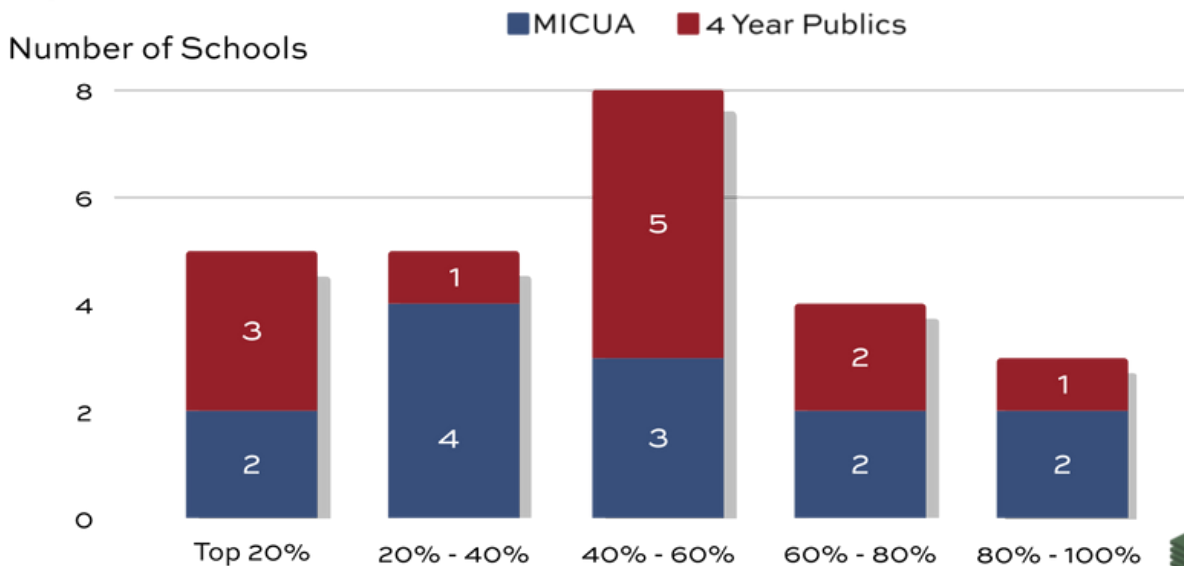
Source: IPEDS 2023



MICUA Schools Promote Economic Mobility

The Economic Mobility Index measures how well institutions serve low income students, in addition to the proportion of low-and moderate-income students a school enrolls. The better a school serves the students, and the more students they serve, the higher the school rates on the index.

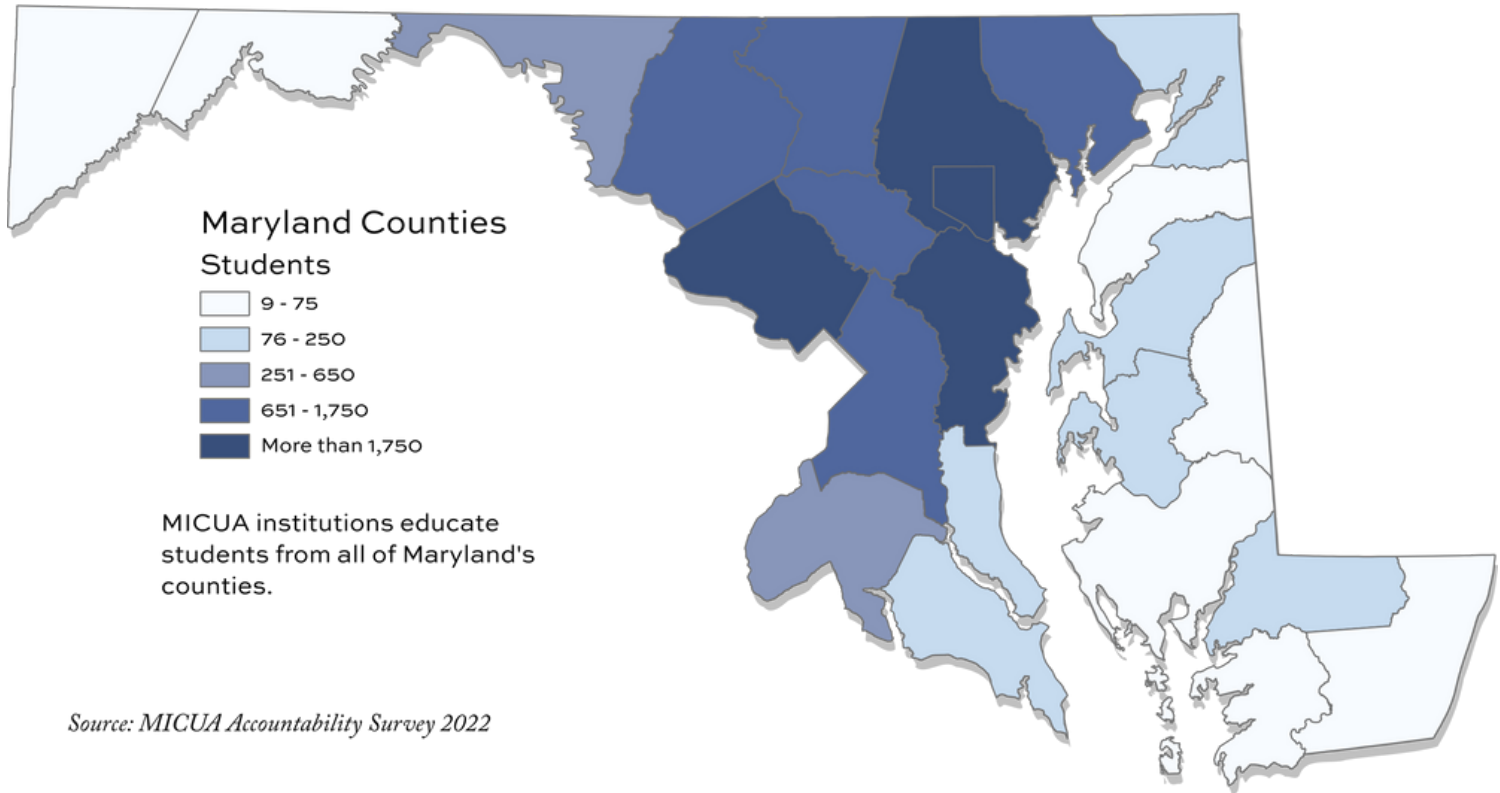
Six of the top 10 schools in the highest 3 tiers of the economic mobility index are MICUA institutions.



Source: Third Way 2023



MICUA Students by County of Residence



Helping Prevent Maryland's Brain Drain

