

**TESTIMONY**

**Senate Budget and Taxation Committee**

***SB 187 – Budget Reconciliation and Financing Act of 2018***

**Matthew Power, Vice President for Governmental Relations**

February 28, 2018

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Capitol Technology University

Goucher College

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On behalf of the MICUA member institutions, I submit this testimony in opposition to two provisions in *Senate Bill 187 – Budget Reconciliation and Financing Act of 2018* and request amendments to delete these provisions.

The legislation reduces the Sellinger Program – *Aid to Independent Colleges and Universities* – by \$7.4 million in fiscal 2019, a 13% reduction from the statutorily mandated appropriation. In addition, the legislation distributes the Sellinger funds to each eligible institution in accordance with the allocations set by the Board of Public Works in September 2017. If adopted by the General Assembly, Sellinger funds will not “follow the students.”

**MICUA supports distributing the Sellinger funds based on the statutory formula and requests that the General Assembly restore the Sellinger Program to its statutorily mandated level of \$56 million.**

Over the past decade, the Sellinger Program has suffered severe budget cuts, deeper than any other segment of higher education. These cuts have come at a difficult time for independent higher education. Several private, nonprofit colleges and universities in Maryland and across the nation have closed due to financial instability.

The Sellinger Program was established to ensure that Maryland’s independent institutions remain viable and vibrant and to recognize the services and savings the independent colleges and universities bring to Maryland. Today, the MICUA institutions provide educational services at more than 180 locations throughout the State, offer 1,500 approved academic degrees, and serve 64,200 students. The demographics of these students are similar to the demographics of students attending the State’s

public universities. To maintain this diverse student body, MICUA member institutions invest in student financial aid and are enrolling a greater number of low and very-low income students from Maryland's working class families. To increase access, the MICUA institutions have made good on their pledge to use their own resources to match the Guaranteed Access grants awarded to some of the lowest income Marylanders. Last year, almost 90% of Sellinger funds were used to provide financial aid to Maryland residents. The remaining Sellinger funds were used to support the State's goals for higher education. History shows the Sellinger Program has been a highly efficient and effective public/private partnership. With less than 3% of the State's appropriation for higher education, the MICUA member institutions serve 15% of all students and award 26% of all degrees by a four-year institution.

MICUA also opposes Section 8 on page 21 of the legislation. Section 8 caps future appropriations for mandated programs to the lesser of the amount of the formula calculation or 1% less than the General Fund revenue growth projected by the Board of Revenue Estimates. In effect, this provision would sever the funding link between public and private colleges and universities. This link was established to provide equity among the institutions of higher education and to encourage cooperation and collaboration among the State's colleges and universities. Severing this link would severely undermine the Sellinger Program and limit the ability of the General Assembly to establish fiscal priorities. The Maryland General Assembly cannot increase an appropriation in the State operating budget, it cannot add an item to the operating budget, and it cannot move funds around within the operating budget. The only mechanism the General Assembly has to establish budget priorities is to enact legislation mandating specific appropriations in future State budgets. If Section 8 of this legislation is adopted, the General Assembly would relinquish its budgetary power to the Governor.

**MICUA requests that the Committee continue its commitment to student access, choice, and opportunity by preserving the Sellinger Program and urges the committee to amend the legislation as described above.**