

MICUA

Maryland Independent College
and University Association



Commission to Develop the Maryland Model for Funding Higher Education

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Presented by:

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Maryland Independent College and University
Association

MICUA Member Institutions

1782 Washington College

1784 St. John's College

1791 St. Mary's Seminary & University

1808 Mount St. Mary's University

1826 Maryland Institute College of Art

1852 Loyola College in Maryland

1867 McDaniel College

1873 College of Notre Dame of Maryland

1876 Johns Hopkins University

1885 Goucher College

1893 Hood College

1904 Columbia Union College

1927 Capitol College

1933 Ner Israel Rabbinical College

1947 Villa Julie College

1970 Baltimore Hebrew University

1972 Baltimore International College

1980 Sojourner-Douglass College

Distinctive and Diverse

Eighteen distinctive and diverse independent institutions:

- An internationally recognized research university;
- Some of the most revered liberal arts colleges in the region;
- A nationally acclaimed visual arts institute;
- An innovative engineering and high technology college;
- Schools of music that enroll students from around the globe;
- The only women's college in Maryland;
- A leading college in culinary arts and hospitality; and
- A specialized institution serving adult learners.

Mission Statements

- ...integration of the liberal arts, the professions and technology, to the exploration of values, a sense of community and to the preparation of students for lives of responsibility and leadership.*
- ...strive for intellectual and professional excellence, to build inclusive communities, to engage in service to others and promote social responsibility.*
- ...help each student master significant areas of knowledge and skills while developing an appreciation for individual and cultural diversity, a sense of social responsibility and a system of personal and professional ethics.*
- ...foster independent and original research, and bring the benefits of discovery to the world.*
- ...inspire students to learn, lead, and serve in a diverse and changing world.*

Serving Students

MICUA member institutions serve more than 50,000 students every year.

- Economically and racially diverse –
 - 21% of students are Pell Grant eligible.
 - 25% of undergraduates are students of color.

- Demographically diverse in other ways –
 - Adult learners and non-traditional students;
 - Students who speak English as a second language;
 - Students who are first to go to college in their families; and
 - Students who transfer from a community college.

- Achieve success –
 - 65% graduate in 4 years – compared to 47% nationally
 - 72% graduate in 6 years – compared to 63% nationally

Creating an Educated Workforce

MICUA member institutions confer almost one-quarter of all degrees conferred in Maryland annually, including:

- 47% of all master's degrees; and
- 34% of doctoral degrees.

MICUA institutions respond to workforce shortage needs:

- Produce 34% of new teacher candidates;
- Award 44% of bachelor's degrees in nursing; and
- Confer 27% of STEM degrees.

Driving a Vibrant Economy

MICUA member institutions generate \$6.5 billion in net new income annually. In 2005, MICUA member institutions:

- Employed 35,000 workers with payroll & benefits of \$2.1 billion;
- Expended \$1.5 billion in research grants;
- Attracted over 300,000 visitors to Maryland;
- Filed more than 300 patents;
- Received 274 licenses and options; and
- Supported numerous start-up companies, including:
 - 21 companies housed at the Hood incubator;
 - 38 companies formed with JHU technology; and
 - Numerous businesses established by MICUA grads.

Public Support for Private Higher Education

In fiscal 2006, 46 states provided \$2.3 billion for private higher education.

State Support for Independent Colleges and Universities in the Mid-Atlantic Region

	Total Support for Ind. Higher Ed (in millions)	Ind. Share of Higher Ed Support	Ind. Funding Per \$1000 Pers. Income
Pennsylvania	\$223.5	11%	\$0.52
New York	\$304.2	6%	\$0.40
New Jersey	\$93.1	5%	\$0.25
North Carolina	\$90.5	3%	\$0.34
Virginia	\$65.3	4%	\$0.23
Maryland	\$64.2	5%	\$0.28

Sources: Gianneschi, Matt & Yanagiura, Takeshi (2007). *State higher education finance: FY 2006*. State Higher Education Officers: Boulder, Colorado; US Bureau of Economic Analysis. Analysis by MICUA.

History in Maryland

- First State operating grant to Washington College in 1784.
- Public institutions established in 1850.
- Grants appropriated by the Maryland General Assembly for independent higher education continued – operating expenses, land, academic buildings, residence halls, equipment.
- At one time, independent colleges received grants per degree conferred.
- Sellinger Program established in 1973.

Sellinger Program

- Five Maryland independent institutions became financially insolvent in the late 1960's and early 1970's.
- University of Baltimore became a public university.
- Johns Hopkins University took over the Peabody Institute.
- Governor established the Pear Committee to deal with the crisis.
 - Presidents of Colleges and Universities (public and private)
 - Government Officials
 - Business Leaders

Pear Committee Recommendations

- “...it is imperative that the State preserve and strengthen the dual system of higher education, which includes the private and public sectors.”
- “....continued and increased participation of the private institutions of higher education in Maryland is essential for the optimum use of public funds for the support of higher education in the State.”

The Committee concluded that it is in the best interest of the “taxpayers of the State” to adopt a modest State assistance program for eligible private institutions.

Benefits of Sellinger Aid Formula

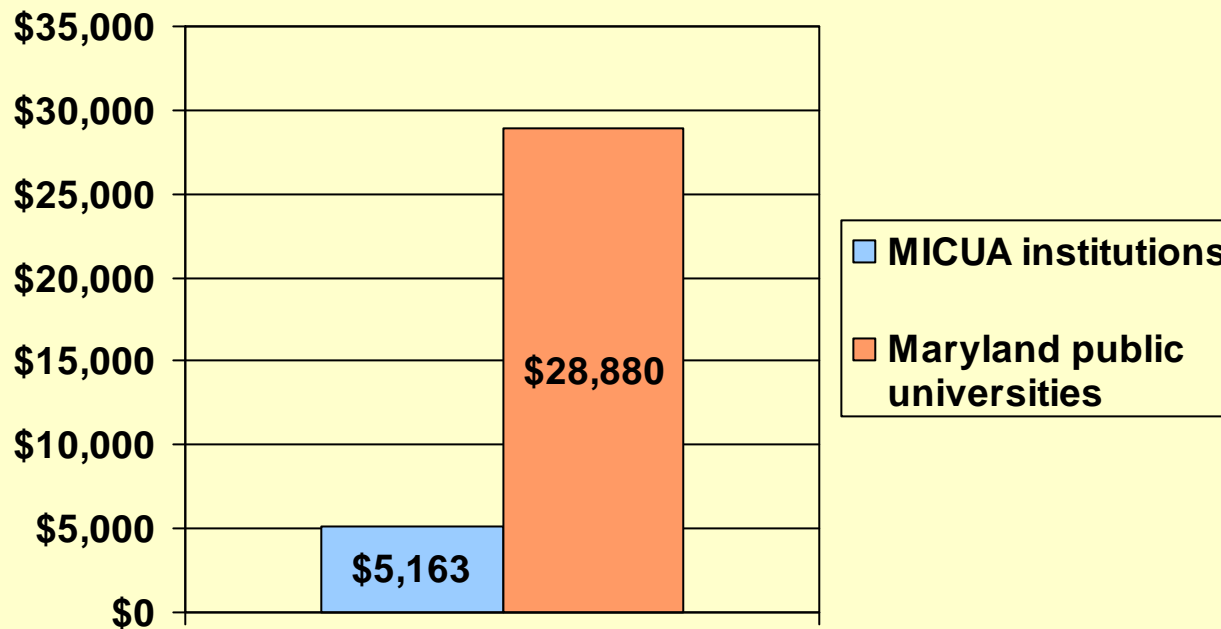
Link to Public Universities

- The Pear Committee recommended that the appropriation for the independent institutions be “directly related to the tax dollars spent for support of public higher education.”
- According to the Committee, “this will have the effect of linking aid to private higher education directly to the State’s commitment to public higher education in relation to the service and savings the private institutions provide to the State.”
- The report also points to the importance of coordination and cooperation among the private colleges and universities and the public institutions.

Benefits of Seller Aid Formula

Efficient Use of Taxpayer Dollars

State Cost per Degree Awarded



Sources: MHEC Degrees by Level (2006), MHEC Student Aid Report, Maryland FY06 Budget Books

Sellinger Formula – Calculation

Eligible independent institutions receive a State grant equal to:

- 16% of the per FTE student appropriation to certain public universities times eligible FTE enrollment at the institution.
- The formula does not include a minimum funding level.
- Funding may fall below a prior-year appropriation.
- The inflationary factor may be a deflator rather than an inflator.
- A cut in aid to public universities reduces Sellinger aid in the following year.

Use of Sellinger Grants

Sixty percent of Sellinger funds are used for scholarship aid for MD residents. In addition, the funds are used to support State initiatives, such as:

- Expand teacher preparation programs;
- Increase enrollment in healthcare professions;
- Establish academic programs in underserved areas;
- Offer workforce training and professional development;
- Improve English language skills for ESOL students; and
- Provide community outreach for under-represented students.

Capital Grants for Independent Higher Education

- Throughout history, MICUA institutions have received capital grants from the State through individual bond bills.
- In 1976, MICUA began coordinating the process for its members to provide equity among the institutions.
- MICUA annually reviews capital requests and sets priorities.
- The requests to the State for fiscal 2009 through fiscal 2013 total \$59 million. The total project costs exceed \$400 million.
- This does not include \$631 million in deferred maintenance needs identified by MICUA institutions.

Future Challenges

- Recruiting and retaining faculty and administrators, particularly in certain fields, such as health care, science, and foreign languages.
 - Competition with private industry and other higher education institutions
 - Housing and cost of living obstacles
- Private fund raising challenges...increasing pressures on administrators and faculty to raise resources to meet their missions.
- Escalating costs of health care, technology, and energy puts a strain on institutional resources.
- Expectations of parents and students in terms of housing and student services, which puts pressure on the capital and operating budgets of colleges and universities.

Future Challenges (continued)

- Aging facilities and rising costs of construction and renovation.
- Regulatory environment...how to respond to the public demand for information and accountability, while protecting student privacy and avoiding additional budget pressures.
- More economically disadvantaged students are seeking higher education opportunity and insufficient resources are available to meet their needs.
- BRAC is a challenge and an opportunity.
- Instability in State resources for higher education.

Opportunities

- The demand for knowledge and workforce skills is increasing.
- BRAC – increased demands for higher education.
- Proximity to the nation's capital and numerous federal research facilities.
- Collaborative higher education community creates opportunity through consortium arrangements, joint academic programs, and shared resources (facilities, library, faculty).
- Maryland has a highly educated population that understands the broad public benefits of higher education.
- Supportive political environment...Maryland's elected officials value education.

Responsibilities of Colleges & Universities

- Fuel the economy
- Bridge the education gap
- Improve public health
- Revitalize local communities
- Support STEM initiatives
- Partner with local schools
- Provide cultural awareness
- Promote environmental sustainability
- Fill critical workforce shortages
- Enhance scientific discovery
- Develop research parks
- Create patents and new technologies
- Enhance the arts

Impact of Higher Education

- Higher earnings
- Lower unemployment
- Less demand for public subsidies
- Lower criminal activity
- Healthier living
- Longer life expectancy
- Greater civic engagement
- Increased volunteerism and philanthropy
- More cultural awareness
- Greater appreciation for the arts

Panel Participant



Dr. Thomas H. Powell, President,
Mount St. Mary's University