

Testimony Presented To

The House Subcommittee on Education and Economic Development

The Senate Subcommittee on Health, Education, and Human Resources

By President Janet Dudley-Eshbach, Ph.D.

February 2010



Good afternoon,

Mr. Chairman and members of the Subcommittee. My name is Janet Dudley-Eshbach, and I am completing my 10th year as the President of Salisbury University. I am very proud of the efforts of all of Salisbury University's faculty, staff, and students. Their hard work, and frankly their sacrifice in these challenging times, have enabled the University to hold on to and even advance the reputation that has earned SU the national eminence captured in our moniker *A Maryland University of National Distinction*.

Allow me to state up front that Salisbury University is committed to weathering this unprecedented fiscal situation. Along with every State institution, we have taken furloughs, frozen positions, postponed projects, and pinched our pennies. We appreciate and applaud the efforts of the General Assembly and Governor O'Malley to maintain the commitment to higher education. It is often said that budgets are moral documents. From pre-K to Ph.D., students are a priority in this budget, and during the next few months, as you and your colleagues make tough decisions, I am comforted to know that you share the commitment to the future that I am privileged to see in the eyes of every freshman class that comes through the doors at SU.

Salisbury University continues to be one of the University System of Maryland's most impressive success stories and the State's best return on its investment. I hope you will agree that your support has been well founded as I share with you some of Salisbury University's highlights of the last year.

Doing More with Less

In this year's Higher Education Overview, the Department of Legislative Services published two exhibits, which I reproduce here.

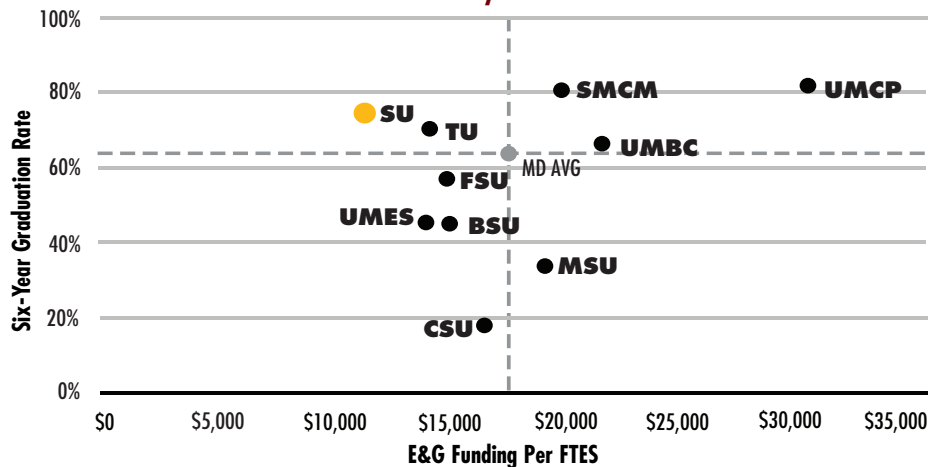
Analysis of the FY 2011 Maryland Executive Budget, 2010

Maryland's four-year institutions received an average of \$17,432 per student in education and general (E&G) funding in fiscal 2009. The institution with the least amount of funding per student, SU, also has the State's third highest graduation rate at 74.9 percent. As the State's flagship institution, UMCP receives the most funding per full-time equivalent student (FTES), \$29,939, but also has the highest six-year graduation rate, 82.1 percent. On the other hand, CSU is close to the State's average in funding per FTES, but has the lowest six-year graduation rate, at 18.3 percent.

Degree production is a different way to view productivity and the State's return on investment.

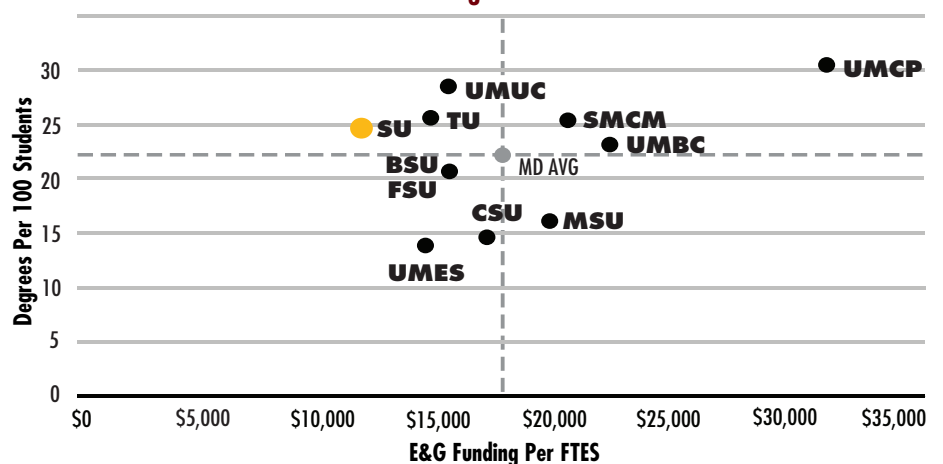
Exhibit 15 shows each public four-year institution's E&G funds per FTES and the corresponding number of degrees awarded per 100 FTES. The data includes all undergraduate and graduate degrees awarded. Exhibit 15 also shows four quadrants on the graph. Institutions in the upper right quadrant (UMBC, SMCM, and UMCP) receive more and award more degrees than the Maryland average, for example, SU, which received the least of all public universities, \$11,170, also awards 25 degrees per 100 FTES a year, above the 22-degree average of all Maryland institutions.

Exhibit 14: E&G Revenues Per FTES and Six-year Graduation Rates Fiscal 2009



Note: UMB, UMUC, and UB are not included. E&G: education and general. FTES: full-time equivalent student. Source: Maryland Higher Education Commission; Governor's Budget Books, Fiscal 2011

Exhibit 15: E&G Revenues Per FTES and Degrees Awarded Per 100 FTES Fiscal 2009



E&G: education and general. FTES: full-time equivalent student. Source: Governor's Budget Books, Fiscal 2011

This chart illustrates that while Salisbury University receives less funding per student as compared to the USM universities for which we compete for students, we produce among the highest graduation rates. We are very proud of our achievements on graduation rates, as we are proud of so many other measures of SU's quality, because more than anything else, everyone at SU is focused on making sure that our students receive the very best education—no matter the challenge. However, I would be remiss as President if I were not very frank and very explicit about what the **structural** funding picture looks like at SU. By “structural funding” I mean the unequal funding for SU that has persisted for many years, and not the tuition freeze or reductions that all USM institutions have accommodated in recent years. And more to the point, I want to elaborate on the real consequences that chronic underfunding has on our students.

I will first address the structural funding picture, which is seen in the two charts below.

As you can see, we are ranked low compared with our competitor schools in the System both for tuition and total State support. We do not begrudge the other System schools their funding levels, but what has concerned us is that when increases in State support or tuition have been authorized, they have come primarily as *across the board percentage increases, which has had the effect of driving SU's funding lower and lower with each passing year relative to other schools in Maryland.* This oversight is neither intentional nor malicious, and we persevere in spite of it,

but the growing gap it causes is an indisputable fact. That one of the nation's highest ranking public comprehensive universities, and one of the highest performing of Maryland's publics, is the lowest in terms of general fund support and tuition should be great cause for concern at a time when the State must use every taxpayer dollar in a manner that would ensure the best return on investment.

Specific to this gap with regard to tuition, Salisbury University uses the services of Noel-Levitz to track the institutions with which we compete for students. The results are very dramatic. The tuition at our in-State, public competitors is 40 percent higher than SU's. When compared to SU's out-of-state tuition rate, public out-of-state school tuition is 49 percent higher. Finally, private schools with which we compete have tuition rates that are a whopping 466 percent higher than SU's. It is a good thing that our tuition is low, and we make it our business to keep a Salisbury University education affordable, but there is a point at which the tuition differences become irrational.

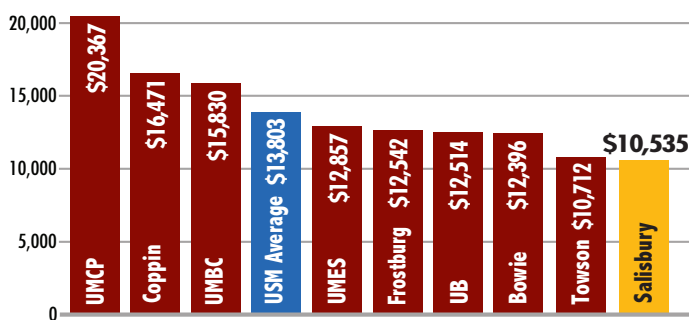
While there are other effects of our chronic underfunding, I direct your attention to three of the most important consequences of SU's structural funding gap:

1. SU's low funding combined with high student demand for admission forces the University to turn away a considerable number of students. Over 3,200 students were denied admission in fall 2009.

2. SU's low funding results in an extremely high ratio of students to staff—significantly higher than the USM average. This results in staff carrying extremely high workloads, and it is especially detrimental in areas such as student counseling, retention, and in our efforts to close the achievement gap.
3. SU's low funding significantly impacts our ability to offer competitive financial aid packages. Because we are so limited in the funding we can offer in the form of grants and scholarships, our ability to increase the numbers of high-ability students is severely restricted. Similarly, we are not able to provide adequate need-based aid for the socio-economically disadvantaged. Salisbury University students graduate with a higher debt burden as compared to students at other USM institutions.

I am absolutely aware, as is everyone, that the economic scenario we all face presents more immediate fiscal challenges than SU's structural funding gap. But we are hoping legislation will be passed that will pave the way for the State to continue to support public higher education, and for the Regents to authorize much-needed adjustments to Salisbury's resident tuition rates and general fund support.

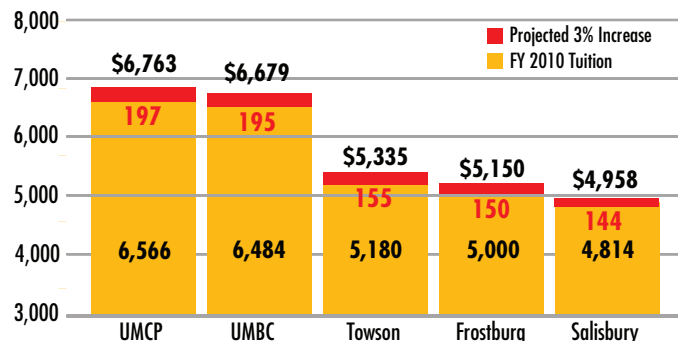
Total State Support per FTES (FY 2011 Request)*



NOTE: If SU's FY2011 funding were at the USM average, SU would realize an additional \$24 million (\$24,081,892) in annual State support funding.

* Total State Support includes General Funds, Higher Education Investment Funds, tuition, and State-supported fees.

Comparison of Full-Time, In-State Undergraduate Tuition Rates



NOTE: If SU's FY2011 tuition were equalized at the average of the Maryland publics, SU would realize an additional \$13 million in annual tuition revenue.

A Maryland University of National Distinction

Again this year, Salisbury University was distinguished nationally for excellence. Here is a quick rundown of SU's accolades:

- *Kiplinger's Personal Finance* magazine's Top 100 "Best Values in Public Colleges" for 2010 (February 2010 issue)
- *The Princeton Review* (and *USA Today*) Top 50 "Best Value Public Colleges" for 2010 (January 2010)
- *The Princeton Review's The Best 371 Colleges* and *The Best Northeastern Colleges* for 2009-2010 (August 2009 editions)
- *U.S. News & World Report's America's Best Colleges* for 2009-2010 (August 2009 issue)
- *The Chronicle of Higher Education's* 2009 Great Colleges to Work For® (July 10, 2009 issue)

Without question, Salisbury University's reputation is a point of pride for those who have worked hard to build its reputation, and clearly it is also a great asset to the entire State. Especially given that we are in the worst economy since the Great Depression, it is important not to take SU's achievements for granted. A distinguished public institution like ours allows Maryland's students the option to develop their talents at an institution with a "small school feel" while staying right here in Maryland. Having such a choice helps Maryland families keep a lid on college costs, and because of SU's connections with State employers, it is likely that our graduates will stay and work in Maryland. Further, employers read the previously mentioned publications like the rest of us; praise for SU makes our graduates that much more attractive to employers.

Tough Times and Tough Choices: Balancing Quality, Access, and Enrollment Growth

Again this year Salisbury University attracted a talented group of students. This year's fall class had a GPA of 3.59 (up .06 from fall 2008) and an average SAT score of 1691 (up 10 points from fall 2008). While peer comparison data for the current year is not yet available,

last year's average GPA and SAT range ranked second among our peers, and again this year we expect to have similar positioning with these stronger numbers. Eighty-seven percent of new undergraduate students were Marylanders, with 70 percent of them from the "western shore" and 30 percent from the Eastern Shore.

The down side to strong demand for Salisbury University is that we are forced to turn away a considerable number of students. Again, over 3,200 students were denied admission in fall 2009, and transfer admission has been capped for the last two years. In fall 2009, 749 transfer applicants and potential applicants were turned away. Similarly, this spring an estimated 388 transfer applicants were turned away. An analysis of USM budgeted positions shows unacceptably high student-to-staff ratios in key areas. It is irresponsible to take on students without having the resources in place for them to succeed, and we simply do not have the resources.

Valuing Diversity

SU is proud of the quality of students we are able to attract, but we are equally proud that our incoming classes become more diverse every year. As the chart that follows demonstrates, SU has undertaken a deliberate and sustained effort to move this important value in the right direction (see chart below).

At SU, diversity is simply part of the level of excellence to which we aspire. We are very pleased to be able to say that the fall 2009 student population is the

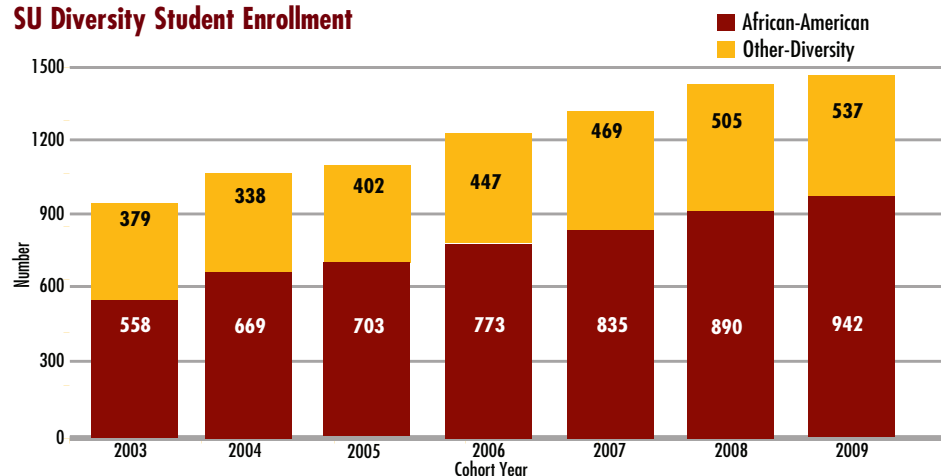
most racially and ethnically diverse in SU history. But we are not satisfied. One of the investments we deemed essential this year was the addition of a Chief Diversity Officer. We welcomed this hire to campus last month, and she reports directly to the President's Office, where she will add further focus to our efforts.

Graduation Rates Are High

Salisbury University is competing for Maryland's best and brightest students, and we are keeping them. Our four-year average, second-year retention rate of 82 percent ranks third among our national performance peers, and our six-year graduation rate of 69.1 percent is the highest of all the comprehensive institutions in the USM. *Significantly, the average African-American graduation rate among our national peers is 42 percent. At 57.1 percent, SU's graduation rate far exceeds that peer average.*

Despite SU's high retention and graduation rates, our students are feeling the impact of the structural inadequacy of our operating funds. For the first time in several years, Salisbury's freshman-to-sophomore retention rate dropped almost 3 percentage points to 80 percent. We attribute this drop to two factors. First, Salisbury University's financial aid availability is among the lowest of USM institutions, requiring our students to take on significant debt. Secondly, we have been unable to fund adequately our new Center for Student Achievement. We simply do not have the resources to support and retain those students who have significant academic and/or financial challenges.

SU Diversity Student Enrollment



*Other-Diversity includes Hispanic, Asian/Pacific Islander, American Indian, and Nonresident Alien students.

Meeting Workforce Demands

In addition to providing students with a rock solid liberal arts foundation, we at SU also take very seriously our obligation to create a Maryland workforce ready to compete and succeed in the 21st century economy. In the interest of brevity, I will just point out three of our accomplishments this year in this context.

Nursing

Salisbury University's Nursing Department continues to take strides in meeting the critical need Maryland has in healthcare. SU's Nursing Department has been awarded \$635,601 from the Maryland Higher Education Commission (MHEC) to establish clinical educator partnerships with Peninsula Regional Medical Center in Salisbury and Atlantic General Hospital in Berlin. The grant creates three hospital-based clinical faculty positions to ensure nurses are able to keep moving forward in needed career pathways. This partnership benefits hospitals by allowing them to retain experienced staff and offer them opportunities to continue their education. It also lets SU increase its pool of available clinical educators and, in turn, expand its programs, particularly for second-degree students.

The MHEC grant is not the first for the Nursing Department. Earlier this summer, SU received \$80,000 from the Robert Wood Johnson Foundation for scholarships for second-degree nursing students. In addition, the University recently received a \$932,175 grant from the Maryland Hospital Association for nurse education. The three-year grant will allow SU to develop a high-fidelity simulation center focused on maternal, newborn, and pediatric care; train student actors to be patients with psychiatric/mental health disorders; and create a best practices course.

GIS/BEACON: Broadband Mapping

We know that many parts of our State do not have reliable broadband access, and this deficiency cripples the ability of these communities to compete in the 21st century economy. What we do not know, surprisingly, is where in Maryland there is good broadband access and where there is not. Such a glaring blind spot makes it impossible to effectively and efficiently address this

debilitating problem. Senator Mikulski summed up the importance of this effort when she said: "Forty years ago, interstate highways were crucial for economic growth in our rural areas, now it's the information superhighway. Expanding broadband in Maryland means economic development, job growth, and innovation."

Two Salisbury University organizations, the Eastern Shore Regional GIS Cooperative (ESRGC) and Business, Economic, and Community Outreach Network (BEACON), have stepped into our State's broadband blind spot with a \$540,000 grant to map broadband across Maryland. With this American Recovery and Reinvestment Act funding, ESRGC and BEACON will build intellectual infrastructure that will allow universal and affordable broadband access to any business to become a reality in Maryland.

"Getting to Yes" on BRAC

The greatest opportunities are often the greatest challenges, and the opportunity presented by the Base Closure and Realignment (BRAC) program for the economic future of Maryland is no different. As the migration of personnel becomes a reality for places like the Aberdeen Proving Ground (APG) and Fort Meade, Salisbury University, in conjunction with larger USM efforts, is doing its part to meet the need and make the promise of the BRAC program come true.

Near Aberdeen, SU is building on an existing relationship with Cecil Community College to meet a very practical need. Government does not work without a cadre of well-trained and highly motivated procurement officers. According to studies, the demand for federal procurement officers associated with the APG will skyrocket in the coming years. To meet this challenge, SU has been working closely with longtime partner Cecil Community College and is very close to a program that will allow students to obtain a two-year certificate in federal procurement from Cecil and continue on a seamless path that ends with a bachelor's degree from SU in business. The courses a student will need for this program would be taken on Cecil's campus, mirroring the work we already do together in our Social Work Department.

To fulfill the promise of BRAC, all of Maryland's public institutions need to find ways to "get to yes" on the challenges this change brings. Collaboration by collaboration, Salisbury University embraces change and will continue to stay at the forefront of this effort.

Concluding Remarks

As you can see, Salisbury University is a dynamic place. We add value to the fabric of Maryland in many, many ways, and it is our passion for our students that drives our success. I do, however, hope that this written testimony underscores our most persistent challenge, which is our chronic, structural underfunding. To be very clear, I do not mean cuts past, present, or future, or the tuition freeze of recent years. We at SU wholeheartedly embrace the notion that all of us are in this economic quagmire together, and all of us are going to have to endure some hard times so we can make it out the other side. What I do mean is the persistent, unjustified, and I believe unintended, difference between the funding from all sources that SU receives relative to the amount its peers receive from those same sources. It is true that our students, faculty, and staff excel more each year in many ways. Yet I worry that at some point the friction of doing ever more with less will halt our momentum and prevent Salisbury University from reaching even greater heights and providing access to deserving applicants. That would be a most unfortunate consequence for our students, alumni, our faculty and staff, for the Shore, and for this State.

Thank you for your consideration. In what follows you will find our written responses to the budget analyst's questions.



President Janet Dudley-Eshbach, Ph.D.

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