

## Testimony Presented To

The House Subcommittee on Education and Economic Development

The Senate Subcommittee on Education, Business, and Administration

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UNIVERSITY



Thank you for the opportunity to appear before you and for your past and continuing support of higher education and particularly Salisbury University (SU). While I am well aware of the fiscal challenges before us, I am also convinced that we will only meet those challenges with a well-educated workforce that gives every Maryland citizen the opportunity to compete in the new economy. Today, I will tell you how SU is working to meet the challenges of Maryland's future, while doing so in the most cost-effective manner, bringing important returns on the investment made by all Marylanders.

Governor O'Malley and members of this body have clearly articulated the challenges Marylanders need to overcome if we are to succeed in an ever-more-competitive world. Dire statistics about the number of Americans completing post-secondary education show that other industrialized countries are out-educating the United States. Right here at home, Maryland is currently seventh in degree attainment nationally; we can easily slip as low as 20th in total degree attainment, however, if we do not respond with the appropriate sense of urgency.<sup>1</sup>

In response, Chancellor Kirwan has called upon University System of Maryland (USM) institutions to take the following bold actions:

- Raise Maryland's degree completion rate from the current 44 percent to 55 percent.
- Sustain and strengthen quality by increasing access and completion rates.
- Prepare more students for the 21st-century economy, especially in Science, Technology, Engineering, and Mathematics (STEM) disciplines.
- Tap the potential of underserved populations.
- Close the achievement gap.

These imperatives, outlined in the USM's recently adopted Strategic Plan, must be given the highest priority in aggregate so that together we can secure

a more prosperous future for Maryland and the nation. These significant outcomes will not be achieved, however, without appropriate investment from the State and its citizens.

### Three Legs of the Solution: Quality, Productivity, and Realizing Potential

While well-worn, the metaphor of the three-legged stool aptly describes our challenge in higher education. Producing high-quality education that prepares students to fill unmet and growing workforce needs, delivering that education with the efficiency and cost effectiveness that will allow more students access, and putting in place the support required to help every high school graduate succeed in this increasingly competitive environment ... each of these legs must be firmly in place for the higher education stool to remain sturdy. SU is addressing these challenges and achieving significant results, which equate to a high return on investment for every Maryland dollar spent on an SU education. Below are a few examples of the initiatives SU is implementing in each of these three areas:

#### Quality: At SU It Is "Job One"

As a community of scholars, we are committed to excellence in the pursuit of knowledge. But, there is also a *moral* and an *economic* imperative to providing quality education. Students and their families make great sacrifices to achieve that dream. The value of their investment is lost if their alma mater does not insist on quality and develop a reputation for its delivery. More importantly, a low-quality education will not adequately prepare our students for the economic and workforce challenges of the future.

SU students realize a high return on their education investment and leave our campus ready to take on the challenges before them. We continue to achieve

national distinction, moving more and more toward the goal of becoming the "public ivy" of the USM. Here are highlights of SU's most recent accolades:

- *Kiplinger's Personal Finance* magazine's Top 100 "Best Values in Public Colleges" for 2011 – third consecutive year.
- *The Chronicle of Higher Education* named SU among this academic year's top producers of Fulbright scholars in the United States, the only master's-level institution in Maryland to earn the distinction.
- *U.S. News & World Report's* Best Colleges for 2010-2011 – 14th consecutive year.
- *The Princeton Review's The Best 373 Colleges* and *The Best Northeastern Colleges* for 2010-2011 – 12th consecutive year.
- *The Princeton Review's* (and *USA Today*) Top 50 "Best Value Public Colleges" for 2010 – second consecutive year.

Such distinction is not only gratifying, but it is also a concrete sign that a degree achieved at SU will find recognition in the wider world. Word is getting out and the demand for SU continues to rise, pushing this year's incoming students' average GPA up to 3.65 and the average SAT to 1700.

In addition to the quality we offer across the academic program, SU has placed renewed focus on addressing the economic implications of our nation's shortage of STEM graduates and STEM teachers. The number of STEM students continues to increase at SU, a sign that our programs are vibrant and growing. This year, SU sent more than 20 students to present original research at the prestigious Capital Science (CapSci) conference, which accustoms students to the demands of research. We also aligned our chemistry curriculum with American Chemical Society standards to better position our graduates. Because of faculty and student distinction in STEM, SU was selected as the first site in the nation to establish a student chapter of

1. Lumina Foundation "Adding It Up" Report and IES Digest of Education Statistics.

the Washington Academy of the Sciences. More than bringing prestige and national recognition, this designation gives our students valuable experience with their future colleagues in the scientific community. Finally, in recognition of our efforts and potential, the National Science Foundation awarded SU a nearly \$1 million dollar grant (our largest ever) to expand STEM programs.

While STEM has justifiably received increased focus, SU's hallmark remains the delivery of a world class liberal arts education, enabling all our graduates to think critically, write effectively and argue clearly. Not only are these traits key to success in leadership, they are also the foundation for good citizenship in a participatory democracy.

Achieving quality in the liberal arts necessitates that faculty engage students academically. To this end, all classes taught in our Fulton School of Liberal Arts require a "fourth hour" of work, which students are frequently required to pursue outside of class. This work, completed under the supervision of faculty, develops greater self discipline and more active engagement. The Fulton curriculum reform has entered its fourth year, and I can now report that assessments show positive results. While the demands of this rigorous curriculum are usually reserved for those attending exclusive private colleges, Marylanders deserve this advantage from their public investment, and SU is providing it at a fraction of the cost.

The highest quality education is of no value unless students graduate. At SU, we are proud of our high and rising graduation rates. SU has the third highest six-year and the second highest four-year graduation rates among the USM institutions. Among our national peers, only two institutions report a slightly higher six-year graduation rate, and only one institution has a higher four-year graduation rate. (See Figure A and Figure B.) SU students graduate in high numbers with a quality education, which prepares them to meet the workforce needs of Maryland and the nation.

2. Represents the MHEC rate for the 2003 cohort; the MHEC rate includes all students that started at SU and graduated from ANY Maryland public institution within six years. The 66 percent shown in Figure A for the 2003 cohort is the institutional rate, which includes only those students who entered SU as first-year, first-time, degree-seeking freshmen and then graduated from SU.  
 3. Higher Education Fiscal 2012 Budget Overview, page 26.

## Productivity: SU Delivers "Bang for the Buck"

As has been shown, SU boasts strong four- and six-year graduation rates, and we continue to deliver quality education for a remarkably good value. Our productivity means a lower bottom line for our students, and, indeed, SU offers the least expensive combination of tuition and fees as compared to our closest USM performance peers. (See Figure C.)

We are able to provide great quality at a great price because we continue to do more with less; this is well illustrated by

the data presented by The Delta Project, a third-party higher education productivity and accountability organization. (See Figure D.) The chart demonstrates that spending per degree has decreased at SU while increasing elsewhere. This is highlighted by the Department of Legislative Services' (DLS) Higher Education Fiscal 2012 Budget Overview, which notes that "SU, which has the State's fourth highest six-year graduation rate, 72.3 percent,<sup>2</sup> spent the least per FTES, \$11,170. Less efficient schools spend more but have lower success rates."<sup>3</sup> DLS goes on to illustrate this measure of

Figure A: Four- and Six-Year Graduation Rates: USM Institutions - 2003 Cohort

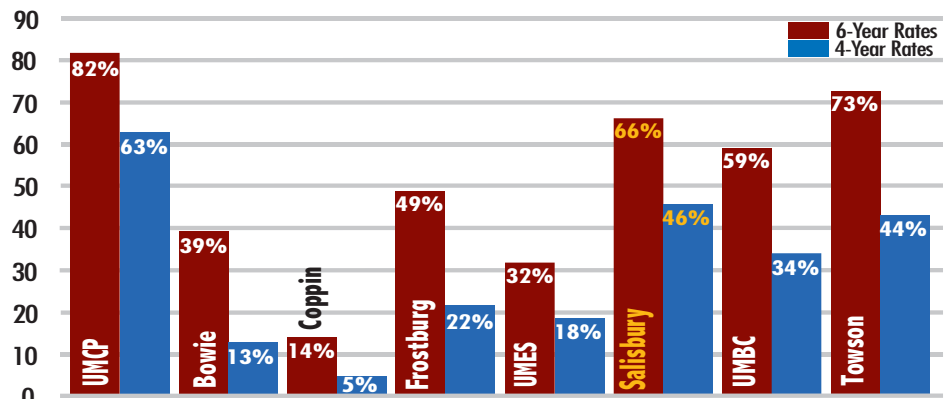


Figure B: Four- and Six-Year Graduation Rates: Peer Institutions - 2003 Cohort

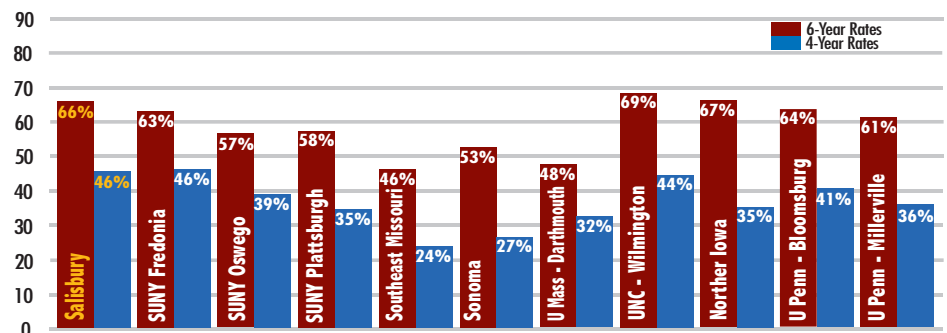


Figure C: Tuition and Fees 2010-2011 (Closest USM Performance Peers)

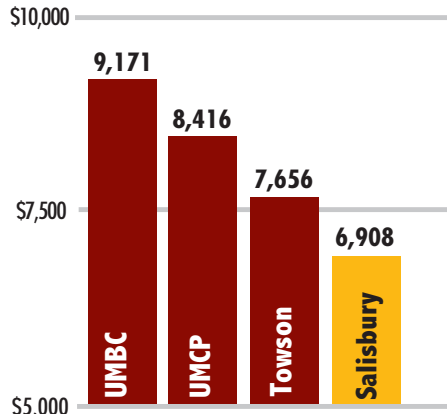
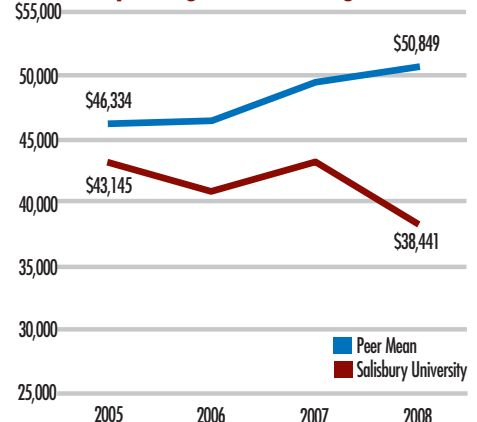


Figure D: 2005-2008 Education and Related Spending Costs Per Degree



Source: Data from The Delta Project (Trends in College Spending), www.tcs-online.org (indexed for Higher Education Price Index).

productivity for USM institutions in the chart that we have included in Figure E.

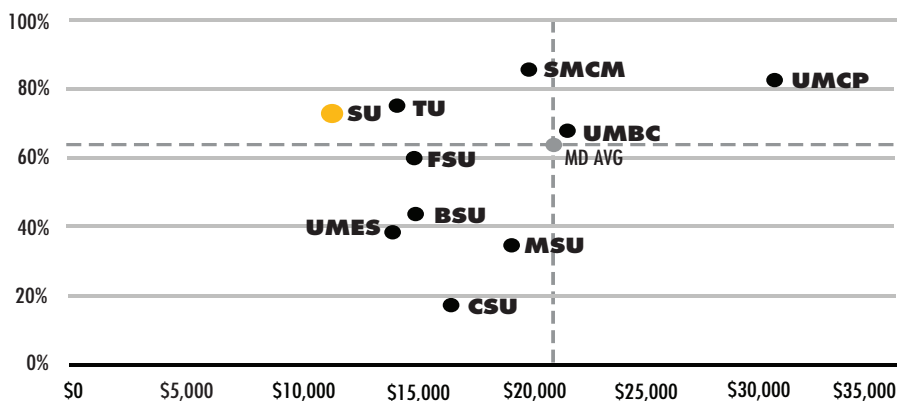
Running such a lean operation is a remarkable feat, but it is not without costs. The USM has established its own series of “dashboard indicators.” Every USM indicator on which SU receives a “red light,” in addition to being evidence of productivity, is also an indicator of stress, wear, and tear. (See Figure F.) Faculty and staff are stretched to the limit and experience the stress that comes with more work and three years of furloughs and pay cuts. **As our student body continues to grow along with the number of initiatives we are called upon to address, the stress is manifested through shrinking support services for our students, inadequate facilities, and a lack of the financial aid that is available at our closest competitors and which allows all of our citizens the opportunity to access quality higher education.**

One of the clearest examples can be found in our Center for Student Achievement (CSA). The CSA was created two years ago to address the State and USM priority of closing the achievement gap, a goal that is critical in providing access to a quality higher education for every Marylander as well as meeting our workforce challenges. Given this unfunded mandate, however, SU has never been able to fully staff the CSA; its director is the sole full-time staff member. And yet for the fall 2010 semester, the CSA averaged 80 students each day who came in looking for academic assistance and support. Clearly, the CSA cannot achieve the goals for which it was created without more resources. And this same story occurs in many of our administrative and faculty offices across campus.

Despite our funding position far below the USM average, the dashboard indicators also clearly demonstrate that SU’s priorities are in the right place, as we rank highest among the USM comprehensive institutions in expenditures for instruction as a percentage of our overall operating budget. (See Figure F.) SU is adept at accomplishing more with less ... we have had to be. As a result, we make the most of every dollar invested and achieve among the best outcomes in the USM.

4. Represents the institutional rate for the 2004 cohort; SU’s institutional rate rose by four percentage points for this most recent cohort, but is not presented in chart form because comparison data for the 2004 cohort is not yet available.

**Figure E: E&G Revenues Per FTES and Six-year Graduation Rates Fiscal Year 2009**



Note: UMAB, 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.

**Figure F: 2009 SU Dashboard Indicators**

Red text indicates red-lighted dashboard indicators.

	USM	SU Rank Among Comprehensives	SU
Average faculty salary	\$77,626	3	\$71,086
Faculty salary percentile	79%	4	64%
Teaching workload: courses per FTE faculty	N/A*	3	7.9
Operating expenditures per FTE student	\$27,792	6	\$10,973
Funding guideline percent achieved	70%	6	65%
State appropriations per FTE	\$8,500	5	\$5,021
Expenditures for instruction per FTE student	\$7,605	4	\$6,145
Expenditures for instruction as a % of total operating expenditures	N/A*	1	56%
Facilities renewal \$ as a % of replacement value	1.2%	2	1.2%

\* No USM information provided.

### Realizing Potential: “There Is No Spare Marylander” (Governor Martin O’Malley)

If together we are going to make America competitive again, our universities in Maryland will have to become even more inclusive to accommodate the predicted change in the demographics of high school graduates over the next 15 to 20 years. We will need to get more students who are the first in their families to commit to college, and we will need to work hard so these students achieve the high-quality degrees their hard work and talent deserves.

I have been President of SU for just over 10 years, and diversifying our campus has been one of my top priorities. While our work in this area is not yet finished, we have achieved significant results at SU, increasing the number of African-American students by 105 percent and Hispanic students by 118 percent over the last decade.

Though SU takes pride in its high graduation rate, the achievement gap persists for African-American students. In 2010, SU achieved a 70 percent overall graduation rate and 70 percent of our Hispanic students graduated.<sup>4</sup> SU’s challenge is our 53 percent graduation rate for African-American students. Though this rate is an anomaly, down from our high average of earlier years and the African-American graduation rate of 62 percent for the 2003 cohort, any gap between the rate for African-American students and all other students is unacceptable. SU is in the midst of implementing a number of initiatives to close the gap, including: mid-semester interventions for all first-year students with D or F grades; freshman seminars to help students navigate common stumbling blocks; supplemental instruction, which provides exemplary undergraduate students to assist with historically difficult gateway courses; living learning communities, which are cohorts created within the freshman residence halls in which students live and study together in

areas of common interest; and Powerful Connections, a program providing mentoring, academic and social support to students from historically under-represented backgrounds.

Implementation of these efforts has been difficult in these lean years as demonstrated by the previous CSA example. But SU is entrepreneurial, and late this fall we received a \$1.2 million TRiO Grant from the U.S. Department of Education. We are excited about this opportunity to invest more resources into programs that work.

Anxiety about finances often can make success in college unattainable. At SU, we simply do not have the ability to provide deserving students with the aid they need. This negatively impacts our retention numbers and — far worse — can spell disaster for the aspirations of a student and his or her family who have worked for years to earn a college diploma. This is especially evident when comparing SU's institutional aid per student with our sister institutions in the USM. (See Figure G.)

To begin righting this wrong, pursuant to the Higher Education Investment Fund (HEIF) Tuition Stabilization and Funding Act (SB 283) passed last session and recommendations in the Bohanan Commission report, SU is seeking a market correction to its tuition; the Governor has recommended the first installment of this adjustment in the FY 2012 budget. In addition to funding the achievement gap measures identified previously, a significant portion of our adjustment will go to financial aid.

Assisting all Marylanders to address the financial and academic impediments to achieving a quality higher education will be critical in addressing the needs of the State and its new economy in the future.

### Concluding Remarks

I hope that this written testimony has illuminated the challenges faced by higher education and why higher education is vital to the State's economy, its people, and its future.

As the State continues to wrestle with the difficult issues of investing limited dollars and seeking the maximum returns on those investments, I feel confident that SU is in a position of strength. **For the least investment among all of the USM institutions, the State reaps the benefits of an institution with one of the highest four- and six-year graduation rates, one of the lowest cost-per-degree ratios, among the highest productivity measures, and significant academic quality and national distinction. Figure H, taken again directly from the DLS Budget Analysis, further illustrates SU's bang for the lowest buck in the State. (See Figure H.)**

In the College Board's recently released publication "The College Completion Agenda," which has been embraced by Governor O'Malley and President Obama, it was noted that "for nearly all states, funding for higher education is largely based on student enrollment," which "provides incentives for institutions to enroll students, but

provides no compulsion for institutions to graduate students." The report adds that "several states have modified their higher education funding formula to provide some incentive funding based on performance indicators such as course completion, the number of degrees awarded, or the number of low-income and minority graduates."<sup>5</sup> **Were Maryland to adjust all or a portion of its funding to reflect performance outcomes by institution, the funding formula as well as the return on the State's investment would present a very different picture than we see today.**

We are at a monumental turning point in history, as we continue to climb out of a deep recession while facing a demographically different population of high school graduates as compared to those of the past.

At this juncture, I ask that you consider carefully the value institutions of higher education like SU provide Maryland and its citizens, and do what you can to protect those investments.

Thank you for your consideration. Our written responses to the budget analyst's questions follow.

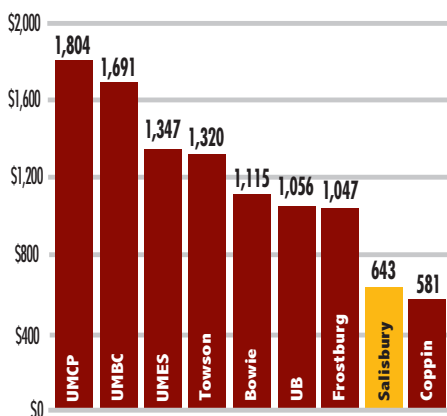
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**Figure G: Institutional Aid Per Student 2008-09**



Includes institutional grants, scholarships, and private scholarship funding.

5. The College Completion Agenda, The College Board, page 12.

**Figure H: Education and General Revenues\* Per FTES, Public Four-Year Institutions**

Institution	2008	2009	2010	Working 2011	Allowance 2012*	Annual % Change 2008-11	% Change 2011-12
UMAB	\$71,951	\$71,600	\$69,071	\$73,935	\$74,080	0.9%	0.2%
UMCP	28,887	29,939	29,540	30,940	31,292	2.3%	1.1%
UMBC	20,658	21,275	20,744	21,002	21,236	0.6%	1.1%
Morgan	19,324	18,832	18,021	18,761	18,314	-1.0%	-2.4%
UB	21,838	21,378	20,282	21,012	20,820	-1.3%	-0.9%
UMUC	15,582	14,753	13,623	13,978	14,134	-3.6%	1.1%
Towson	13,624	13,983	13,917	14,514	14,808	2.1%	2.0%
Bowie	14,116	14,776	14,231	14,926	15,337	1.9%	2.8%
Frostburg	14,804	14,721	14,038	14,323	14,495	-1.1%	1.2%
UMES	14,902	13,799	12,731	14,289	14,398	-1.4%	0.8%
Coppin	15,944	16,251	16,586	17,657	17,614	3.5%	-0.2%
St. Mary's	19,613	19,573	20,782	22,789	22,358	5.1%	-1.9%
<b>Salisbury University</b>	<b>11,221</b>	<b>11,170</b>	<b>11,955</b>	<b>12,273</b>	<b>12,607</b>	<b>3.0%</b>	<b>2.7%</b>
Average	\$21,728	\$21,696	\$21,194	\$22,338	\$22,423	0.9%	0.4%

\* Education and general revenues represent tuition and fees, general funds, non-capital Higher Education Investment Fund, grants and contracts (Federal, State, and local), and sales and services of educational activities less auxiliary program enterprise revenue. For the University of Maryland at Baltimore, hospital expenditures are excluded from education and general revenue. Agricultural and cooperative extension programs at the University of Maryland College Park and University of Maryland Eastern Shore are also excluded. Funding for the Maryland Fire and Rescue Institute is excluded from UMCP.

\*\*The fiscal 2012 allowance reflects across-the-board and contingent reductions included in the Governor's fiscal 2012 budget plan.

Source: Department of Legislative Services; Governor's Budget Books, Fiscal 2012.