

Monday, February 9, 2015
University System of Maryland (USM) FY 2016 Budget Testimony
Maryland Senate Budget and Taxation
Subcommittee on Education, Business and Administration
USM Board of Regents Chair, James Shea

Chairman King and members of the Committee . . . On behalf of the Board of Regents, I want to express my thanks for the opportunity to testify on the Governor's FY 2016 budget recommendations for the University System of Maryland (USM).

In a few moments, USM Chancellor William Kirwan will speak to the specifics of Governor Hogan's budget proposal. For my part, I would like to note that despite the emphasis on addressing the State of Maryland's structural deficit—an effort that must be undertaken—the Governor's budget proposal for the USM still demonstrates his support for higher education notwithstanding the extreme fiscal difficulties facing the state. It is, nevertheless, certainly one that will present the USM with significant challenges.

I look at what's happening in Wisconsin, where the Governor has proposed a two-year tuition freeze and a \$300 million—or 13 percent—cut to the University of Wisconsin System's budget. I look at what's happening in California, where a battle between the Governor and the President of the University of California may well lead to a tuition hike of 28 percent over five years. And I look at what is happening in Arizona, where higher education funding on a per-pupil basis has been slashed by nearly half, from \$6,387 per student to \$3,305 per student.

Maryland has avoided such problems for several reasons. First, the USM recognized the importance of demonstrating strong fiscal discipline and stewardship, implemented our comprehensive Effectiveness and Efficiency (E&E) initiative, and cut more than \$460 million in direct costs. Second, State leaders in Annapolis, in both parties, recognized the requirement that the citizens be skilled and well-educated in order to compete in the innovation economy, valued the USM's role as an educational and economic engine, and invested in its access, affordability, and competitiveness.

The partnership now in place between the USM and leaders in Annapolis has been and, I expect, it will continue to be critical. And while the Governor's budget proposal will be challenging, and will almost certainly hamper some key efforts and delay impactful initiatives, I encourage you to adopt this budget with no additional reductions to the USM.

Higher Education now stands as a genuine priority in Maryland and we have seen that investment pay off by making our Universities some of the finest in the country and by positioning Maryland for leadership in the innovation economy. Together let us continue this progress.

Madam Chairman and members of the committee, thank you again for this opportunity to testify.

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