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May 12, 2025

**WRITTEN TESTIMONY**

**Baltimore City Council – Bill 25-0036**

**Submitted by the Maryland Independent College and University Association (MICUA)**

The Honorable Chair Danielle McCray and Members of the Budget and Appropriations Committee  
 City Hall, Suite 400  
 100 N. Holliday Street  
 Baltimore, MD 21202

Dear Honorable City Councilmembers,

The Maryland Independent College and University Association (MICUA) submits this testimony on behalf of its four member institutions located in Baltimore City: Johns Hopkins University, Loyola University Maryland, Maryland Institute College of Art (MICA), and Notre Dame of Maryland University. These nonprofit colleges and universities are among the oldest institutions in Baltimore—three of them founded prior to the Civil War—and have built enduring partnerships across the City for well over a century.

These institutions have survived wars, depressions, and cultural upheaval. But today, they face a convergence of existential threats unlike any previous moment in American higher education. Simultaneous federal disinvestment, demographic decline, inflationary pressures, and rising political scrutiny have created a historic inflection point for the sector. Institutions are closing across the country. Staff layoffs are already underway. Enrollment losses stemming from the pandemic have not yet been fully recovered—and they are now giving way to a protracted demographic downturn that will reduce the number of college-aged students for the next two decades. For many institutions, this combination of shrinking enrollment and sustained financial strain threatens their long-term sustainability and forces difficult decisions regarding staffing, academic offerings, and student access.

At the same time, federal support for higher education and research is being dramatically reduced or outright eliminated. The FY26 federal budget proposes an 80% cut to the Federal Work Study program, a 44% reduction to the National Institutes of Health (NIH), a 55% reduction to the National Science Foundation (NSF), and the complete elimination of the National Endowments for the Arts and Humanities. These cuts follow earlier policy changes that already weakened institutional capacity.

The NSF—a key federal agency that funds foundational research—has suspended new grant programs and implemented a cap on indirect cost reimbursements, limiting them to just 15%. This is a dramatic departure from long-standing negotiated rates that covered essential infrastructure and administrative expenses. The reduction not only renders many research projects financially unsustainable but is already triggering legal action from affected universities.

Similarly, the U.S. Agency for International Development (USAID) has undergone a sweeping rollback of global engagement. More than 80% of USAID-funded initiatives—including global health, education, and economic partnerships—have since been canceled. These programs have long supported research collaboration, community health infrastructure, and student training both domestically and abroad. Their sudden termination disrupts not just international partnerships, but the very mission of global engagement and service that defines higher education.

The reductions in indirect cost reimbursements by both NSF and NIH have created significant budgetary strain for Johns Hopkins University, Loyola University Maryland, Maryland Institute College of Art (MICA), and Notre Dame of Maryland University. These rates, which help universities recover the actual costs of administering federally sponsored research, are critical to maintaining labs, IT infrastructure, compliance, and personnel. A blanket 15% cap severely underfunds these functions, resulting in diminished research capacity, delayed innovation, and reduced support for graduate students and early-career investigators.

MICUA respectfully urges the Council to consider the broader external environment in which higher education currently operates before establishing a task force to reconsider or potentially revise the voluntary contributions that these institutions have made—and continue to make—in good faith. These contributions stem from agreements initiated in 2010 and in effect through 2026.

Negotiated with the City and consistently honored for more than a decade, these agreements—adjusted for inflation—have generated nearly \$100 million in direct support to the City’s General Fund. In FY23 alone, MICUA and MHA institutions paid \$22.8 million in taxes and fees to the City, while their employees contributed an additional \$57.6 million in local income taxes. Nearly 30,000 Eds & Meds employees reside in Baltimore City.

Beyond financial support, MICUA institutions are driving Baltimore’s economic future. In FY23, they invested \$546 million in construction of healthcare and education facilities, and more than \$5.2 billion in additional capital investment is planned through FY28. They are among the largest private-sector employers in the City, responsible for 1 in 4 private-sector jobs. They play a leading role in workforce development, medical research, public health, housing stabilization, arts engagement, and K-12 partnerships.

Over the course of their combined histories, these four institutions have directly impacted an estimated 10.7 million Baltimoreans—including more than 6.7 million students and alumni, nearly 700,000 employees, and over 3.3 million city residents through community outreach and engagement. There is no other group of institutions in Baltimore—public or private—that matches this combination of scale, longevity, and direct civic contribution.

MICUA notes that while the proposed task force includes members affiliated with MICUA institutions, those appointees do not hold positions with institutional leadership or financial authority. Yet the composition of the task force would be charged with making recommendations that carry direct and significant budgetary implications for each institution. This disconnect is impractical and risks undermining collaborative approaches that have served the City and its nonprofit sector well for more than two decades.

Baltimore’s nonprofit colleges and universities are enduring civic anchors. They do not relocate, divest, or shutter in response to market shifts. They remain, they serve, and they invest. At a time of unprecedented challenge, the City should take care to strengthen—not destabilize—the very institutions that help secure its long-term health and prosperity.

For all these reasons, we urge the Council to consider whether this is the appropriate time to initiate a new and

potentially duplicative review process. We remain committed to working with the City in good faith, as we have for decades, but we believe it is critical that the full scope of our contributions and the extraordinary threats we now face are clearly recognized.

Thank you for your consideration.

A handwritten signature in blue ink, appearing to read 'MP', with a long horizontal flourish extending to the right.

Matt Power  
President