

House Bill 1444 for Budget and Taxation.pdf

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**House Bill 1444 – Income Tax Credit – Endowments of Maryland
Historically Black Colleges and Universities – Sunset Repeal**

**Statement of Bowie State University Vice President for Institutional Advancement
Brent Swinton**

Support

Chair Guzzone, Vice Chair Rosapepe and Members of the Budget and Taxation Committee:

I am pleased to offer comments in support of House Bill 1444, which repeals the sunset provision in the Income Tax Credit – Endowments of Maryland Historically Black Colleges and Universities. My name is Brent Swinton, and I serve as the Vice President for Institutional Advancement for Bowie State University.

I applaud bill sponsor Delegate Jheanelle K. Wilkins and the other sponsors for this legislation which represents an opportunity to increase contributions to endowments to support the continued and sustained growth at Historically Black Colleges and Universities.

The proposed legislation's sunset repeal for endowment contributions to the institution, and will be transformative annually for scholarships to Bowie State students.

This legislation is timely and critical in light of the recent pandemic, which illustrated the financial hardships that many families experienced. At our institution, we implemented extended financial aid plans and assistance to those families hardest hit due to both parents suffering from the shutdown. House Bill 1444 increases the ability to incentivize ongoing donations to Historically Black Colleges and Universities (HBCUs) that serve the neediest students. At my university, 89% of our student body require some form of financial aid, and so this legislation is critical to offering financial assistance to those high achieving students who need scholarships to bridge the gap.

Again, Chair Guzzone and Vice Chair Rosapepe, thank you for the opportunity to comment in support of House Bill 1444.

HB1444 - J.Wilkins Written Testimony 330.pdf

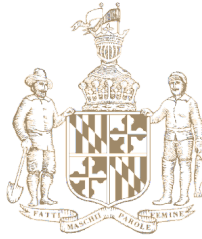
Uploaded by: Jheanelle Wilkins

Position: FAV

JHEANELLE WILKINS
Legislative District 20
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PARLIAMENTARIAN

Ways and Means Committee



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 30, 2022

House Bill 1444 - Income Tax Credit - Endowments of Maryland Historically Black Colleges - Sunset Repeal

Dear Colleagues,

I am pleased to present **House Bill 1444 - Income Tax Credit - Endowments of Maryland Historically Black Colleges - Sunset Repeal**, which would extend the termination date by five years of certain provisions of law that allow a credit against the State income tax for a certain amount of donations to certain permanent endowment funds at certain institutions of higher education; and generally relating to State income tax credits for donations to endowment funds.

Historically Black Colleges and Universities (HBCUs) have served the purpose of educating black people, who were once legally denied a right to education. Maryland is home to four HBCUs: institutions of this nature: Bowie State University, Morgan State University, University of Maryland Eastern Shore, and Coppin State University. According to the Century Foundation, the average endowment at public universities without HBCU status was 3.5 times greater. Additionally, the endowment at private institutions were reported to be 7 times larger than their HBCU counterparts. While these institutions produce more than 20% of African American professionals, they are historically underfunded.

Under the current endowment tax credit program, each Maryland HBCU is allotted up to \$60,000 of the tax credit for its donors. On application by a taxpayer, the Comptroller shall issue a credit certificate in the amount of 25% of a proposed donation to a qualified permanent endowment fund at an institution of higher education.

The campaign to level the financial playing field amongst institutions of higher learning by increasing the endowment funds of Historically Black Colleges and Universities is a national action. Maryland should continue to afford this state income tax credit for these historical institutions at home, and for these reasons, I urge the committee to vote **favorably** on HB1444.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jheanelle Wilkins'.

Delegate Jheanelle Wilkins

Morgan State Response - HB1444 Senate.pdf

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Office of the President

**Morgan State University Testimony
Dr. David Wilson, President**

House Bill 1444 (*Delegate Wilkins et al*)

Income Tax Credit - Endowments of Maryland Historically Black Colleges
- Sunset Repeal

Committee: Budget and Taxation

March 30, 2022

Favorable

Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee. We, at Morgan, thank you for the opportunity to share our position on House Bill 1444. The summary of the Bill states the following: *Repealing the termination of certain provisions of law that allow a credit against the State income tax for a certain amount of donations to certain permanent endowment funds at certain institutions of higher education.*

Morgan State University is the premier public urban research university in Maryland, known for its excellence in teaching, intensive research, effective public service and community engagement. Morgan prepares diverse and competitive graduates for success in a global interdependent society.

For decades, through the Division of Institutional Advancement, the University has been committed to informing, engaging, partnering with, and securing financial support from a diverse spectrum of audiences through strategically-aligned communications, engagement initiatives, and philanthropic opportunities. We seek to build lifelong relationships that engage the time, loyalty, and intellectual and financial resources of individuals in support of Morgan's mission, goals and aspirations.

For example, on February 22, 2001, Morgan State University announced receipt of a \$20 million commitment from alumnus and philanthropist Calvin E. Tyler Jr. and his wife, Tina, increasing an endowed scholarship fund previously established in the Tylers' name. The monumental gift was the largest private donation from an alumnus in University history and is believed to be the largest contribution of its kind to any Historically Black College or University (HBCU) nationwide from an alum.

In 2016, the Tylers made a [commitment of \\$5 million](#) to the University— at the time the largest in Morgan’s history—bolstering the Calvin and Tina Tyler Endowed Scholarship Fund established in 2002 to provide full tuition scholarships for select need-based students residing in the Tylers’ hometown of Baltimore. In light of the financial hardships and challenges a number of students and their families are facing as a result of the current pandemic, the Tylers were compelled to expand their giving.

Morgan is so proud to call this son and daughter of the great City of Baltimore our own, and through their historic giving, the doors of higher education will most certainly be kept open for generations of aspiring leaders whose financial shortfalls may have kept them from realizing their academic dreams. (<https://www.morgan.edu/news/former-ups-driver-gives-morgan-state-university-20-million-ensuring-access-to-college-for-generations-of-students>)

The substantial philanthropic gifts and alumni giving have aided in student support. Over the past ten years, the University’s endowment fund has increased from \$15.1M to \$101.3M, and continues to grow. Alumni giving has also increased from \$73.9M to \$108.4M.

Morgan State University supports HB1444. It has been determined that the proposed legislation could have a fiscal impact to the University. If this bill is not passed the University's fund raising revenues could be affected by less contributors contributing to the University's endowment fund. The endowment tax credit is a great donor incentive that facilitates endowment growth thereby relieving stress on other funding sources that support students. We expect the number of donors seeking the tax credit will continue to grow if the bill is reauthorized.

We appreciate the opportunity to work with the State in reaching a solution to support our students as we continue to grow the future and lead the world.