



HOUSE APPROPRIATIONS COMMITTEE

February 4, 2020

TESTIMONY

Submitted by

**Dr. Bernard Sadusky, Executive Director
Maryland Association of Community Colleges**

HB 597 – Higher Education – Nonresident Tuition – Exemption for Spouses and Dependents of Honorably Discharged Veterans

Position: Support with Amendments

On behalf of the Maryland Association of Community Colleges, representing Maryland's 16 community colleges we want to thank the Sponsor for working with us to offer an amendment that allows the spouses and dependents of Honorably Discharged Veterans who benefit from this legislation to be counted for State support under the Cade and BCCC funding formulas and for the state to reimburse the out-of-county tuition charges as well. We are working with the sponsor to solve the loss of revenue our colleges would face as a result of this legislation and support the Sponsor's amendments. The ability to help honorably discharged veterans, their spouses and dependents, is supported by Maryland's 16 colleges.

Community college financing is unique among postsecondary education in that we receive revenue from 3 different sources. Those sources of revenue are the state of Maryland, the local county (or counties for regional community colleges) and student tuition. By law, when a student pays tuition, it is based on 3 different rates that are related to whether a student is being supported by county funding, state funding, or neither. The reason is that if a student is a resident of the county that the community college serves, the student will pay the lowest tuition rate benefiting from county support as well as State support. If a student is from a different service area but still resides in Maryland, tuition is higher because the county doesn't support a student that does not pay local taxes. And lastly, out-of-state tuition is highest because the student is not supported by either local or state funding.

When legislation is introduced to waive the tuition for nonresident students, our institutions forgo the ability to receive the full cost for educating that student. Consequently, the colleges have no choice but to raise tuition for all students to make up the difference. That causes a litany of other problems such as making it more difficult for low-income and high-risk students from either being able to go full-time to not being able to attend at all. While we realize that the number of individuals affected by this legislation may be relatively small; however, each year more and more tuition waivers are introduced without adding a funding source. As a result of tuition waivers, drive up the cost up further for students.

Working with the sponsors amendments, MACC believes the loss of revenue can be corrected by having the state cover the out-of-county tuition charge and make certain that all students who are exempted from paying out-of-state tuition are able to be counted for Cade and BCCC state funding.

With these amendments, community colleges support this legislation that will assist our honorably discharges veterans and their families.