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**THE SENATE OF MARYLAND**  
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**SPONSOR STATEMENT**

**Senate Bill 609 – Higher Education – St. Mary’s College of Maryland – Cost-of-Living Adjustment**

February 19, 2020

Mister Chairman and Members of the Budget and Taxation Committee:

In 2017 the Maryland General Assembly passed Senate Bill 434 which altered the funding formula for St. Mary’s College. At that time, it was acknowledged that St. Mary’s had challenges in keeping up with the escalating costs of both benefits and raises for state employees. These expenses were both significant drivers of expense growth. The St. Mary’s funding formula was adjusted to provide for full funding of benefits and 50% funding for cost-of-living adjustments (COLA’s).

Although it was not stated in the law, it was the thinking at the time that the 50% funding of COLA’s by the state would be supplemented by 50% from St. Mary’s College. This has not always been the case and the funding formula is in danger of becoming the ceiling instead of the floor. In FY 2020, when state employees received a 3% COLA in July of 2019, St. Mary’s argued for a 1.5% at the bargaining table. Eventually, a 2% increase was agreed on; however, it was delayed by 3 months. In effect, that meant a less than a 2% increase for that fiscal year.

Continuing with this funding formula perpetuates an inequity among our state employees. Senate Bill 609 will alter the funding formula and require the state to fund 100% of cost-of-living adjustments at St. Mary’s College. This change will ensure that employees at St. Mary’s College receive the same percentage increase in COLAs as their counterparts in other public higher education institutions.

I respectfully request a favorable report on Senate Bill 609.