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Senate Budget and Taxation

Testimony Supporting SB 538

**Dr. Ray Hoy, President
Wor-Wic Community College
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Please accept this written testimony in support of SB 538, which will rectify a long-time burden of unfunded mandates on Maryland's community colleges. I want to thank Chairman Guzzone for sponsoring this bill.

Over the past 21 years that I have been president at Wor-Wic Community College in Salisbury, I cannot count the number of times that I have expressed displeasure over tuition waivers awarded by the legislature, for very deserving groups of Maryland citizens, because they were unfunded. In other words, community colleges are required to offer free or discounted tuition and sometimes fees to individuals, but they do not receive any revenue to offset the expense.

I cannot think of a time when I felt that the designated class of waiver recipients was not deserving of the free tuition. However, during the period of time when Maryland's community colleges have been underfunded—CADE was enacted in 1996, took effect in 1998 and has never reached full funding—it has always seemed inappropriate for the State to mandate that the community colleges offer free tuition without providing the funds to cover the cost. CADE has still not reached full funding. In fact, in this fiscal year, the tie to the university system per student funding is 21.8%, after the BPW recession in July. The CADE formula mandates the funding tie to be 29%. In 23 years, community colleges have never achieved full CADE funding.

In almost every session, there is a bill to support another deserving group, expand the benefits or expand eligibility to additional members of a group. My objection has never been about the audience that has been selected to receive the discounted or free tuition. My only objection has been the fact that waivers are granted without providing revenue to cover these waivers. So, the costs are either borne by other students in the form of tuition increases, or programs and services are underfunded or disregarded for lack of revenue. Some of these are the very programs and services that are needed to assist the audience that the waiver is intended to support.

Waivers at Maryland community colleges amount to about \$10 million annually. This legislation is designed to make the institutions whole by reimbursing institutions for their actual lost revenue. Nothing more, nothing less. It includes \$10 million, beginning in Fiscal Year 2023, to reimburse community colleges for the enumerated State-mandated waivers.

This is very important legislation that finally recognizes the cost of these waivers and provides funding to support the students.

Thank you for your serious consideration.