



Senate Budget & Taxation Committee

TESTIMONY

Submitted by Dr. Bernard J. Sadusky, Executive Director

February 2, 2021

BILL: SB 433 – Community Colleges – State Funding - Revision

POSITION: Support

The Maryland Association of Community Colleges, representing all of Maryland's 16 community colleges, strongly supports SB 433, that would clarify the requirement that the Maryland Department of Budget and Management (DBM) include all funding to the selective public universities in the calculation of the Senator John A. Cade Funding Formula. Excluding cost of living adjustments (COLA) from calculating our Cade funding represents an approach by DBM that excludes State aid from Maryland's community colleges. Prior to this practice, all decreases in State support to the community colleges would have to be voted on by the Maryland General Assembly through the Budget Reconciliation and Financing Act. By simply excluding the 2 percent COLA increases, DBM effectively reduced community college funding by \$6.7 million in FY 2021, leaving community colleges with no ability to advocate except through legislative action.

All segments of higher education must compete in the same highly competitive market for faculty and staff. Disadvantaging community colleges by excluding \$40 million that is provided to the public four-year institutions from the Cade calculation has very significant consequences for community colleges to compensate our faculty at the market rate. The consequence of doing so from a State policy perspective is to advantage one segment of higher education at the expense of another.

Maryland's community colleges are dependent on State funding and variations in the formula, such as excluding cost of living increases at the public four-year intuitions can impact our ability to remain competitive, which in turn impacts tuition and fees for our students. Therefore, MACC is in full support of this legislation and view it as a step forward to having a more equitable public financing model.