



HOTEL • MOTEL • RESTAURANT • ASSOCIATION

TESTIMONY OFFERED ON BEHALF OF
The Ocean City Hotel-Motel-Restaurant Association
IN OPPOSITION OF: HB0352 – Budget Reconciliation and Financing Act of 2024
Before: House Appropriations Committee
Hearing: 2/28/24 at 1:00 PM

On behalf of our local trade association representing over 400 regional businesses, I am writing in opposition to HB0352 – Budget Reconciliation and Financing Act of 2024.

This legislation includes historic cuts to community college funding, rebasing the CADE formula funding to 26.5% - a cut from the full 29% which was only fully reached within the past two years. Community Colleges are a critical component of workforce development across the State of Maryland, particularly critical in rural areas like ours.

Originally, the CADE Funding formula established an equitable distribution of funding by linking funding to four-year institutions and was established to assure the quality of community colleges for the students we serve. The cuts instituted in this bill are devastating and particularly impact the rural colleges—especially those on the Eastern Shore with Cecil, Chesapeake, and Wor-Wic all incurring double-digit declines in State funding under this budget proposal. Wor-Wic’s allocation is dropping a full 11% from last year; Cecil and Chesapeake are at -13% and -10%, respectively. These proposed cuts are permanent and ongoing. They represent the fourth largest funding reductions in the history of the CADE Formula, after those of the Great Recession and the COVID pandemic.

We urge reinstatement of full CADE funding for Maryland community colleges for the following reasons:

- Reducing the CADE formula in a time of enrollment growth stretches funding resulting in less support for all students.
- Recovering from pandemic enrollment declines, Community Colleges have produced more graduates annually, with a 28% increase from 2009-10 (baseline for the beginning of enrollment decline) to 2021-22, the most current year available.
- Community Colleges have been relied upon to close the skills gap in workforce shortages.
- Community Colleges have been tasked with post-college and career readiness pathways through the Blueprint for Maryland’s Future legislation, of which they are already receiving only 75% of the full tuition costs.
- The actions that are included in this legislation impact students who are the most vulnerable and are struggling to succeed.

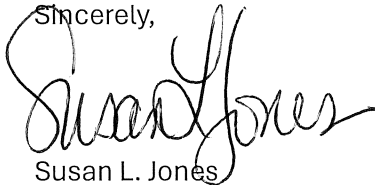
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- The reduction proposed in this legislation would require students to pay more in tuition, which reduces the chance that recent high school students will enroll at all, according to research.
- Affordability remains the biggest barrier to student success, this only makes postsecondary education further out of reach.
- Community Colleges compete in the same academic labor market for skilled faculty and staff yet increases in the cost of living for our public four-year institutions that are not also included in our Cade calculation harm our ability to compete, directly impacting our ability to pay our employees, especially in a time when Collective Bargaining is being implemented for our segment.

We respectfully request an UNFAVORABLE COMMITTEE REPORT for HB0352 and request reinstatement of full CADE funding for community colleges in Maryland. Should you need to contact me, I am at 410-289-6733 or susanjones@ocvisitor.com. Thank you for your time.

Sincerely,

A handwritten signature in black ink that reads "Susan Jones". The signature is written in a cursive, flowing style.

Susan L. Jones
Executive Director