



PRINCE GEORGE'S
COMMUNITY COLLEGE

February 27, 2020

APPROPRIATIONS COMMITTEE

Testimony by Dr. Charlene M. Dukes, President
Prince George's Community College

Annapolis, Maryland

BILL: HB 152 Budget Reconciliation Finance Act (BRFA)
POSITION: Oppose

Thank you, Chair McIntosh, Vice Chair Jackson, and members of the Committee for giving me the opportunity to speak to you today on behalf of Maryland's 16 community colleges in acknowledgement of our support for the Governor's budget (SB 190 / HB 150) as submitted and our strong opposition to the Budget Reconciliation and Finance Act of 2020 (SB 192 / HB 152) also known as the "BRFA".

You are undoubtedly aware the BRFA of 2020 Cuts State Aid to Community College by 50%. In accordance with State law, the Governor's FY '21 Budget, (SB 190) provides \$286.1 million in State aid to Maryland's community colleges as determined by the Cade formula that calculates the annual State aid appropriation to community colleges.

This is a well-deserved increase of \$36.4 million or a 14.6% increase over last year's appropriation; however, along with the introduction of the State Budget, the Governor introduced SB 192 – the Budget Reconciliation and Finance Act of 2020 (the BRFA) that cuts the State aid to community colleges in half to \$18.2 million or 7.3% over last year's appropriation.

As intended, the Cade funding formula jumps 2% for FY '21, from 23% in FY20 to 25% of the State aid granted per FTE to select four-year public institutions in Maryland. This percentage increase, coupled with a failure to include a \$40 million salary enhancement granted to USM in the Cade calculation last year, resulted in the statutory increase of 14.6% for community colleges.

Historically, the State has underfunded their portion of the cost of a community college education for several decades by rebasing the Cade formula and or rescinding their appropriation 7 times during recessionary periods to balance the State budget. This accounts for a loss of over \$100 million in State

aid to community colleges. Full funding for community colleges was stretched out to FY '23 resulting in further loss of State funding for community colleges.

Community colleges understood the State's necessity to rebase the funding during a recessionary economy, however, the present BRFA lacks this justification. Maryland current economy is in the midst of one of the strongest fiscal years ever. This is a year that the State Budget should strengthen support for community colleges.

We have been great partners with the State in a multiple of ways:

- Holding tuitions steady to ensure continued financial access to higher education for more than 500,00 students annually enrolled in credit, workforce development, and continuing education programs
- Reducing tuition and fees to support dual enrollment and access by low-income and FARMs students who want to pursue college while still in high school
- Accepting waivers of tuitions for populations of students who rightfully deserve them
- Re-allocating our financial resources to ensure that students with disabilities have access to accommodations that are critical to their success at our institutions
- Increasing graduation and certification attainment rates
- Offering programs and services in support of Maryland's Ready for Business initiatives
- Utilizing college resources to support MHEC in marketing the Maryland Promise Scholarship Program
- Providing minimal salary enhancements or foregoing them altogether
- Supporting the Kirwan Commission Recommendations where there is clearly a role for community colleges in creating a world-class public education system without an identified fiscal note to support the work we are expected to do.

To spend billions of tax dollars on making more students "Career and College Ready" does nothing to benefit Maryland if community colleges are not ready to assume the next step.

The current BRFA permanently eliminates the Cade Formula for 15 community colleges and Baltimore City Community College funding formulas that calculate the annual State aid to community colleges and institutes funding based on the percentage increase in the growth of the State's General Fund Revenues. Even with this potentially new established baseline, there appears to be a false assumption that community colleges are currently and have been the recipients of full and fair funding.

The BRFA, essentially, converts State funding for community college from a policy that is designed to increase the State's contribution to the cost of a community college education to a new policy that funds State aid to community colleges on an "if funds are available" model. It ignores the General Assembly's implicit approval of the Cade formula and signifies that lack of intention to ever fully fund community colleges as prescribed in the Cade.

Maryland's community colleges oppose this legislation that abolishes long-standing policies made and confirmed by actions of the General Assembly. We want to depend on the State as the State has always been able to depend upon Maryland's community colleges to be partners, collaborators, and doers.

It is also important to bring to your attention the elimination of the mandated funding for the Facilities Renewal Grant. The BRFA, too, removes the mandate and this funding at the discretion of the Governor's office. The mandated funding for this Program was unanimously enacted by the 2018 General Assembly on a bipartisan basis to address the community colleges' deferred maintenance issues.

Most of our buildings on community college campuses are between 50 and 75 years old and in need of maintenance. Last year, the 16 community colleges estimated a backlog of nearly \$1 billion in deferred maintenance projects. Certainly, access to \$4M annually will not solve our long-term deferred maintenance and capital budget needs, but it is a good faith step in the right direction to allow community colleges the resources to address this deferred need bi-annually on an individual institution basis. At Prince George's Community College, we are using the allocated funds to address heating and cooling needs through the purchase and installation of new, modern air handlers.

Thank you for your time and attention. I humbly urge you to oppose the Budget Reconciliation Finance Act of 2020 and support fully funding the expected \$36M for your community colleges.