

House Appropriations Committee

TESTIMONY

Submitted by

Dr. Cynthia Bambara, President
Allegany College of Maryland

February 28, 2024

BILL: HB0352 (Budget Reconciliation and Financing Act of 2024)

POSITION: UNFAVORABLE

On behalf of Allegany College of Maryland, I am pleased to offer unfavorable support for HB0352.

The Governor's original budget provided for a 10% increase to Allegany College of Maryland, based on enrollment following the CADE Formula. However, the Budget Reconciliation and Financing Act (BRFA), as introduced, would rebase the percentage to 26.5%. The impact of this bill would reduce funding to Allegany College of Maryland by 8%. The easiest way to understand this rebase is to imagine that for every dollar the State provides to public four-year institutions, it currently provides 29 cents to Maryland Community Colleges. The BRFA reduces that to 26.5 cents, yet still provides a dollar to public four-year institutions.

Our request is simple:

- Maintain the 29% funding per FTE and reject all the language in the BRFA.

Our rationale follows:

- Due to the two prior years of fully funding the CADE Formula, enrollment is increasing, with community colleges leading higher education with an 8.3% increase. Public four-year enrollment increase is approximately 2%.
- Reducing CADE in a time of enrollment growth stretches funding even more with less support for all students.
- Community colleges have been asked to close the skills gap in workforce shortages.
- The actions that are included in the BRFA impact students who are the most vulnerable and are struggling financially to succeed.

The College provides significant economic impact throughout the State and is a sound investment from multiple perspectives. This BRFA would create irreparable harm at a time when job training and workforce development is needed the most by our citizens.

- The average associate degree graduate from ACM sees an increase in earnings of \$8,300 each year compared to someone with a high school diploma or equivalent working in Maryland.
- For every dollar spent on their education, students gain \$3.70 in lifetime earnings, society gains \$2.70 in added state revenue and social savings, and taxpayers gain \$13.6 million in added tax revenue and public sector savings.
- On average, our students realize a 22.9 percent return on their investment which is a 13 percent higher ROI than the stock market's 30-year average return.

I would also like to share that while many colleges and universities across the nation are struggling with enrollment, Allegany College of Maryland's enrollment for the Spring 2024 semester continues to be strong and has exceeded our projections.

Although not finalized, preliminary numbers for Spring 2024 credit enrollment include:

- An 11.3% increase in headcount and 8.9% in credit hours.
- An 8.9% increase in Allegany County residents.
- A 40% increase in first-time students.
- Continuing Education/Workforce Development experienced record growth in FY23, including an increase in FTE of over 60% from the previous year. We anticipate continued growth through FY24.

On behalf of our entire ACM family of students, alumni, partners, faculty and staff, advocates, and supporters, thank you for your continued investment in our College. We look forward to working with you on this request and ask for an **UNFAVORABLE** position. Thank you for the opportunity to advocate for this legislative position and provide students with every opportunity to be successful.