



House Appropriations Committee
House Bill 341
Higher Education - Cost-of-Living Adjustment - Non-State-Supported Employees
February 13, 2024
Favorable

Chair Barnes, Vice Chair Chang and members of the committee, thank you for the opportunity to offer testimony on House Bill 341. We wholeheartedly support and thank the sponsor, Delegate Solomon, for introducing this legislation.

The University System of Maryland (USM) is comprised of twelve distinguished institutions, and three regional centers. We award eight out of every ten bachelor's degrees in the State. Each of USM's 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from Western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes three Historically Black Institutions, comprehensive institutions and research universities, and the country's largest public online institution.

The bill would require the State to provide to non-State-supported employees of the University System of Maryland, Morgan State University, and St. Mary's College of Maryland a certain percentage of the cost-of-living adjustment the State provides to State employees. Essentially providing full funding for cost-of-living (COLA) to all employees.

As you know, the State negotiates and announces salary and wage increases for all State employees. Historically, funding for these increases has been provided for only those employees paid from state supported activities. Currently 65% of USM salaries are state supported; 35% are funded from other than state fund resources. These are self-supporting activities where the revenue received must cover the expenses.

In order to fund salary increases announced by the state, institutions often resort to raising student fees or reducing student services to balance operating budgets. For each 1% of COLA left unfunded for non-state supported employees, around \$14.2 million must be covered by increased revenue ultimately shifting the cost burden onto students and their families through increased fees as outlined below in the institution responses.

Many of these State employees work in university dining halls, housing units and other functions. Their salaries are paid from the proceeds of fees charged to students at our institutions of higher learning. As university employees they are eligible for State-announced COLA increases and in fact may be the employees who will benefit the most from increasing their pay to keep up with inflation.

The state has an interest in ensuring that these employees realize the same wage increases as other state employees without passing that cost along to other Marylanders in the form of additional fees.

Again, the USM appreciates the efforts of the General Assembly and their consideration in supporting this legislation to ensure the State funds the COLA increases it announces for all state employees.

The USM urges a Favorable Report on House Bill 341.

