



Ocean City, Maryland
Chamber of Commerce

410-213-0144 info@oceancity.org
oceancity.org 12320 Ocean Gateway, Ocean City, MD 21842

TESTIMONY OFFERED ON BEHALF OF
THE GREATER OCEAN CITY CHAMBER OF COMMERCE

IN OPPOSITION TO:

SB0362 – Budget Reconciliation and Financing Act of 2024

Before:

Senate Budget & Taxation Committee

Hearing: 2/29/24 at 1:00 PM

The Greater Ocean City Chamber of Commerce, representing over 700 regional businesses and job creators, **OPPOSES SB0362 – 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 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.
- 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.

The Ocean City Chamber respectfully requests an **UNFAVORABLE COMMITTEE REPORT for SB0362** and request reinstatement of full CADE funding for community colleges in Maryland. Please feel free to contact the Chamber directly at 410-213-0144, or Dennis F. Rasmussen, dfr@rasmussengrp.net at 410-303-4658 should you have any questions.

Respectfully submitted,

Amy Thompson
Executive Director
amy@oceancity.org

Joe Schanno
Legislative Committee Chair
joe.schanno@gmail.com