

HOUSE APPROPRIATIONS COMMITTEE

February 8, 2021

TESTIMONY

Submitted by

Sandra E. Moore, Chair, Board of Trustees

HB 894: Education – Community Colleges – Collective Bargaining

Position: Oppose

As chair of the Board of Trustees of Anne Arundel Community College, **I am asking that the Committee oppose HB 894** for one simple reason – costs.

As you know, one of our primary responsibilities as members of the Board of Trustees is fiscal oversight. At the end of this month, our board will vote on the budget for next year, which then will go to the county executive and eventually will be presented to the county council for inclusion in the county's fiscal year 2022 budget.

As chair, I am familiar with the budgeting process of the college. It is clear to me that the college administration works tirelessly to maintain a balanced and reasonable budget to meet the educational needs of our community. In exercising our fiduciary responsibilities, our board must wrestle with the issue of raising tuition and fees, especially determining how much of an increase, even a slight one, could deter some students from pursuing a college education.

One repeated area of concern is the continuous rebasing of the formula that determines the annual state aid to our institution. When I joined the board in 2015, it was explained to me that the community college funding premise is 1/3 state-funded, 1/3 county-funded, and 1/3 student-funded but the state has not maintained its commitment to the Cade funding formula for more than a decade. As a result, the college cannot count on increased financial support from the state, which is projected to provide 26% of our total budget next fiscal year.

Being thrown into that fiscal reality is a new proposal under HB 894 that will result in an unfunded mandate. It is worth noting that the lost revenues to community colleges from the state not fulfilling the Cade formula total more than \$100 million to date. This proposal is cost prohibitive. As one of the largest community colleges in the state, AACC previously estimated that the cost to us could be between \$5 million and \$16 million. Assuming no new funds from the state or county, these costs would require a tuition increase of 17% to 53%. That is neither realistic nor sustainable.

In addition to the estimated increases in salaries and benefits, there are additional costs associated with this bill, including costs such as negotiating contracts, legal fees, and consulting fees. The college does not currently have dedicated staff with expertise to address these issues, which could cost the college hundreds of thousands, if not millions, of dollars more.

The question our board asks is, where will the money come from? To meet our annual budget, we have had no choice but to require staff to reallocate current funds as there is little new money for proposed projects. At the same time, we strive to keep increases to students to a minimum. With a history of the Cade funding formula not being met for many years, the college cannot count on the state to pay for a new set of costs as a result of this bill. While our county has been supportive of the college, it is not in a position to increase our funding by 11% to 34%.

To answer the question of where the money will come from, there is only one group left: our students. Under this scenario, they will be the ones left to shoulder this new financial burden. Alternatively, our college will have to reduce the number of classes and student support services it offers. To manage our total costs, and therefore keep our tuition and fees at reasonable levels for our students, we would have to reduce the total number of adjunct faculty courses that are taught. Again, how does this benefit our students? Fewer classes mean fewer opportunities.

We have heard the union argue that any concern from community colleges is premature because the legislation does not automatically bring in unions, but allows for a vote on unionization. This argument is disingenuous. If legislation passes, it will be too late to protect the community colleges from the devastating financial consequences that I have described.

I also look at it from a different point of view – why is this legislation needed now? It is a blanket requirement statewide when there is a mechanism in place for each county to determine its own needs. To date, Anne Arundel County has not seen the need to make a change to allow unions, so why would the state mandate it without financial support?

At the beginning of each of monthly Board of Trustees meeting, we read aloud a thank you letter from a student who is able to attend AACC as a recipient of a scholarship. Each month, the board hears about how an AACC education has helped students of all ages advance in their careers, enabling them to support their families and contribute to our economy. It is evident how important our community college system is to individuals, our county, and our state.

At a time when post-secondary education is becoming a must while higher education costs continue to climb nationwide, AACC and our sister community colleges are the solution for many people. We are the answer to the economic challenges that so many in our communities face. Why would we put that in jeopardy for tens of thousands of students with an unfunded mandate?

Along with my fellow board members, I oppose this legislation. And I urge you to oppose it as well.