

Sufficient Funding for Community Colleges Supports a Strong, Equitable Economy

Position statement in support of House Bill 173

Given before the House Appropriations Committee

Maryland community colleges serve more than 100,000 students across Maryland, including nearly half of in-state undergraduate students.ⁱ Community colleges play a vital role in increasing access to higher education, preparing students to enter four-year institutions, and training a skilled workforce. The formula the state uses to calculate community college funding ties it to funding for the state's four-year institutions, but currently allows some funding sources to be excluded from this calculation, adding to other sources of community college underfunding. The Maryland Center on Economic Policy supports House Bill 173, which would ensure that the state accurately calculates community college funding to make it commensurate with other investments in higher education.

About 113,000 students were enrolled in Maryland community colleges in fall 2019,ⁱⁱ working toward a diverse range of goals from basic education, to certification for in-demand occupations, to preparation for a four-year institution. Community colleges are an essential source of community college access for students who face an array of barriers built through a combination of discriminatory policy and inaction:ⁱⁱⁱ

- 53 percent of credit students at Maryland community colleges were students of color in fall 2019; 27 percent of students were Black and 10 percent were Latinx.
- 5 percent of students reported a disability.
- 60 percent of students were women.
- 21 percent of students were at least 30 years old.

Community colleges also bring essential benefits to Maryland's economy by training our workforce for the growing number of jobs that require some college education but not a four-year degree. Students enrolled in Maryland community colleges in the 2015–2016 school year were expected to earn an additional \$6.4 billion over their lifetimes because of this education, according to one analysis.^{iv}

At the same time, community colleges in Maryland are experiencing significant challenges. The COVID-19 pandemic is requiring institutions to strengthen and expand remote learning while ensuring students, faculty, and staff are safe during in-person operations. Job losses may lead to increased enrollment as displaced workers seek new skills. The governor has sought to reduce statutory funding for community colleges three times since FY 2016, and community colleges saw about \$47 million in midyear cuts in 2020.

Updating the funding formula to accurately tie community college funding to other investments in higher education would be a small but meaningful step to build a strong, equitable economy, in Maryland.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Appropriations Committee make a favorable report on House Bill 173.

Equity Impact Analysis: House Bill 173

Bill summary

House Bill 173 would update the formula for state funding of community colleges (including Baltimore City Community College) to specify that funding for four-year institutions used in calculating per-pupil funding amounts includes all state funding for four-year institutions, regardless of where in the state budget the appropriation is made.

Background

Maryland community colleges serve more than 100,000 students across Maryland, including nearly half of all in-state undergraduate students. The pandemic-induced recession may increase demand for community college enrollment as displaced workers seek to develop new skills. The Board of Public Works cut state funding for community colleges by \$47 million in July 2020, despite a lack of data on what steps would be necessary to balance the FY 2021 budget. The current funding formula for community colleges ties funding to the state's investments in four-year institutions, but allows certain investments to be excluded from this calculation.

Equity Implications

Community colleges are an essential source of community college access for students who face an array of barriers built through a combination of discriminatory policy and inaction:

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Impact

House Bill 173 would likely **improve racial, economic, and disability equity** in Maryland.

ⁱ Maryland Association of Community Colleges 2020 databook, <https://mdacc.org/databooks/>

ⁱⁱ FY 2021 Aid to Community Colleges operating budget analysis, Department of Legislative Services, <https://mgaleg.maryland.gov/Pubs/BudgetFiscal/2021fy-budget-docs-operating-R62I0005-Aid-to-Community-Colleges.pdf>

ⁱⁱⁱ Maryland Association of Community Colleges 2020 databook, <https://mdacc.org/databooks/>

^{iv} "Analysis of the Economic Impact and Return on Investment of Education: The Economic Value of the Maryland Association of Community Colleges," Emsi, 2016, https://mdacc.org/wp-content/uploads/MACC_ExecSum_1516_Final.pdf