

# **SEIU Testimony In Favor of SB538 Community College**

Uploaded by: Cavanagh, Terry

Position: FAV



**SEIU MARYLAND & DC STATE COUNCIL**

1410 Bush Street, Suite F, Baltimore, Maryland 21230

Testimony in **SUPPORT of Senate Bill 538**  
Community College Tuition and Residency Waivers - Funding

Senate Budget and Taxation Committee

February 3, 2021

1:30 PM

Presented to: Guy Guzzone, Chairman  
By: Terry Cavanagh, Executive Director

SEIU Maryland & DC State Council urges a **Favorable Report to SB 538.**

SEIU is the largest union in North America. We are uniting workers in health care, public services, including public education, and property services to improve lives and the services we provide. We represent over 50,000 workers in the Maryland/DC/Virginia region.

Our members are both consumers and providers of community college education. If colleges are not properly funded, tuition may go up and salaries are squeezed. It puts a burden on the colleges and threatens their ability to fulfill their mission.

The State has not properly funded the Cade formula, and has placed unfunded mandates on our community colleges. SB 538 recognizes the latter and provides much needed revenue to those colleges most impacted. We applaud this effort.

For many of our members and their families, community colleges have been the only available step up to the middle-class and greater stability for themselves and their communities. Unfortunately, that step is getting steeper. What was once affordable for almost anyone, is less affordable for many working-class Marylanders. The double-whammy is that this is occurring at the very time that wages for many lower-skilled workers has been stagnant. The result is a widening wealth and skills gap.

We must adequately fund our community colleges to meet the needs of the future.

**We urge a Favorable Report on SB 538.** Thank you.



# **SB0538--02.03.21--Community College Tuition-Reside**

Uploaded by: Fry, Donald

Position: FAV



**TESTIMONY PRESENTED TO THE SENATE BUDGET & TAXATION COMMITTEE**

**SENATE BILL 538 -- COMMUNITY COLLEGE TUITION AND  
RESIDENCY WAIVERS – FUNDING**

**Sponsor – Senator Guzzone**

**February 3, 2021**

**DONALD C. FRY  
PRESIDENT & CEO  
GREATER BALTIMORE COMMITTEE**

**Position: Support**

The Greater Baltimore Committee (GBC) supports Senate Bill 538, which requires the Governor, beginning with Fiscal Year 2023, to include \$10 million annually in the State budget to distribute to community colleges to fund state-mandated tuition and residency waivers. The funds would be allocated to the community colleges in proportion to the number of enrolled students qualifying for such waivers.

Over the years, the State has adopted a number of mandatory tuition and residency waivers for community colleges, including for foster care youth, military service members and their families, senior citizens, children of public safety employees, and public school teachers. While the GBC agrees that this designation is appropriate for these groups, mandated tuition waivers constitute an annual loss of \$10 million of revenue for the State's community colleges. Waivers drive up costs for all students and thus undermine the critical community college mission of affordability. Tuition waivers also threaten the ability of the colleges to enhance select and unique programs of study impacted due to this loss of revenue.

Senate Bill 538 is consistent with one of the key pillars of economic growth and job creations identified in the GBC report *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*:

**Workforce that is highly-educated and meets Maryland's business needs.** Maryland's secondary and higher education institutions must offer access to quality instruction at all levels and cultivate a workforce that is well-suited to a modern economy and to the specific needs of Maryland's business sectors.

Passage of Senate Bill 538 will allow Maryland's community colleges to provide the access to quality instruction for Marylanders that is needed to promote economic growth and job opportunities in our state.

**For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 538.**

*The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.*

**GREATER BALTIMORE COMMITTEE**

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**SB 538\_HCC\_Favorable\_K.Hetherington.pdf**

Uploaded by: Hetherington, Kathleen

Position: FAV



Senate Budget and Taxation Committee

Testimony: SB 538 – Community College Tuition and Residency Waivers – Funding

Testimony Submitted by: Dr. Kathleen Hetherington, President, Howard Community College

Position: Support

February 1, 2021

Thank you for the opportunity to submit testimony about Senate Bill 538. I appreciate Senator Guzzone's leadership to provide fiscal relief to Maryland's community colleges that collectively waive millions of dollars each year in state-mandated tuition and residency waivers.

While the waivers represent a commendable effort to assist various categories of students, the unintended consequence is that the loss of tuition revenue must be made up elsewhere. SB 538 would help to provide assistance to offset some of the costs that colleges are incurring, and in turn, other students are paying, because lost revenues must be partially covered by tuition increases. In fiscal year 2018, the total cost of state-mandated waivers to HCC was \$530,116 and in fiscal year 2019, the amount was \$479,779.

One of the waivers that results in a highest amount of lost revenue at Howard Community College is the tuition waiver for senior citizens taking courses. The cost at HCC for fiscal year 2018 was \$201,342 and for fiscal year 2019 was \$288,019. Howard County has one of the fastest growing aging populations in the state of Maryland and the senior citizen waiver costs will only accelerate in the years ahead. I want to reiterate that offering this benefit to senior citizens is a worthy cause, but it has an impact on other students, particularly needy students who feel the impact of any tuition increase. At HCC, which enrolls over 26,600 credit and noncredit students annually, 44 percent of the fall 2020 credit students received financial aid, some of it in the form of loans. This bill would help colleges cover the cost of some of the waivers, thereby giving relief to other students who shoulder this expense.

I commend Senator Guzzone for developing a creative and innovative remedy for aiding community colleges and their students. By supporting community colleges through this bill, Marylanders will be able to have a high-quality, affordable, locally provided postsecondary education that meets the workforce needs of now and into the future. Thank you for the opportunity to provide testimony to the committee and for your continued support of Maryland's community colleges.

# **SB 538 Waiver testimony RH.pdf**

Uploaded by: Hoy, Murray

Position: FAV





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**Senate Budget and Taxation**

**Testimony Supporting SB 538**

**Dr. Ray Hoy, President  
Wor-Wic Community College  
February 3, 2021**

Please accept this written testimony in support of SB 538, which will rectify a long-time burden of unfunded mandates on Maryland's community colleges. I want to thank Chairman Guzzone for sponsoring this bill.

Over the past 21 years that I have been president at Wor-Wic Community College in Salisbury, I cannot count the number of times that I have expressed displeasure over tuition waivers awarded by the legislature, for very deserving groups of Maryland citizens, because they were unfunded. In other words, community colleges are required to offer free or discounted tuition and sometimes fees to individuals, but they do not receive any revenue to offset the expense.

I cannot think of a time when I felt that the designated class of waiver recipients was not deserving of the free tuition. However, during the period of time when Maryland's community colleges have been underfunded—CADE was enacted in 1996, took effect in 1998 and has never reached full funding—it has always seemed inappropriate for the State to mandate that the community colleges offer free tuition without providing the funds to cover the cost. CADE has still not reached full funding. In fact, in this fiscal year, the tie to the university system per student funding is 21.8%, after the BPW recession in July. The CADE formula mandates the funding tie to be 29%. In 23 years, community colleges have never achieved full CADE funding.

In almost every session, there is a bill to support another deserving group, expand the benefits or expand eligibility to additional members of a group. My objection has never been about the audience that has been selected to receive the discounted or free tuition. My only objection has been the fact that waivers are granted without providing revenue to cover these waivers. So, the costs are either borne by other students in the form of tuition increases, or programs and services are underfunded or disregarded for lack of revenue. Some of these are the very programs and services that are needed to assist the audience that the waiver is intended to support.

Waivers at Maryland community colleges amount to about \$10 million annually. This legislation is designed to make the institutions whole by reimbursing institutions for their actual lost revenue. Nothing more, nothing less. It includes \$10 million, beginning in Fiscal Year 2023, to reimburse community colleges for the enumerated State-mandated waivers.

This is very important legislation that finally recognizes the cost of these waivers and provides funding to support the students.

Thank you for your serious consideration.

**SB0538\_MACC\_FAV\_BSadusky.pdf**

Uploaded by: Sadusky, Dr. Bernard

Position: FAV



**SENATE EDUCATION, HEALTH & ENVIRONMENTAL AFFAIRS COMMITTEE**  
**February 3, 2021**

**Bernard Sadusky, Ed.D., Executive Director**

**SB 538 – Higher Education – Community College Tuition and Residency Waivers - Funding**

**POSITION: SUPPORT**

On behalf of Maryland’s 16 community colleges, I am writing to support SB 538. The students being served by current tuition waivers has never been the issue for community colleges. Our colleges, in part, exist to give these students opportunities that they cannot receive elsewhere. The mission of community college is to raise every student’s quality of life by providing the skills needed to be successful in the workforce, especially the most vulnerable through access and affordability.

However, over the past decade, as waivers have expanded, there has been no support from the state to cover the loss in tuition. As of the most recent academic year data are available, community colleges are waiving nearly \$10 million, as well as providing an additional \$5.4 million in support services for some of these students who are having their tuition waived. The results of waiving tuition do not mean that the cost of educating a student goes away. Unfortunately, these costs must be absorbed by other students, which goes contrary to providing an affordable opportunity for regularly enrolled students who must now pay the additional cost.

Maryland Community Colleges Mandated Tuition Waivers  
 Financial Aid Information System (FAIS) Report: Academic Year 2017-18

Type of Waiver	Numbers	Dollars
Tuition Waivers to Seniors	6,295	\$ 4,024,878
Tuition Waivers to Students <sup>1</sup>	6,114	4,101,168
Tuition Waivers to Disabled	589	596,810
Tuition Waivers to Foster Care	324	743,171
Tuition Waivers to Homeless Youth	112	326,420
<b>Total Waivers</b>	<b>13,434</b>	<b>\$ 9,792,447</b>

<sup>1</sup> Includes tuition reductions and waivers under the programs for Health Manpower Shortage Program and nonresident nursing students.

Source: MHEC FAIS Report, April 2020

The Maryland Association of Community Colleges is in favor of this bill Senator Guzzone, and sponsors, have proposed and believe that it could in fact incentivize our colleges to support more students instead of the current dilemma of not knowing how best to afford to do so. Providing \$10 million to support state-mandated tuition and residency waivers will create sustainable public policy for these populations and MACC, on behalf of our members, urges a favorable report.

# **SB 538 Comm College Tuition & Residency Waivers (G**

Uploaded by: Wilkins, Barbara

Position: INFO



# Maryland

DEPARTMENT OF BUDGET  
AND MANAGEMENT

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*Governor*

BOYD K. RUTHERFORD  
*Lieutenant Governor*

DAVID R. BRINKLEY  
*Secretary*

MARC L. NICOLE  
*Deputy Secretary*

## **SENATE BILL 538 Community College Tuition and Residency Waivers – Funding (Guzzone)**

### **STATEMENT OF INFORMATION**

**DATE:** February 3, 2021

**COMMITTEE:** Senate Budget & Taxation

**SUMMARY OF BILL:** SB 538 mandates an annual appropriation in the amount of \$10 million to reimburse the community colleges for tuition or residency waivers in one of eight specified categories, which include: foster care recipient or unaccompanied homeless youth; U.S. armed forces active duty member or veteran, spouse or child of active duty member, or a National Guard member; son or daughter of state or local public safety employee; senior citizen; individual with a disability; student enrolled in an education program leading to licensure in nursing; public school teacher; or student enrolled in a health manpower shortage program. Funds are distributed by the Maryland Higher Education Commission to the community colleges on a pro rata basis.

**EXPLANATION:** Currently, the State reimburses the community colleges for tuition waivers involving out of county students enrolled in Statewide and Health Manpower Shortage programs. Funding is at the level provided in the State budget, rather than a mandated appropriation amount. Annual funding has been approximately \$6 million.

Economic conditions remain precarious as a result of COVID-19, making revenue predictions for the remainder of FY 2021 and FY 2022 highly volatile. The impact of the COVID-19 pandemic is a significant budgetary vulnerability, making the addition of new, permanent funding mandates premature.

The highest priority of the Administration is to work with the 2021 General Assembly in enacting the Governor's emergency Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (SB 496/HB 612 RELIEF Act). The RELIEF Act provides \$1 billion in direct stimulus and tax relief for Maryland working families, small businesses, and those who have lost their jobs as a result of the COVID-19 pandemic. Senate amendments add an additional \$520 million in spending, and include \$15 million for aid to community colleges.

**For additional information, contact Barbara Wilkins at  
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