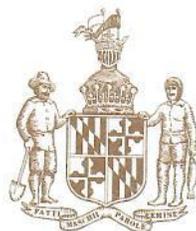


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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SPONSOR STATEMENT

Senate Bill 433 – Community Colleges –
State Funding - Revisions

February 2, 2021

Mister Chairman and Members of the Budget and Taxation Committee:

Over twenty years ago the legislature adopted the Cade Funding Formula. The intent of the legislation was to have funding for Community Colleges shared by the state, local government and students, with each providing one third of the funding. The formula for the state is based on a percentage of the amount given to the University System of Maryland (USM). This formula was supposed to increase over time to reach the state's one third commitment.

Unfortunately, over the life of the Cade formula, increases have not always been realized and there were several fiscal years where there were no increases even though increases were made to the University System of Maryland. And in fiscal 2020, when \$40 million was given to USM for cost of living increases, that increase was not included in the Cade calculation.

Senate Bill 433 will require that appropriations calculated under the CADE formula include all non-capital appropriations designated for the general operation of our four-year public institutions regardless of where these appropriations are budgeted. This will include personnel related appropriations.

At a time when we are calling upon our community colleges to provide an affordable option for students to gain the degrees and skills needed in today's workforce we must provide our community colleges with the resources they need, and the resources that we have agreed to provide.

I respectfully request a favorable report on Senate Bill 433.