

Senate Budget and Taxation Committee
February 29, 2024
Testimony of John G. Dedie

Informational

Dear Chairman Guzzone, Vice Chair Rosapepe, and Members of the Committee,

My name is John Dedie, Professor of Political Science at the Community Colleges of Baltimore County. I am asking you today for two requests. First to restore the funding in the budget for the Cade Formula as originally intended by law to 29 cents on the dollar instead of 26 cents that DMB is recommending. Second, to restore prescription drug coverage for retired state employees. Both items former Governor Hogan fully funded.

Budget Secretary Helene Grady, a graduate of Harvard and former Johns Hopkins employee, claims that the state's 16 community colleges don't need that much money since she alleges that community college enrollment has declined. She forgets part of this occurred due to the Covid era impacting the neediest of the state's citizens and our students, and that university enrollment also declined at the same time. Community colleges have had similar declines in enrollment as universities, but universities are getting a budget increase, but community colleges create more jobs and do more job training which grows the economy. The university system, serves only 160,000 students, is getting a 5% increase in their budget. The reduced Cade formula funding will give community colleges that serve 330,000 students less money, over \$20 million.
THE NET EFFECT FOR CCBC: A LOSS OF \$4.5M.

The Cade funding formula was designed to help financially provide fair funding for community colleges. Community colleges train more medical personnel than the University system. It trains dental hygienists and truck drivers as CBS featured in 2022. The National Cyber Director Harry Coker, Jr recently visited the CCBC Cyber Security center to Spotlight Best Practices to Build and Grow the Nation's Cyber Workforce. I feel the Budget Security is unformed about these benefits' community colleges offer.

How are community colleges in smaller jurisdictions like Garrett, Alleghany, Frederick Talbot and Wicomico countries supposed to make up the financial cut to places that educate, and job train their residents? The economic impact will be deeper than the cuts. The cuts mean tuition increases for the neediest people, increased spending for county governments, layoffs and possible closing of college extension centers like Randallstown in Speaker Jones's district.

Community colleges encourage new and existing business development by providing academic opportunities like transfer degrees, workforce training, and lifelong learning, creating long-term economic growth for the state.

I encourage you to restore the Cade funding. My students and future students are depending on it. In my testimony I have included letters my students have written to legislators asking for Cade funding to be restored

Second, I am asking you to support reinstatement of prescription drug coverage for over **50,000** Maryland retired state employees. **No state has lost its AAA bond rating solely because of its OPEB liability. Prescription drug coverage for retirees over 65 is not the major factor concerning the bond rating agencies.** Last week I talked with Jack Archibald of the Fitch Ratings Agency in NY and he said ratings are based on a state's willingness to repay debt. Maryland has always been good at that.

The state's Retiree Rx drug plan for those Medicare-eligible is not a new budget cost. The benefit has been a pay-as-you-go part of the budget since the benefit was established. Continued since 2018 under court injunction with no impact on state operations. **No other state or local jurisdiction has made the elimination of Rx drug coverage retroactive.**

The total costs to most retirees will be significantly more than the so-called "out-of-pocket" costs. The coverage through Part D is terrible. The plans can add or drop coverage for drugs after you have selected a plan, and they can increase copayments on drugs. Part D is not comprehensive coverage. The donut hole does end for 2025, but there are deductibles that must be met before coverage occurs along with ongoing copays. Plus, you can only get a 30 day supply of medication. Many Seniors will be forced to pick between taking their RX and eating. I encourage you to ask your parents about their Medicare prescription history and cost.

People ask why it is hard to hire and retain state employees. When you take away their benefits over time they seek other options. A state career was once security and great benefits, now it's just another job. We should not make taking these benefits a rerun of what happened to Bethlehem Steel workers who lost their benefits like my late father-in-law.

Finally, this budget is throwing Grandma and her grandchildren from the train. It is a cold budget being balanced on the backs of economically disadvantaged groups of Marylanders.

Thank you.