



January 19, 2021

The Honorable David Brinkley
Secretary
Maryland Department of Budget and Management
45 Calvert Street
Annapolis, MD 21401

Re: Community College Funding

Dear Secretary Brinkley:

As you complete this year's state budget, the Maryland Association of Counties (MACo) urges you to carefully consider the topic of community college funding. When the Great Recession hit Maryland's state budget in 2009, the Cade Funding formula, which was designed to achieve equity in financing public higher education, was rebased. The long sought-after policy goal of achieving 29% funding per FTES was pushed out to 2023. As a result, community colleges missed out on any of the state's revenue growth that has occurred during the longest U.S. economic expansion in post-World War II history.

Also, during this period, from 2009 to 2021, the statutory amount was continually rebased seven times, resulting in a reduction in Cade of over \$140 million, further causing harm to Maryland's most vulnerable student population. Counties have also had to increase their support as a result of the State reducing its funding obligation, adding further strain to limited local resources already stretched thin to fund public schools, public health, public safety, roadway maintenance, and community services.

Further damage to the Cade funding formula occurred in 2020, when the State provided cost of living increases to the public senior higher education institutions and excluded the amount in the calculation of the Cade formula. This action resulted in a \$9.1 million loss to Cade and since the increase in FY21 was rescinded by the Board of Public Works, the community college formula remains unequal to what is provided to senior institutions.

Maryland's counties recognize that community colleges are a valuable strategic asset to our state and local communities. As a partner in helping get Marylanders into the workforce, let us work to achieve a fiscal relationship where the state, the counties, and the students through tuition each pay a third of the cost. When the State falls short, counties simply cannot absorb the full impact and students are left paying the difference.

Most troubling is that—due to rebasing and reducing community college funding—the State has pushed the expense onto the most vulnerable in our state at a disproportionate rate from how it finances public senior institutions.

With unemployment rates at an all-time high due to the pandemic, community colleges have proven to be an important driver for our state's economic recovery by providing training for displaced workers to

retool their skills and re-enter the workforce in a different capacity. Similarly, because the pandemic forced many students to return home from their 4-year institutions, community colleges became even more vital by providing necessary educational opportunities and resources close to home so that Maryland's students can stay on-track for graduation and enter the workforce prepared to address the challenges of these difficult times.

Community colleges will continue to pave the way for Marylanders to re-enter the workforce in a post-COVID economy and Maryland counties urge the Department of Budget and Management to correct this error and provide full funding to Maryland's community colleges.

Thank you for your consideration of this budget priority.

Sincerely,



Craig Rice
Council Member, Montgomery County
Chair, MACo Education Subcommittee



Jack Wilson
Commissioner, Queen Anne's County
Vice Chair, MACo Education Subcommittee

CC: The Honorable Larry Hogan, Governor of Maryland