

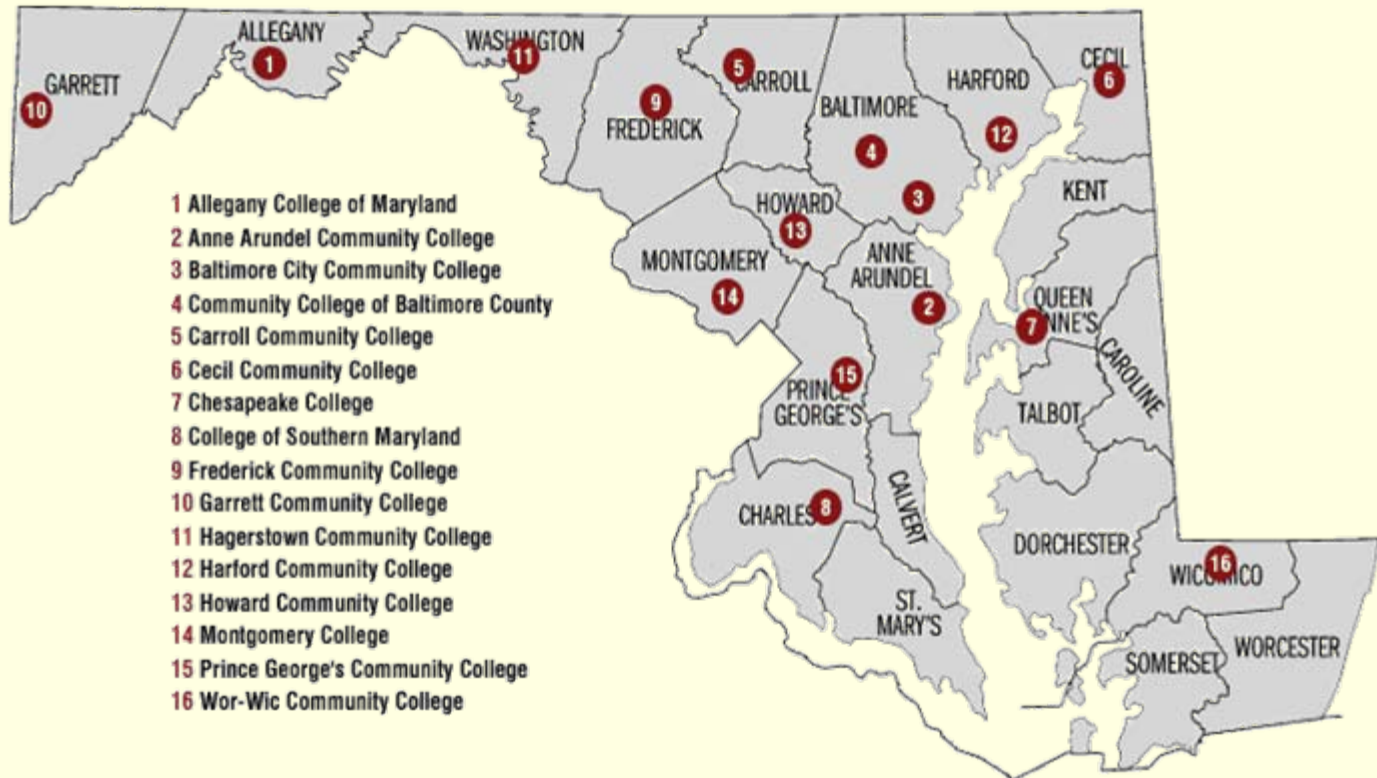
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# Commission to Develop the Maryland Model for Funding Higher Education

Report by the Maryland Association of  
Community Colleges



# Community Colleges: Where You Need Us -- When You Need Us.



# Maryland's Community Colleges

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- Provide associate's degree and certificate programs leading to careers that do not require a bachelor's degree for entry.
- Train workers needing to upgrade their skills.
- Deliver adult basic education to over 60% of all recipients.
- Partner with four year colleges and universities to bring baccalaureate and graduate programs to underserved areas.

# Maryland's Community Colleges

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- Remain the lowest cost segment of higher education. [But are the 11th most expensive in the nation.]
- Provide early college access for high school students.
- Provide developmental courses for students who are not academically prepared for college-level work.

# Maryland's Community Colleges

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- Offer the first two years of baccalaureate level education through AA, AS, and AAT degrees.
- Work closely with four-year public and private institutions to provide transfer opportunities that are as transparent and efficient as possible for students.

# Maryland's Community Colleges

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- There are 16 Colleges on 23 campuses and hundreds of other sites.
- Over half of all resident undergraduates attend community colleges.
- Sixty-two percent of Maryland high school grads who attend college in state begin at a community college.

# Community Colleges Help Meet Maryland's Workforce Needs

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- Through both credit and non-credit offerings in every jurisdiction.
- As the largest provider of workforce training, with 1 in 13 incumbent workers learning at any given time.
- With 86% of graduates staying in Maryland.

# Meeting Workforce Needs

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- By helping address the teacher shortage through the AAT degree, and alternative teacher certification for career changers
- As a leading provider of nurses and other allied health professionals, and first responders



# Opportunities and Challenges

# Maryland State Plan for Postsecondary Education

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“All Maryland residents who can benefit from postsecondary education and desire to attend a college, university or private career school should have a place in postsecondary education and it should be affordable.” 2004 Maryland State Plan for Postsecondary Education

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“Governors’ abilities to increase the effectiveness of postsecondary pathways for the least well-served will determine states’ long-term economic prosperity. Improving outcomes for youth will require building our fragmented systems...into a coherent system of education pathways that leads students through at least the second year of college.” 2004 report by the National Governors Association

# The Maryland Dichotomy

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- Maryland is a highly educated, wealthy state, and yet
- Maryland's high school graduation rate is average (22<sup>nd</sup>) and we rank 25<sup>th</sup> in college continuation rate.
- Nearly 700,000 Maryland adults are functionally illiterate.

# Transforming Higher Education

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“The states and federal government have not ensured that low-income students have access to higher education. Government’s primary responsibility in higher education is to guarantee post-secondary education and/or training to all citizens. Yet, when we cut financial support to higher education we deny access to our most needy students.”

NCSL Report: “Transforming Higher Education: National Imperative – State Responsibility” October 2006

# Community College Sources of Funds

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■ Student tuition and fees	40%
■ Counties	33%
■ State general fund	25%
■ Other	2%

# Funding Formula for Locally Supported Community Colleges

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- John A. Cade Funding Formula: The state appropriation is based on the prior year appropriation per FTES to 10 designated four year institutions.
- The average funding per FTES for the 10 institutions is multiplied by 26.25% for FY 2009.
- This figure is then multiplied by the total eligible FTES at the 15 community colleges two years prior to the funding year.
- Additional funds are provided for fringe benefits and various grant programs.

# Funding Formula: The Positives

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- Promotes cooperation and collaboration among the segments;
- Provides relative stability and predictability;
- In recent years, has probably led to increased funding.

# Funding Formula: The Negatives

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- Formula amount is viewed as a ceiling rather than a floor.
- Formula leads to unfair double cuts during times of fiscal hardship for the state.

# Community College Capital Funding

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- There is no formula.
- Counties must pay between 25% and 50% of the total cost of the project. The state investment leverages many millions in additional dollars.
- In fiscal 2009, the community colleges have documented needs in excess of \$130 million. The Capital Improvement Program (C.I.P.) is \$60 million.

# MACC Recommendations to the Funding Commission

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- In order to make maximum use of scarce state resources, Maryland should provide incentives for students to begin their college careers at community colleges, and do this in a way that promotes associate's and bachelor's degree attainment.
- The state should give greater priority to capital funding for community colleges.
- MACC supports the USM recommendations.