State Funding & the Cade Formula

THE JOHN R. CADE FUNDING FORMULA: A Plan for State Support of Community Colleges

State funding of Maryland’s community colleges is based on the Senator John R. Cade funding formula which was established as law in 1996. The Cade funding formula was created to provide community colleges with predictable support for operations, and to provide students with affordable tuition.

How was the Cade Formula Determined?

Recognizing that all of public higher education has an obligation to work together to educate students and prepare a ready workforce, the Cade formula calculates state support for community colleges as a percentage of state support for designated University System of Maryland institutions, per full-time equivalent (FTE) student.

The intent of the Cade formula is that community college costs be divided into equal thirds between the state, local government, and the students. Unfortunately, due to budgetary constraints over the years, the Cade funding goal has typically not been met.

Does the Cade Formula Guarantee Community College Funding?

Despite Cade, community colleges have experienced numerous reductions in state support, forcing higher student tuition and county contributions. In most budget cycles, BRFA legislation (Budget Reconciliation and Financing Act) has been introduced to balance the state budget. As a result, the year that full Cade funding would be achieved, has been pushed repeatedly into the future.