

R62I0001
Maryland Higher Education Commission

Executive Summary

The Maryland Higher Education Commission (MHEC) is the State's coordinating body for the State's public four-year and independent institutions, community colleges, and private career schools and other for-profit institutions.

Operating Budget Data

(\$ in Thousands)

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$58,295	\$68,085	\$78,830	\$10,745	15.8%
Adjustments	0	4,072	126	-3,946	
Adjusted General Fund	\$58,295	\$72,157	\$78,956	\$6,799	9.4%
Special Fund	20,825	19,506	18,109	-1,396	-7.2%
Adjustments	0	5	20	15	
Adjusted Special Fund	\$20,825	\$19,511	\$18,130	-\$1,381	-7.1%
Federal Fund	828	331	315	-16	-4.8%
Adjustments	0	2	8	6	
Adjusted Federal Fund	\$828	\$332	\$323	-\$10	-2.9%
Reimbursable Fund	307	463	475	13	2.7%
Adjustments	0	0	0	0	
Adjusted Reimbursable Fund	\$307	\$463	\$475	\$13	2.7%
Adjusted Grand Total	\$80,255	\$92,463	\$97,884	\$5,421	5.9%

Note: The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

Note: Numbers may not sum to total due to rounding.

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R62I0001 – Maryland Higher Education Commission

- There are four fiscal 2019 deficiencies that would provide \$4.0 million in general funds of which \$3.3 million is to meet the State’s matching requirement for the Save4College Program.
- General fund support for MHEC increases \$6.8 million, or 9.4%, over fiscal 2019.
- The general fund allowance includes funding for two new grant programs: \$2.5 million for the Cyber Warrior Diversity Program; and \$250,000 for the Near Completers Grants.

Personnel Data

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>
Regular Positions	54.60	57.60	57.60	0.00
Contractual FTEs	<u>5.50</u>	<u>8.00</u>	<u>8.00</u>	<u>0.00</u>
Total Personnel	60.10	65.60	65.60	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	2.65	4.60%
Positions and Percentage Vacant as of 12/31/18	8.00	13.89%

- In fiscal 2019, 3 positions were transferred from another agency: 2 will assist in administrating the Student Loan Debt Relief Tax Credit program; and the other will support the Office of Student Financial Assistance.

Key Observations

- Due to a variety of factors, the number of completed academic proposals that MHEC received from in-state institutions increased 60.2%, from 259 in fiscal 2016 to 415 in fiscal 2017.
- The number of applications for the Student Loan Debt Relief Tax Credit more than doubled for the 2018 tax year, increasing from 4,988 in 2017 to 10,831 in 2018.

Operating Budget Recommended Actions

1. Adopt narrative requesting a report on best practices and progress toward the 55% completion goal.

Updates

- MHEC submitted three reports required in the 2018 *Joint Chairmen's Report*: summarizing institutions hate-bias programs; summarizing institutions hazing policies and programs; and the efforts to make the Electronic Financial Impact Platform available to students.

R62I0001
Maryland Higher Education Commission

Operating Budget Analysis

Program Description

The Maryland Higher Education Commission (MHEC) is the State's coordinating body for the University System of Maryland (USM), Morgan State University (MSU), St. Mary's College of Maryland (SMCM), 16 community colleges, the State's independent colleges and universities, and private career schools and other for-profit institutions. MHEC's mission is to ensure that Maryland residents have access to a high-quality, adequately funded, effectively managed, and capably led system of postsecondary education. The vision of MHEC is to have all Maryland residents equally prepared to be productive, socially engaged, and responsible members of a healthy economy. The Secretary of Higher Education is the agency's head and serves at the 12-member commission's pleasure.

The key goals of MHEC are as follows:

- Maryland will enhance its array of postsecondary education institutions and programs, which are recognized nationally and internationally for academic excellence, and more effectively fulfill the evolving educational needs of its students, the State, and the nation;
- Maryland will achieve a system of postsecondary education that advances the educational goals of all by promoting and supporting access, affordability, and completion;
- Maryland will ensure equitable opportunity for academic success and cultural competency for Maryland's population;
- Maryland will seek to be a national leader in the exploration, development, and implementation of creative and diverse education and training opportunities that will align with State goals, increase student engagement, and improve learning outcomes and completion rates;
- Maryland will stimulate economic growth, innovation, and vitality by supporting a knowledge-based economy, especially through increasing education and training and promoting the advancement and commercialization of research; and
- Maryland will create and support an open and collaborative environment of quality data use and distribution that promotes constructive communication, effective policy analysis, informed decision making, and achievement of State goals.

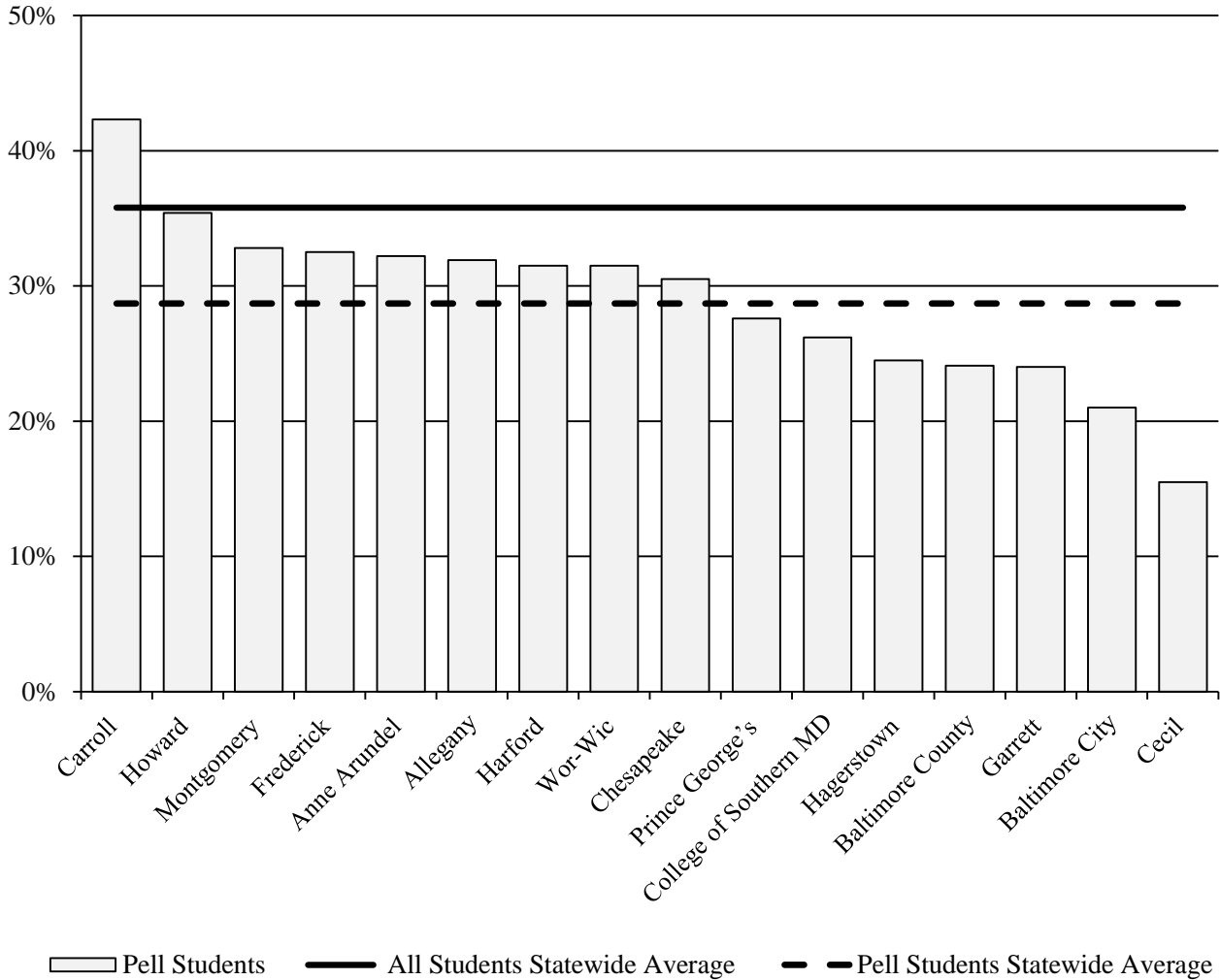
Performance Analysis

1. Performance of Pell Recipients

Two of the goals of the 2017 to 2021 *State Plan for Postsecondary Success* are to ensure equitable access to affordable and quality postsecondary education and to promote and implement practices and policies to ensure that all students succeed. Strategies of the plan support the State’s goal that at least 55% of Maryland adults will hold one degree credential by 2025. In order to meet this goal, institutions will need to improve the success of students from those typically underserved populations, including minorities, first generation, and those with low incomes. These students come from various backgrounds with varying levels of college readiness, including how to pay for college.

Exhibit 1, for the 2012 cohort, compares the percentage of Pell recipients at community colleges who either transferred to a four-year institution or graduated to the statewide average of all students. At 15.5%, Cecil College has the lowest percentage of Pell recipients who either transfer out or graduate. Seven colleges fall below the statewide Pell average of 28.7%. Outcomes of Pell recipients at all colleges, except Carroll Community College, fall below the statewide average of all students at 35.8%. Overall, there is a 7.1 percentage point achievement gap between the statewide average rate of all students and Pell recipients. This indicates that there are opportunities at all the colleges to improve the outcomes of students by targeting programs and services to help improve the success rate of these students. One factor impacting the outcomes of Pell students is the number of students who require remediation, which will be discussed later in the analysis.

**Exhibit 1
Comparison of Four-year Transfer and Graduation Rate of
Pell Recipients by Community College
2012 Cohort**

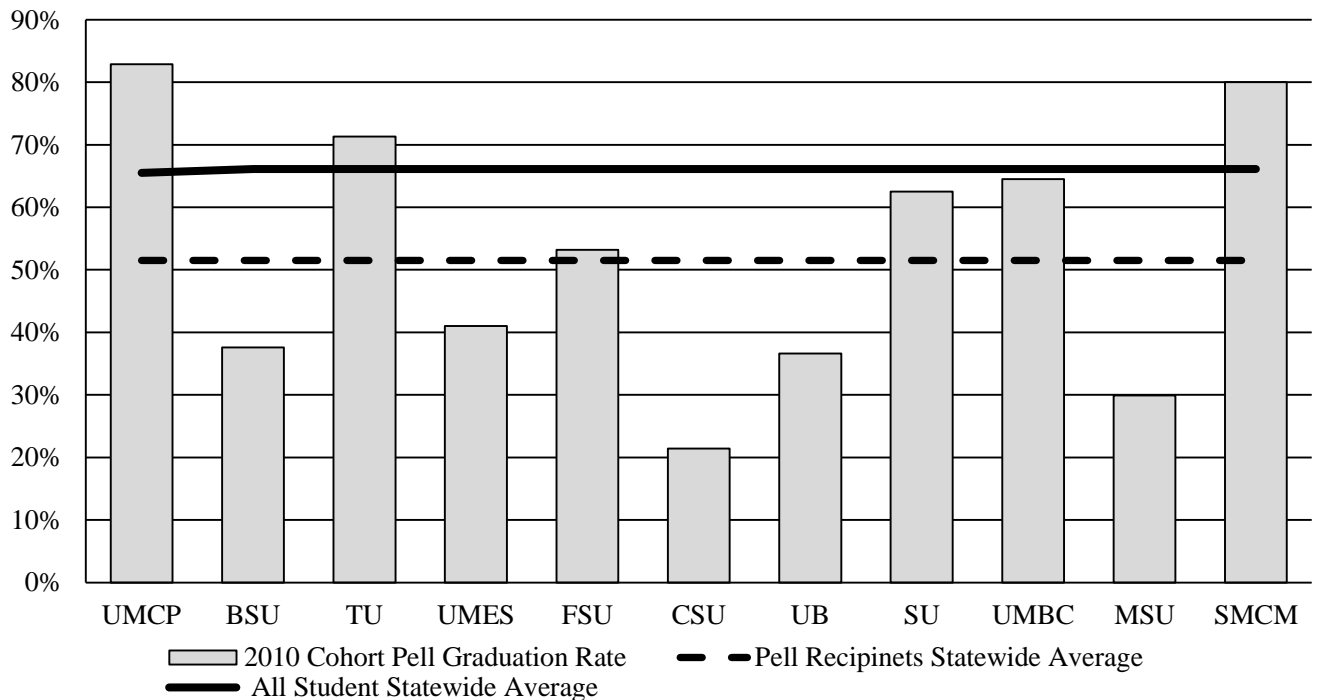


Note: Transfer rates represent students who enrolled at a four-year institution with or without a degree, and graduation rate reflects students who earned a degree but did not transfer. Data reflect students receiving a Pell grant during the year of entry to the community college.

Source: Maryland Higher Education Commission

Exhibit 2 compares the six-year graduation rate of Pell recipients in the 2010 cohort at the public four-year institutions to the statewide average of all students and Pell recipients. At three institutions – University of Maryland, College Park Campus (UMCP), Towson University (TU), and SMCM – the graduation rate of Pell recipients exceeds the statewide average of all students. At five institutions, there is a significant achievement gap between the graduation rates of Pell recipients and the statewide Pell average, with the largest gap of 30.1 percentage points occurring at Coppin State University. As with community colleges, this indicates that there are opportunities for institutions to do more to address the needs of this population by creating support systems to help ensure that these students progress and graduate.

Exhibit 2
Six-year Graduation Rate of Pell Recipients at Public Four-year Institutions
2010 Cohort



BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 MSU: Morgan State University
 SMCM: St. Mary’s College of Maryland
 SU: Salisbury University

TU: Towson University
 UB: University of Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore

Note: Graduation rates are for first-time, full-time (FT/FT) students who received a Pell grant during the year of entry to the institution.

Source: Maryland Higher Education Commission

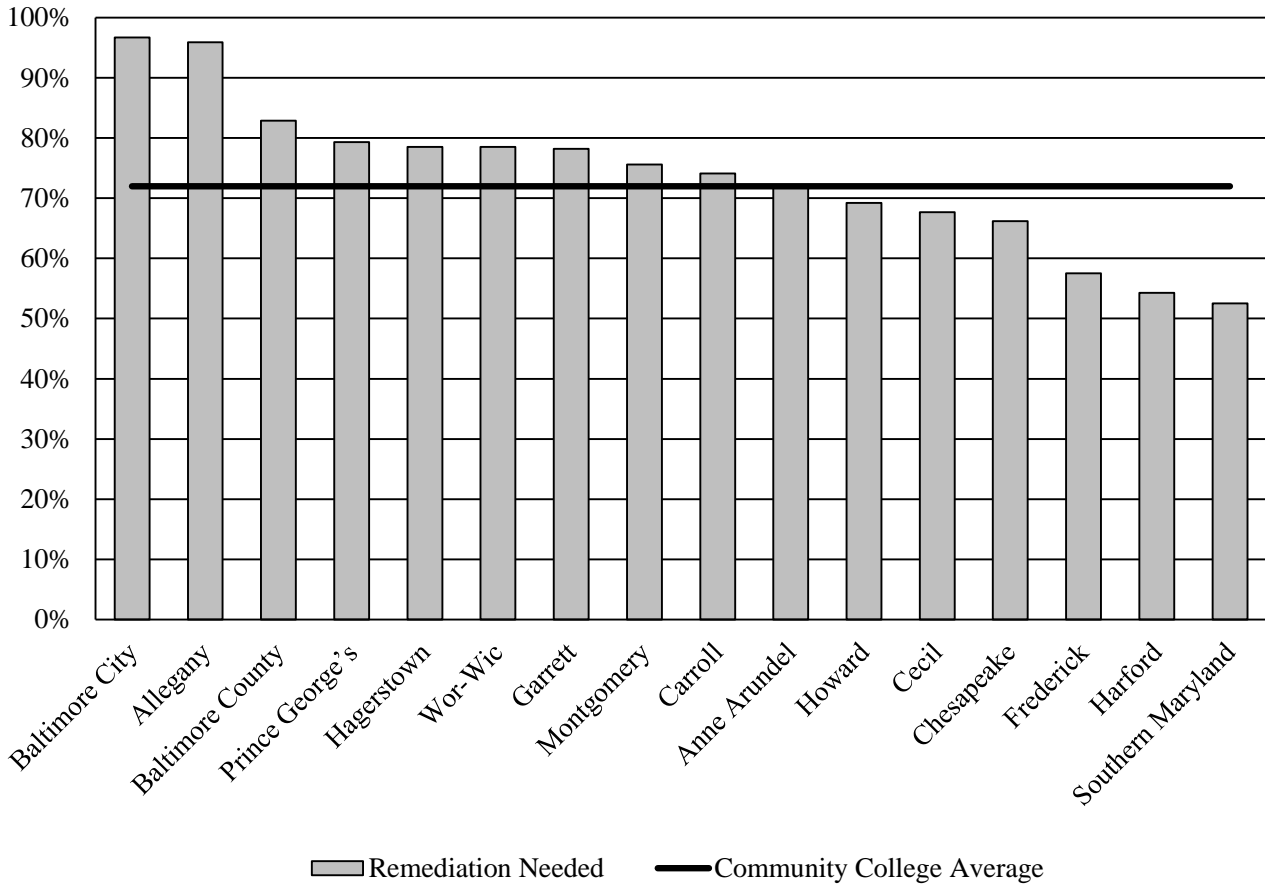
2. Remediation Rates

One of the strategies of the 2017 to 2021 *State Plan for Postsecondary Success* is to improve college readiness among K-12 students and, in particular, high school students. Since a high school diploma does not necessarily indicate that a student is ready for college coursework, institutions use other methods to determine readiness such as placement tests.

Before implementation of the College and Career Readiness and College Completion Act of 2013 (CCRCCA), more than 50% of students in the 2013-2014 academic year were considered to need remedial coursework, according to MHEC. The CCRCCA created numerous initiatives to improve the readiness of high school graduates for college and careers. One requirement is that students must be evaluated no later than grade 11 for college and career readiness. The Maryland State Department of Education is using the Maryland Comprehensive Assessment Program as an assessment tool along with other measures such as Advance Placement scores and dual enrollment to determine readiness.

Due to open door policies, a majority of students who enroll in community colleges require some remediation. As shown in **Exhibit 3**, on average, in fiscal 2016, 72% of Maryland high school students who enrolled in a community college required some remediation. In fiscal 2016, Allegany College and Baltimore City Community College had the highest remediation rates of over 90%. The Community College of Baltimore County had the third highest rate of 82.9%. Six institutions had rates below the average with the College of Southern Maryland having the lowest remediation rate of 52.5%. According to Complete College America, nearly 4 in 10 remedial students at community colleges will never complete the remedial course, and of those that complete a course, less than a quarter will complete college-level English and math courses.

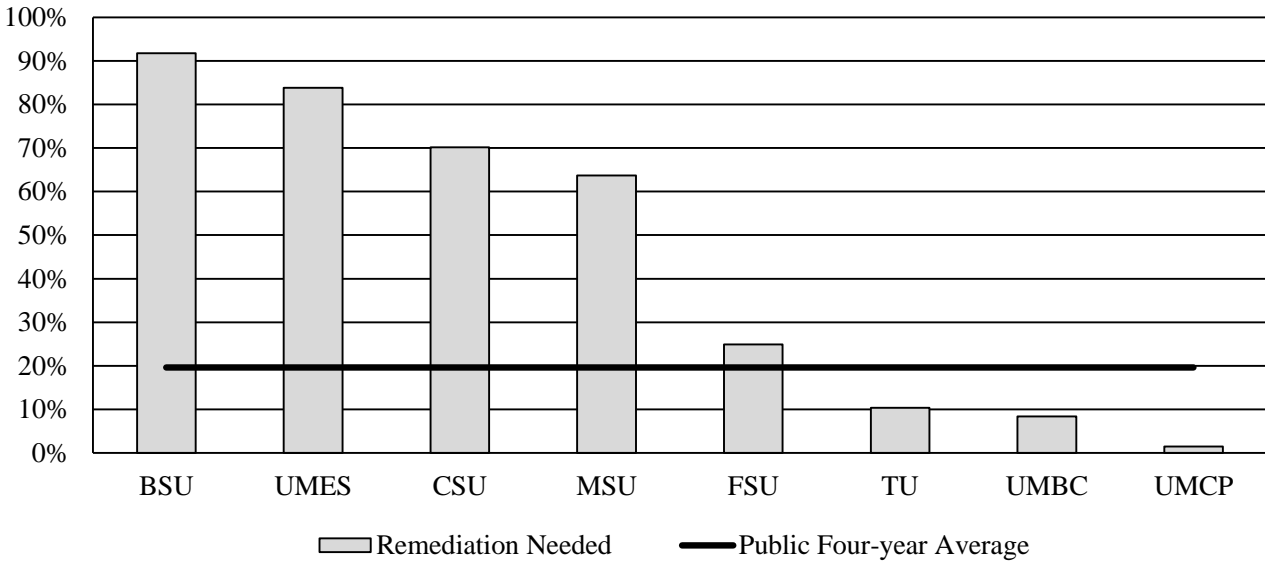
**Exhibit 3
Remediation Rates of Maryland High School Graduates
Enrolled in Community Colleges
Fiscal 2016**



Source: Maryland Higher Education Commission

On average, 19.6% of Maryland high school graduates entering a public four-year institution in fiscal 2016 required some remediation. As shown in **Exhibit 4**, in general, Historically Black Colleges and Universities (HBCU) admit a higher number of students needing remediation, partly reflective of their missions of providing students access to affordable education. At 91.8%, Bowie State University had the highest percentage of students requiring remediation in fiscal 2016. Conversely, at UMCP, only 1.5% of the entering high school students need some remediation.

Exhibit 4
Remediation Rates of Maryland High School Graduates
Enrolled in Public Four-year Institutions
Fiscal 2016



BSU: Bowie State University
 CSU: Coppin State University
 FSU: Frostburg State University
 MSU: Morgan State University

TU: Towson University
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore

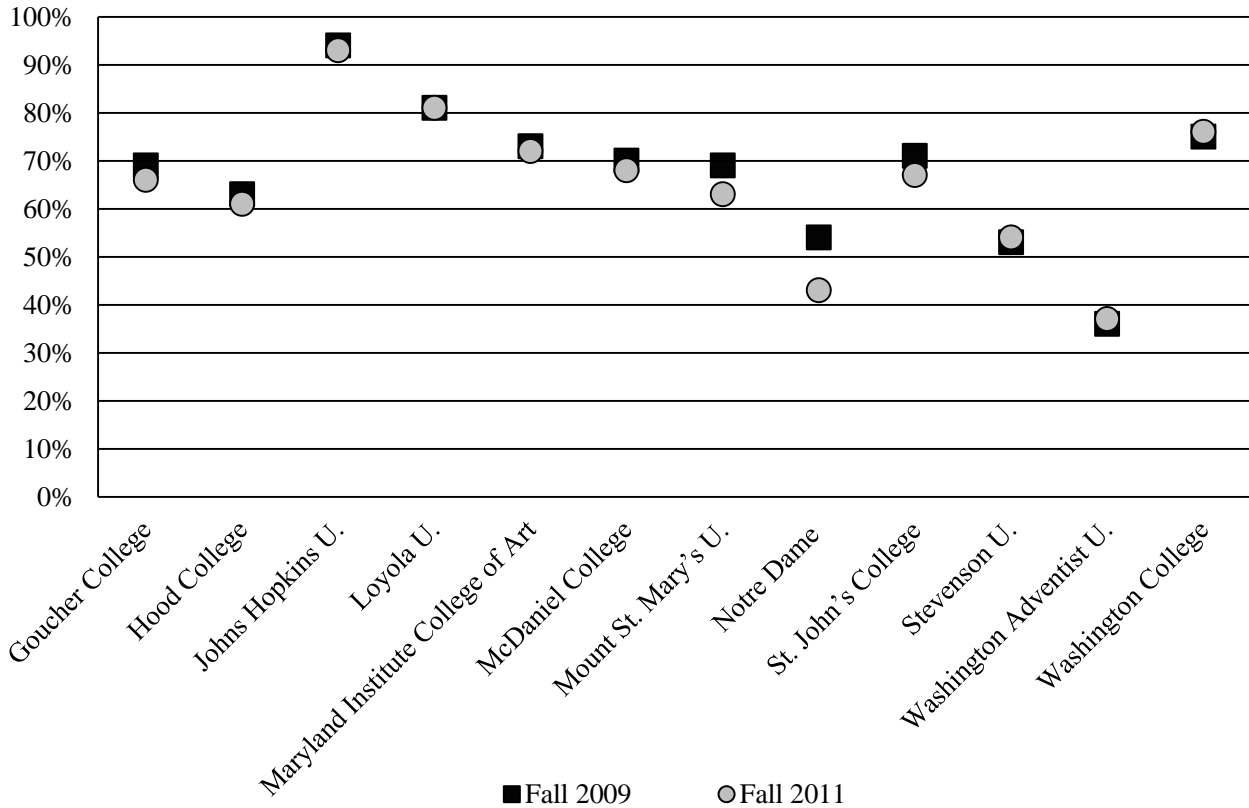
Note: Salisbury University and St. Mary’s College of Maryland do not offer remedial course work.

Source: Maryland Higher Education Commission

3. Student Outcomes at Independent Institutions

Exhibit 5 compares the six-year graduation rates of the fall 2009 and 2011 cohort of first-time, full-time students by independent institutions. The Johns Hopkins University (JHU) has the highest graduation rate, exceeding 90%. The graduation rate decreased at eight institutions with Notre Dame of Maryland University experiencing the largest decline of 11 percentage points, falling from 54% with the 2009 cohort to 43% with the 2011 cohort. Conversely, the Capital Technology University experienced the largest increase with the rate increasing from 29% with the 2009 cohort to 52% with the 2011 cohort, which is due to it having small graduating classes.

Exhibit 5
Six-year Graduation Rates at Maryland Independent Institutions
Fall 2009 and 2011 Cohorts



Source: Integrated Postsecondary Education Data System

4. Program Approval

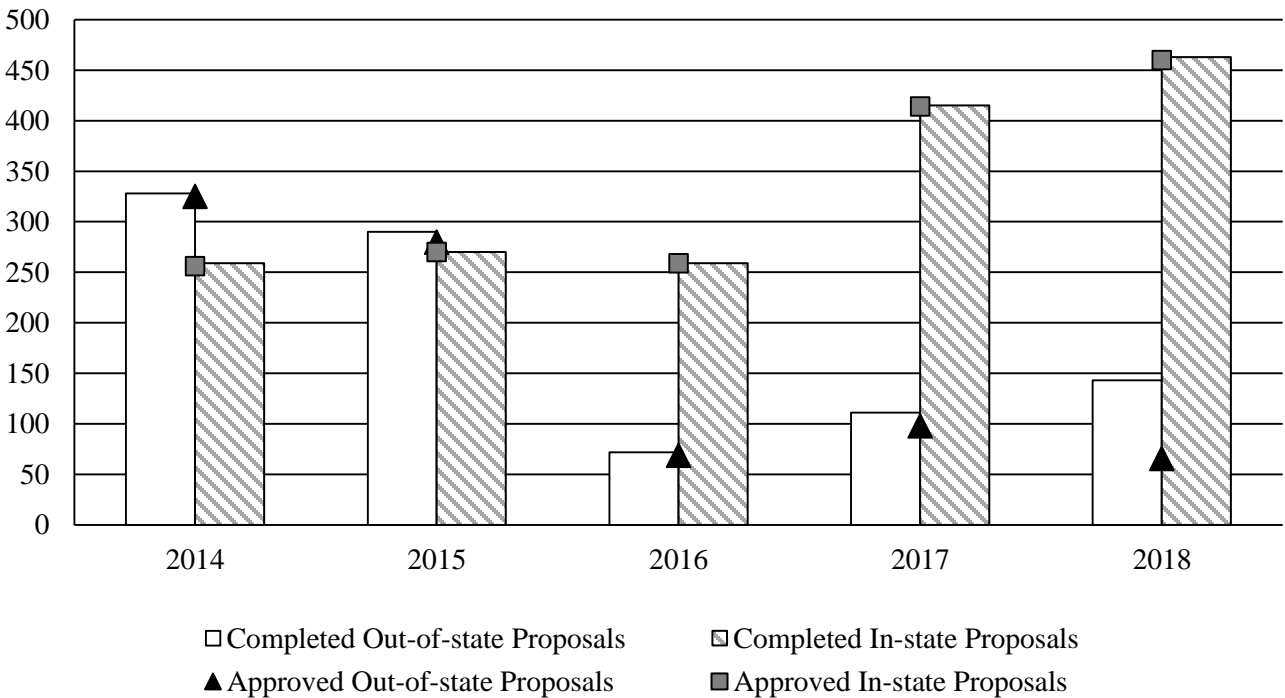
MHEC is responsible for the academic integrity of higher education in Maryland that includes approving academic programs offered by public and private two- and four-year institutions (both in-state and out-of-state institutions). As shown in **Exhibit 6**, the number of completed academic proposals received increased 60.2%, from 259 in fiscal 2016 to 415 in fiscal 2017. According to MHEC, this increase is due to a variety of factors including:

- Institutions critically reviewing existing programs leading to changes to meet workforce needs and further specializing programs to remain competitive. Changes include title change, an

addition or revision of an area of concentration, change to a program’s existing curriculum, or a new program.

- Previously, institutions submitted multiple actions within one proposal, *i.e.*, requesting a program name change and adding an area of concentration. After an internal review, it was found that this was creating confusion for both MHEC staff and institutions; therefore, institutions were requested to submit one action per proposal.
- Community colleges have increased their offerings of areas of concentrations within an existing program as a result of a regulatory change allowing institutions to convert options into areas of concentrations.

Exhibit 6
Completed Proposal Received and Approved by
In-state and Out-of-State Institutions
Fiscal 2014-2018



Note: In fiscal 2018, renewal applications for 65 out-of-state programs are pending.

Source: Maryland Higher Education Commission

R62I0001 – Maryland Higher Education Commission

The number of completed proposals from out-of-state institution fell 75.2% in fiscal 2016. MHEC attributes this to:

- Out-of-state institutions must annually reapply to operate in the State; after five years of annual approvals, an institution can request an extended approval for up to five years. Several institutions were granted extended approvals over the last five years.
- Since joining State Authorization Reciprocity Agreements, MHEC clarified that out-of-state institutions that only place students in Maryland for supervised internship, practicum, or field experience only have to submit a report to MHEC.
- Out-of-state institutions, like in-state institutions, are reevaluating curricula and implementing new programs to meet market demand.

Overall, from fiscal 2014 to 2018, MHEC only denied 7 programs from in-state institutions and 106 from out-of-state. In fiscal 2018, 46.1% of the out-of-state proposals were not approved. However, 65 programs from out-of-state institutions are pending review.

Fiscal 2019 Actions

Proposed Deficiency

There are four fiscal 2019 deficiencies that would provide \$4.0 million in general funds.

- \$3.3 million to meet the State matching requirement for the Save4College Program due to an increase in applications;
- \$0.3 million to update Maryland College Aid Processing System's student financial aid system to include new mandated scholarships;
- \$0.3 million for legal services related to the HBCU lawsuit; and
- \$0.1 million for the 3 positions transferred into the agency of which 2 positions will assist in administrating the Student Loan Debt Relief Tax Credit program, and 1 position will support the Office of Student Financial Assistance.

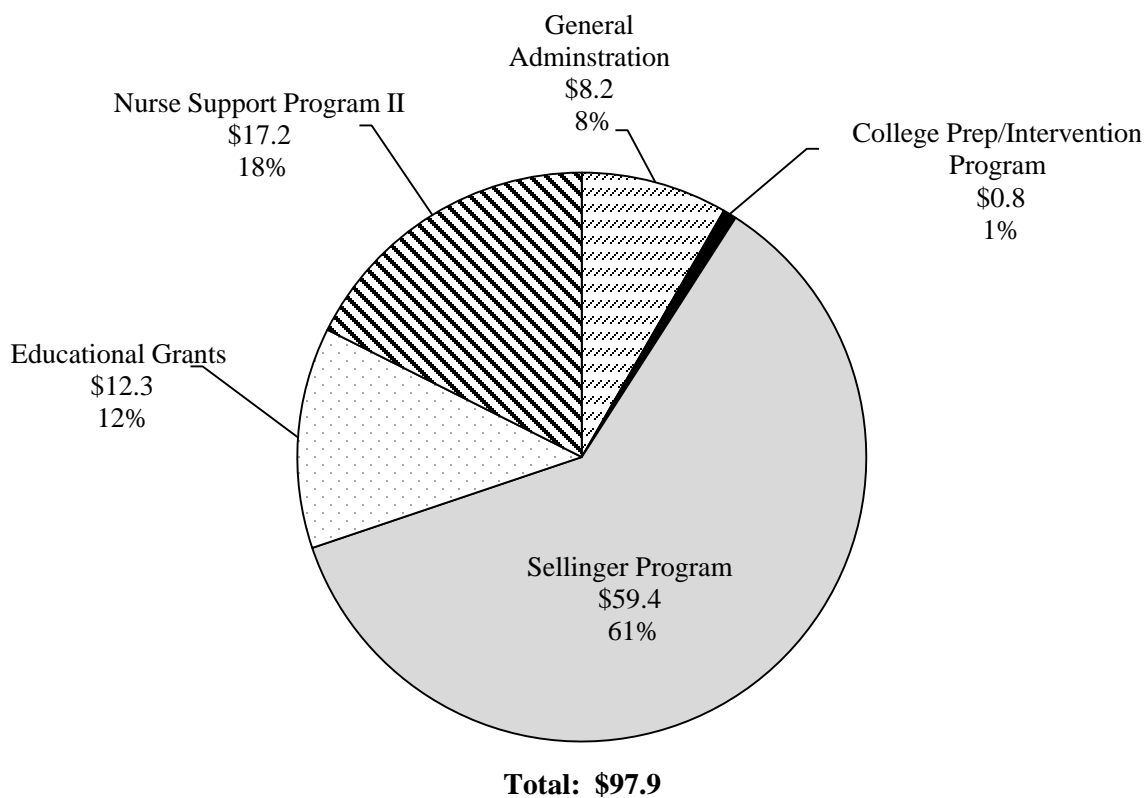
The allowance also includes funding for a one-time \$500 bonus and a 0.5% general salary increase effective April 1, 2019, which totals \$34,763 of which \$27,843 are general funds, and the remaining are special and federal funds.

Fiscal 2020 Allowance

Overview of Agency Spending

The fiscal 2020 allowance for MHEC totals \$97.9 million (excluding financial aid that is analyzed in a separate analysis). Funding of the Joseph A. Sellinger (Sellinger) Program accounts for 61% (\$59.4 million) of the spending, as shown in **Exhibit 7**. The Nurse Support Program II and Educational Grants comprise 30% (\$29.6 million) of expenditures, while administration accounts for 8%, or \$8.2 million of total expenditures.

Exhibit 7
Program Spending
Fiscal 2020
(\$ in Millions)



Source: Governor's Fiscal 2020 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 8**, the adjusted fiscal 2020 budget increases \$5.4 million, or 5.9%, over the adjusted fiscal 2019 working appropriation.

Exhibit 8
Proposed Budget
Maryland Higher Education Commission
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reim. Fund	Total
Fiscal 2018 Actual	\$58,295	\$20,825	\$828	\$307	\$80,255
Fiscal 2019 Working Appropriation	72,157	19,511	332	463	92,463
Fiscal 2020 Allowance	<u>78,956</u>	<u>18,130</u>	<u>323</u>	<u>475</u>	<u>97,884</u>
Fiscal 2019-2020 Amount Change	\$6,799	-\$1,381	-\$10	\$13	\$5,421
Fiscal 2019-2020 Percent Change	9.4%	-7.1%	-2.9%	2.7%	5.9%

Where It Goes:

Personnel Expenses

Annualization of the fiscal 2019 0.5% general salary increase and the 3.0% fiscal 2020 general salary increase	\$149
Annualization of salaries for positions transferred into the Maryland Higher Education Commission in fiscal 2019 and the fiscal 2019 general salary increase	143
Retirement contributions	76
Social Security contribution	18
Workers' compensation premium assessment	5
Employee and retiree health insurance	2
Other fringe benefit adjustments	1
Turnover adjustments	-2
One-time \$500 bonus received in fiscal 2019	-29

Other Changes

Mandated increase in the Joseph A. Sellinger formula	3,171
Funding for the Cyber Warrior Program established in Chapter 567 of 2018 to train students in computer networking and cybersecurity	2,500
Funding for the St. Mary's College of Maryland (SMCM) DeSousa-Brent Scholars Program to be transferred when SMCM documents for the fall 2015 cohort met specific retention and graduation rates	800
Funding for the Near Completers Grants established in Chapter 554 of 2018	250
Reduction in Nursing Support Program II special funds aligning expenses with revenue	-1,348

R62I0001 – Maryland Higher Education Commission

Where It Goes:

Eliminate funding for Fredrick Center for Research and Education in Science and Technology	-290
Other	-24
Total	\$5,421

Note: Numbers may not sum to total due to rounding.

Sellinger Formula

The allowance provides \$59.4 million to fund the Sellinger formula. However, the impact of the fiscal 2020 3.0% general salary increase and the annualization of the fiscal 2019 0.5% general salary increase were not included in the calculation of the formula, which is based on State support per full-time equivalent students (FTES) at public four-year institutions of higher education. When including the salary increases, funding would increase \$2.5 million to \$62.0 million. It should be noted that under current law, funding of the Sellinger formula increases from 11.1% of the State funding per FTES in fiscal 2020 to 15.5% in fiscal 2021. This results in a projected increase of 40.8%, or \$25.1 million, in fiscal 2021, bringing the total funding of the Sellinger formula to \$86.8 million.

Exhibit 9 shows the funding distribution by institution, which is based on the second year prior actual enrollment. While enrollment information is not shown in this exhibit, five institutions experienced a decline in total enrollment in fall 2018. Enrollment declines of 7.9% and 6.6% at Stevenson University and Washington College were large enough to result in a reduction in funding in fiscal 2020. The enrollment declines at the other three institutions (Hood College, Loyola College, and McDaniel College) were relatively small and due to the overall growth in Sellinger aid, still resulted in increased funding.

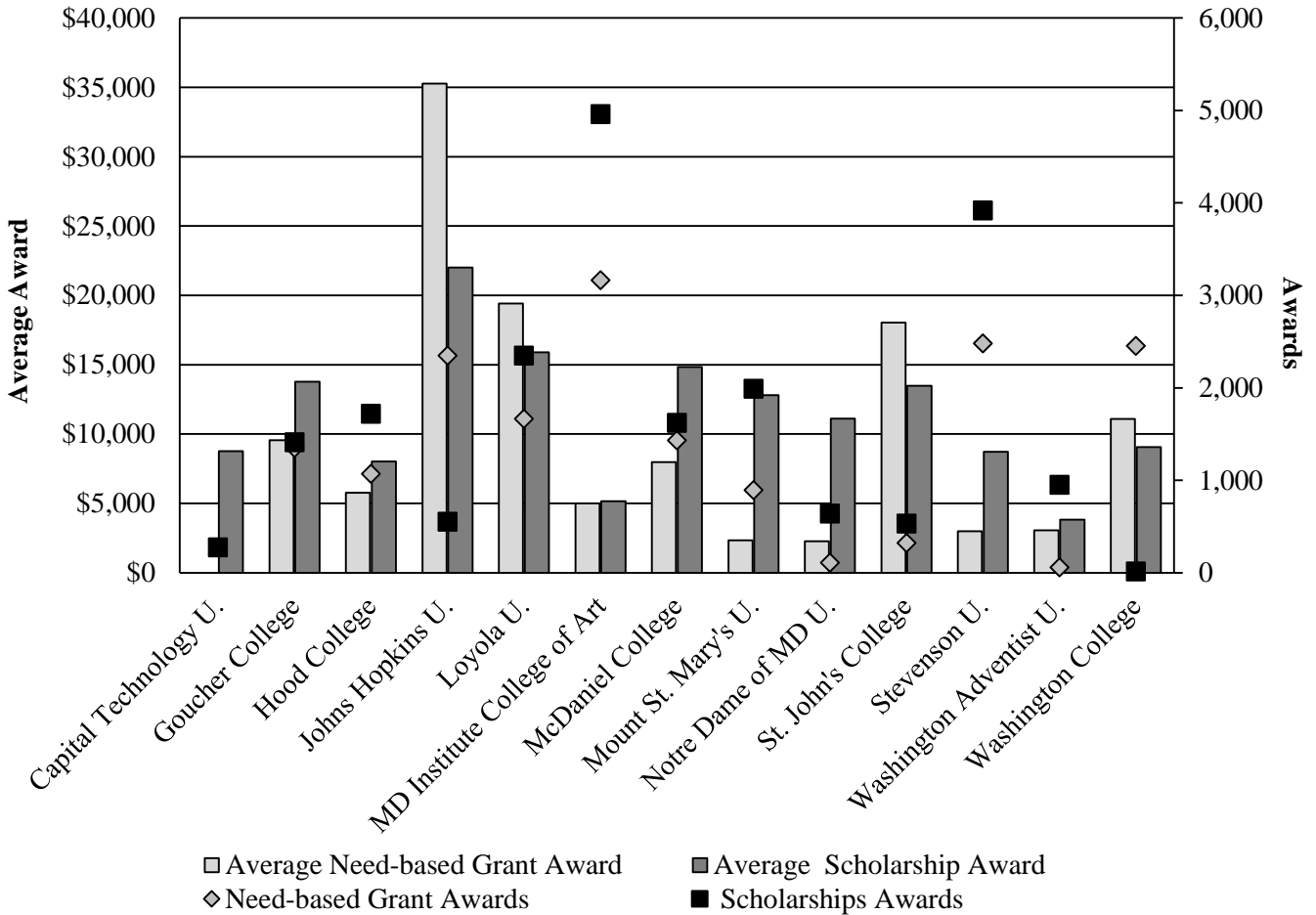
Exhibit 9
Funding Distribution by Enrollment
Fiscal 2018-2020

<u>Institution</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Fiscal 2019-2020</u>	
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>\$ Change</u>	<u>% Change</u>
The Johns Hopkins University	\$22,852,528	\$27,238,056	\$29,225,767	\$1,987,711	6.8%
Loyola College	5,803,650	6,333,555	6,581,171	247,616	3.8%
Stevenson University	4,146,197	4,455,336	4,389,898	-65,438	-1.5%
McDaniel College	2,461,333	2,710,896	2,790,737	79,841	2.9%
Maryland Institute College of Art	2,403,280	2,691,873	2,843,125	151,252	5.3%
Mount St. Mary's College	2,118,577	2,489,347	2,695,370	206,023	7.6%
Goucher College	1,975,385	2,323,292	2,483,610	160,318	6.5%
Washington College	1,756,730	2,085,017	2,026,726	-58,291	-2.9%
Hood College	1,728,101	1,811,200	1,847,323	36,123	2.0%
Notre Dame of Maryland University	1,579,292	1,734,335	1,855,684	121,349	6.5%
Washington Adventist University	895,961	1,017,562	1,180,136	162,574	13.8%
St. John's College	631,708	776,655	849,123	72,468	8.5%
Capitol Technology University	555,925	605,876	675,725	69,849	10.3%
Total	\$48,908,667	\$56,273,000	\$59,444,395	\$3,171,395	5.6%

Source: Department of Budget and Management; Department of Legislative Services

According to the Maryland Independent College and University Association, 89% of the Sellinger funds goes toward institutional grants (need-based aid) and scholarships to Maryland residents. Funding not used for aid allows some flexibility for institutions to meet other State priorities, such as educating teachers and nurses. As shown in **Exhibit 10**, at four institutions, the average grant award was higher than the average scholarships award. JHU had the highest average grant award of \$35,262 followed by Loyola University at \$19,407 (See **Appendix 2** for a breakdown by the expected family contribution category). While the average grant and scholarship awards of \$4,990 and \$5,152, respectively, at the Maryland Institute College of Art are modest compared to other institutions, it awards more grants and scholarships. Overall, the number of scholarship awarded exceed grant at all institutions except at JHU and Washington College.

Exhibit 10
Average Institutional Aid Award and Number of Awards by Institution
Fiscal 2017



Source: Maryland Higher Education Commission; Department of Legislative Services

Educational Grants

The Educational Grants program provides financial assistance to State, local, and private entities to enrich the quality of higher education. As shown in **Exhibit 11**, educational grant appropriations increase 36.0%, or \$3.2 million, over fiscal 2019, mainly due to the funding of two new scholarship programs – the Cyber Warrior Diversity Program to train students in computer networking and cybersecurity and the Near Completers grant program. A fiscal 2019 deficiency provides \$3.3 million for the College Savings Match program, increasing funding to \$6.3 million. Federal funds for Educational Grants decline 28.4% due to a reduction in the John R. Justice Grant program.

Exhibit 11
Maryland Higher Education Commission Education Grants
Fiscal 2019-2020

<u>Programs</u>	<u>2019 Adjusted Working</u>	<u>2020 Adjusted Allowance</u>	<u>\$ Difference</u>	<u>% Difference</u>
Federal Funds				
John R. Justice Grant	30,000	21,482	-8,518	-28.4%
Subtotal	\$30,000	\$21,482	-\$8,518	-28.4%
General Funds				
Complete College Maryland	\$250,000	\$250,000	\$0	0.0%
Washington Center for Internships and Academic Seminars	250,000	250,000	0	0.0%
UMB – WellMobile ¹	285,000	285,000	0	
Regional Higher Education Centers ²	1,900,261	1,609,861	-290,400	-15.3%
Colleges Savings Plan Match ³	6,326,500	6,326,500	0	0.0%
Cyber Warrior Diversity Program	0	2,500,000	2,500,000	
Near Completers Grant	0	250,000	250,000	
DeSousa-Brent Scholars Program ⁴	0	800,000	800,000	
Subtotal Including Grants to Be Transferred	\$9,011,761	\$12,271,361	\$3,259,600	
Total Funds Including Grants	\$9,041,761	\$12,292,843	\$3,251,082	36.0%

UMB: University of Maryland, Baltimore Campus

¹ Funding will be transferred to UMB by budget amendment.

² Fiscal 2019 includes \$0.4 million for the Waldorf Center that will be transferred by budget amendment to the University of Maryland University College.

³ Fiscal 2019 includes a \$3.3 million deficiency to satisfy the match requirement for the Save4College Contribution Program.

⁴ Fiscal 2019 funding for the DeSousa-Brent program was budgeted in St. Mary's College of Maryland rather than in the Maryland Higher Education Commission.

Source: Governor's Fiscal 2020 Budget Books; Department of Legislative Services

Regional Higher Education Centers

As shown in **Exhibit 12**, funding for the non-USM regional higher education centers (RHEC) decreases \$0.3 million in fiscal 2020. This is due to the elimination of funding for the Fredrick Center for Research and Education in Science and Technology. A total of \$0.8 million from fiscal 2017 to 2019 was provide to support launching that center in order to provide graduate degrees and certificates in the fields of science, technology, engineering, and mathematics. The center was originally scheduled to start offering programs in fall 2017, but programs have yet to be offered. Funding related to the Southern Maryland Higher Education Center (SMHEC) is transferred to the University System of Maryland Office (USMO) in fiscal 2020. The merger of SMHEC and USM is effective March 1, 2019.

Exhibit 12
State Support for Regional Higher Education Centers
Fiscal 2019-2020

	<u>2019</u>	<u>2020</u>	<u>\$ Change</u> <u>2019-2020</u>	<u>% Change</u> <u>2019-2020</u>
Non-USM RHECs				
AACC RHEC at Arundel Mills	\$292,886	\$298,346	\$5,460	1.9%
Eastern Shore Higher Education	360,957	348,794	-12,163	-3.4%
Frederick CREST	262,047	0	-262,047	-100.0%
Laurel College	306,565	317,080	10,515	3.4%
Southern Maryland ¹	28,353	0	-28,353	-100.0%
University Center ²	241,129	200,000	-41,129	-17.1%
Waldorf	408,324	445,641	37,317	9.1%
Total All Non-USM RHECs	\$1,900,261	\$1,609,861	-\$290,400	-15.3%
USM RHECs				
Universities at Shady Grove	\$16,430,568	\$21,881,816	\$5,451,248	33.2%
USM at Hagerstown	2,064,743	2,293,094	228,351	11.1%
Southern Maryland	512,739	1,541,092	1,028,353	200.6%
Total USM RHECs	\$19,008,050	\$25,716,002	\$6,707,952	35.3%

AACC: Anne Arundel Community College

CREST: Center for Research and Education in Science and Technology

RHEC: Regional Higher Education Center

USM: University System of Maryland

¹ In fiscal 2019, \$512,739 of funding was transferred to the University System of Maryland Office (USMO); however, based on the formula used to determine the allocation of funds, the amount for fiscal 2019 actually totaled \$541,092. The difference of \$28,353 was transferred to the Southern Maryland Higher Education Center; this amount is included in the fiscal 2020 allowance for USMO.

² Fiscal 2019 funding will not be distributed until the center receives the Maryland Higher Education Commission's approval to operate in a new facility.

Source: Maryland Higher Education Commission

R62I0001 – Maryland Higher Education Commission

Funding for non-USM RHECs is based on each receiving \$0.2 million in base funding with the remaining funds allocated based on the fiscal 2018 audited FTES enrollment in 2+2 and upper division courses. The Waldorf Center receives the largest increase in funding of \$37,317 due to a 30.4 FTES increase in enrollment in those courses.

Unlike the formula-funded non-USM RHECs, USM RHECs are funded through USMO, which determines the allocation of funds to the Universities at Shady Grove (USG), USM Hagerstown, and SMHEC. Total funding for USM RHECs increases 35.3%, or \$6.7 million, over fiscal 2019. USG receives an increase of 33.2%, or \$5.4 million, which is related to funding for workforce development initiatives.

Issues

1. Student Loan Debt Tax Credit

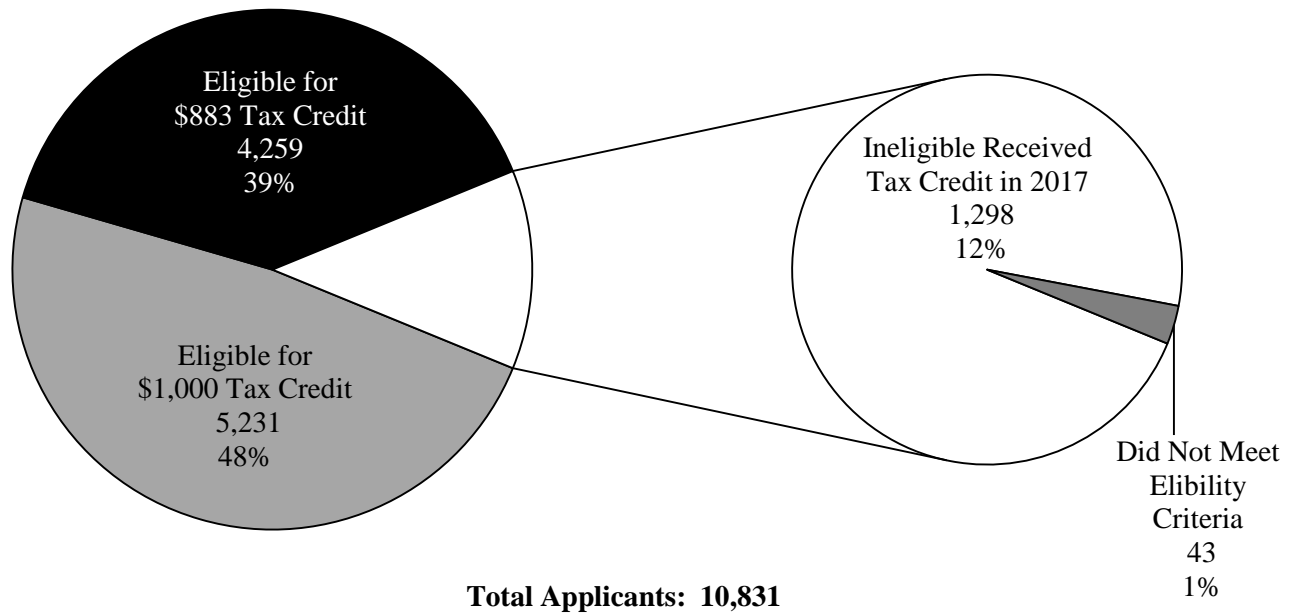
The Student Loan Debt Relief Tax Credit (Chapters 689 and 690 of 2016) established a refundable tax credit of up to \$5,000 for qualified student loans to Maryland residents beginning in tax year 2017. Qualifying taxpayers must have had at least \$20,000 in total undergraduate student loan debt and a remaining balance of at least \$5,000. Recipients must use the credit within two years to pay down the student loan. MHEC was initially authorized to approve \$5.0 million of tax credits annually. Chapter 382 of 2018 expanded the types of qualifying debt to include debt incurred for graduate school, and Chapter 419 of 2018 increased the total amount of credits that can be awarded to \$9.0 million annually. Tax credit recipients and the amount that they receive are prioritized by MHEC based on a higher debt burden to income ratio; graduation from an institution of higher education located in Maryland; not receiving a tax credit in the prior year, and eligibility for in-state tuition.

In the first year of the program, tax year 2017, MHEC received 4,988 applications, of which:

- 2,881 applicants were eligible for in-state tuition and received \$1,201;
- 1,541 applicants were not eligible for in-state tuition and received \$1,000; and
- 566 were not eligible for the tax credit

For the second year of the program, MHEC received 10,831 applications, more than double the number of applications from the previous year. Despite the increase in the total amount of credit that can be awarded, the doubling of applicants led to a decrease in the value of tax credit awards: \$1,000 for those eligible for in-state tuition; and \$883 for the others. As shown in **Exhibit 13**, 48% of the applicants were eligible for the \$1,000 tax credit and 39% for the \$883 credit. Of the 1,341 applicants not eligible for the credit, 96.7% received a tax credit in fiscal 2017 and, therefore, were not eligible for a credit in 2018.

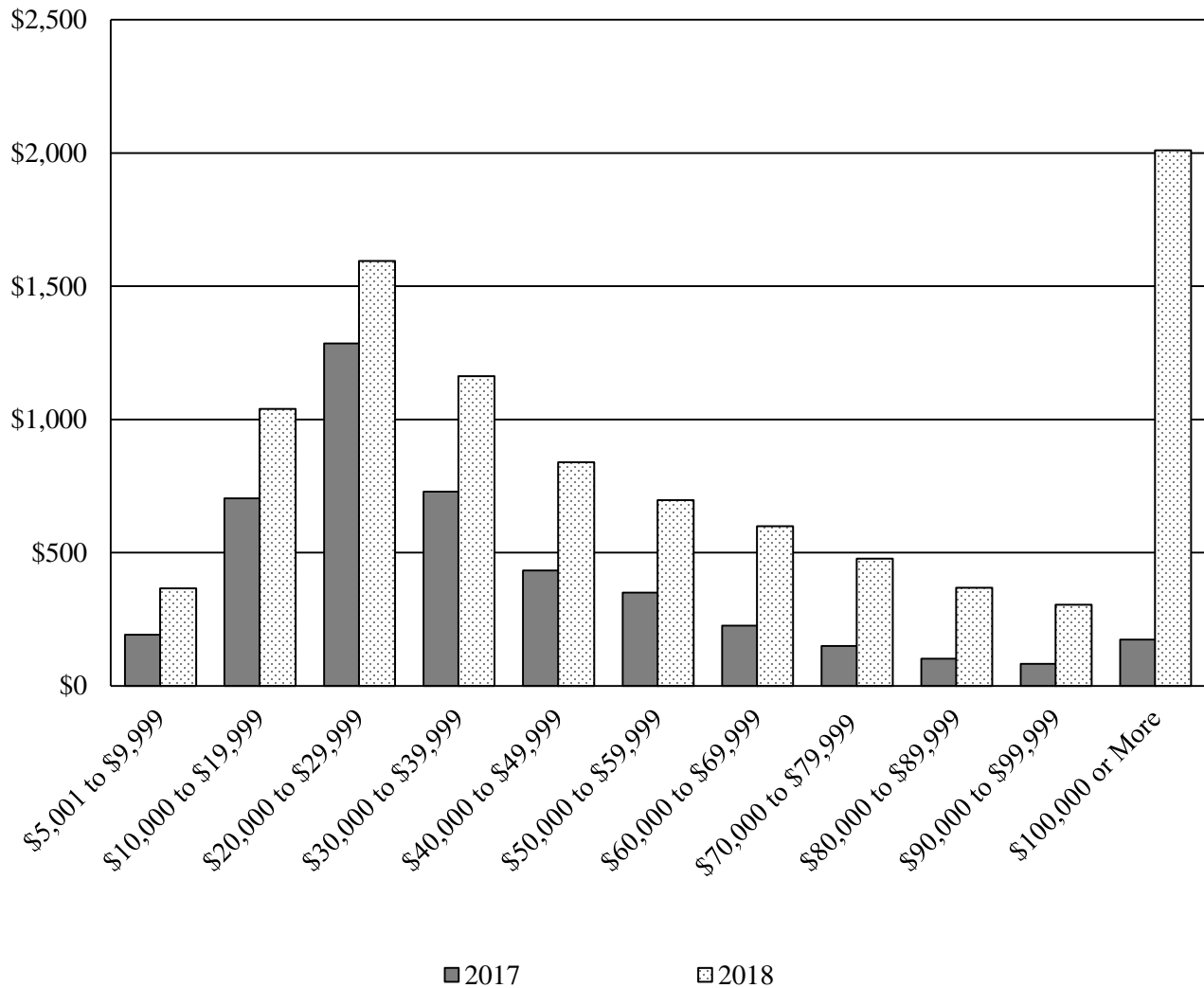
Exhibit 13
Student Loan Debt Relief Tax Credit Applicants
2018 Tax Year



Source: Maryland Higher Education Commission

Exhibit 14 compares the 2017 and 2018 outstanding loan balances of tax credit recipients. While 29.0% of the recipients had an outstanding balance between \$20,000 and \$29,000 in 2017, 21.2% of the recipients had balances exceeding \$100,000 in 2018.

Exhibit 14
Outstanding Loan Balances of Student Loan Tax Credit Recipients
2017 and 2018 Tax Year



Source: Maryland Higher Education Commission

2. Update on HBCU Lawsuit

Lawsuit Continues

The Coalition for Equity and Excellence in Maryland Higher Education, a group of former, current, and prospective students at Maryland's HBCU, is suing the State and MHEC for alleging violations of the Civil Rights Act of 1964 and the Equal Protection Clause of the Fourteenth Amendment. The lawsuit was initially filed in 2006 in Baltimore City but was moved a few weeks later to the U.S. District Court. After attempts at mediation failed and after a long process of discovery, a six-week bench trial ensued in January and February 2012 with closing oral arguments in October 2012.

Policies Traceable to the *De Jure* Era of Segregation

The parties have never disputed that Maryland operated a *de jure* (as a matter of law) system of segregated public higher education before 1969 when the U.S. Department of Education's Office for Civil Rights found the State in violation of Title VI of the Civil Rights Act of 1964. In the coalition's lawsuit, three policies of the Maryland system of higher education allegedly traceable to the prior *de jure* system were at issue: (1) limited institutional missions; (2) operational funding deficiencies; and (3) unnecessary program duplication.

On October 7, 2013, the U.S. District Court issued a memorandum, which in its current form is not a final decision, of its findings of fact and conclusions of law. Although the court noted that the institutional missions of HBCUs are linked to the *de jure* era, the court held that the coalition was unable to demonstrate that the State is responsible for limiting, perpetuating, or imposing missions on HBCUs.

The court rejected the coalition's allegation that operational funding deficiencies at HBCUs were entrenched in, or a continuation of, funding practices that were segregative and traceable from the *de jure* era. Maryland's current funding framework is structurally different than prior funding policies and practices. In fact, the court found that under Maryland's current funding system, HBCUs are not underfunded by the State, relative to traditionally white institutions (TWI), but rather, Maryland appropriates slightly more per FTES at HBCUs than at TWIs. Further, the court found that Maryland's HBCUs are funded at or above their peer-based funding targets. While the court noted that HBCUs struggle financially because of factors such as lower tuition revenue, insufficient fundraising capacity, and difficulty in attaining external grants, the court found that these factors are outside of the State's control. The court held that additional funding, in excess of what the State has already provided to HBCUs in enhancement funding, is not required. (The court previously ruled in summary judgment that a coalition claim related to capital funding deficiencies was not proved and, therefore, the claim did not proceed to trial.)

However, the court did find that the State failed to eliminate unnecessary program duplication for Maryland's HBCUs and that this policy was traceable to the *de jure* era.

Unnecessary Program Duplication

The court concluded that the coalition proved that unnecessary program duplication continues and is a policy traceable to prior *de jure* segregation. The court, applying the law established by the Supreme Court in *United States v. Fordice*, defined unnecessary duplication as the offering by two or more institutions of the same nonessential or noncore programs, nonbasic liberal arts and sciences course work at the bachelor’s level, and all duplication at the master’s level and above. The court cited MHEC’s decision to approve a joint University of Baltimore (UB)/TU Masters of Business Administration (MBA) program, despite the objections of MSU in 2005, as an example of how the State failed to prevent additional unnecessary duplication. Of note, TU and UB did not renew the Memorandum of Understanding regarding the MBA program when it expired in October 2015, resulting in the program reverting back to UB.

The court found that the State’s “sound educational justification” for program duplication consisted of justifications for the approval of the MBA program at UB/TU rather than a thorough and thoughtful assessment and analysis of whether the same goals could be accomplished with less segregative results, such as offering MSU additional funding for its MBA program or establishing a program at another HBCU instead of a TWI. The court also found that, in addition to failing to disapprove new duplicative high-demand programs at TWIs within close proximity to HBCUs, MHEC also failed to analyze and eliminate existing high-demand programs that are duplicated at TWIs and HBCUs.

Determining a Remedy

The court deferred entry of judgment pending mediation or further proceedings to establish a remedy. The case was referred back for mediation with a suggested starting point that each HBCU “should develop programmatic niches of areas or areas of excellence in at least two high-demand clusters within the next three to four years.” However, mediation was unsuccessful.

In January and February 2017, a six-week hearing on remedies took place. Following oral argument, on November 8, 2017, the court found that neither party’s remedial plan was “practicable, educationally sound, and sufficient to address the segregative harms of program duplication at the [HBCUs].” The court decided instead to appoint a special master to develop a remedial plan in consultation with relevant actors. The court stated that the plan must incorporate elements of both parties’ remedial proposals and propose a set of new unique programs, or high-demand programs, or both, at each HBCU taking into account areas of strength, physical building capacity, and programmatic niches. The plan may not include program transfers or closings of institutions absent agreement from the impacted institutions of higher education. Finally, the plan must provide funding to HBCUs to be used to support student recruitment, financial aid, marketing, and related initiatives. The court will receive periodic reporting regarding implementation of the special master’s plan.

Status of the Litigation

Both the coalition and the State have appealed to the U.S. Court of Appeals for the Fourth Circuit regarding the U.S. District Court's findings as to duplication and policies traceable to the *de jure* era as well as the appointment of a special master. Further, the State filed a motion to stay all proceedings pending the Fourth Circuit decision on the appeal. This motion was granted by the court on February 6, 2018, and oral arguments were held in December 2018.

In January 2019, the Fourth Circuit ordered the parties to enter into mediation with a progress report required to be submitted every 30 days. Mediation is scheduled to conclude by April 30, 2019.

It should be noted that in February 2018, the Governor proposed a \$100 million settlement, which would supplement State appropriations to HBCUs over a 10-year period. However, no action occurred with respect to the plaintiffs and the proposed settlement.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Report on Best Practices and Annual Progress Toward the 55% Completion Goal: The budget committees understand that, in order to meet the State’s goal to have at least 55% of Maryland’s residents age 25 to 64 holding at least one degree credential by 2025, accurate and timely information on degree progression and best practices is needed to ensure that the State is on track to meet the goal. The budget committees request that the Maryland Higher Education Commission (MHEC) annually collect and analyze student- and transcript-level data on progression, graduation, and other relevant metrics from each public institution of higher education, including community colleges and regional higher education centers. MHEC should submit a report by December 15 each year that analyzes the data and shows each institution’s progress toward the State and institutional goals in 2025. The report should also include a summary of best practices and findings on the effectiveness of institutions’ programs as well as any concerns regarding lack of progress or best practices that are not being implemented by institutions.

In addition, the budget committees request that MHEC, in collaboration with the Governor’s Prekindergarten-20 Council, convene a biennial Summit on Completion that provides a forum for representatives of all segments of education (including K-12), economic and workforce development, and other stakeholders to share best practices on college completion that are underway in Maryland and hear from experts on best practices in other states that may be replicated in Maryland. A summary of the summit should be included in the annual report on best practices and progress toward the 55% goal.

Information Request	Author	Due Date
Report on best practices and annual progress toward the 55% completion goal	MHEC	December 15, 2019

Updates

1. *Joint Chairmen’s Reports*

MHEC submitted the following three reports required in the 2018 *Joint Chairmen’s Report*:

- ***Electronic Financial Impact Platform:*** To understand the process that must occur in order for institutions to utilize the *Electronic Financial Impact Platform*, MHEC contacted the Consumer Financial Protection Bureau (CFPB) and gathered information from their website specific to the online tool. Through MHEC’s conversation with CFPB and online research, it was determined that the online tool is optional for institutions. For a Maryland institution to provide this tool to prospective and current students, the institution must adopt the “Understanding Your Financial Aid Offer” tool through CFPB. Once an institution adopts the tool, it can then provide a link directly to each student that will allow each student to access the online tool, applicable to their respective Maryland institution.
- ***Report on Hate-bias Plans:*** MHEC surveyed institutions asking if they had a formal policy, a plan or process for the education of students, and the number of incidents that have occurred over the past three years. MHEC found that although institutions’ policies generally consider hate-bias incidents to be violations of standards of student conduct, most institutions also incorporate education about hate-bias incidents into their training on cultural diversity. Therefore, it is reasonable to evaluate this education in the context of institutions’ efforts to enhance cultural diversity. Since many institutions are currently implementing educational plans, MHEC will ask institutions to include specific reporting on their educational plans in either the 2019 or 2020 *Cultural Diversity Report*. Since definitions and practices vary from institution to institution, it is not possible to provide a precise comparison of the number of hate-bias incidents or even a reasonable measure of the scope of the problem.
- ***Report on Hazing Policies:*** Institutions were asked to provide any policies that explicitly governed hazing or in the absence of a specific policy on hazing, any institutional policies that would apply in the case of a hazing incident as defined in statute. Overall, 39 of the 42 colleges and universities complied with the request. Eleven of the 13 public four-year institutions and 10 of the 12 independent institutions who submitted reports have formal policies proscribing hazing. While only 4 of the 14 reporting community colleges have formal policies specifically prohibiting hazing, the other 10 all have policies that effectively proscribe hazing behaviors.

Appendix 1
Current and Prior Year Budgets
Maryland Higher Education Commission
(\$ in Thousands)

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
Fiscal 2018					
Legislative Appropriation	\$70,953	\$21,064	\$1,514	\$462	\$93,993
Deficiency/Withdrawn Appropriation	-52	-9	-4	0	-65
Cost Containment	-2,091	0	0	0	-2,091
Budget Amendments	-5,772			0	-5,772
Reversions and Cancellations	-4,742	-229	-683	-156	-5,810
Actual Expenditures	\$58,295	\$20,825	\$828	\$307	\$80,255
Fiscal 2019					
Legislative Appropriation	\$68,050	\$19,500	\$328	\$463	\$88,341
Budget Amendments	35	6	2	0	43
Working Appropriation	\$68,085	\$19,506	\$331	\$463	\$88,384

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

Fiscal 2018

For fiscal 2018, the general fund appropriation for the Maryland Higher Education Commission (MHEC) decreased by \$12.6 million that included a withdrawal of \$151,644 related to health insurance and \$2.1 million in cost containment measures that reduced funding of the Joseph A. Sellinger Program. Budget amendments further reduced funds by \$5.8 million that included \$5.6 million from MHEC's Educational Grants for the dispersal of annual awards to various Maryland public institutions and a transfer of \$0.2 million (\$180,209 from Educational Grants and \$35,550 from general administration) to the Maryland Loan Assistance Repayment Program for physicians and physician assistants to cover anticipated costs of the program. The reversion of general funds totaled \$4.7 million that included \$4.6 million due to expenditures for the College Savings Plan Match being significantly less than budgeted, \$74,029 in salary and wages in the Nurse Support Program II (NSP) that were not needed due to all transference of all regular positions to MEHC general administration, and \$28,998 that were not needed for a document imaging solution.

Special funds decrease \$0.2 million that included a withdrawal of \$9,496 related to health insurance. Cancellations total \$0.2 million due to Academic Program Review fees revenues and NSP II awards being less than budgeted by \$184,308 and \$45,050, respectively.

Federal funds decreased \$0.7 million that included a withdrawal of \$3,572 related to health insurance and a cancellation of \$0.7 million due to the expiration of the College Access Challenge Grant.

Reimbursable funds decreased \$0.2 million due to the cancellation of funds due to a reduction in expenditures in Gear Up (\$154,171) and NSP II not incurring expenses (\$1,453).

Fiscal 2019

To date, in fiscal 2019, MHEC's general funds increased by \$34,502, special funds by \$5,046, and federal funds by \$2,383, due to the centrally budgeted fiscal 2019 2% general salary increase.

**Appendix2
Institutional Aid by EFC Category**

<u>Institution</u>	EFC Pell Maximum EFC: \$5,234	Institutional Grants			Institutional Scholarships		
		<u>Awards</u>	<u>Mean Award Per Recipient</u>	<u>Sum</u>	<u>Awards</u>	<u>Mean Award Per Recipient</u>	<u>Sum</u>
Capitol Technology University	Maximum Pell	0	\$	\$	126	\$237	\$37,876
	EFC +1 to 6,999	0	0	0	15	12,357	185,358
	7,000 to 9,999	0	0	0	16	7,948	127,167
	10,000 to 14,999	0	0	0	20	9,878	197,564
	15,000 to 19,999	0	0	0	13	9,544	124,072
	20,000 to 99,999	0	0	0	62	9,891	613,260
	100,000 and up	0	0	0	2	12,000	24,000
	Unknown	0	0	0	19	4,505	85,595
Washington Adventist University	Maximum Pell	30	2,743	82,285	609	6,010	2,163,538
	EFC +1 to 6,999	0	0	0	44	10,548	221,508
	7,000 to 9,999	5	2,600	12,998	61	8,357	267,408
	10,000 to 14,999	4	3,531	14,125	59	8,275	231,700
	15,000 to 19,999	1	2,850	2,850	25	6,178	86,492
	20,000 to 99,999	3	4,333	13,000	55	6,647	192,750
	100,000 and up	0	0	0	1	6,000	6,000
	Unknown	13	3,527	45,850	95	9,610	461,287
Goucher College	Maximum Pell	614	16,778	6,241,533	376	13,120	4,657,459
	EFC +1 to 6,999	79	17,392	852,189	51	16,005	784,250
	7,000 to 9,999	101	16,261	1,138,240	73	13,650	928,225
	10,000 to 14,999	140	15,456	1,360,091	93	15,846	1,378,606
	15,000 to 19,999	111	12,666	886,653	76	15,692	1,145,488
	20,000 to 99,999	236	9,174	1,651,267	347	15,817	4,950,707
	100,000 and up	3	3,150	6,300	34	16,819	487,750
	Unknown	64	14,384	747,958	359	15,098	5,072,905

<u>Institution</u>	<u>EFC Pell Maximum EFC: \$5,234</u>	<u>Institutional Grants</u>			<u>Institutional Scholarships</u>		
		<u>Awards</u>	<u>Mean Award Per Recipient</u>	<u>Sum</u>	<u>Awards</u>	<u>Mean Award Per Recipient</u>	<u>Sum</u>
Hood College	Maximum Pell	497	8,662	3,179,054	596	12,628	4,558,881
	EFC +1 to 6,999	65	8,666	381,311	100	15,328	781,709
	7,000 to 9,999	68	8,788	465,752	100	13,433	738,817
	10,000 to 14,999	100	6,894	510,152	174	16,202	1,490,564
	15,000 to 19,999	98	8,053	531,506	141	14,295	1,129,313
	20,000 to 99,999	197	5,284	771,482	430	14,491	3,608,270
	100,000 and up	5	2,536	10,142	17	14,320	171,834
	Unknown	39	9,822	314,304	158	12,701	1,282,798
The Johns Hopkins University	Maximum Pell	703	46,599	32,758,828	91	21,177	1,927,062
	EFC +1 to 6,999	94	45,255	4,253,934	14	21,007	294,099
	7,000 to 9,999	145	41,469	6,013,035	27	19,521	527,063
	10,000 to 14,999	215	39,830	8,563,393	34	14,945	508,121
	15,000 to 19,999	208	35,257	7,333,426	30	15,493	464,789
	20,000 to 99,999	932	24,099	22,459,855	149	21,133	3,148,767
	100,000 and up	8	24,290	194,318	21	25,862	543,107
	Unknown	42	28,170	1,183,154	186	25,489	4,740,970
Loyola University Maryland	Maximum Pell	558	21,611	11,648,237	964	16,748	15,005,840
	EFC +1 to 6,999	92	24,195	2,225,955	67	17,538	1,052,250
	7,000 to 9,999	144	24,380	3,413,246	94	17,275	1,433,850
	10,000 to 14,999	258	23,089	5,864,539	184	16,365	2,683,900
	15,000 to 19,999	178	21,480	3,801,930	112	16,535	1,736,200
	20,000 to 99,999	426	12,501	5,275,524	813	17,590	13,474,000
	100,000 and up	8	9,204	64,429	112	17,905	1,880,000
	Unknown	0	0	0	0	0	0

<u>Institution</u>	EFC Pell Maximum EFC: \$5,234	Institutional Grants			Institutional Scholarships		
		<u>Awards</u>	<u>Mean Award Per Recipient</u>	<u>Sum</u>	<u>Awards</u>	<u>Mean Award Per Recipient</u>	<u>Sum</u>
Maryland Institute College of Art	Maximum Pell	1,217	17,385	6,310,609	2,571	14,529	13,860,376
	EFC +1 to 6,999	111	20,054	581,580	114	20,279	588,080
	7,000 to 9,999	192	19,262	866,802	198	19,819	911,672
	10,000 to 14,999	299	18,492	1,497,875	308	18,905	1,550,235
	15,000 to 19,999	277	16,848	1,263,565	281	17,264	1,294,805
	20,000 to 99,999	1,068	16,566	5,267,911	1,369	16,343	6,749,501
	100,000 and up	0	0	0	119	13,299	598,438
	Unknown	0	0	0	0	0	0
Mount St. Mary's College	Maximum Pell	332	2,572	694,471	480	16,547	5,460,650
	EFC +1 to 6,999	61	3,134	150,415	90	18,433	1,142,860
	7,000 to 9,999	88	3,277	245,760	119	16,218	1,394,740
	10,000 to 14,999	116	3,174	304,725	180	17,941	2,152,930
	15,000 to 19,999	113	2,913	279,685	165	17,827	2,174,842
	20,000 to 99,999	168	2,400	362,435	593	17,369	7,868,335
	100,000 and up	1	1,000	1,000	70	16,495	824,750
	Unknown	13	3,878	50,420	293	16,789	4,482,584
Notre Dame of Maryland University	Maximum Pell	63	1,753	105,158	295	14,801	3,034,290
	EFC +1 to 6,999	11	2,968	32,650	46	16,394	393,450
	7,000 to 9,999	10	3,789	34,100	49	16,348	539,470
	10,000 to 14,999	5	3,900	19,500	40	18,076	433,820
	15,000 to 19,999	9	1,967	17,703	36	17,230	430,745
	20,000 to 99,999	8	2,688	21,500	95	17,297	1,106,998
	100,000 and up	0	0	0	4	20,595	61,785
	Unknown	1	11,446	11,446	75	20,944	1,110,022

<u>Institution</u>	EFC Pell Maximum EFC: \$5,234	Institutional Grants			Institutional Scholarships		
		<u>Awards</u>	<u>Mean Award Per Recipient</u>	<u>Sum</u>	<u>Awards</u>	<u>Mean Award Per Recipient</u>	<u>Sum</u>
St. John's College	Maximum Pell	81	24,031	1,874,410	98	19,343	1,237,932
	EFC +1 to 6,999	11	21,709	238,800	17	18,909	208,000
	7,000 to 9,999	22	20,874	438,356	32	20,300	406,000
	10,000 to 14,999	24	21,925	504,270	28	19,572	371,870
	15,000 to 19,999	21	17,718	318,920	24	18,147	308,500
	20,000 to 99,999	83	10,116	799,190	164	20,278	2,108,950
	100,000 and up	1	2,650	2,650	21	21,357	299,000
	Unknown	77	22,744	1,592,074	146	18,808	2,200,500
Stevenson University	Maximum Pell	1,060	4,559	3,624,399	1,359	12,054	10,728,070
	EFC +1 to 6,999	147	5,690	642,953	196	12,999	1,585,895
	7,000 to 9,999	267	4,834	932,878	281	14,287	2,714,503
	10,000 to 14,999	266	3,760	710,644	338	13,288	3,042,896
	15,000 to 19,999	179	3,784	507,017	244	13,138	2,220,286
	20,000 to 99,999	467	2,002	798,849	1,032	14,015	9,571,968
	100,000 and up	20	1,425	28,500	53	13,394	522,384
	Unknown	74	2,559	184,245	414	12,297	3,750,496
Washington College	Maximum Pell	650	27,479	7,144,412	2	16,250	32,500
	EFC +1 to 6,999	112	30,144	1,266,055	1	12,500	12,500
	7,000 to 9,999	184	27,803	2,029,639	0	0	0
	10,000 to 14,999	244	26,139	2,613,924	2	13,000	26,000
	15,000 to 19,999	212	25,409	2,286,787	1	3,726	3,726
	20,000 to 99,999	646	18,528	6,670,105	1	1,248	1,248
	100,000 and up	37	16,000	447,999	0	0	0
	Unknown	366	16,132	4,726,635	4	5,917	23,668

<u>Institution</u>	EFC Pell Maximum EFC: \$5,234	Institutional Grants			Institutional Scholarships		
		<u>Awards</u>	<u>Mean Award Per Recipient</u>	<u>Sum</u>	<u>Awards</u>	<u>Mean Award Per Recipient</u>	<u>Sum</u>
McDaniel College	Maximum Pell	638	13,389	5,971,428	474	15,466	6,588,532
	EFC+1 to 6,999	88	15,373	922,386	61	17,037	954,080
	7,000 to 9,999	102	13,161	1,013,405	91	16,548	1,274,225
	10,000 to 14,999	167	11,504	1,334,515	133	17,232	1,947,214
	15,000 to 19,999	115	9,238	785,213	106	17,619	1,620,984
	20,000 to 99,999	260	5,817	1,151,844	437	19,102	6,819,334
	100,000 and up	14	5,200	67,600	30	18,763	487,830
	Unknown	47	4,032	177,426	289	17,571	4,357,566

EFC: expected family contribution

Appendix 3
Object/Fund Difference Report
Maryland Higher Education Commission

<u>Object/Fund</u>	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u> <u>Appropriation</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19 - FY 20</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	54.60	57.60	57.60	0.00	0%
02 Contractual	5.50	8.00	8.00	0.00	0%
Total Positions	60.10	65.60	65.60	0.00	0%
Objects					
01 Salaries and Wages	\$ 4,954,572	\$ 5,186,897	\$ 5,535,477	\$ 348,580	6.7%
02 Technical and Special Fees	249,397	494,248	494,248	0	0%
03 Communication	49,000	70,976	41,150	-29,826	-42.0%
04 Travel	74,369	90,798	84,009	-6,789	-7.5%
07 Motor Vehicles	63,939	79,673	91,712	12,039	15.1%
08 Contractual Services	775,481	696,738	1,343,368	646,630	92.8%
09 Supplies and Materials	27,611	38,800	38,800	0	0%
10 Equipment – Replacement	22,835	16,237	16,237	0	0%
11 Equipment – Additional	0	7,500	7,500	0	0%
12 Grants, Subsidies, and Contributions	73,616,805	81,239,157	89,619,407	8,380,250	10.3%
13 Fixed Charges	421,183	462,974	457,546	-5,428	-1.2%
Total Objects	\$ 80,255,192	\$ 88,383,998	\$ 97,729,454	\$ 9,345,456	10.6%
Funds					
01 General Fund	\$ 58,295,489	\$ 68,084,768	\$ 78,829,855	\$ 10,745,087	15.8%
03 Special Fund	20,824,654	19,505,849	18,109,454	-1,396,395	-7.2%
05 Federal Fund	828,205	330,538	314,665	-15,873	-4.8%
09 Reimbursable Fund	306,844	462,843	475,480	12,637	2.7%
Total Funds	\$ 80,255,192	\$ 88,383,998	\$ 97,729,454	\$ 9,345,456	10.6%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

**Appendix 4
Fiscal Summary
Maryland Higher Education Commission**

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
01 General Administration	\$ 6,944,996	\$ 7,052,495	\$ 7,997,327	\$ 944,832	13.4%
02 College Prep/Intervention Program	750,000	750,000	750,000	0	0%
03 Joseph A. Sellinger Program	48,908,667	56,273,000	59,444,395	3,171,395	5.6%
07 Educational Grants	3,361,965	5,715,261	12,292,843	6,577,582	115.1%
38 Nurse Support Program II	20,039,564	18,593,242	17,244,889	-1,348,353	-7.3%
43 College Access Pilot Program	250,000	0	0	0	0%
Total Expenditures	\$ 80,255,192	\$ 88,383,998	\$ 97,729,454	\$ 9,345,456	10.6%
General Fund	\$ 58,295,489	\$ 68,084,768	\$ 78,829,855	\$ 10,745,087	15.8%
Special Fund	20,824,654	19,505,849	18,109,454	-1,396,395	-7.2%
Federal Fund	828,205	330,538	314,665	-15,873	-4.8%
Total Appropriations	\$ 79,948,348	\$ 87,921,155	\$ 97,253,974	\$ 9,332,819	10.6%
Reimbursable Fund	\$ 306,844	\$ 462,843	\$ 475,480	\$ 12,637	2.7%
Total Funds	\$ 80,255,192	\$ 88,383,998	\$ 97,729,454	\$ 9,345,456	10.6%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.