

**R62I0010**  
**Student Financial Assistance**  
**Maryland Higher Education Commission**

## ***Executive Summary***

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The Office of Student Financial Assistance, within the Maryland Higher Education Commission, is responsible for the administration of State financial assistance programs.

## ***Operating Budget Data***

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(\$ in Thousands)

	<b><u>FY 18</u></b> <b><u>Actual</u></b>	<b><u>FY 19</u></b> <b><u>Working</u></b>	<b><u>FY 20</u></b> <b><u>Allowance</u></b>	<b><u>FY 19-20</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Fund	\$106,552	\$110,632	\$136,788	\$26,156	23.6%
Adjustments	0	64	0	-64	
<b>Adjusted General Fund</b>	<b>\$106,552</b>	<b>\$110,697</b>	<b>\$136,788</b>	<b>\$26,092</b>	<b>23.6%</b>
Special Fund	3,098	3,172	3,641	470	14.8%
Adjustments	0	1,400	0	-1,400	
<b>Adjusted Special Fund</b>	<b>\$3,098</b>	<b>\$4,572</b>	<b>\$3,641</b>	<b>-\$930</b>	<b>-20.4%</b>
Reimbursable Fund	548	400	400	0	
Adjustments	0	0	0	0	
<b>Adjusted Reimbursable Fund</b>	<b>\$548</b>	<b>\$400</b>	<b>\$400</b>	<b>\$0</b>	<b>0.0%</b>
<b>Adjusted Grand Total</b>	<b>\$110,198</b>	<b>\$115,668</b>	<b>\$140,829</b>	<b>\$25,161</b>	<b>21.8%</b>

- General funds increase \$26.1 million, or 23.6%, in fiscal 2020 mainly due to \$23.0 million to fund two new scholarships: \$15.0 million for the Maryland Community College Promise Scholarship Program; and \$8.0 million for the proposed Governor's Promise Plus Program.
- Two fiscal 2019 deficiencies would transfer \$1.4 million from the Need-based Student Financial Assistance Fund to the Edward T. and Mary A. Conroy Memorial Scholarship Program (\$1.0 million) and the 2+2 Transfer Scholarship Fund (\$0.3 million to replace general funds and \$0.1 million in additional funds)

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

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***Analysis of the FY 2020 Maryland Executive Budget, 2019***

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- Another fiscal 2019 deficiency would provide \$0.4 million in general funds for the Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants.

## ***Key Observations***

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- In fiscal 2019, the number of Free Applications for Federal Student Aid (FAFSA) filed in the first month is slightly down (0.6%), and the number filed by those with a \$0 expected family contribution also declined by 3.3%, raising concerns that students from low-income families are not completing FAFSA and, thereby, potentially leaving financial aid on the table that could be used to pay for college.
- The number of Guarantee Access Grants increased 35.6%, or 572 awards, totaling 2,181 in fiscal 2018.

## **Operating Budget Recommended Actions**

	<b><u>Funds</u></b>
1. Delete funds for the Governor's Promise Plus Program.	\$ 8,000,000
2. Adopt narrative requesting a report on the impact of the credit requirement.	
<b>Total Reductions</b>	<b>\$ 8,000,000</b>

**R62I0010**  
**Student Financial Assistance**  
**Maryland Higher Education Commission**

***Operating Budget Analysis***

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**Program Description**

The Office of Student Financial Assistance (OSFA), within the Maryland Higher Education Commission (MHEC), is responsible for the administration of State financial assistance programs. These programs are designed to improve access to higher education for needy students and certain unique populations and to encourage students to major in workforce shortage areas. Maryland students use State financial assistance at community colleges, independent institutions, private career schools, and the State's public four-year institutions.

Financial aid comes in the form of grants; work study; student loans; parent loans; and scholarships from federal, State, private, and institutional sources. Grants and scholarships are aid that students do not have to pay back. Grants are usually given because a student has financial need, while scholarships are usually given to recognize the student's academic achievement, athletic ability, or other talent. Loans must be repaid, usually with interest. **Exhibit 1** shows current financial aid programs offered by OSFA.

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**Exhibit 1**  
**Financial Aid Programs in Fiscal 2020 by Category**

<b><u>Program</u></b>	<b><u>Description</u></b>
<b>Need-based Financial Aid</b>	
Delegate Howard P. Rawlings Educational Excellence Awards	
Guaranteed Access Grants	Need- and merit-based scholarships intended to meet 100% of financial need for full-time undergraduates from low-income households. Qualified applicants must have a cumulative high school GPA of at least 2.5 on a 4.0 scale. The income limits for initial applicants is 130% below the federal poverty levels and for renewals, 150%.
Educational Assistance Grants	Need-based scholarships intended to meet 40% of financial need at four-year institutions and 60% at community colleges for full-time undergraduates from low- to middle-income families. The maximum award amount authorized by statute is \$3,000. The current maximum amount awarded is \$3,000.
Campus-based	Need-based grant for full-time undergraduates from low-income families who, for extenuating circumstances, miss the application filing deadline. Funds for the campus-based grant are allocated to eligible institutions that then select recipients.
Part-time Grant Program	Need-based grants provided to institutions to award to qualified part-time undergraduate students.

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<b><u>Program</u></b>	<b><u>Description</u></b>
Graduate and Professional Scholarship Program	Need-based scholarships for those pursuing certain graduate and professional degrees at certain Maryland institutions of higher education.
Early College Access Grant Program	Need-based grants for students dually enrolled in a Maryland high school and a Maryland institution of higher education.
2+2 Transfer Scholarship	Scholarship to provide an incentive for Maryland students to earn an associate's degree from a community college before enrolling in a four-year institution. Recipient must demonstrate financial need. Minimum GPA required.
Maryland Community College Promise Scholarship	Scholarship to provide tuition assistance for Maryland students attending a community college covering costs not met by any other student financial aid, excluding loans, also known as a last dollar scholarship. Recipients must complete a one-year service obligation for each year a scholarship is received or it will convert into a loan. Minimum GPA and credit completion required.
Somerset Economic Impact Scholarship	Scholarships to provide tuition assistance for Somerset County residents who graduated from high school within the county and will be attending Wor-Wic Community College.

**Career-based Financial Aid**

Charles W. Riley and Emergency Medical Services Tuition Reimbursement Program	Tuition reimbursement for fire, ambulance, and rescue squad workers pursuing a degree in fire services or emergency medical technology.
Workforce Shortage Student Assistance Grants	Merit- and need-based scholarships for Maryland students pursuing degrees in teaching, nursing, human services, physical or occupational therapy, public service, and other areas to address workforce and regional needs.
Workforce Development Sequence Scholarship	Need-based scholarship for Maryland community college students enrolled in a program composed of courses relating to job preparation or an apprenticeship, licensure or certification, or job skill enhancement.
Teaching Fellows of Maryland Scholarship	Scholarship for Maryland students pursuing a degree leading to a Maryland professional teacher's certificate. Requires a service obligation of teaching in a public school or prekindergarten program with at least 50% of students eligible for free and reduced-price meals.
Cybersecurity Public Service Scholarship	Scholarship for Maryland students enrolled in programs directly relevant to cybersecurity. Minimum GPA and service obligation requirements.

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**Program**

**Description**

**Loan Assistance Repayment Programs (LARP)**

Janet L. Hoffman	Loan repayment assistance for graduates of a Maryland institution who work full-time for the government or the nonprofit sector in a priority field as determined by the commission. Priority is given to recent graduates who are State residents and employed full-time principally providing legal services to low-income residents, nursing services in nursing shortage areas in the State, or other employment fields where there is a shortage of qualified practitioners for low-income or underserved residents. Recipients must meet income eligibility requirements as determined by the commission.
Nancy Grasmick Teacher Scholars (Part of Hoffman LARP)	Loan repayment assistance for those who currently serve in specified public schools or teach science, technology, engineering, or math and graduated from a Maryland university.
Primary Care Physicians and Physician Assistants	Loan repayment assistance for those who currently serve or who pledge to serve as primary care physicians.
Maryland Dent-Care	Loan repayment assistance designed to increase access to oral health services for Maryland Medical Assistance Program recipients.
Foster Care Recipients	Loan repayment assistance designed to increase higher education access for students who received foster care assistance.

**Assistance for Unique Populations**

Jack F. Tolbert Memorial	Provides grants to private career schools to award to full-time students based on financial need.
Edward T. Conroy and Jean B. Cryor Memorial	Scholarships for certain military veterans or certain public safety personnel and for dependents of eligible public and nonpublic school employees.
Veterans of the Afghanistan and Iraq Conflicts Scholarship Program	Scholarships for U.S. Armed Forces personnel who served in the Afghanistan or Iraq conflicts and their sons, daughters, or spouses attending a Maryland postsecondary institution.
Maryland First Scholarship	Scholarship for first-generation college students with financial need. No funding has been provided.
Near Completer Grant	Grants to for tuition not covered by any other nonloan financial aid for eligible near completers to return to finish their degree. Minimum GPA and credit hours completed required.
Richard W. Collins III Leadership with Honor Scholarship	Scholarship for Maryland minority Reserve Officer Training Corps students enrolled in a Historically Black College or University.

**Program**

**Description**

**Legislative Scholarships**

Senatorial Scholarships	Senators select recipients from within their legislative district. Students may be pursuing undergraduate, graduate, or professional degrees, or a certificate or license at a community college.
Delegate Scholarships	Delegates select recipients pursuing undergraduate, graduate, or professional degrees, or a certificate or license at a community college.

Source: Maryland Higher Education Commission

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This analysis includes MHEC Student Financial Assistance Programs that provide:

- funds directly to institutions of higher education to cover qualified college expenses;
- funds directly to students as reimbursement for the payment of tuition and mandatory fees and, in some cases, other expenses; and
- assistance for the repayment of student loans.

A separate budget analysis entitled *Maryland Higher Education Commission* covers the personnel associated with administration of these financial aid programs as well as other educational grant programs administered by the commission.

## **Performance Analysis**

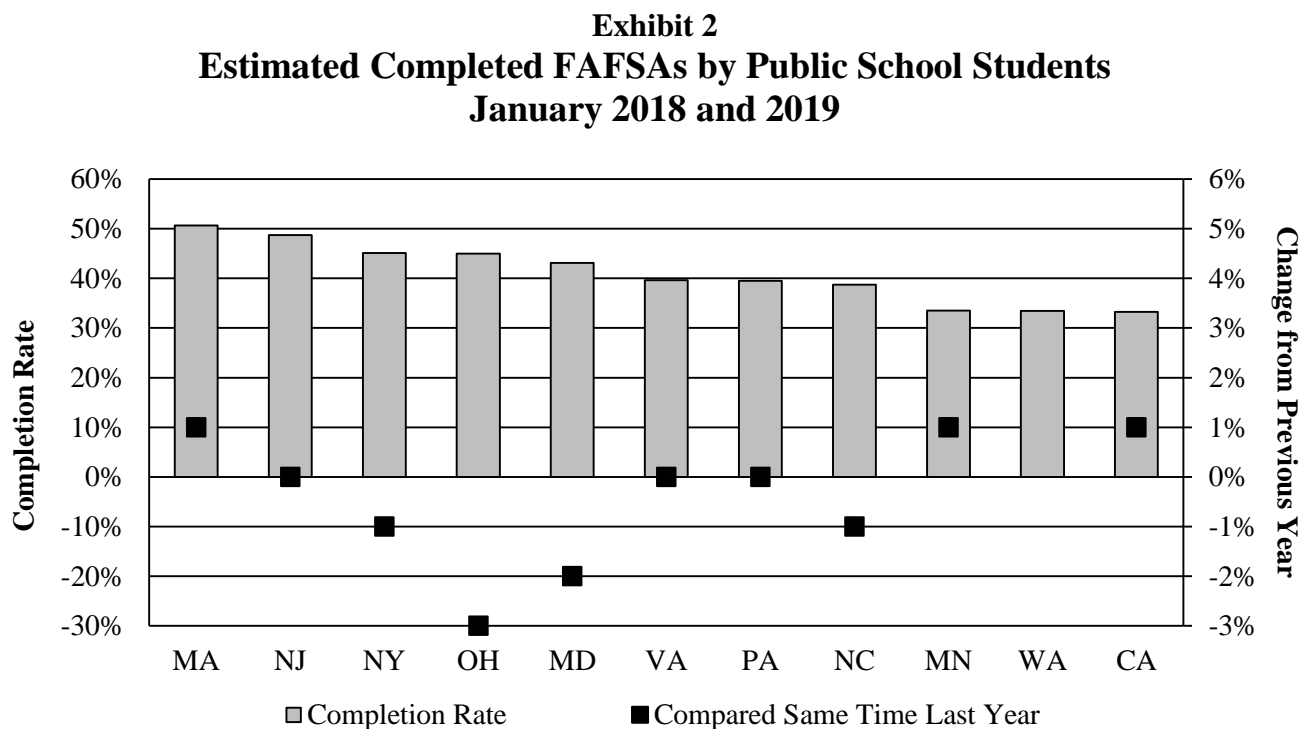
### **1. Free Application for Federal Student Aid**

The State's financial aid programs play a critical role in facilitating access and reducing financial barriers to postsecondary education, especially for students from low- and moderate-income families. To receive many State awards, a student must first submit a Free Application for Federal Student Aid (FAFSA) that determines eligibility for federal student aid, including Pell grants, Stafford loans, and work study. FAFSA is used to calculate a student's level of financial need – the expected family contribution (EFC), which not only determines eligibility for federal student aid but State aid as well. Financial aid for State awards is determined by calculating the difference between the cost of attendance, a student's EFC, and the amount of the Pell grant a student may receive.

For the 2017-2018 academic year, two significant changes were made to FAFSA: an earlier submission date and the use of earlier income data. Students can file their FAFSA as early as October 1 rather than January 1. This earlier date is also better aligned with the college application process. In

addition, instead of using tax information from the prior year, data from the second preceding year is now used to determine eligibility. This means students do not have to wait until taxes are filed before they submit their FAFSA or use estimated tax data only to have to change it later. Additionally, students can use the Internal Revenue Service’s Data Retrieval Tool that automatically fills in the tax information in FAFSA.

**Exhibit 2** compares Maryland’s FAFSA completion rate as of January 2019 to the states that it principally competes with for employers – California, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia, and Washington. Completion rates range from 50.6% in Massachusetts to 33.3% in California. At 43.1%, Maryland compares favorably with the competitor states with four states – Massachusetts, New Jersey, New York, and Ohio – having higher rates. The number of completed FAFSAs in Maryland is 2% lower compared to the same time in 2018. Three states experienced a 1% increase, and there was no change in three other states.



CA: California

FAFSA: Free Application for Federal Student Aid

MA: Massachusetts

MD: Maryland

MN: Minnesota

NC: North Carolina

NJ: New Jersey

NY: New York

OH: Ohio

PA: Pennsylvania

WA: Washington

VA: Virginia

Note: Data reflects the number of submitted and completed FAFSAs among first-time applicants no older than 19 at the cut-off date who will have received their high school diploma by the start of the school year in which they apply for aid.

Source: Federal Student Aid; FAFSA Completion by High School and Public School District

**Exhibit 3** shows the number of FAFSAs filed in the first month of availability. The impact of moving the available filing date up three months to October 1 can be seen in fiscal 2018 when the number filed in the first month fell 17.8%. However, the total number filed in fiscal 2018 increased 22.7%. In fiscal 2019, the number of FAFSAs filed in the first month is slightly down (0.6%), and the number filed by those with a \$0 EFC also declined by 3.3%, which is consistent with the trend in Exhibit 2 of fewer FAFSAs being completed compared to fiscal 2018. According to MHEC, for fiscal 2019, there has been a consistent decline in the number of FAFSAs that it has received each month. This raises concerns that students from low-income families are not completing FAFSA and, thereby, potentially leaving financial aid on the table that could be used to pay for college.

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**Exhibit 3**  
**FAFSA Filing Information in Maryland**  
**Fiscal 2016-2019**  
**(\$ in Thousands/Millions)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Change</u> <u>2018-2019</u>	<u>% Change</u> <u>2018-2019</u>
FAFSAs Filed in First Month	47,530	45,613	37,503	37,237	-266	-0.6%
Total \$0 EFCs Filed in First Month	17,074	17,054	12,877	12,319	-558	-3.3%
Percent Filed as \$0 EFCs	35.9%	37.4%	34.3%	33.1%		
Total FAFSAs Filed by March 1	131,232	121,213	151,874	108,253 <sup>1</sup>	-48,621	-40.1%

EFC: excepted family income

FAFSA: free application for Federal Student Aid

<sup>1</sup>As of January 23, 2019.

Note: In fiscal 2018, the first month of availability was October 1 to 31, 2017. Students have until March 1, 2019, to file FAFSAs to apply for State aid.

Source: Maryland Higher Education Commission

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## **2. Guaranteed Access Grants**

The Delegate Howard P. Rawlings Educational Excellence Awards (EEA) are comprised of three grant programs: the Guaranteed Access (GA) grant; the Educational Assistance (EA) grant; and Campus-based grants. Chapter 389 of 2018 expanded eligibility requirements for the EEA program to include those who obtained a GED diploma with a passing score of at least 165 per module and is under the age of 26. In addition, Chapter 812 of 2018 expanded the eligibility requirements of the EEA program to include students who are eligible for in-state tuition. This includes undocumented



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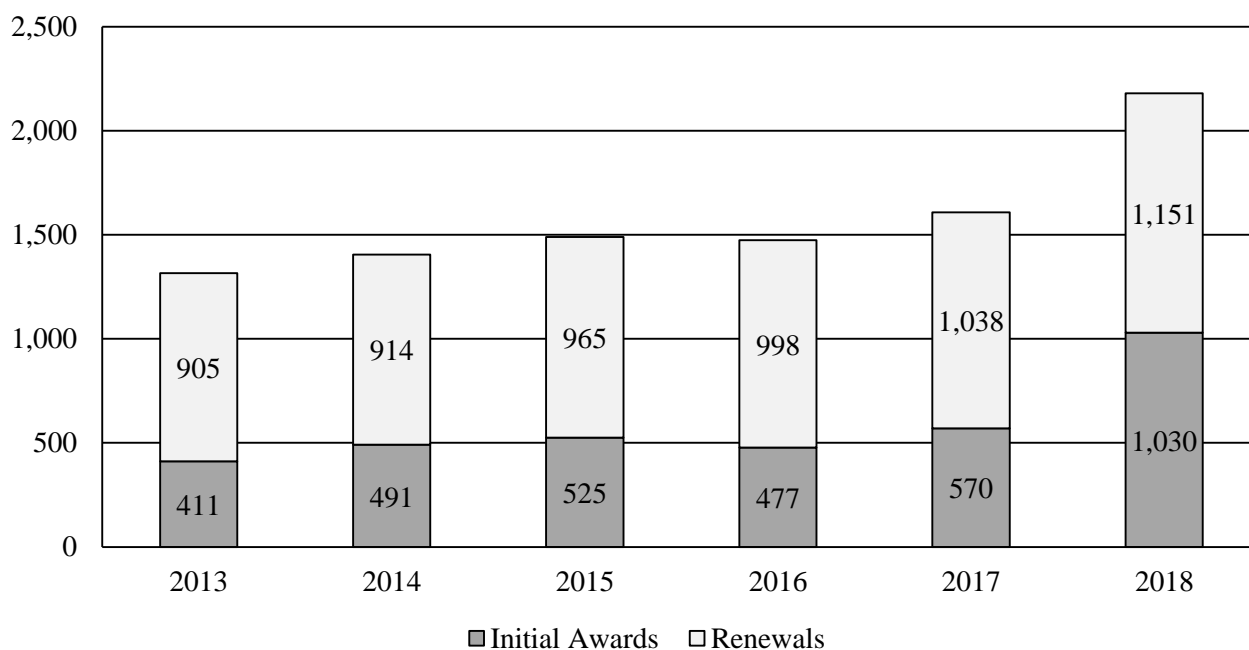
immigrants or Dreamers as defined in Chapter 191 of 2011; active-duty military members, spouses, and children; and honorably discharged military veterans.

The GA grants, when combined with the federal Pell grant, cover 100% of the need for the State's lowest income students. The maximum amount is capped at the total cost of attendance (tuition, fees, and room and board) at the highest cost four-year University System of Maryland institution excluding the University of Maryland, Baltimore Campus and the University of Maryland University College. The maximum award in fiscal 2018 was \$18,400 and is \$18,600 in fiscal 2019.

MHEC identifies first-time applicants who are potentially eligible for the grant based on FAFSAs submitted by the March 1 deadline. Prior to that, potentially eligible students had to proactively apply for GA grants. Eligible applicants must have an annual total family income that qualifies for the federal free lunch program (less than 130% of the federal poverty level for first-time students and 150% for renewal awards), enroll in college as a full-time degree seeking student within a year of completing high school, have an unweighted GPA of at least 2.5 as of the fall semester of their senior year, be in high school at the time of the application, and be under the age of 22 at the time of high school graduation or 26 for those with a GED. Students meeting all the requirements are guaranteed funding.

The number of awards increased 35.6%, or 572 awards, totaling 2,181 in fiscal 2018, as shown in **Exhibit 4**. This is the most GA grants MHEC has ever awarded. MHEC attributes this to an increase in the number of renewals and initial awards, which is due to the elimination of the supplemental application requirement in fiscal 2018 and using FAFSA to identify potentially eligible applicants. The number of initial awards increased 80.7% from 570 in fiscal 2017 to 1,030 in fiscal 2018, and renewals increased 10.9%, from 1,038 to 1,157 during the same time period.

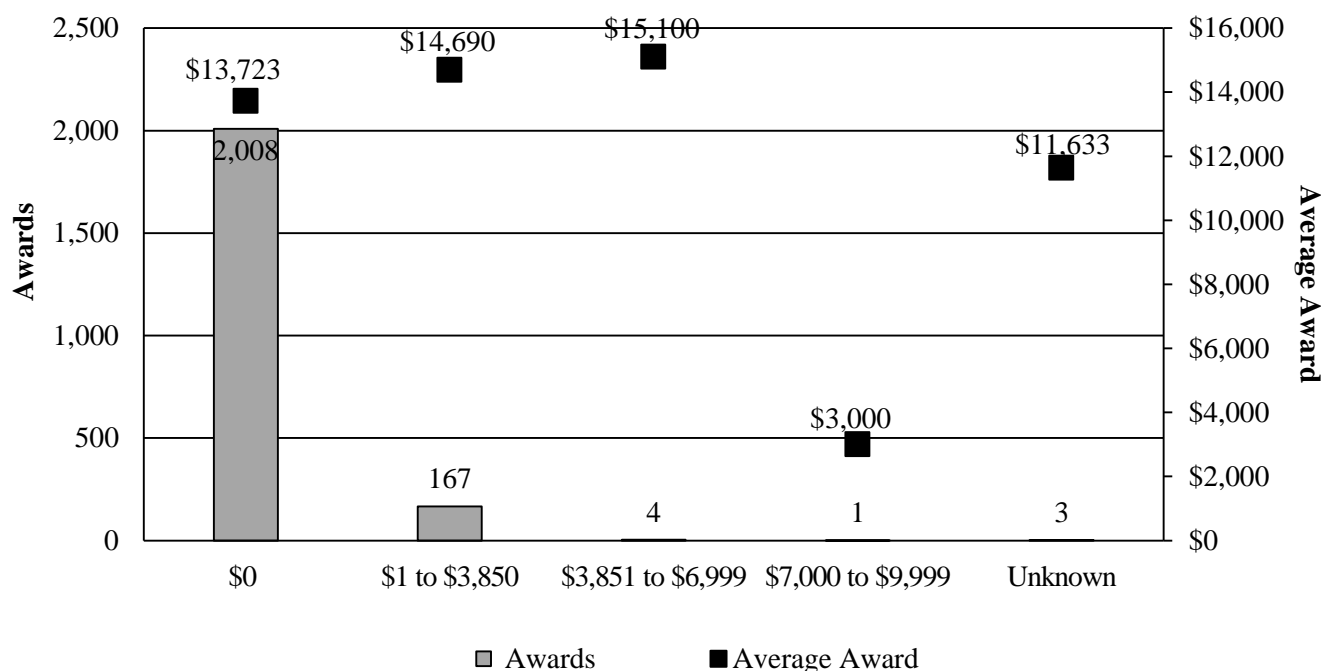
**Exhibit 4**  
**Guaranteed Access Grants Awards**  
**Fiscal 2013-2018**



Source: Maryland Higher Education Commission

As shown in **Exhibit 5**, almost all of those receiving a GA grant in fiscal 2018 have an EFC of \$3,850 or lower, with 92.0% of the recipients having a \$0 EFC. GA grants are renewed as long as the student meets certain requirements, including that family income does not exceed 150% of the federal poverty income level, so if a student's EFC increases in later years of study, (s)he still receives the grant. Thus, the eight grants made to those with higher EFCs are likely older awards passing through the system. In cases where MHEC had to override a student's EFC in order to determine eligibility, such as when an institution used professional judgement that resulted in changing a student's EFC, the system will default to unknown for EFC. Therefore, even though the recipient has need and is eligible for the award, the EFC will be reported as unknown. EFC and award outcomes for other selected OSFA programs are shown in Exhibit 7 and **Appendices 2** through **6**.

**Exhibit 5**  
**Guaranteed Access Grants by Expected Family Contribution**  
**Fiscal 2018**



Source: Maryland Higher Education Commission

### 3. Educational Assistance Grants

The EA grant is designed to meet 40% of financial need at four-year institutions and 60% at the community colleges for full-time undergraduate students from low- to middle-income families. All applicants are ranked by EFC with awards made first to those with the lowest EFC. Awards may not be less than \$400 and cannot exceed \$3,000 – award amounts have not changed since fiscal 1996.

After the GA awards are made, the remaining EEA funds are used to support the EA grants. Generally, since fiscal 2015, this has accounted for approximately 64% of the EEA appropriations. Funding for EAs grants is shown in **Exhibit 6**. In fiscal 2014, \$12.9 million was transferred from the Need-based Student Financial Assistance Fund (NBSFAF), thereby increasing funding for EA grants to \$70.7 million. As a result, OSFA was able to reduce the waitlist by 20,669 students and award grants to students with a much higher EFC of \$10,709. Since fiscal 2014, funding for EA grants steadily declined to \$51.7 million in fiscal 2018 but increases 1.0%, or \$0.5 million, to \$52.2 million in fiscal 2019.

**Exhibit 6**  
**EA Grants**  
**Fiscal 2014-2019**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2018-2019</u> <u>Increase</u>	<u>% Increase</u>
EA Appropriation (\$ in Millions)	\$70.7	\$59.6	\$58.5	\$54.5	\$51.7	\$52.2	\$495	1.0%
EA Applicants (on-time FAFSAs)	134,670	131,695	131,232	121,213	151,977	156,874	4,897	3.2%
EA Initial Applicants with \$0 EFC	30,321	28,391	29,559	26,377	36,060	34,970	-1,090	-3.0%
EA Renewal Applicants with \$0 EFC	15,469	16,199	18,722	15,613	20,615	23,702	3,087	15.0%
EFC Cutoff <sup>1</sup>	\$10,709	\$2,610	\$2,860	\$2,900	\$2,815	\$2,750	-\$65	-2.3%
EA Awards Made	33,864	28,456	24,377	23,236	23,550	25,000	1,450	6.2%
Waitlist <sup>1</sup>	10,196	22,097	19,064	18,759	17,924	18,798	874	4.9%

EA: Education Assistance

EFC: Expected Family Contribution

FAFSA: Free Application for Federal Student Aid

<sup>1</sup> As of May 1. Students are eligible for EA and are placed on the waitlist if they are full-time students, submit a completed application by the March 1 deadline, and have financial need remaining after their EFC and federal Pell Grant award are considered.

Note: The figures provided only include the EA Grant Program. The numbers above are reported as of January 17, 2019.

Source: Maryland Higher Education Commission

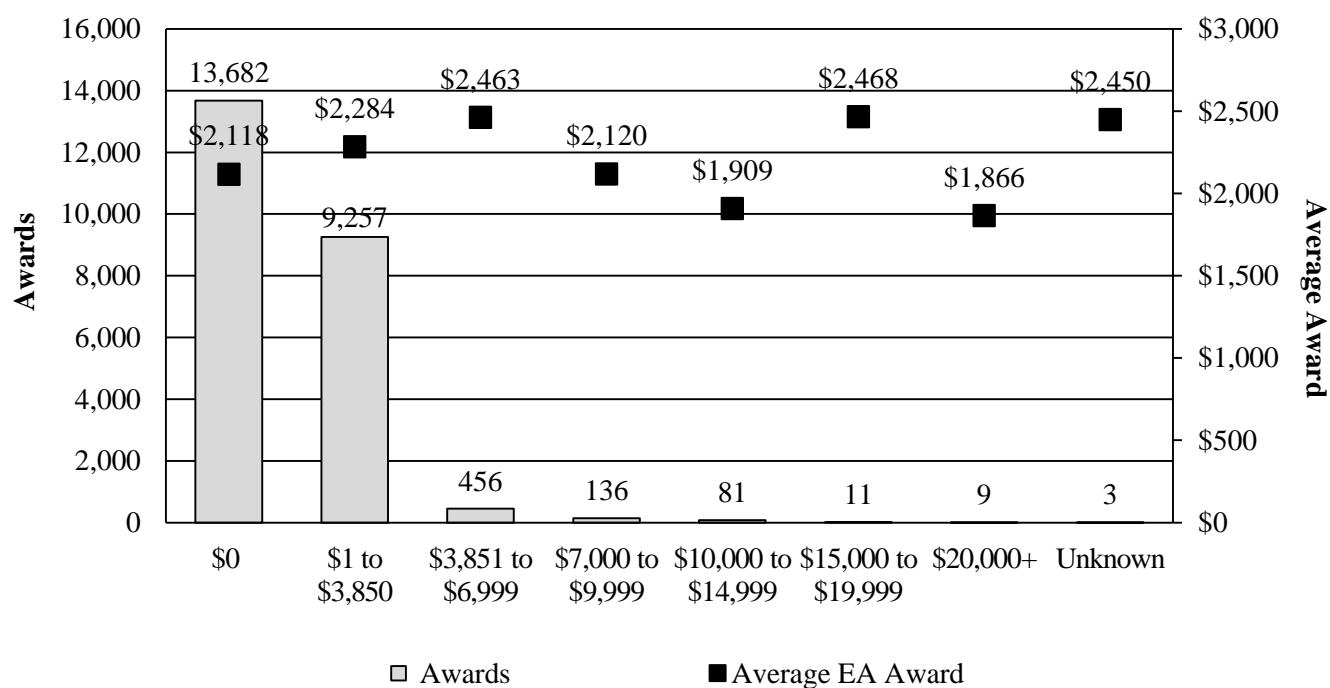
The effects of early FAFSA filings can be seen with the number of on-time applicants increasing 25.4% in fiscal 2018 and a further 3.2% in fiscal 2019. As noted, the intent of the earlier filing is to target low-income families to complete their FAFSAs earlier, and families seem to be taking advantage of the extra three months with the number of renewal applicants with \$0 EFC increasing 15.0% in fiscal 2019. However initial applicants with \$0 EFC declined 3.0%. The number of students on the waitlist declined 18.9% between fiscal 2015 and 2018 but increases 4.9% to 18,798 students in fiscal 2019.

It should be noted that in 2016, the Financial Assistance Advisory Council, which advises MHEC on policy and administrative issues affecting State financial aid, recommended adopting a formula to determine an EFC cutoff for the EA waitlist to create a more realistic waitlist number. Starting in fiscal 2017, students whose EFC exceed the waitlist cutoff are deemed ineligible for the

program. In fiscal 2018, the EFC cutoff for the waitlist was \$10,700, and in fiscal 2018, the cutoff is \$10,974.

As shown in **Exhibit 7**, in fiscal 2018, 97.1% of EA grants went to students with an EFC between \$0 and \$3,850. The average EA grant for those with a \$0 EFC is less than the average of those with an EFC between \$1 and \$6,999. This is related to the federal Pell grant where the lower a student's EFC is the higher the grant. Pell awards are given to students who have an EFC of less than a specific amount, which was \$5,328 in fiscal 2018. Because the EA grant is based on student need after accounting for the federal Pell grants, those with low EFCs often qualify for smaller EA grant awards. Some students will qualify for a Pell grant but receive no State aid. EA grants are renewed automatically as long as the student continues to have demonstrated need, so if a student's EFC increases in later years (s)he still receives the EA grant, which bumps some new Pell grant students to the EA waitlist every year.

**Exhibit 7**  
**EA Grants by Expected Family Contribution**  
**Fiscal 2018**



EA: Educational Assistance

Source: Maryland Higher Education Commission

**Fiscal 2019 Actions****Proposed Deficiency**

There are three fiscal 2019 deficiencies:

- an additional \$1.0 million as a result of a transfer from the NBSFAF to the Edward T. and Mary A. Conroy Memorial Scholarship Program;
- a reduction of \$0.3 million in general funds for the 2+2 Transfer Scholarship Fund, which is replaced with \$0.4 million transferred from the NBSFAF to fund additional awards; and
- an additional \$0.4 million in general funds for the Maryland Loan Assistance Repayment Program for physicians and physician assistants in order to meet current obligations.

**Fiscal 2020 Allowance****Proposed Budget Change**

As shown in **Exhibit 8**, general funds increase \$26.1 million in fiscal 2020, mainly due to funding for two new scholarship programs: \$15 million for the Maryland Community College Promise Scholarship Program that provides tuition assistance to community college students that will be further discussed in Issue 1 and \$8.0 million to fund the Maryland Promise Plus Scholarship proposed by HB 44 and SB 88. Special funds decrease by \$0.9 million due to the increase in the use of the NBSFAF to fund the EEA grants being offset by the fiscal 2019 deficiencies.

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**Exhibit 8**  
**Proposed Budget**  
**MHEC – Student Financial Assistance**  
(\$ in Thousands)

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
Fiscal 2018 Actual	\$106,552	\$3,098	\$548	\$110,198
Fiscal 2019 Working Appropriation	110,697	4,572	400	115,668
Fiscal 2020 Allowance	<u>136,788</u>	<u>3,641</u>	<u>400</u>	<u>140,829</u>
Fiscal 2019-2020 Amount Change	\$26,092	-\$930	\$0	\$25,161
Fiscal 2019-2020 Percent Change	23.6%	-20.4%	0%	21.8%

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**Where It Goes:**

**Other Changes**

Funding for the Maryland Community College Promise Scholarship Program as established in Chapter 554 of 2018.....	\$15,000
Funding for the proposed Maryland Promise Plus Scholarship (HB 41 and SB 88) to provide tuition assistance to students who transfer to a public four-year institution with an Associate's degree.....	8,000
Increase in Education Excellence Awards.....	1,694
Funding for the Richard W. Collins III Leadership with Honor Scholarship Program as established in Chapter 597 of 2018.....	1,000
Increase in Delegate and Senatorial Scholarships to accommodate undergraduate tuition increase .....	262
Increase in Conroy Memorial Scholarship Program reflecting recent demand.....	200
Fiscal 2019 deficiency transferring funds from the NBSFAF to replace general funds and providing an additional \$0.1 million for the 2+2 Transfer Scholarship Fund.....	-100
Reduced Somerset Economic Impact Scholarship .....	-142
Physician and Physician Assistants Repayment program adjustment to reflect decrease in funding .....	-752
<b>Total</b>	<b>\$25,161</b>

MHEC: Maryland Higher Education Commission

NBSFAF: Need-based Student Financial Assistance Fund

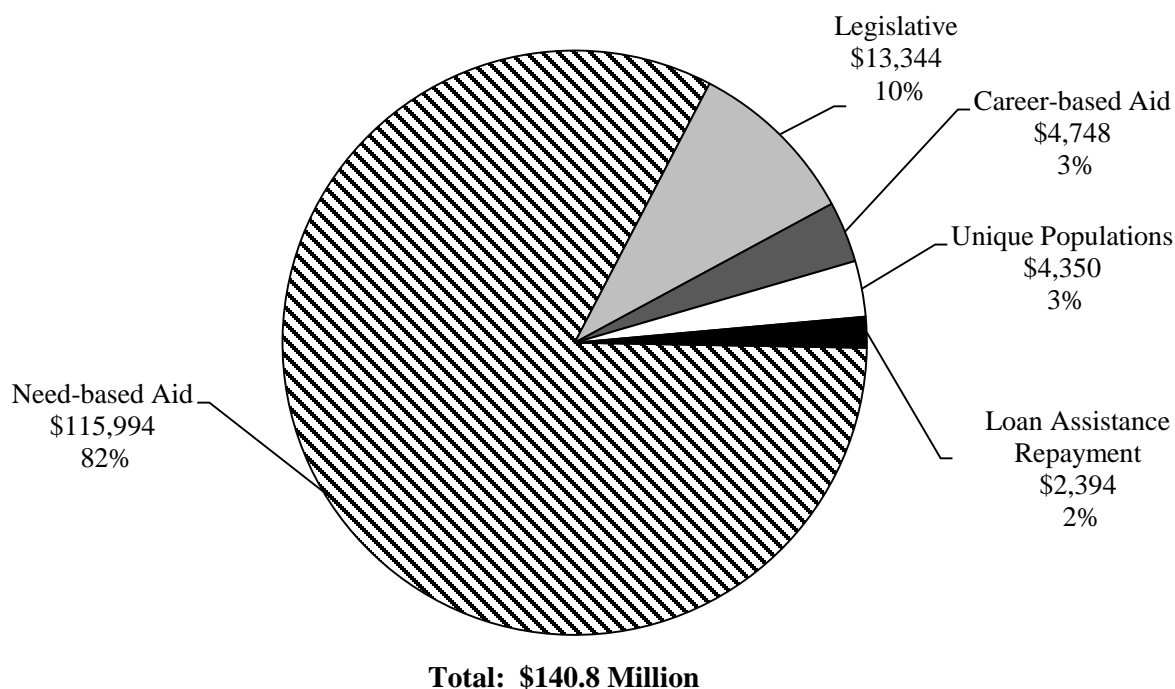
Note: Numbers may not sum to total due to rounding.

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**Financial Aid Expenditures**

**Exhibit 9** shows funding by the type of aid in fiscal 2020. Of the \$140.8 million provided in the allowance, 82% goes toward need-based aid, followed by legislative scholarships at 10%, with career-based and unique population each receiving 3% of the aid (See **Appendix 7** for further details).

**Exhibit 9**  
**Spending on Financial Aid**  
**Fiscal 2020**  
**(\$ in thousands)**



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

**Exhibit 10** shows the number of recipients and the average award by financial aid programs. MHEC expects a 2.4%, or 1,218, increase in the total number of recipients of State aid in fiscal 2020. The number of EA award recipients is projected to decline by 150, and the average award also decreases from \$2,444 in fiscal 2019 to \$2,250 in fiscal 2020. This can be attributed to a 5.6% increase in the number of GA recipients and the average award increasing by \$953. GA awards are made ahead of EA awards, and this increase reduces the available funding for EA awards.



**Exhibit 10**  
**Recipients of State Aid Programs**  
**Fiscal 2018-2020**

<u>Program</u>	2018 Actual		2019 Working		2020 Allowance	
	<u>Rec.</u>	<u>Avg. Award</u>	<u>Proj. Rec.</u>	<u>Proj. Avg. Award</u>	<u>Proj. Rec.</u>	<u>Proj. Avg. Award</u>
<b>Need-based Aid</b>						
Educational Assistance Grant	23,550	\$2,192	22,500	\$2,444	22,350	\$2,250
Campus-based Educational Assistance Grant	987	1,979	1,059	1,889	1,000	2,000
Guaranteed Access Grant	2,182	13,822	2,300	12,047	2,423	13,000
2+2 Transfer Scholarship	259	1,404	325	923	265	1,132
Part-time Grant Program	6,756	753	6,110	832	6,756	753
Graduate and Professional Scholarship	485	2,422	510	2,303	485	2,422
<b>Subtotal</b>	<b>34,219</b>	<b>\$2,641</b>	<b>32,804</b>	<b>\$2,782</b>	<b>33,279</b>	<b>\$2,715</b>
<b>Legislative Programs</b>	<b>17,412</b>	<b>\$1,440</b>	<b>17,400</b>	<b>\$1,511</b>	<b>17,880</b>	<b>\$1,500</b>
<b>Career and Occupational Programs</b>	<b>623</b>	<b>\$6,921</b>	<b>615</b>	<b>\$7,061</b>	<b>879</b>	<b>\$6,349</b>
<b>Unique Population Programs</b>	<b>710</b>	<b>\$3,030</b>	<b>714</b>	<b>\$2,901</b>	<b>715</b>	<b>\$2,378</b>
<b>Loan Assistance Repayment Programs</b>	<b>284</b>	<b>\$10,660</b>	<b>240</b>	<b>\$10,235</b>	<b>238</b>	<b>\$10,208</b>
<b>Total</b>	<b>53,248</b>	<b>\$1,875</b>	<b>51,773</b>	<b>\$1,882</b>	<b>52,991</b>	<b>\$1,940</b>

Note: Data is a point-in-time calculation and cannot be used to calculate total aid.

Source: Maryland Higher Education Commission

**Need-based Student Financial Assistance Fund**

The NBSFAF was created in 2011 to receive unused scholarship funds at the close of each fiscal year to be used for future need-based and certain unique population awards. Funds from the NBSFAF can be appropriated in the annual State budget or recognized by budget amendment in the following fiscal year, thereby creating a transparent process for MHEC to encumber unexpended scholarship funds. **Exhibit 11** shows the current balance of nonlapsing special funds in the NBSFAF. MHEC tries to maintain a fund balance at the end of the fiscal year to ensure that it does not overaward financial aid in any given year and require a general fund deficiency.

**Exhibit 11**  
**Need-based Student Financial Assistance Fund**  
**Fiscal 2016-2019**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Opening Balance</b>	<b>\$412,620</b>	<b>\$4,620,853</b>	<b>\$6,884,630</b>	<b>\$8,149,986</b>
<b>Transfers In</b>	<b>\$4,368,732</b>	<b>\$4,697,594</b>	<b>\$2,912,988</b>	<b>\$0</b>
<b>Transfers Out</b>				
2+2 Transfer	\$160,500	\$317,500	\$363,000	\$400,000
EEA			538,275	1,836,251
Conroy Memorial		2,116,316	746,357	1,000,000
<b>Subtotal</b>	<b>\$160,500</b>	<b>\$2,433,816</b>	<b>\$1,647,632</b>	<b>\$3,236,251</b>
<b>Closing Balance</b>	<b>\$4,620,853</b>	<b>\$6,884,630</b>	<b>\$8,149,986</b>	<b>\$4,913,735</b>

EEA: Educational Excellence Award

Source: Maryland Higher Education Commission

Between fiscal 2016 and 2019, the opening balance increased by \$7.7 million, growing to \$8.1 million in fiscal 2019. The growth in the balance in fiscal 2016 and 2017 was primarily driven by transfers of \$3.7 million from EEA in both years. In fiscal 2018, the transfer from EEA totaled \$0.2 million. In fiscal 2018, \$1.8 million was transferred from the tuition stabilization trust into the NBSFAF as required in Chapter 10 of 2018.

A deficiency would transfer \$1.0 million from the NBSFAF to the Conroy Memorial Scholarship Program due to the fiscal 2019 appropriation of \$1.2 million being insufficient to cover reimbursements of awards made by institutions to all eligible students. Under State law, a Conroy award may not be less than the lesser of \$3,000 or a student's tuition and fees. The maximum award may not exceed the highest tuition and fees at a public four-year institution in the State with exceptions specified in law. Since fiscal 2012, MHEC has transferred funds to the Conroy program every year except for fiscal 2016. The fiscal 2020 allowance increases funding to \$2.4 million.

A second deficiency would transfer \$0.4 million from the NBSFAF to the 2+2 Transfer Scholarship Program in which \$0.3 million is to be used in lieu of general funds, and the remaining \$0.1 million increases total funding of the program. Students who complete an associate's degree before transferring to a four-year institution and have an EFC of \$1,000 or less are eligible for an award. Awards total \$1,000 or \$2,000 for those enrolled in science, technology, engineering, or mathematics programs.

## ***Issues***

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### **1. Maryland Community College Promise Scholarship Program**

Promise Scholarship programs address concerns around the increasing cost of college and student debt and send a message that college is affordable. Currently, 17 states have enacted legislation establishing a tuition-free community college program. The majority are last dollar scholarship programs in which the grant or scholarship covers any remaining tuition cost after Pell awards and other financial aid are exhausted.

Chapter 554 of 2018 created the Maryland Community College Promise Scholarship Program, a last dollar scholarship program that will be available to applicants beginning in the 2019-2020 academic year. The fiscal 2020 allowance includes \$15.0 million, as mandated, to fund the program. Recipients may receive awards of up to \$5,000 to cover any remaining tuition and mandatory fee expenses after all other nonloan aid had been applied. The scholarships are renewable for two years. The scholarship is available to Maryland students who have an annual adjusted gross income of not more than: (1) \$100,000 if the applicant is single or resides in a single-parent household; or (2) \$150,000 if the applicant is married or resides in a two-parent household

The program also includes a service obligation in that recipients must sign an agreement to work full-time in the State within one year of earning a certificate or degree. Recipients who receive an award for more than one year must work full-time in the State for each year they receive the award. If a student fails to meet the service obligation, then the award is converted to a loan.

As previously mentioned, the scholarship will be available in the upcoming 2019-2020 academic year. However, there are concerns that the program may not be fully implemented in time due to required modifications that have not yet been made incorporating the Promise Scholarship into the Maryland College Aid Processing System (MDCAPS). MDCAPS is the financial information system used to process scholarships applications and allocate funds. MHEC estimates that it will cost \$715,022 to modify MDCAPS to integrate not only the Promise Scholarship but other newly created programs, such as Near Completers Scholarships and the Richard Collins Scholarship, into the system. A fiscal 2019 deficiency in MHEC administration would provide an additional \$343,555 in general funds to integrate the new scholarships into MDCAPS, bringing total fiscal 2019 funding available to \$578,555. MHEC is considering other sources of funding to cover the difference, but if funds cannot be identified, then some enhancements will not be made.

MHEC submitted a contract modification increasing the base year amount for contract with a new vendor for MDCAPS to the Board of Public Works on February 6, 2019. According to MHEC, modifications to accommodate the new scholarships programs must be made by July 2019 for the 2019-2020 academic year. This leaves very little time for applications to be submitted and for awards to be made by the start of the academic year in August. Given the timing, it seems more likely that awards will be made for the spring 2020 semester. **The Secretary of MHEC should provide a detailed timetable of the tasks required to update MDCAPS so that new scholarships will be awarded in a timely manner.**

The fiscal 2020 allowance also includes \$8.0 million to fund the Maryland Promise Plus Scholarship program proposed by HB 41 and SB 88. This program would provide tuition assistance to students who transfer to a Maryland public four-year institution with an associate's degree and will have the same income requirement as the Promise Scholarship program. Since the awards would be given at the start of the 2020-2021 academic year (fiscal 2021), the \$8.0 million would not be needed in fiscal 2020. In addition, given the time that it is taking to develop and implement the Maryland Community College Promise Scholarship Program, including integrating the program into MDCAPS, awards may not be made until the spring 2021 semester. **Therefore, the Department of Legislative Services (DLS) recommends deleting the funding for the Governor's Promise Plus Scholarship.**

### **Promise Scholarship Impact on Four-year Institutions**

There is some concern among the four-year institutions that the scholarship program may initially impact enrollment as more students opt to first earn an associate's degree before attending or transferring to a four-year institution. Tennessee launched its promise program with the graduating class of 2015 and required a report on the impacts of the program. According to the 2018 Tennessee Promise Annual Report, while there was an 11.8% increase in enrollment of first-time freshmen at public two- and four-year institutions in fall 2015, the public four-year institutions in the University of Tennessee System and the other six public universities experienced declines of 5.5% and 5.6%, respectively. For the second year of the program, enrollment of first-time freshmen leveled off with a 1.5% increase in the fall 2016 cohort. Enrollment at the University of Tennessee System declined 3.5%, but the other public four-year institutions experienced an increase of 7.6%. This suggests that the first year of a promise program will at first negatively affect the public four-year institutions but will lessen as the initial group of students earn an associate's degree. While some Maryland public four-year institutions can handle the financial impact of a temporary enrollment decline, this will place an additional strain on those institutions with enrollment and financial challenges.

**The Secretary should comment on the potential impact that the scholarship may have on enrollment at the four-year institutions.**

## **2. Implementation of Credit Requirement**

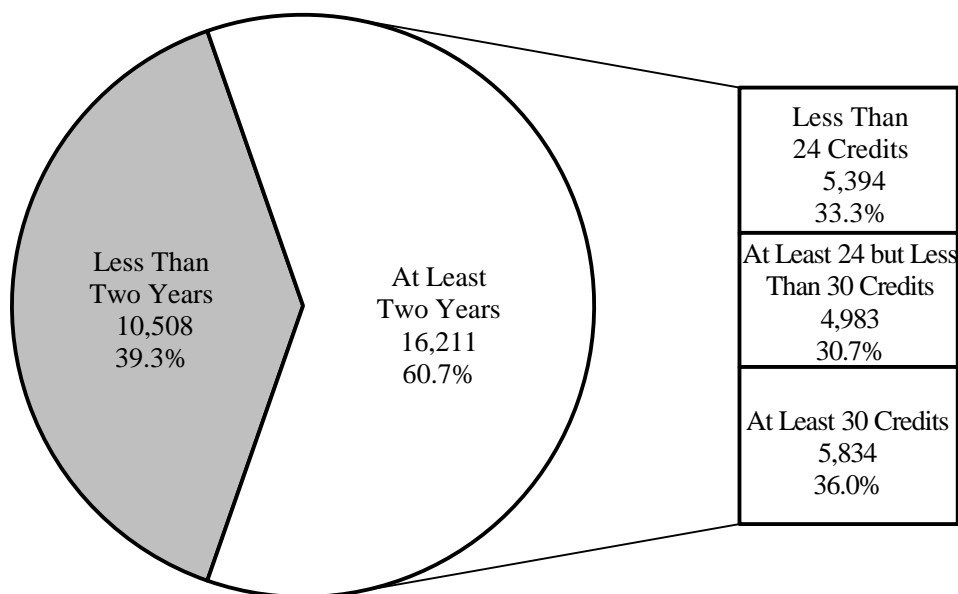
The College Affordability Act encourages students receiving aid through the EEA program to stay on track for on-time graduation through student financial aid incentives based on annual credit completion requirements. Beginning in the 2018-2019 academic year (fiscal 2019), a student receiving an EEA in their third year and thereafter must have successfully completed at least 30 credit hours in the prior academic year in order to receive the full amount of the grant. Previously, students were required to complete 12 credit hours per semester.

EEA grant recipients who successfully completed at least 24 credit hours but less than 30 hours in the prior academic year will have their award prorated. For example, a student who completed 24 credit hours would receive 80% of the amount of the grant (the number of credits successfully completed divided by 30 credits) that they would have otherwise been awarded. A student whose award was prorated in the third year can regain eligibility for the full amount in the fourth year if they

successfully meet the course completion requirement in the year in which they received the prorated award. Students who do not complete 24 credits are ineligible for the EEA grant but can regain eligibility in the fourth year if they met the credit completion requirement at the end of their third year.

MHEC submitted a *Joint Chairmen's Report* providing data on the impact of the new credit requirement. A total of 26,719 EEA awards were made in fiscal 2019 of which, as shown in **Exhibit 12**, 10,508, or 39%, of the recipients had received an award for less than two years and therefore were not impacted by the credit requirement. Of the 16,211 recipients impacted by the requirement 33.3%, or 5,394 students, did not complete 24 credits and therefore were not eligible for an award. Students completing at least 24 credits but less than 30 credits comprised 30.7% of the recipients, resulting in their awards being prorated.

**Exhibit 12**  
**EEA and Credit Completion Outcomes**  
**Fiscal 2019**

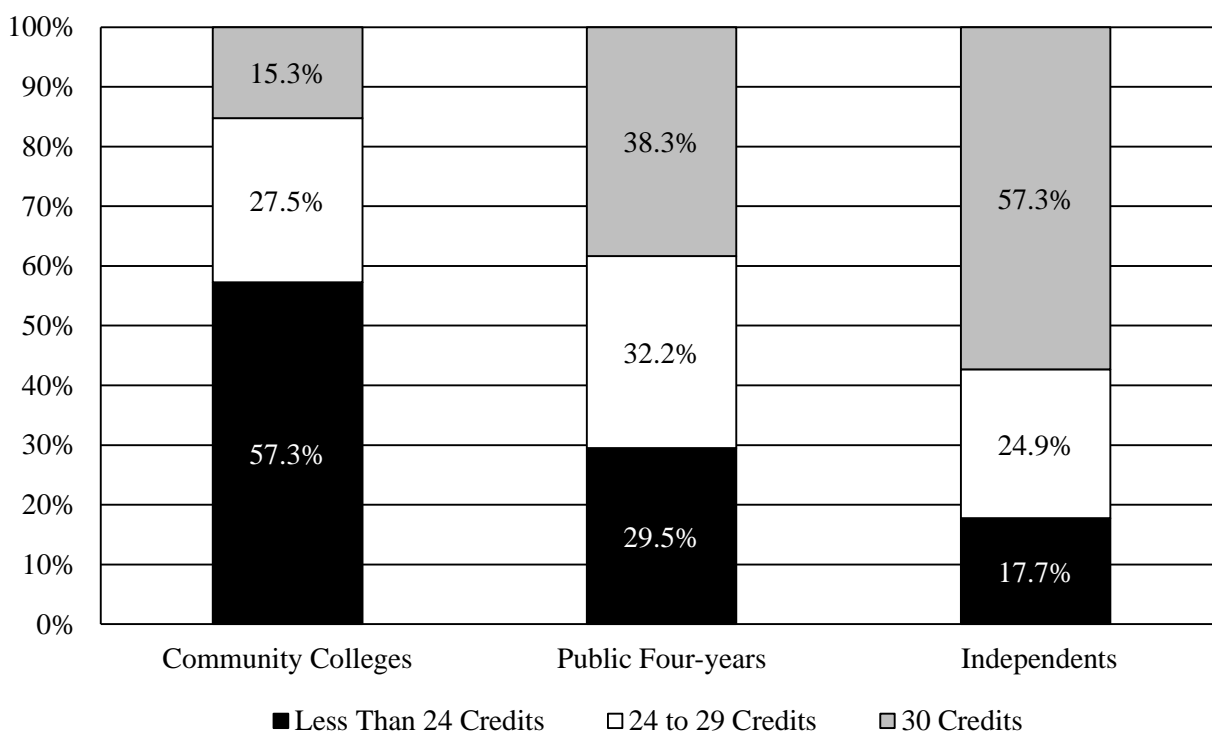


Source: Maryland Higher Education Commission

As shown in **Exhibit 13**, at 57.3%, community colleges had the highest percentage of students who completed less than 24 credits and therefore were ineligible for the grant and the lowest percentage, 15.3%, who completed at least 30 hours (See **Appendix 8** for details by institution). This is to be expected since, in general, these students often attend part time due to work, family, and other

obligations, making it harder for them to meet the credit eligibility. Conversely, independent colleges had the highest percentage (57.3%) of students who completed at least 30 credit hours.

**Exhibit 13**  
**Credit Completion by Segment**  
**Fiscal 2019**



Source: Maryland Higher Education Commission

The report concluded that although 36% of those impacted by the credit requirement completed at least 30 credit hours, the percentage needs to increase in the coming years, particularly at the community colleges, for students to stay on track to complete and earn their credentials.

**DLS recommends that MHEC continue to submit on report on the impact of the 30-credit completion requirement.**

## ***Operating Budget Recommended Actions***

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- |  | <b><u>Amount<br/>Reduction</u></b> |    |
|--|------------------------------------|----|
| 1. Delete funds for the proposed Governor's Promise Plus Program. Since the awards would not be made until the start of the 2020-2021 academic year (fiscal 2021), the funds would not be needed in fiscal 2020. | \$ 8,000,000                       | GF |
| 2. Adopt the following narrative:  |                                    |    |

**Report on Impact of Credit Completion Requirement on Financial Aid Awards:** Beginning in the 2018-2019 academic year and in a student's third academic year, students receiving the Educational Excellence Award must successfully complete 30 credit hours in the prior academic year in order to receive the full award amount. Students who completed at least 24 credit hours but less than 30 credit hours will have their awards prorated, and those who do not complete at least 24 credit hours lose their award. The budget committees are interested in the impact the new 30-credit-hour requirement had on students in the 2019-2020 academic year, particularly if students are meeting the requirement in order to receive the full amount of award, how many students had their awards prorated, and how many students lost eligibility. The report should also include the graduation rates of students who completed 30 credit hours compared to those who completed less than 30 credit hours. The report should provide summary data by segment (community colleges, four-year public, and independent institutions) and by institution. The report is due by December 15, 2019.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on impact of credit completion requirement on financial aid awards	Maryland Higher Education Commission	December 15, 2019
<b>Total General Fund Reductions</b>		<b>\$ 8,000,000</b>

**Appendix 1**  
**Current and Prior Year Budgets**  
**MHEC – Student Financial Assistance**  
**(\$ in Thousands)**

	<b><u>General</u></b> <b><u>Fund</u></b>	<b><u>Special</u></b> <b><u>Fund</u></b>	<b><u>Federal</u></b> <b><u>Fund</u></b>	<b><u>Reimb.</u></b> <b><u>Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2018</b>					
Legislative Appropriation	\$106,505	\$1,665	\$0	\$400	\$108,570
Deficiency/Withdrawn Appropriation	0	1,275	0	0	1,275
Cost Containment	0	0	0	0	0
Budget Amendments	216	950	0	148	1,314
Reversions and Cancellations	-168	-793	0	0	-961
<b>Actual</b>					
<b>Expenditures</b>	<b>\$106,552</b>	<b>\$3,098</b>	<b>\$0</b>	<b>\$548</b>	<b>\$110,198</b>
<b>Fiscal 2019</b>					
Legislative Appropriation	\$108,632	\$3,172	\$0	\$400	\$112,204
Budget Amendments	2,000	0	0	0	2,000
<b>Working</b>					
<b>Appropriation</b>	<b>\$110,632</b>	<b>\$3,172</b>	<b>\$0</b>	<b>\$400</b>	<b>\$114,204</b>

MHEC: Maryland Higher Education Commission

Note: The fiscal 2019 appropriation does not include deficiencies.



## **Fiscal 2018**

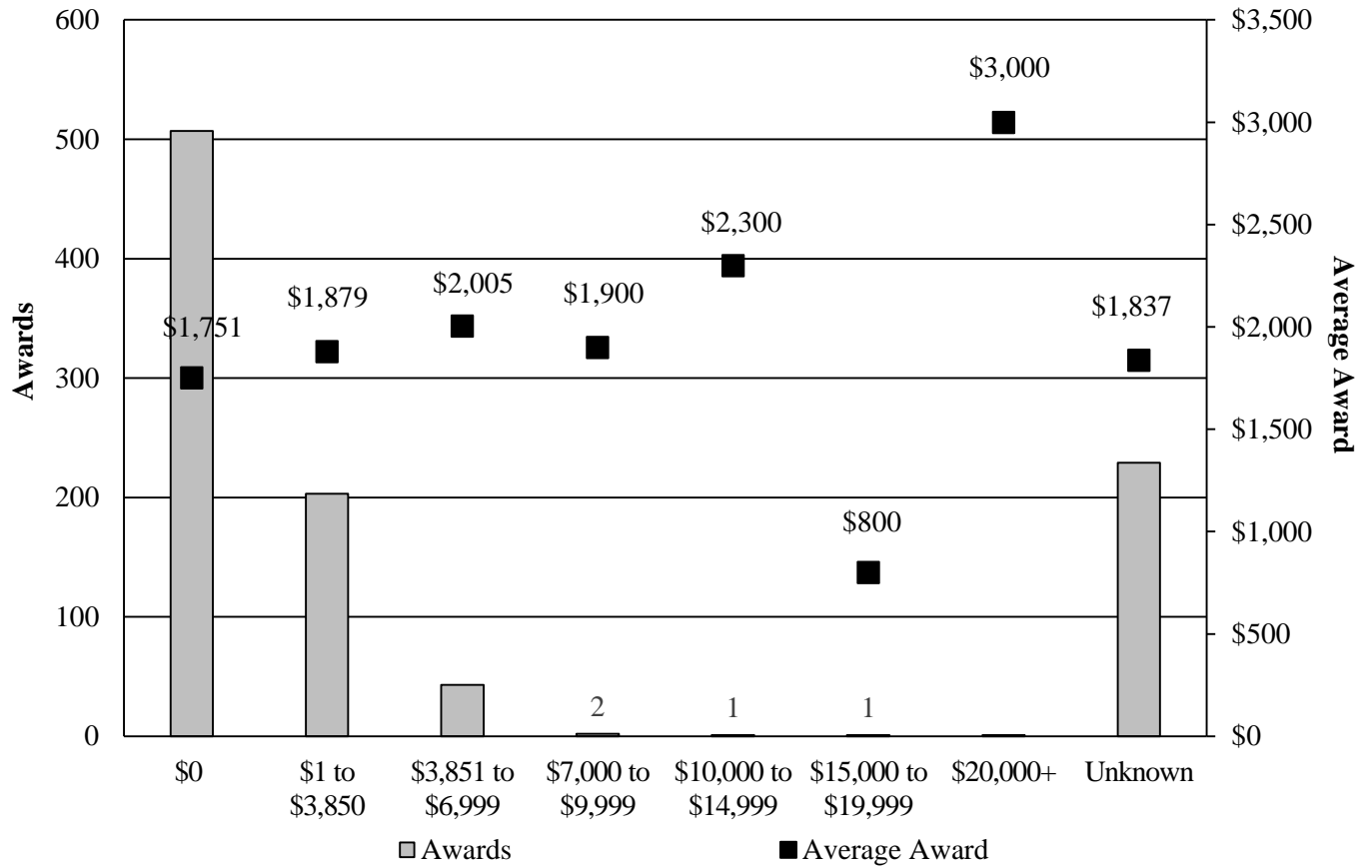
For fiscal 2018, the general fund appropriation for the Maryland Higher Education Commission (MHEC) Office of Student Financial Assistance increased by \$47,794. A budget amendment transferred \$180,209 from Educational Assistance Grants and \$35,550 from general administration to the Maryland Loan Assistance Repayment Program (MLARP) for physicians and physicians assistants to cover anticipated costs of the program. General funds totaling \$168,000 were reverted to the Need-based Student Financial Assistance Fund (NBSFAF) to align revenues with the expenditures of various programs.

Special funds increased \$1.4 million. Two deficiencies transferred \$1.3 million from the NBSFAF to the Edward T. and Mary A. Conroy Memorial Scholarship Program (\$0.8 million) and the 2+2 Transfer Scholarship Program (\$0.5 million). A budget amendment transferred \$1.0 million from the NBSFAF to the Educational Excellence Awards to align revenues with financial aid awards that were made and accepted. Special funds totaling \$0.8 million that were not needed to fulfill awards were canceled and reverted to the NBSFAF. Reimbursable funds increased \$148,000 through a budget amendment that transferred funds from the Maryland Department of Health to administer the federally funded MLARP for physicians and physician assistants.

## **Fiscal 2019**

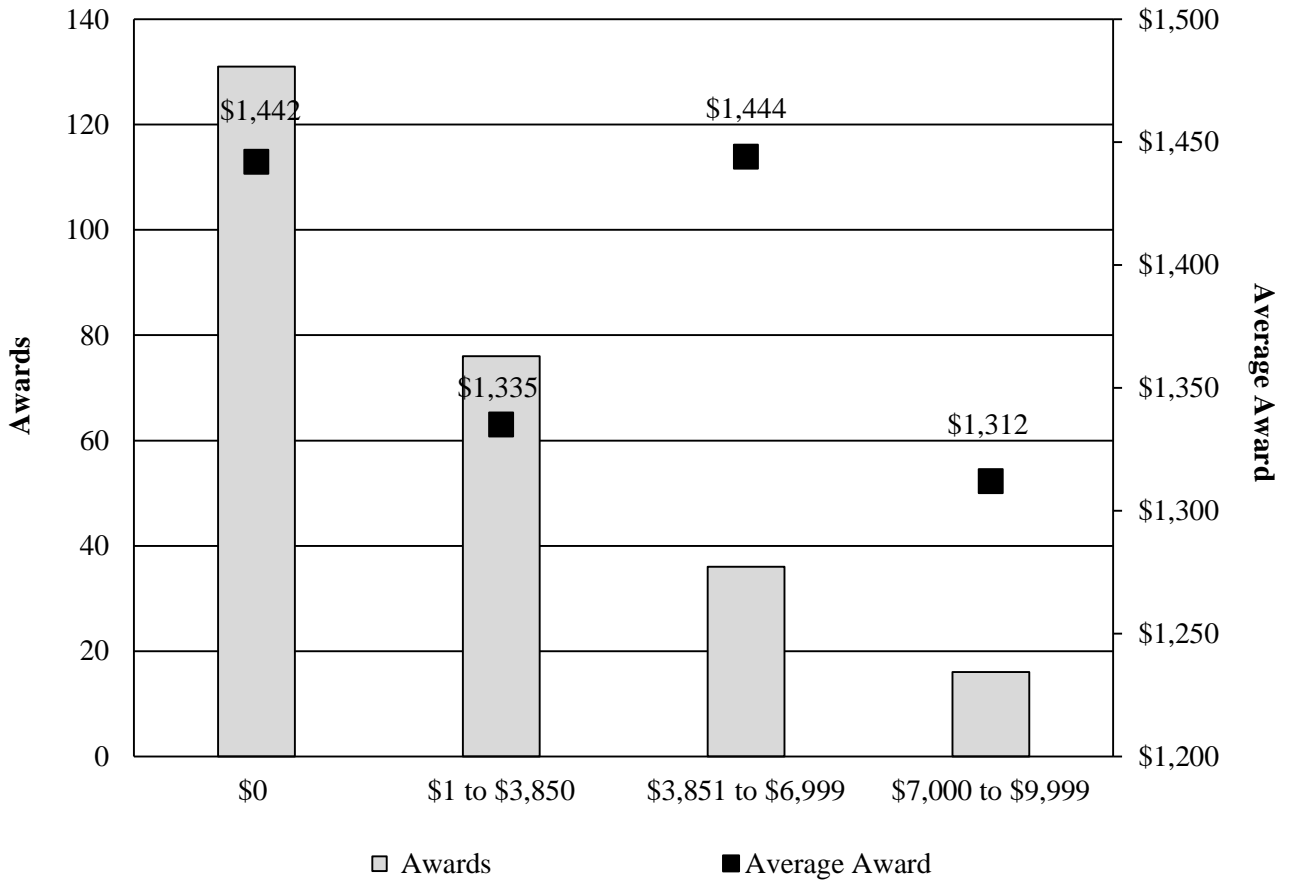
To date, in fiscal 2019, the general fund appropriation increased \$2.0 million by budget amendment that transferred funds from the State Reserve Fund to MHEC to fund the Teaching Fellows for Maryland Scholarship program.

**Appendix 2**  
**Campus-based Educational Grants by Expected Family Contribution**  
**Fiscal 2018**



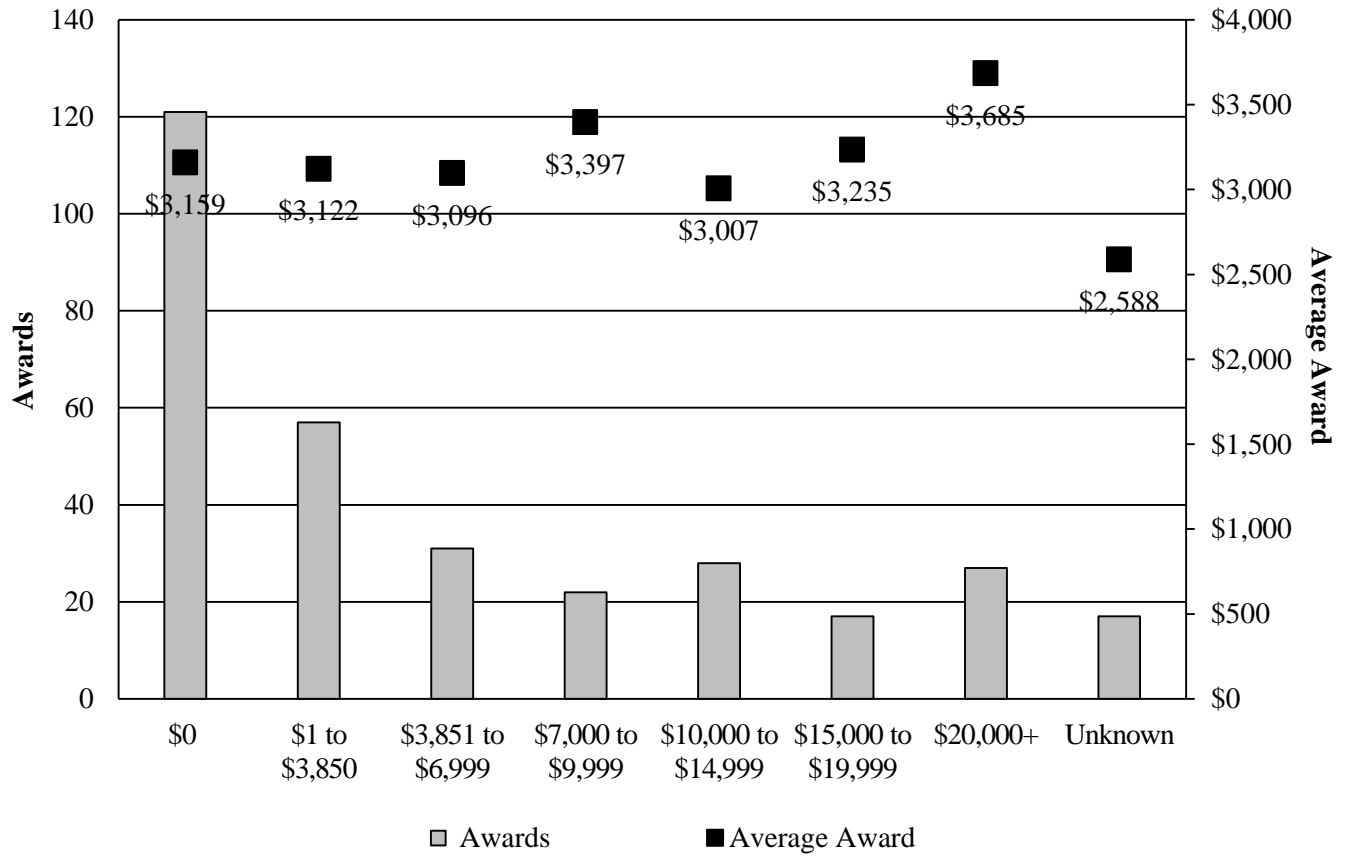
Source: Maryland Higher Education Commission

**Appendix 3**  
**2+2 Scholarship Awards by Expected Family Contribution**  
**Fiscal 2018**



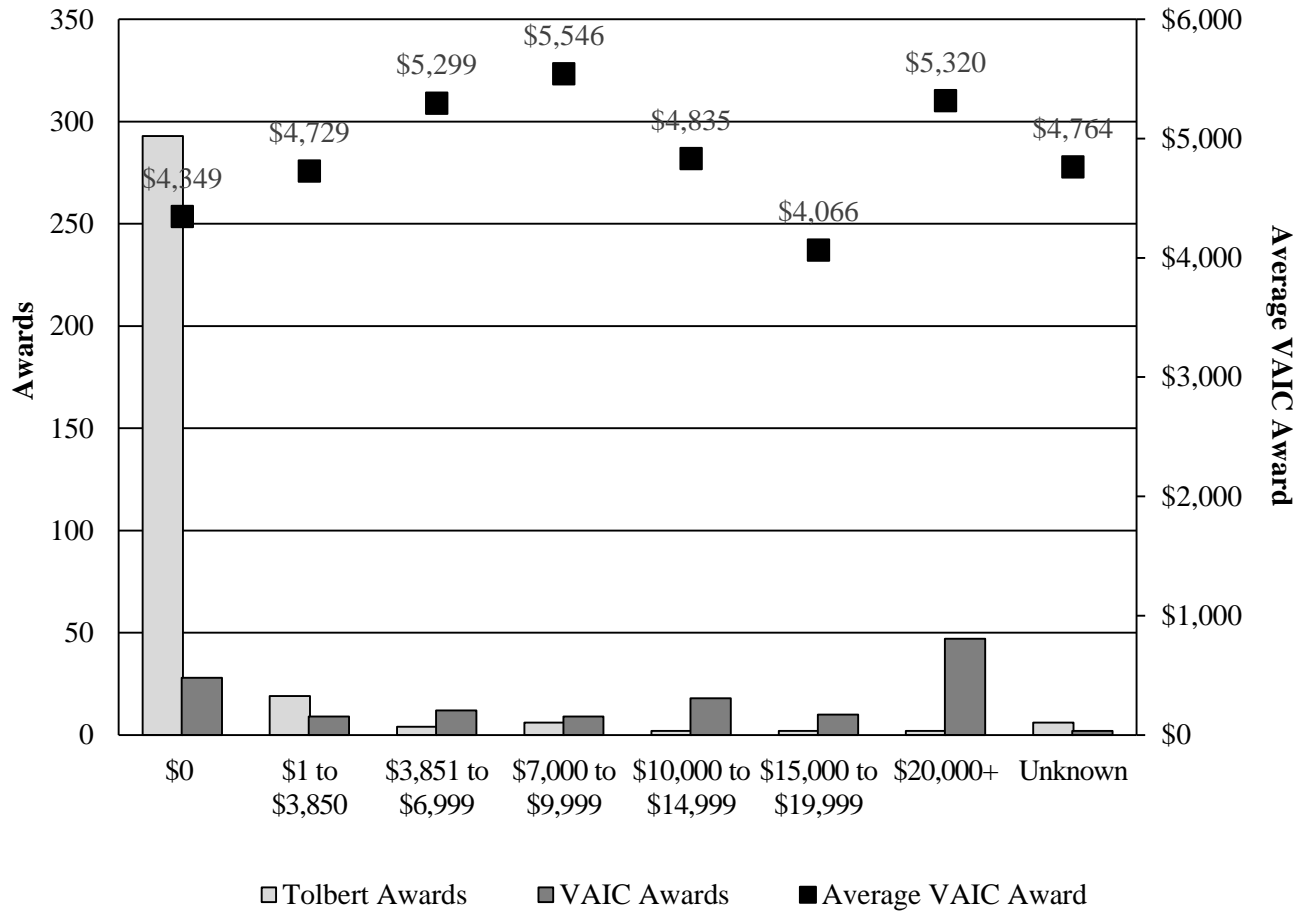
Source: Maryland Higher Education Commission

**Appendix 4**  
**Workforce Shortage Awards by Expected Family Contribution**  
**Fiscal 2017**



Source: Maryland Higher Education Commission

**Appendix 5**  
**Unique Populations by Expected Family Contribution**  
**Fiscal 2017**

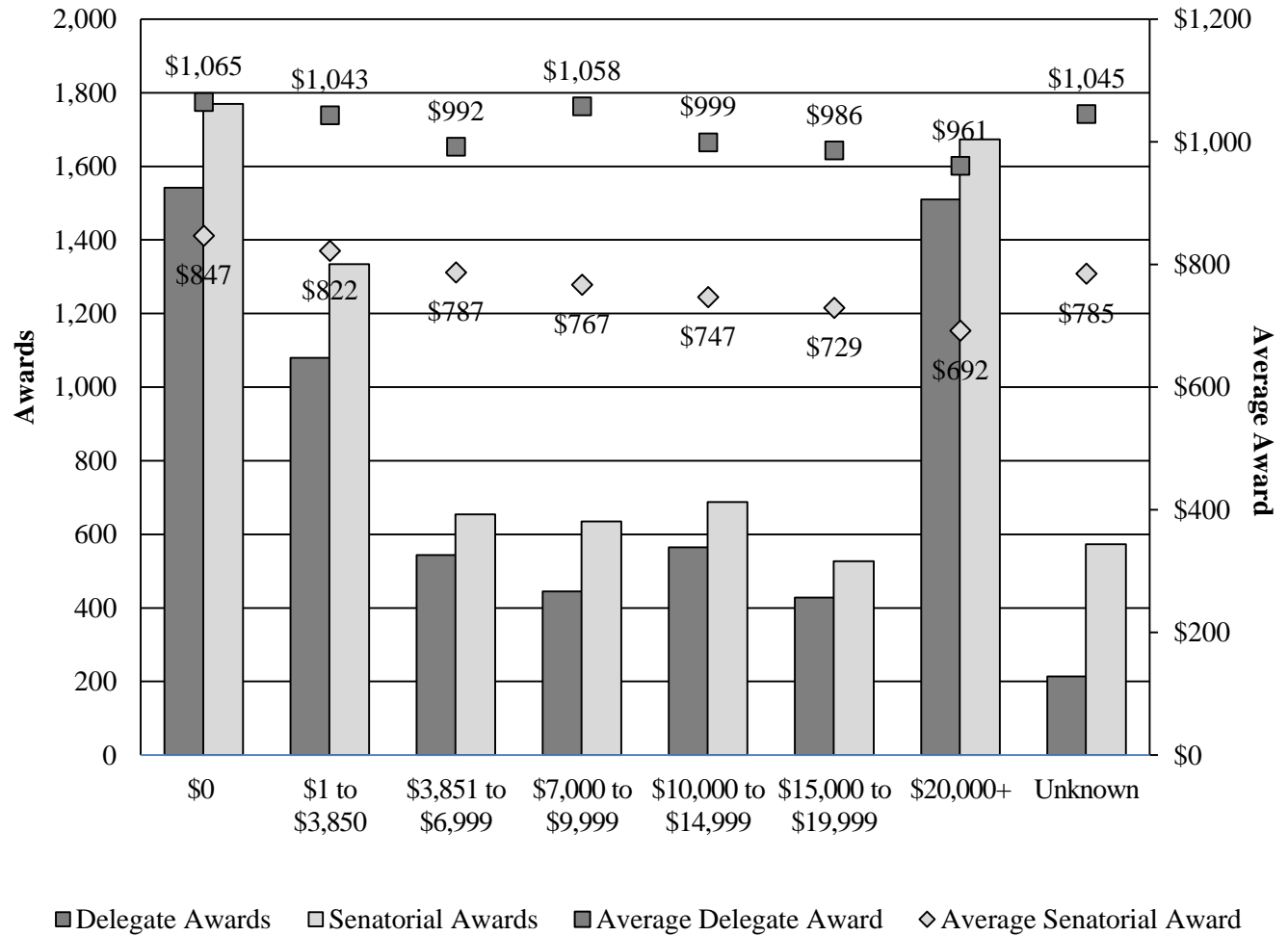


VAIC: Veterans of Afghanistan and Iraq Conflicts

Note: The average Tolbert Award, not shown, is \$500 across all expected family contribution categories.

Source: Maryland Higher Education Commission

# Appendix 6 Legislative Awards by Expected Family Contribution Fiscal 2018



Source: Maryland Higher Education Commission

**Appendix 7**  
**State Financial Aid Expenditures**  
**Fiscal 2018**

	<b><u>Actual</u></b> <b><u>2018</u></b>	<b><u>Adjusted</u></b> <b><u>2019</u></b>	<b><u>Allowance</u></b> <b><u>2020</u></b>	<b><u>\$ Change</u></b> <b><u>2019-2020</u></b>	<b><u>% Change</u></b> <b><u>2019-2020</u></b>
Need-based Aid	\$90,236	\$91,542	\$115,994	\$24,452	26.7%
Legislative	12,952	13,082	13,344	262	2.0%
Career-based Aid	1,588	4,748	4,748	0	0.0%
Unique Populations	2,267	3,150	4,350	1,200	38.1%
Loan Assistance Repayment	3,156	3,147	2,394	-752	-23.9%
<b>Total</b>	<b>\$110,199</b>	<b>\$115,668</b>	<b>\$140,829</b>	<b>\$25,161</b>	<b>21.8%</b>

Note: Working 2019 adjusted to reflected deficiencies.

Source: Governor's Fiscal 2020 Budget Books

## Appendix 8 Summary of Credit Completion by Institution

<u>Institution</u>	<u>At Least 30 Credits</u>	<u>At Least 24 but Less Than 30 Credits</u>	<u>Less Than 24 Credits</u>	<u>Total EEA Awards</u>	<u>Percent of Prorated Awards</u>	<u>Percent of Full Awards</u>	<u>Percent of Ineligible Awardees</u>
<b>Public Four-year</b>							
Bowie State University	265	251	331	847	30%	31%	39%
Coppin State University	146	159	86	391	41%	37%	22%
Frostburg State University	309	200	118	627	32%	49%	19%
Morgan State University	403	346	129	878	39%	46%	15%
Salisbury University	307	232	152	691	34%	44%	22%
St. Mary's College of Maryland	78	49	20	147	33%	53%	14%
Towson University	925	768	725	2,418	32%	38%	30%
University of Baltimore	92	123	164	379	32%	24%	43%
University of Maryland, College Park Campus	1,194	941	871	3,006	31%	40%	29%
University of Maryland Eastern Shore	201	129	89	419	31%	48%	21%
University of Maryland University College	48	205	398	651	31%	7%	61%
University of Maryland, Baltimore Campus	92	48	69	209	23%	44%	33%
University of Maryland, Baltimore County	561	424	404	1,389	31%	40%	29%
<b>Independent Institutions</b>							
Capitol Technology University	12	20	13	45	44%	27%	29%
Goucher College	48	23	8	79	29%	61%	10%
Hood College	58	47	17	122	39%	48%	14%



<u>Institution</u>	<u>At Least 30 Credits</u>	<u>At Least 24 but Less Than 30 Credits</u>	<u>Less Than 24 Credits</u>	<u>Total EEA Awards</u>	<u>Percent of Prorated Awards</u>	<u>Percent of Full Awards</u>	<u>Percent of Ineligible Awardees</u>
Johns Hopkins University	26	8	17	51	16%	51%	33%
Loyola University	54	13	10	77	17%	70%	13%
Maryland Institute, College of Art	42	19	15	76	25%	55%	20%
McDaniel College	131	27	22	180	15%	73%	12%
Mount St. Mary's University	67	31	14	112	28%	60%	13%
Notre Dame of Maryland University	44	28	18	90	31%	49%	20%
St. John's College of Maryland	7	1	-	8	13%	88%	0%
Stevenson University	213	95	88	396	24%	54%	22%
Washington Adventist University	24	15	16	55	27%	44%	29%
Washington College	51	11	6	68	16%	75%	9%
<b>Community Colleges</b>							
Allegany College of Maryland	13	28	64	105	27%	12%	61%
Anne Arundel Community College	25	40	166	231	17%	11%	72%
Baltimore City Community College	17	23	46	86	27%	20%	53%
Carroll Community College	5	6	13	24	25%	21%	54%
Cecil College	7	17	24	48	35%	15%	50%
Chesapeake College	4	12	31	47	26%	9%	66%
College of Southern Maryland	8	31	49	88	35%	9%	56%
Community College of Baltimore County	73	137	365	575	24%	13%	63%
Frederick Community College	7	24	28	59	41%	12%	47%

<u>Institution</u>	<u>At Least 30 Credits</u>	<u>At Least 24 but Less Than 30 Credits</u>	<u>Less Than 24 Credits</u>	<u>Total EEA Awards</u>	<u>Percent of Prorated Awards</u>	<u>Percent of Full Awards</u>	<u>Percent of Ineligible Awardees</u>
Garrett College	5	8	7	20	40%	25%	35%
Hagerstown Community College	4	5	14	23	22%	17%	61%
Harford Community College	20	29	49	98	30%	20%	50%
Howard Community College	38	66	120	224	29%	17%	54%
Montgomery College	163	234	388	785	30%	21%	49%
Prince George's Community College	30	79	196	305	26%	10%	64%
Wor-Wic Community College	6	26	34	66	39%	9%	52%

EEA: Educational Excellence Award

**Appendix 9**  
**Object/Fund Difference Report**  
**Maryland Higher Education Commission – Student Financial Assistance**

<u>Object/Fund</u>	<u>FY 18 Actual</u>	<u>FY 19 Working Appropriation</u>	<u>FY 20 Allowance</u>	<u>FY 19 - FY 20 Amount Change</u>	<u>Percent Change</u>
<b>Objects</b>					
12 Grants, Subsidies, and Contributions	\$ 110,198,164	\$ 114,204,065	\$ 140,829,471	\$ 26,625,406	23.3%
<b>Total Objects</b>	<b>\$ 110,198,164</b>	<b>\$ 114,204,065</b>	<b>\$ 140,829,471</b>	<b>\$ 26,625,406</b>	<b>23.3%</b>
<b>Funds</b>					
01 General Fund	\$ 106,552,452	\$ 110,632,430	\$ 136,788,232	\$ 26,155,802	23.6%
03 Special Fund	3,097,822	3,171,635	3,641,239	469,604	14.8%
09 Reimbursable Fund	547,890	400,000	400,000	0	0%
<b>Total Funds</b>	<b>\$ 110,198,164</b>	<b>\$ 114,204,065</b>	<b>\$ 140,829,471</b>	<b>\$ 26,625,406</b>	<b>23.3%</b>

Note: The fiscal 2019 appropriation does not include deficiencies.

**Appendix 10**  
**Fiscal Summary**  
**Maryland Higher Education Commission – Student Financial Assistance**

<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>
09 2+2 Transfer Scholarship Program	\$ 363,000	\$ 300,000	\$ 8,300,000	\$ 8,000,000	2666.7%
10 Educational Excellence Awards	83,584,830	84,707,486	86,401,636	1,694,150	2.0%
12 Senatorial Scholarships	6,485,600	6,486,000	6,615,720	129,720	2.0%
14 Edward T. Conroy Memorial Scholarship Program	1,316,831	1,200,000	2,400,000	1,200,000	100.0%
15 Delegate Scholarships	6,466,865	6,596,000	6,727,920	131,920	2.0%
16 Riley Fire and EMS Tuition Reimbursement Program	358,000	358,000	358,000	0	0%
17 Graduate and Professional Scholarship Program	1,174,473	1,174,473	1,174,473	0	0%
21 Jack F. Tolbert Memorial Student Grant Program	200,000	200,000	200,000	0	0%
26 Hoffman Loan Assistance Repayment Program	1,368,908	1,504,089	1,504,089	0	0%
27 Maryland Loan Assistance Repayment Program for Foster Care Recipients	4,238	100,000	100,000	0	0%
28 Maryland Loan Assistance Repayment Program for Physicians	1,783,142	1,178,295	790,000	-388,295	-33.0%
33 Part-Time Grant Program	5,087,780	5,087,780	5,087,780	0	0%
36 Workforce Shortage Student Assistance Grants	1,228,853	1,229,853	1,229,853	0	0%
37 Veterans of the Afghanistan and Iraq Conflicts School	750,000	750,000	750,000	0	0%
44 Somerset Economic Impact Scholarship	25,644	172,089	30,000	-142,089	-82.6%
45 Workforce Development Sequence Scholarship	0	1,000,000	1,000,000	0	0%
46 Cybersecurity Public Service Scholarship Program	0	160,000	160,000	0	0%
48 Maryland Community Colleges Promise Scholarship Aid	0	0	15,000,000	15,000,000	0%
49 Teaching Fellows for Maryland Scholarships	0	2,000,000	2,000,000	0	0%
51 Richard W. Collins Leadership With Honor Scholarship	0	0	1,000,000	1,000,000	0%
<b>Total Expenditures</b>	<b>\$ 110,198,164</b>	<b>\$ 114,204,065</b>	<b>\$ 140,829,471</b>	<b>\$ 26,625,406</b>	<b>23.3%</b>
General Fund	\$ 106,552,452	\$ 110,632,430	\$ 136,788,232	\$ 26,155,802	23.6%
Special Fund	3,097,822	3,171,635	3,641,239	469,604	14.8%
<b>Total Appropriations</b>	<b>\$ 109,650,274</b>	<b>\$ 113,804,065</b>	<b>\$ 140,429,471</b>	<b>\$ 26,625,406</b>	<b>23.4%</b>
Reimbursable Fund	\$ 547,890	\$ 400,000	\$ 400,000	\$ 0	0%
<b>Total Funds</b>	<b>\$ 110,198,164</b>	<b>\$ 114,204,065</b>	<b>\$ 140,829,471</b>	<b>\$ 26,625,406</b>	<b>23.3%</b>

EMS: Emergency Medical Services

Note: The fiscal 2019 appropriation does not include deficiencies.