

R62I0001
Maryland Higher Education Commission

Operating Budget Data

(\$ in Thousands)

	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Working</u>	<u>FY 14</u> <u>Allowance</u>	<u>FY 13-14</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$55,394	\$47,132	\$55,172	\$8,040	17.1%
Contingent & Back of Bill Reductions	0	0	-5	-5	
Adjusted General Fund	\$55,394	\$47,132	\$55,167	\$8,035	17.0%
Special Fund	17,046	19,001	16,874	-2,127	-11.2%
Adjusted Special Fund	\$17,046	\$19,001	\$16,874	-\$2,127	-11.2%
Federal Fund	2,800	2,974	3,615	641	21.6%
Adjusted Federal Fund	\$2,800	\$2,974	\$3,615	\$641	21.5%
Reimbursable Fund	443	115	118	3	2.4%
Adjusted Reimbursable Fund	\$443	\$115	\$118	\$3	2.4%
Adjusted Grand Total	\$75,683	\$69,223	\$75,774	\$6,551	9.5%

- General funds increase approximately \$8.0 million, or 17.0%, in the fiscal 2014 allowance. Overall, funds increase approximately \$6.6 million, or 9.5%.
- Of the general fund increase, \$3.8 million is due to the replacement of fiscal 2013 Budget Restoration Funds, created by Chapter 1 of the First Special Session of 2012, with general funds, which brings the general fund increase to \$4.2 million, or 8.9%.
- Five deficiencies are proposed in the 2014 allowance affecting general and special funds:
 - \$380,122 in general funds to correct budgeting errors in personnel in the fiscal 2013 allowance;
 - \$130,197 in special funds related to a contractual position to oversee the new online program registration system;

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

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- \$270,000 in special funds for a new Lumina Foundation grant to promote two-year degrees;
- \$2,000,000 in special funds available in the Nursing Support II program; and
- \$500,000 in special funds available in the Health Personnel Shortage Incentive Grant Program.

Personnel Data

	<u>FY 12 Actual</u>	<u>FY 13 Working</u>	<u>FY 14 Allowance</u>	<u>FY 13-14 Change</u>
Regular Positions	50.60	50.60	50.60	0.00
Contractual FTEs	<u>6.57</u>	<u>3.50</u>	<u>7.40</u>	<u>3.90</u>
Total Personnel	57.17	54.10	58.00	3.90

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.44	2.85%
Positions and Percentage Vacant as of 12/31/12	4.00	7.91%

- The fiscal 2014 allowance includes no change in full-time regular positions and adds 3.9 contractual positions involved with new registration programs, Workforce Investment Act initiatives, and management of a new grant from the Lumina Foundation. Positions shown here also staff the Maryland Higher Education Commission (MHEC) Scholarships programs.
- In fiscal 2003, MHEC had 80.6 full-time regular positions. From 2003 to 2012, MHEC’s regular positions decreased by 30.0, or about 37%. Over the same period, contractual positions increased from 3.0 to 6.6.
- As of December 31, 2012, the commission has 4.0 vacancies. Budgeted turnover for fiscal 2013 is 2.9%, or 1.4 positions.

Analysis in Brief

Major Trends

Second-year Retention Rates Converging: Second-year retention rates for all first-time, full-time students entering public four-year universities in the 2010 academic year rose less than 1 percentage point, while rates for Hispanic students declined about 1 percentage point, and rates for African American students increased 4 percentage points. Except for 2005, Hispanic students' retention rates have exceeded both other groups' rates from 2001 to 2010, although the small number of Hispanic students makes this data less robust.

Graduation Rates Mixed: Graduation rates for all students in the 2005 cohort remained relatively stable for the sixth year in a row. The Hispanic rate fell nearly 3 percentage points, but this rate remains near all students. Although the African American rate grew by 1 percentage point, the achievement gap between African American students and all students remains at approximately 21 percentage points.

Issues

Renewing the State Plan for Higher Education: MHEC has convened a commission and begun work on the 2013-2017 State Plan for Higher Education, a blueprint for how Maryland will address concerns and achievements in its higher education system. By law, the plan must be updated every four years. The new State plan adds a new goal on data use and distribution.

Information Technology Functional, but Obsolete: MHEC's Office of Information Systems (OIS) operates several critical information technology (IT) systems that track student financial aid, retention, graduation, and degree production. Unfortunately, MHEC's IT infrastructure is functionally obsolete and desperately needs upgrades to meet further needs.

Nursing Supply and Demand in Maryland: Like many other states, Maryland has a shortage in practicing nurses, as well as other healthcare fields. To address this, MHEC's Nursing Support Program II funds the creation of additional nurse faculty to increase the overall number of nurses in Maryland. However, a concern remains over whether Maryland is producing the right type of nursing credential to meet growing demand.

Recommended Actions

1. Concur with Governor's allowance.

However, to the extent that the General Assembly reduces general and Higher Education Investment Fund spending to the selected four-year institutions, the Department of Legislative Services recommends a concomitant reduction to the Joseph A. Sellinger Funding Formula in an amount calculated by the funding formula percentage.

2. Add language to restrict expenditures of enhancement funds until the commission submits a report on the plans for spending funds designated to enhance the State's four historically black institutions.
3. Adopt committee narrative requesting the submission of a report on Outcomes of Students Participating in Access and Success Programs by Cohort.

Updates

Historically Black Institutions' Funding Lawsuit Ruling Pending: A lawsuit filed in 2006 alleging that Maryland's system of higher education remains segregated in violation of the federal constitution and laws is awaiting the judge's ruling in federal court.

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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, 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. MHEC's vision 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.

MHEC's key goals are to:

- maintain and strengthen a system of postsecondary education institutions recognized nationally for academic excellence and effectiveness in fulfilling the educational needs of students and the economic and societal development needs of the State and the nation;
- achieve a system of postsecondary education that promotes accessibility and affordability for all Marylanders;
- ensure equal opportunity for Maryland's diverse citizenry;
- achieve a system of postsecondary education that promotes student centered learning to meet the needs of all Marylanders; and
- promote economic growth and vitality through the advancement of research and the development of a highly qualified workforce.

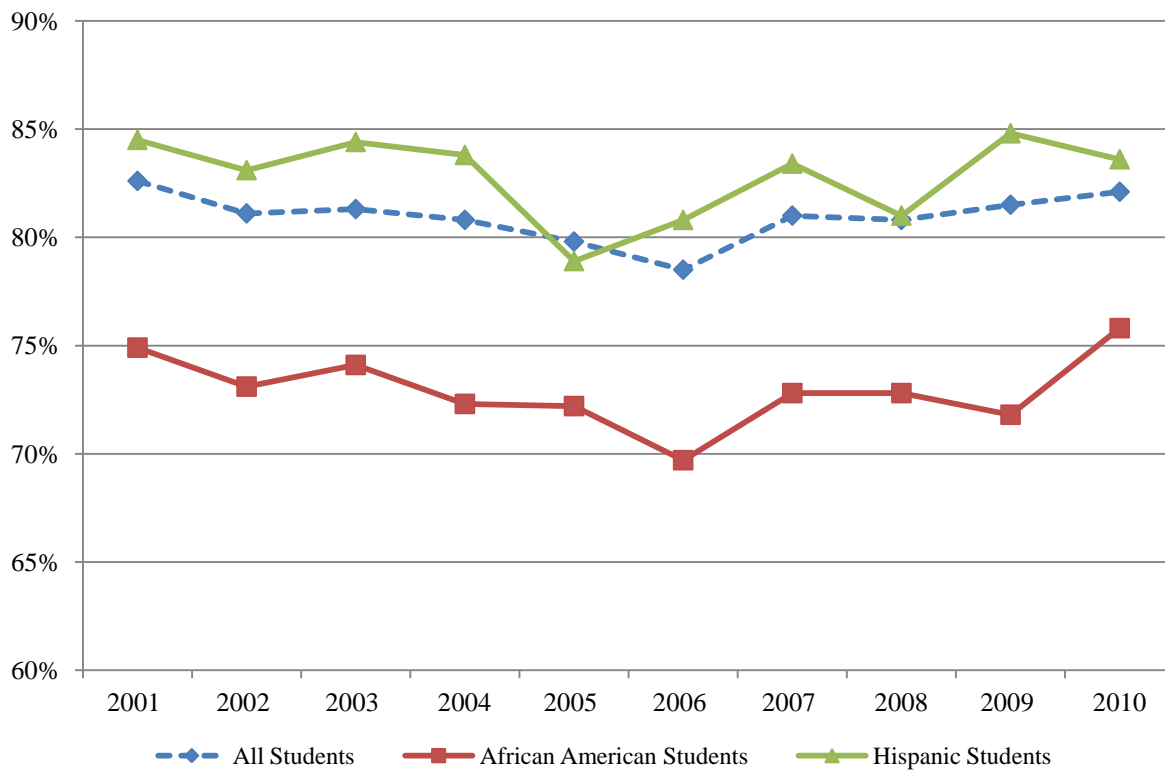
Performance Analysis: Managing for Results

1. Second-year Retention Rates Converging

MHEC aims to maintain and strengthen postsecondary institutions and to ensure accessibility for Maryland's diverse citizenry. Progress in these areas will help achieve the Governor's college completion agenda to increase degree attainment among Maryland adults to 55% by 2025. Retention rates indicate how well Maryland's students are progressing toward degree attainment.

Exhibit 1 shows second-year retention rates for all students, African American students, and Hispanic students entering public four-year institutions between cohort year 2001 and 2010. The cohort year is the fall semester in which the first-time, full-time students enrolled, *i.e.*, cohort year 2010 reflects students enrolling in fall 2010, which is academic year 2010-2011. The exhibit shows that retention rates among Hispanic students are generally highest, followed by all students. African American students have the lowest retention rates.

Exhibit 1
Second-year Retention Rates
All Students, African American Students, and Hispanic Students
Cohorts 2001-2010



Source: Maryland Higher Education Commission, Enrollment and Degree Information Systems

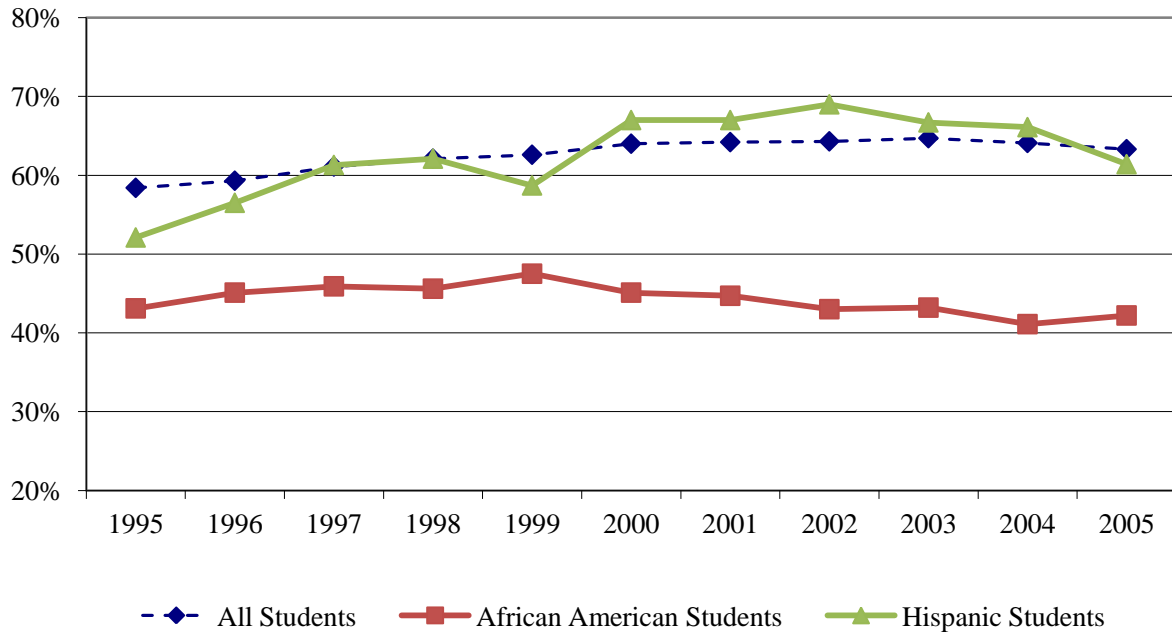
The most recent cohort data, from 2010, shows Hispanic students' retention rates declined 1.2 percentage points to 83.6%, which is about 1.0 percentage point below the 2001 cohort's rate. On the other hand, African American rates jumped 4.0 percentage points in 2010, the largest one year gain seen in this time period, and the highest rate for any African American cohort. All students rose by less than 1.0 percentage point, reaching 82.1%, the highest rate since 2002. MHEC attributes the strong overall performance of Hispanic students to low enrollment. Out of roughly 163,000 students

in Maryland public four-year institutions, only about 7,500, or 4.6%, are Hispanic. The Hispanic students who do enroll are very well prepared for college work. MHEC reports that the State's college completion agenda will focus on both enrolling and retaining more students of all backgrounds, as well as nontraditional students who are not captured in this exhibit because they do not enroll as first-time, full-time students. Specific strategies include course redesign in introductory classes, more Summer Bridge programs, and promoting completion of associate's degrees before transferring to a four-year institution (2+2 programs).

2. Graduation Rates Mixed

Graduation rates reflect how effectively public four-year institutions in Maryland educate students. **Exhibit 2** shows six-year graduation rates among all students, African American students, and Hispanic students entering public four-year institutions between cohort years 1995 and 2005. From 2000 to 2004, Hispanic students had higher graduation rates than the other two cohort groups; however, the number of Hispanic students enrolled is significantly lower than the other groups. The exhibit also shows that the graduation rate for all students has remained remarkably level from 2000 to 2004, with a slight decline in 2005. The graduation rate for African American students increased 1.1 percentage points in 2005, although the 2004 and 2005 rates remain the lowest for African American students across all years. As a result, the achievement gap between African American and all students increased from 15.1 percentage points for the 1999 cohort to 21.1 percentage points for students entering in 2005. To ensure educational opportunity for Maryland's diverse citizenry, MHEC set a fiscal 2013 (cohort year 2007) goal of reducing the six-year graduation rate achievement gap to 18.0 percentage points. Without significant improvement in the 2006 graduation rates of African American students, it will be difficult to reach this goal.

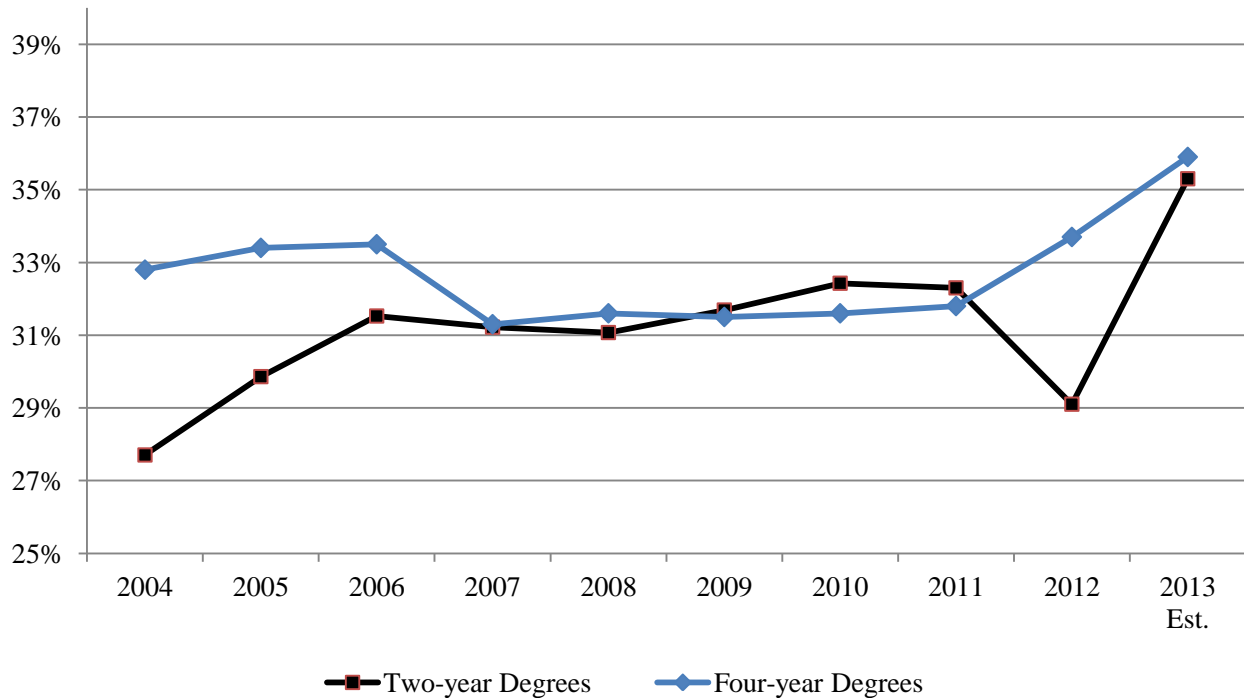
Exhibit 2
Six-year Graduation Rates
All Students, African American Students, and Hispanic Students
Cohorts 1995-2005



Source: Maryland Higher Education Commission, Enrollment and Degree Information Systems

The achievement gap is also evident in the percent of bachelor’s and associate’s degrees awarded to racial and ethnic minorities in Maryland, as shown in **Exhibit 3**. The fastest growing segments of Maryland’s population are minorities, and the percent of associate’s degrees awarded to minorities increased 4.6 percentage points between fiscal 2003 and 2011 to 32.3%. This dropped to 29.1% in fiscal 2012 because of an unusually large number of students not classified under any racial or ethnic category in that year. MHEC believes the 2013 rate will increase to 35.3%. Meanwhile, the percentage of bachelor’s degrees awarded to minority students was flat from fiscal 2007 to 2011, before climbing to an estimated 35.9% in 2013. Overall, the data in the exhibit shows considerable variation from 2004 to 2007 and 2011 to 2013. MHEC posits that the steady rates from 2007 to 2011 may be the effect of the recession and that minority degree attainment will resume its upward climb in future years.

**Exhibit 3
Bachelor's and Associate's Degrees
Awarded to Racial and Ethnic Minorities
Fiscal 2004-2013**



Source: Governor's Budget Books, Fiscal 2006-2013; Maryland Higher Education Commission Databook, 2012

MHEC should comment on the efforts to close the achievement gap to 18.0 percentage points and how the higher African American retention rate seen in the 2010 cohort can be maintained.

Fiscal 2013 Actions

Proposed Deficiencies

Five deficiencies are proposed for MHEC in the 2014 allowance:

- \$380,122 in general funds to correct budgeting errors in personnel in the fiscal 2013 appropriation where certain personnel items were mistakenly funded with special funds;
- \$130,197 in special funds for a contractual position to oversee the new online program registration system for out-of-state degree programs;
- \$270,000 in special funds for a new Lumina Foundation grant, “Credit When It’s Due,” that will be spent in fiscal 2013 and 2014 for “reverse transfer” initiatives that retroactively award associate’s degrees to community college students who have transferred to four-year institutions;
- \$2,000,000 in special funds for the Nursing Support (NSP) II program to award all proposals and bring spending up to amounts similar to prior years; and
- \$500,000 in special funds for the Health Personnel Shortage Incentive Grant Program to make more awards.

Proposed Budget

As shown in **Exhibit 4**, the fiscal 2014 allowance increases MHEC’s general funds \$8.0 million, or 17.1%, partly due to \$3.8 million in general funds in lieu of fiscal 2013 Budget Restoration Funds, created by Chapter 1 of the First Special Session of 2012, as well as mandated increases to the Sellinger Aid Program. However, after adjusting for the replacement of special funds and the Section 19 health insurance reduction of \$4,768 in general funds, \$444 in special funds, and \$342 in federal funds, the entire budget across all funds grows 9.5%.

Exhibit 4
Proposed Budget
Maryland Higher Education Commission
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
2013 Working Appropriation	\$47,132	\$19,001	\$2,974	\$115	\$69,223
2014 Allowance	<u>55,172</u>	<u>16,874</u>	<u>3,615</u>	<u>118</u>	<u>75,779</u>
Amount Change	\$8,040	-\$2,127	\$641	\$3	\$6,557
Percent Change	17.1%	-11.2%	21.6%	2.4%	9.5%
Contingent Reduction	-\$5	\$0	\$0	\$0	-\$6
Adjusted Change	\$8,035	-\$2,127	\$641	\$3	\$6,551
Adjusted Percent Change	17.0%	-11.2%	21.5%	2.4%	9.5%

Where It Goes:

Personnel Expenses

Employee retirement	\$75
Annualization of the fiscal 2013 cost-of-living adjustment	41
Social Security contributions and unemployment compensation.....	31
Employee and retiree health insurance.....	10
Turnover adjustments.....	-2
Regular earnings.....	-28

Other Changes

Mandated increase to Sellinger Aid	3,236
Increase in Nursing Support II Scholarships and HPSIG.....	1,989
Overall growth in federal fund supported educational grants such as the College Access Challenge Grant.....	622
Overall growth in general fund supported educational grants such as RHEC funding.....	609
Special payments payroll	95
Other miscellaneous adjustments	-9
Reduced need for legal services, software maintenance, and printing.....	-118

Total **\$6,551**

HPSIG: Health Personnel Shortage Incentive Grant

RHEC: Regional Higher Education Center

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

As shown in Exhibit 4, several major changes occur within MHEC's operations and programs. The two largest increases are \$3.2 million in general funds for the Sellinger program and \$2.0 million in special fee revenue being spent in NSP II and the Health Personnel Shortage Incentive Grant. The change from fiscal 2013 to 2014 in these special fund programs is somewhat misleading, however; deficiency appropriations would add \$2.5 million for fiscal 2013. The fiscal 2014 budget is actually a modest decline in both programs. Other changes include growth in Educational Grants, particularly an increase of \$800,000 for non-USM Regional Higher Education Centers (RHECs).

MHEC also has decreases in legal services due to the expected completion of the federal lawsuit it is involved in, which is addressed later in this analysis. Additionally, an information technology project has been completed. These reductions total about \$118,000 in fiscal 2014 when combined with general savings by reducing printed materials.

Guaranty Student Tuition Funds

MHEC operates two Guaranty Student Tuition Funds (GSTF) to reimburse student tuition or arrange organized teach-outs should a private career school (PCS) or a for-profit degree-granting school precipitously cease operations in the State. One GSTF is for PCS and capped at \$2 million, while Chapter 277 of 2011 added a second GSTF relating to for-profit schools. Each PCS and for-profit school pays into its unique GSTF based upon adjusted gross annual tuition income. GSTF special funds generated are to be used primarily to reimburse students or arrange organized teach-outs, but may also be used for any other function related to school closures that is deemed appropriate by the Secretary.

Exhibit 5 shows the revenue, expenses, and closing balance of the PCS GSTF. In fiscal 2012, \$174,114 was received in revenue, primarily from fees assessed, a slight decrease from 2011 primarily due to two large PCS becoming degree-granting institutions and falling enrollments related to real estate. At the time the PCS GSTF cap was raised to \$2 million in 2010, a phase-in of annual assessment rate increases was also adopted to replenish the GSTF more rapidly: 0.12% of the school's adjusted gross tuition in fiscal 2011; 0.165% in fiscal 2012; 0.21% in fiscal 2013; and 0.25% thereafter. The minimum payment is \$250.

Exhibit 5
Private Career School Guaranty Student Tuition Fund
Fiscal 2009-2013

	<u>2009</u>	<u>2010*</u>	<u>2011</u>	<u>2012</u>	<u>Working 2013**</u>
Closing Balance	\$1,101,303	\$365,403	\$460,072	\$571,813	\$770,332
Revenue	n/a	747,639	190,823	174,114	235,662
Expenses	n/a	1,483,539	76,653	62,373	37,143

*Includes \$540,000 in redeemed private career school financial guarantees.

**As of February 1, 2013, does not include nonbudgeted financial guarantee from American Career Institute's closure of \$4,653,758.19

Source: Maryland Higher Education Commission

In January 2013, American Career Institute (ACI), a PCS ownership with schools in Baltimore, Columbia, and Silver Spring (formerly Wheaton), abruptly ceased operations. Two of the schools were in operation for less than 10 years, so in addition to paying annually into the GSTF, they were required to issue credit to MHEC through letters of credit (LOC) totaling \$4.65 million. The third campus had shown profitability and longevity and only paid into the annual PCS GSTF.

MHEC set up a help page on its website to outline the three options available to ACI students:

- **Refund/federal loan discharge:** money paid by the student or privately on behalf of the student is refunded by the State, and students may apply to the U.S. Department of Education to have their federal student loans forgiven; all ACI academic credit is forfeited.
- **Teach-out:** money is not refunded; training continues at an alternative institution identified by MHEC with students financially liable only for the balance remaining on their ACI tuition and fees accounts.
- **Transfer:** money is not refunded; an ACI transcript collected from the closed school is issued by MHEC for transfer to any other institution. The receiving institution determines what ACI academic credit will be granted and invoices the student accordingly.

In total, about 850 students are affected; this was the largest school closure MHEC has dealt with in at least a decade. To date, MHEC has assisted about a third of these students, most of who are opting for teaching-outs. MHEC has hired a contractual staffer, who will be paid out of the LOCs and the GSTF to help deal with this workload. Under current law, a student may file a claim to the GSTF up to three years after the closure of a PCS. As of February 1, 2013, the PCS GSTF has about \$770,000 in special funds plus the nonbudgeted \$4.65 million in redeemed LOCs. Refunds, teach-

outs and administrative expenses must be invoiced to the specific ACI school and its funding source: ACI-Baltimore LOC (\$3.28 million); ACI-Columbia LOC (\$1.36 million); ACI-Silver Spring GSTF.

The Secretary should comment on whether the statutory and administrative structure of the GSTF is adequately meeting the needs of ACI students in a timely manner. The Secretary should also comment on whether the GSTF is in a vulnerable position if another PCS should close in the near future, given that monies within it were previously being used to cover administrative costs, and whether this may lead MHEC to reassess PCS fees for the GSTF.

Joseph A. Sellinger Formula

For the first time in several years, no new changes have been proposed for the Sellinger Formula in the Budget Reconciliation and Financing Act (BRFA). **Exhibit 6** shows how total Sellinger aid is appropriated using a statutory formula. The per student general fund support at certain public four-year institutions is multiplied by a percentage set in statute. The BRFA of 2012 sets this percentage for fiscal 2014 at 9.4%. Per full-time equivalent student (FTES) support increases to \$934 or \$64 more per student than in fiscal 2013. This amount is then multiplied by eligible independent college and university enrollments. The Sellinger appropriation grows to \$41.3 million in 2014, an increase of \$3.2 million or 8.5%, compared to an increase in all higher education funding of 7.3%.

Exhibit 6 Sellinger Aid Formula Fiscal 2014

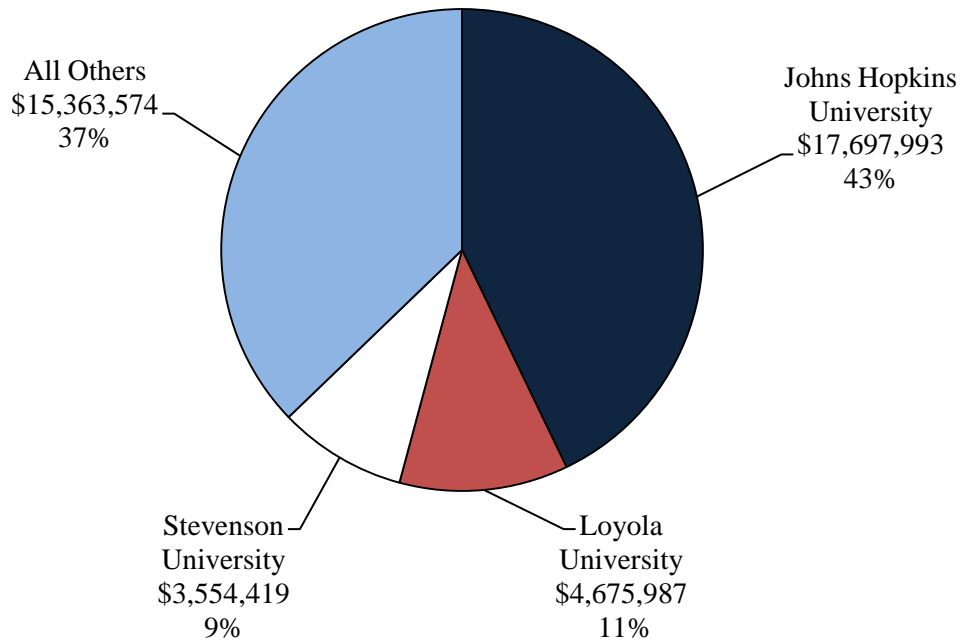
Per FTES State funds at selected public institutions	\$9,939
Statutory Sellinger Percentage	9.4%
State Funds x Percentage	\$934.25
Audited Independent Enrollment	44,197.99
Sellinger Appropriation	\$41,291,975

Source: Department of Legislative Services

Exhibit 7 shows that, as in previous years, the Johns Hopkins University receives the largest share of Sellinger aid at \$17.7 million, or 42.9%. The Maryland Independent College and University Association (MICUA) represents 14 of the 15 institutions receiving Sellinger aid. MICUA has set a goal for member institutions to use at least 70% of Sellinger funding for need-based financial aid for Maryland residents. In fiscal 2012, 86% of funding was used this way. The remainder allows some flexibility for private institutions to meet other State priorities, such as teacher education; nursing; science, technology, engineering and mathematics (STEM); and diversity goals. Since 2008, in

fulfillment of General Assembly requirements, MICUA institutions have reported on support of this last goal, promoting cultural diversity, through annual reports.

Exhibit 7
Distribution of Sellinger Aid
Fiscal 2014



Source: Governor's Budget Books, Fiscal 2014

Educational Grants

The Educational Grants Program provides financial assistance to State, local, and private entities to enrich the quality of higher education within the goals defined by the 2009 State Plan for Postsecondary Education. **Exhibit 8** shows educational grant appropriations for fiscal 2013 and 2014.

Exhibit 8
MHEC Educational Grants
Fiscal 2013-2014

<u>Programs</u>	<u>2013</u> <u>Estimated</u>	<u>2014</u> <u>Allowance</u>	<u>Difference</u>
Federal Funds			
Improving Teacher Quality	\$945,175	\$1,000,000	\$54,825
College Access Challenge Grant Program	1,413,062	2,000,000	586,938
John R. Justice Grant	120,000	100,000	-20,000
Subtotal	\$2,478,237	\$3,100,000	\$621,763
General Funds			
Complete College Maryland	\$250,000	\$250,000	\$0
OCR Enhancement Fund	4,900,000	4,900,000	0
Washington Center for Internships and Academic Seminars	75,000	125,000	50,000
Interstate Educational Compacts in Optometry	82,750	41,475	-41,275
UMB – WellMobile	285,250	285,250	0
Regional Higher Education Centers	1,750,000	2,550,000	800,000
Harry Hughes Center for Agro-Ecology	200,000		-200,000
Subtotal	\$7,543,000	\$8,151,725	\$608,725
Total	\$10,021,237	\$11,251,725	\$1,230,488

MHEC: Maryland Higher Education Commission
OCR: Office for Civil Rights
UMB: University of Maryland, Baltimore

Source: Governor’s Budget Books, Fiscal 2014

Although general funds for Educational Grants grow by \$608,725 to approximately \$8.2 million in fiscal 2014, general funds are down about 50% from a high in fiscal 2006 of approximately \$16.4 million. Funds decreased overall going into fiscal 2013 by \$113,138, or 1.1%. Fiscal 2014 funding increases \$1.2 million, or 12.3%, in total funds.

Decreases in 2014 include the phasing out of the Interstate Educational Compact in Optometry, an adjustment in the new federal John R. Justice grant for public defenders for loan repayment, and the transfer of the Harry Hughes Center from MHEC to the University of Maryland, College Park’s (UMCP) budget. Increases include the federal Improving Teacher Quality program and the Washington Center for Internships and Academic Seminars in Washington, DC. The largest increase is \$800,000 for non-University System of Maryland (USM) RHECs.

Exhibit 9 shows the allocation of funding for USM and non-USM RHECs in fiscal 2014. This follows MHEC’s non-USM RHEC funding strategy of \$200,000 in base funding and allocating the remaining money by FTES enrolled in 2+2 and upper division coursework at each RHEC. Overall, for non-USM RHECs, funding increases by 45.7%. The Southern Maryland Regional Higher Education Center receives the largest increase, growing by \$295,732, or 69.0%. This effects the growth in the per FTES funding in the allowance and its high proportion of total FTES. Support for RHECs is a major goal of the 2009 State Plan in expanding access to higher education in geographically underserved areas of the State that are not near four-year institutions. Fully funding the RHEC funding strategies per FTES goal of \$2,263 is twice the amount provided in the allowance. USM RHECs grow \$660,000, or 4.8%, in 2014 but receive nearly \$12 million more in State support.

**Exhibit 9
State Support for RHECs
Fiscal 2013-2014**

<u>Non-USM RHECs</u>	<u>2013</u>	<u>% of FTES</u>	<u>2014</u>	<u>% of FTES</u>	<u>\$ Change 2013-2014</u>	<u>% Change 2013-2014</u>
AACC RHEC at Arundel Mills	\$238,387	7.0%	\$302,900	7.6%	\$64,513	27.1%
Eastern Shore Higher Education	246,322	8.4%	313,705	8.4%	67,383	27.4%
HEAT Center	329,919	23.6%	498,556	22.1%	168,637	51.1%
Laurel College	225,159	4.6%	314,298	8.5%	89,139	39.6%
Southern Maryland	422,855	40.5%	718,587	38.4%	295,732	69.9%
Waldorf	287,358	15.9%	401,954	15.0%	114,596	39.9%
Total All Non-USM RHECs	\$1,750,000	100.0%	\$2,550,000	100.0%	\$800,000	45.7%
<u>USM RHECs</u>	<u>2013</u>		<u>2014</u>		<u>\$ Change</u>	<u>% Change</u>
Universities of Shady Grove	\$11,839,990		\$12,494,854		\$654,864	5.5%
University System of Maryland at Hagerstown	1,891,592		1,895,910		4,318	0.2%

AACC: Anne Arundel Community College
 FTES: full-time equivalent student
 HEAT: Higher Education and Applied Technology
 RHEC: Regional Higher Education Center
 USM: University System of Maryland

Source: Maryland Higher Education Commission

The 2012 merger between the energy firms Exelon and Constellation Energy provided certain funds available for public benefits. A one-time research funding opportunity was made available to Maryland’s public higher education institutions for research related to the development of offshore wind energy in Maryland. Awards will range from \$250,000 to \$1,000,000 in support of two-year research projects. At least three awards are anticipated. The BRFA of 2013 requires this money to be appropriated through acts of the General Assembly or the State budget bill, except that in fiscal 2013 it can be appropriated by budget amendment with approval of the Legislative Policy Committee and the budget committees. These funds are not yet appropriated in the budget, but MHEC has announced the availability of the competitive grants and the method and timelines for applying.

MHEC has been using the \$750,000 budgeted annually for the College Preparation Intervention Program (CPIP) as matching funds for the federal College Access Challenge (CAC) Grant, which requires a one-third match in State support. Previously, CPIP funds were used to match the federal GEAR UP program. Maryland’s last GEAR UP grant expired in fiscal 2011. Although the CAC Grant would only require \$666,667 in fiscal 2014, MHEC has budgeted \$750,000 in matching funds. This leaves a total difference of \$362,312 in fiscal 2013 and 2014 combined beyond the amount of funding needed to match the CAC Grant, as shown in **Exhibit 10**.

Exhibit 10
Federal Grant Matching Funds
Fiscal 2013-2014

	<u>2013</u>	<u>2014</u>
College Access Challenge Grant	\$1,413,062	\$2,000,000
One-third Match	471,021	666,667
College Preparation Intervention Program	750,000	750,000
Difference	278,979	83,333

Source: Governor’s Budget Books, Fiscal 2013-2014

The Secretary should comment on what the extra matching fund support is being expended on in 2013 and 2014 and the need for CPIP funds after the CAC Grant expires in fiscal 2014.

Issues

1. Renewing the State Plan for Higher Education

By law, the State Plan for Higher Education must be updated every four years. The 2009-2013 State Plan and the 2008 report of the Commission to Develop the Maryland Model for Funding Higher Education proposed far reaching goals, particularly in higher education financing, by comparing Maryland's performance to regional and national competitor states. However, the effects of the most recent recession prevented the State from implementing many of the recommendations.

MHEC convened a group to begin work on the 2013-2017 State Plan for Higher Education in October 2012. The plan must evaluate progress made since 2009 and revise the goals of the State. A working draft was compiled in December 2012 and is currently under review. The 2013 State Plan will be informed by the Governor's priorities for postsecondary education, action recommendations from the 2009 State Plan, and developments affecting Maryland's higher education system, such as declining numbers of high school graduates; uncertainty over the State and national economy; affordability and access concerns given level federal financial aid; accountability and performance-based funding; the expansion of online education and massive open online courses (MOOC); and concerns over college readiness. The plan will become available to the public by early March in preparation for three public hearings in March, April, and May. MHEC must submit the 2013 State Plan by July 1, 2013, to the Governor and the General Assembly.

Diverse stakeholders are currently developing the plan's six goals, including the Governor, legislators, MHEC commissioners, MHEC advisory councils, higher education institutions, State agencies, the Treasurer, the Comptroller, the business community, and other interest groups. The six goals of the 2013 State Plan are outlined below. The first five have been retained, in whole or in part, from the 2009 plan.

1. Quality and Effectiveness
2. Access, Affordability, and Completion (addition of "Completion")
3. Diversity
4. Innovation in Education (slight name change to capture innovation in an intentional way)
5. Economic Growth and Vitality
6. Data Use and Distribution (completely new)

Goal 6 unifies many of the previous goals, such as effectiveness, accountability, and innovation into one element that is exemplified by the forthcoming Longitudinal Data System (LDS).

MHEC is working on a 2013 Funding Guidelines Peer Performance Analysis, having not produced this report in 2011 or 2012. This report tracks the progress of public four-year institutions against each institution's respective peer group, a collection of 10 schools statistically similar to the Maryland institution in enrollment, degree mix, and other factors. MHEC has begun analyzing the impact of continuing the use of the current funding guideline model and changing the peer groups, or moving to the competitor state methodology developed by the Commission to Develop the Maryland Model.

The Secretary should comment on why MHEC did not produce a 2011 or 2012 analysis of peer performance.

The Secretary should also comment on whether the new State plan will be a revision or a rethinking of the current plan and how the State fared in accomplishing the goals set forth in 2009. The Secretary should also comment on the future of the Maryland Model given the first significant post-recession increase in State support for higher education in fiscal 2014. Finally, the Secretary should comment on whether Maryland should establish a formal policy on MOOCs in the State plan and whether intercollegiate athletics also should be addressed in the plan given recent poor fiscal performance at many State schools.

2. Information Technology Functional, but Obsolete

MHEC's Office of Information Technology (OIT), comprised of four staff, oversees a number of information technology (IT) projects unique to MHEC that facilitate annual data collection efforts that Maryland transmits to the U.S. Department of Education. This enables Maryland institutions to meet various reporting requirements to qualify for federal programs, such as Title IV financial aid. Managing this extensive data collection activity requires close coordination with higher education institutions, State agencies, and other outside organizations.

Currently, MHEC collects extensive data for Maryland's public schools and some data from Maryland residents enrolled at in-state private schools. In total, MHEC collects data on 60 higher education institutions and will soon collect data on Maryland residents attending online classes from out-of-state institutions. MHEC populates its data systems on an annual basis but intends to shift to a semi-annual basis in the near future for more timely data. Data is organized, cleaned, and stored as a collection of files that include the following distinct systems:

- Enrollment Information System
- Degree Information System
- Financial Aid Information System
- Employee Data System

- High School Graduate System
- Transfer Student System

These systems comprise the Higher Education Information System, also called the Maryland Annual Collection (MAC) system.

Of concern is that OIT operates these systems via an HP e3000 mainframe running the COBOL computer language. MHEC remained under HP hardware and software support through 2008, at which time system support was shifted and is currently provided by a third-party vendor. COBOL is one of the oldest existing computer programming languages and is significantly less capable and less accessible than modern programming languages, such as Structured Query Language. Although COBOL raised numerous concerns in 2000 due to trouble handling the Y2K computer glitch, it remains in operation at many State agencies. MHEC recognizes that the current platform infrastructure does not offer the flexibility and functionality required to implement IT best practices. OIT is currently involved in development for a new comprehensive database system to house the newly revised MAC collections. However, this would incur expenses to train MHEC staff and cross-walk the data to new platforms.

Individual unit records are on a per student basis and all systems use transformed Social Security numbers as a common identifier for MHEC's internal longitudinal data studies. The MAC systems are completely siloed from each other so custom programs are used to join and cross-reference data from one system to another.

In 2009, the Maryland College Aid Processing System was completed, which replaced the Student Financial Aid System from 1991. This system is completely separate from MAC and processes State scholarship applications through distinct web portals for the Office of Student Financial Assistance, students, and institutions.

In fiscal 2012, MHEC moved into the Maryland State Department of Education's (MSDE) main building in downtown Baltimore. In fiscal 2013, in response to an "Over-the-Target" request for a Technology refresh, the Department of Budget and Management (DBM) requested information on any cost savings or other benefits of OIT co-locating with MSDE. In response to DBM's request, after careful review between MHEC and MSDE, it was determined that there would be little to no cost savings if MHEC were to share MSDE data center equipment, as it would lead to complexity in the areas of network administration, network security, systems support, maintenance and ownership.

Longitudinal Data System and the 2013 State Plan

Two large developments are coming in 2013. First, the new Maryland LDS will begin collecting unprecedented amounts of data on Maryland's students and workforce to address numerous State policy questions. The LDS will not replace any activity at MHEC but instead will become a higher level repository and a more robust comparison system for information MHEC already collects.

Recently, the timeline for implementing the LDS accelerated, putting more pressure on MHEC's outdated systems to keep up with changing deadlines and demands. MHEC currently serves on two LDS-related interagency workgroups. Through this collaboration, MHEC is currently working with shared contractual resources to migrate MAC data from its existing platform to a newer environment and the LDS. MHEC, in partnership with MSDE have co-located a new Oracle-based system at the Department of Public Safety and Correctional Services (DPSCS), where the LDS system is being housed. This arrangement will require additional funding and staffing resources to maintain the new system into the future.

Finally, the current goals of the 2013 State Plan include a large emphasis on utilizing data for more effective policy analysis and achievement of State goals. While the draft of the new State Plan is not yet available for review, IT systems are already playing a larger part in education policy and budgeting in the near future through LDS and StudentStat, which has followed in the footsteps of StateStat and BayStat.

Given the aging IT infrastructure, the growing emphasis on data usage for accountability and public policymaking, and growing requirements in general for reporting on data, the Secretary should comment on why MHEC is not currently on any Department of Information Technology plan to upgrade MHEC's OIS systems. The Secretary should also comment on whether any other improvements have or will be made to MHEC's OIS system in order to transmit data and communicate with LDS.

3. Nursing Supply and Demand in Maryland

Maryland, like many other states, is projected to have a shortage in nurses due to rapidly increasing demand for health care. In 2005, the General Assembly directed MHEC to perform the Maryland Nursing Program Capacity Study. MHEC, with the Maryland Board of Nursing, published the report in 2006, which stated Maryland would need over 62,000 registered nurses in 2012 and nearly 75,000 in 2016. The report predicted a shortage of 11,000 to 20,000 registered nurses in Maryland in 2012 without any new policies. Currently, MHEC believes the ongoing recession has made workforce shortage forecasting increasingly difficult, so it has not published newer figures. A 2011 report from the Governor's Workforce Investment Board, *Preparing Maryland's Workforce for Health Reform: Health Care 2020*, states Maryland should increase its health professionals (physicians, physician assistants, and nurses) by 10 to 20% over the next decade.

Despite the need, UMB's program is at capacity, and recently UMB has turned away about 30 qualified applicants each year due to a lack of program resources. Other nursing programs at BSU, CSU, MSU, Salisbury University, and Towson University (TU) are not turning away qualified applicants but are nearly full. In response, many private higher education institutions have ramped up capacity. In 2010, Notre Dame of Maryland University began a new undergraduate nursing program, and in recent years, the Johns Hopkins University has expanded its program.

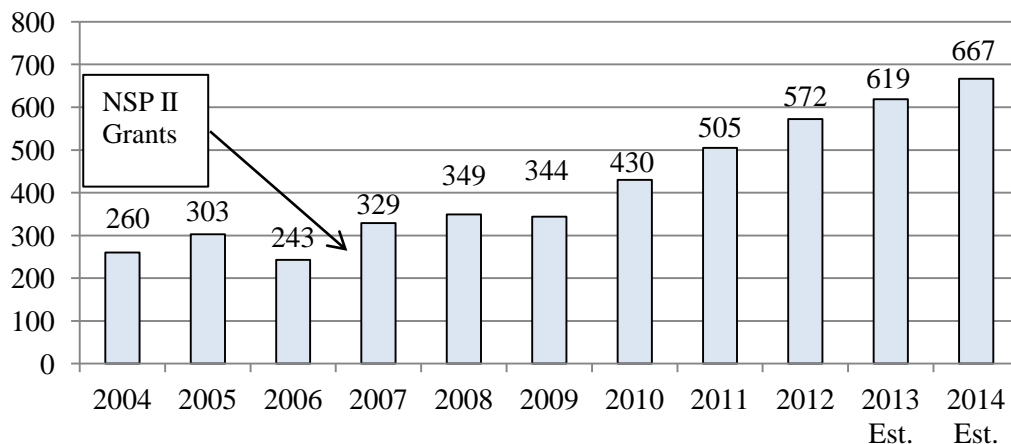
Currently, there is a shortage of master's level nursing programs, which may impact the future supply of nurse faculty and limit the ability of nursing programs to increase enrollment. MHEC's

signature program to address the shortage is NSP II. The program awards competitive institutional grants and implements statewide initiatives that assist students and faculty through scholarships and grants. Funding for NSP II, which began July 1, 2005, is generated through a 0.1% increase in the rates for all hospitals in the State adopted by the Maryland Health Services Cost Review Commission. Legislation enacted in 2006 (Chapter 221) created a nonlapsing special fund for NSP II revenues so that funds may be carried forward to future fiscal years. The first competitive institutional grants were awarded in fiscal 2007, and six rounds of grants have been awarded to date. Approximately \$8.8 million is available annually to NSP II; however, the hospital fee was suspended for 23 months from February 2009 to January 2011 due to higher than anticipated revenue and lower than anticipated initial proposals.

Overall, by the end of fiscal 2012, \$51 million has been awarded through 67 competitive grants. The final round of new competitive grants will be awarded in fiscal 2014, and statewide initiatives will last be awarded in fiscal 2015. Fiscal 2018 will be NSP II's last year of operation, and the program is expected to close with no fund balance or carry-forward funds.

Exhibit 11 shows the number of master's and doctoral degrees awarded in nursing in Maryland from fiscal 2004 to 2014. The number of these degrees has increased 73.8%, from 329 to 572 per year, between fiscal 2007, the first year of NSP II, and fiscal 2012. This far exceeds MHEC's 2013 goal of 350 graduates per year. These graduates are themselves qualified to teach in Registered Nurse (RN) and Bachelor of Science in Nursing (BSN) programs. However, in fiscal 2012, the program began to prioritize doctoral degrees as these are increasingly preferred for nursing faculty, even at the community college level.

Exhibit 11
Master's and Doctoral Nursing Degrees Conferred
Fiscal 2004-2014



NSP II: Nursing Support Program II

Source: Governor's Budget Books, Fiscal 2005-2014

The Secretary should comment on whether NSP II should be renewed beyond fiscal 2018 and whether MHEC tracks workforce trends in targeted work shortage career fields, like nursing.

Magnet Status for Hospitals

In the field of nursing, the two most common degrees are an associate's degree in nursing (RN) and a BSN. Both degrees enable a person to take the licensing examination for nursing, the National Council Licensure Examination.

All of Maryland's 16 community colleges, including Baltimore City Community College, offer coursework in nursing, but these institutions award a certificate or associate's degree in nursing. The BSN is perceived as more helpful toward career development and is growing in demand as many hospitals now require a BSN for entry-level positions. This is partially driven by the American Nurses Credentialing Center, which runs the Magnet Recognition Program for hospital accreditation, the "ultimate credential for high quality nursing." The Magnet status is partially derived from the educational attainment of the nursing staff, which necessarily prioritizes BSNs over RNs. At a time when many believe there is a shortage of nurses in Maryland, some nurses may not be able to find jobs as easily as before.

The Secretary should comment on the implications of this shift in credential preferences and how Maryland's nursing education infrastructure can and should respond.

Recommended Actions

1. Concur with Governor’s allowance.

However, to the extent that the General Assembly reduces general and Higher Education Investment Fund spending to the selected four-year institutions, the Department of Legislative Services recommends a concomitant reduction to the Joseph A. Sellinger Funding Formula in an amount calculated by the funding formula percentage.

2. Add the following language to the general fund appropriation:

. provided that \$4,900,000 in general funds designated to enhance the State’s four historically black institutions may not be expended until the Maryland Higher Education Commission submits a report to the budget committees outlining how the funds will be spent. The budget committees shall have 45 days to review and comment on the report.

Explanation: This annual language restricts the expenditure of funds until the commission reports to the budget committees on the plans for spending funds designated to enhance the State’s four historically black institutions.

Information Request	Author	Due Date
Enhancement expenditure report	Maryland Higher Education Commission	July 1, 2013

3. Adopt the following narrative:

Report on Outcomes of Students Participating in Access and Success Programs by Cohort: The committees understand that as part of the State’s agreement with the federal Office for Civil Rights, the State has provided annual funding to Maryland’s public historically black institutions (HBI) to improve retention and graduation rates. From fiscal 2001 to 2006, the funds were budgeted through the Maryland Higher Education Commission (MHEC) and released after each HBI submitted proposals to MHEC outlining how the funds would be spent in the coming year. Beginning in fiscal 2007, Access and Success funds were appropriated directly to the HBIs. The committees request that MHEC collect progression, retention, and graduation data from each public HBI on all students participating in the Access and Success program in fiscal 2013. Data should be analyzed and presented by institution and program. Data should include the throughput completion rate in credit-bearing coursework for required remedial classes. The report should include a summary of fiscal 2013 programs supported by Access and Success funds and a statement from each institution on how findings from the 2012 report have been used to inform and improve programs and student services supported by Access and Success funds. The report shall be submitted by October 15, 2013, and every year thereafter.

R62I0001 – Maryland Higher Education Commission

Information Request	Author	Due Date
Report on the fiscal 2013 outcomes by cohort of students participating in Access and Success programs	MHEC	October 15, 2013, and annually thereafter

Updates

1. Historically Black Institutions’ Funding Lawsuit Ruling Pending

In 2006, the Coalition for Equity and Excellence in Maryland Higher Education, Inc. brought suit against the State for alleged violations of the Civil Rights Act of 1964 and the Equal Protection Clause of the U.S. Constitution – both of which protect against discrimination on the basis of race, color, or national origin. The coalition argues operational budget funding, program duplication, and mission statement policies and practices are traceable to a *de jure* system of segregation and continue to have a discriminatory effect on the HBIs in the State. The State requested the opportunity to negotiate a settlement, and in June 2011, the court signed an order referring the matter to a magistrate judge for mediation. The plaintiffs include former, current, and prospective students of HBIs in the State. The parties did not reach an agreement, and a trial began on January 3, 2012.

Since 1969, the United States Office for Civil Rights (OCR) has required Maryland to submit plans to remove all vestiges of its formerly segregated system of higher education. Over the next 30 years, Maryland submitted and resubmitted various plans to OCR in order to enhance its public HBIs – BSU, CSU, MSU, and UMES. In December 2000, the State and OCR entered into a five-year partnership agreement that included a commitment from the State to further enhance its four HBIs and to improve higher education opportunities for African American students.

Additionally, Maryland must comply with federal laws regarding unnecessary duplication of academic programs as established by the Supreme Court in *United States v. Fordice*, 505 U.S. 717 (1992). The court opined that a traditionally white institution (TWI) could not duplicate nonbasic bachelor’s or graduate-level courses that are similar to existing courses at HBIs within close geographic proximity, unless sound educational justification exists. Under Maryland law, if an institution’s objection to another institution’s proposed academic program cannot be resolved, a final decision is made by MHEC, and that decision is not subject to further appeal or judicial review.

A 2005 decision by the Secretary of Higher Education authorized TU, a TWI, to offer a joint Masters of Business Administration (MBA) program with the University of Baltimore (UB). MSU filed an objection. In November 2005, MHEC reaffirmed the decision to allow TU and UB to implement the new joint MBA program. Prompted in part by this action, on October 13, 2006, the Coalition for Equity and Excellence in Maryland Higher Education, Inc. filed suit in Baltimore City against MHEC.

A bench trial began in January 2012 and final oral arguments were held in October 2012. A final ruling from the District Court is pending. The State and the plaintiffs are permitted to reach a settlement any time prior to final ruling and judgment (after exhaustion of all appeals). A settlement agreement would likely require the approval of the Board of Public Works. If there were any commitment to future funding in a settlement agreement, it would require the Governor to include such funding in the annual budget bill and the General Assembly to approve the funding.

Current and Prior Year Budgets

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

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2012					
Legislative Appropriation	\$51,495	\$14,813	\$4,493	\$203	\$71,004
Deficiency Appropriation	3,869	0	0	0	3,869
Budget Amendments	29	3,600	2	571	4,202
Reversions and Cancellations		-1,367	-1,694	-331	-3,392
Actual Expenditures	\$55,394	\$17,046	\$2,800	\$443	\$75,683
Fiscal 2013					
Legislative Appropriation	\$47,132	\$18,979	\$2,972	\$115	\$69,199
Budget Amendments	0	22	2	0	24
Working Appropriation	\$47,132	\$19,001	\$2,974	\$115	\$69,223

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

Fiscal 2012

General funds increased \$29,052 to account for the one-time \$750 State employee bonus appropriated in DBM to the various State agencies.

A deficiency appropriation added \$3,869,095 in general funds: \$2,053,000 covered expenses related to MHEC's relocation from Annapolis to Baltimore, and \$990,000 provided funds to secure legal services for representation for the Coalition in Equity and Excellence in Maryland Higher Education lawsuit. The remainder, \$825,125, came from various grants reverted in fiscal 2011 and spent in fiscal 2012.

Special funds increased \$2,233,532 overall due to an increase of \$1,000,000 from a Complete College America grant whose amount was not known prior to budget enactment. Funds also increased \$2,600,000 from unspent NSP II funds carried forward from prior years. A decrease of \$59,252 occurred from grant funds not spent due to application reviews of requesting recipients. A cancellation of \$1,307,000 is fund balance from NSP II and other health grants that MHEC will carry forward to fiscal 2013.

Federal funds decreased \$1,692,524 overall. Funds decreased \$1,471,476 from the expiration in the previous year of the educational grants. The remainder came from staff departures within MHEC's federal programs.

Reimbursable funds increased \$240,010 overall. Increases included \$241,010 to bring the MD College Aid Processing System online and \$330,310 for related higher education database collections system. Funds decreased \$331,310 due to lower Race to the Top funds needed and lower Workforce Investment charges. A memorandum of understanding (MOU) with MSDE will bring in additional LDS funding in future fiscal years to cover this shortfall.

Fiscal 2013

Special funds increased \$21,945 and federal funds increase \$2,227 to allocate the cost-of-living adjustment. Reimbursable funds increased \$75,000 to fund an MOU for a new Adult Learning position to coordinate between MHEC and the Maryland Department of Labor, Licensing, and Regulation.

**Object/Fund Difference Report
Maryland Higher Education Commission**

<u>Object/Fund</u>	<u>FY 12 Actual</u>	<u>FY 13 Working Appropriation</u>	<u>FY 14 Allowance</u>	<u>FY 13 - FY 14 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	50.60	50.60	50.60	0.00	0%
02 Contractual	6.57	3.50	7.40	3.90	111.4%
Total Positions	57.17	54.10	58.00	3.90	7.2%
Objects					
01 Salaries and Wages	\$ 3,756,362	\$ 4,442,860	\$ 4,575,819	\$ 132,959	3.0%
02 Technical and Spec. Fees	377,194	181,112	275,594	94,482	52.2%
03 Communication	72,770	80,007	70,395	-9,612	-12.0%
04 Travel	50,328	31,322	34,205	2,883	9.2%
06 Fuel and Utilities	19,112	18,769	21,269	2,500	13.3%
07 Motor Vehicles	67,173	63,773	67,433	3,660	5.7%
08 Contractual Services	1,855,990	690,353	572,960	-117,393	-17.0%
09 Supplies and Materials	32,878	27,703	28,578	875	3.2%
10 Equipment – Replacement	30,072	0	0	0	0.0%
11 Equipment – Additional	58,694	2,500	2,500	0	0%
12 Grants, Subsidies, and Contributions	66,618,107	63,263,280	69,699,572	6,436,292	10.2%
13 Fixed Charges	715,217	421,203	431,161	9,958	2.4%
14 Land and Structures	2,029,553	0	0	0	0.0%
Total Objects	\$ 75,683,450	\$ 69,222,882	\$ 75,779,486	\$ 6,556,604	9.5%
Funds					
01 General Fund	\$ 55,393,526	\$ 47,132,077	\$ 55,171,782	\$ 8,039,705	17.1%
03 Special Fund	17,046,149	19,001,344	16,874,292	-2,127,052	-11.2%
05 Federal Fund	2,800,379	2,974,278	3,615,467	641,189	21.6%
09 Reimbursable Fund	443,396	115,183	117,945	2,762	2.4%
Total Funds	\$ 75,683,450	\$ 69,222,882	\$ 75,779,486	\$ 6,556,604	9.5%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.

**Fiscal Summary
Maryland Higher Education Commission**

<u>Program/Unit</u>	<u>FY 12 Actual</u>	<u>FY 13 Wrk Approp</u>	<u>FY 14 Allowance</u>	<u>Change</u>	<u>FY 13 - FY 14 % Change</u>
01 General Administration	\$ 8,812,937	\$ 5,824,251	\$ 5,781,023	-\$ 43,228	-0.7%
02 College Prep/Intervention Program	1,169,906	750,000	750,000	0	0%
03 Joseph A. Sellinger Program	38,445,958	38,056,175	41,291,975	3,235,800	8.5%
07 Educational Grants	11,011,680	10,021,237	11,251,725	1,230,488	12.3%
30 Private Donation Incentive Grants	311,391	0	0	0	0%
34 Major Information Technology Development Projects	201,010	241,010	201,010	-40,000	-16.6%
38 Nurse Support Program II	15,749,685	13,810,209	15,503,753	1,693,544	12.3%
39 Health Personnel Shortage Incentive Grant Program	-19,117	520,000	1,000,000	480,000	92.3%
Total Expenditures	\$ 75,683,450	\$ 69,222,882	\$ 75,779,486	\$ 6,556,604	9.5%
General Fund	\$ 55,393,526	\$ 47,132,077	\$ 55,171,782	\$ 8,039,705	17.1%
Special Fund	17,046,149	19,001,344	16,874,292	-2,127,052	-11.2%
Federal Fund	2,800,379	2,974,278	3,615,467	641,189	21.6%
Total Appropriations	\$ 75,240,054	\$ 69,107,699	\$ 75,661,541	\$ 6,553,842	9.5%
Reimbursable Fund	\$ 443,396	\$ 115,183	\$ 117,945	\$ 2,762	2.4%
Total Funds	\$ 75,683,450	\$ 69,222,882	\$ 75,779,486	\$ 6,556,604	9.5%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.