

R62I0001
Maryland Higher Education Commission

Operating Budget Data

(\$ in Thousands)

	<u>FY 15</u> <u>Actual</u>	<u>FY 16</u> <u>Working</u>	<u>FY 17</u> <u>Allowance</u>	<u>FY 16-17</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$56,115	\$56,232	\$65,831	\$9,599	17.1%
Deficiencies and Reductions	0	311	-7	-318	
Adjusted General Fund	\$56,115	\$56,543	\$65,824	\$9,281	16.4%
Special Fund	12,356	20,144	20,433	290	1.4%
Deficiencies and Reductions	0	0	-1	-1	
Adjusted Special Fund	\$12,356	\$20,144	\$20,432	\$288	1.4%
Federal Fund	2,178	2,761	2,462	-298	-10.8%
Deficiencies and Reductions	0	0	0	0	
Adjusted Federal Fund	\$2,178	\$2,761	\$2,462	-\$299	-10.8%
Reimbursable Fund	226	716	481	-236	-32.9%
Deficiencies and Reductions	0	0	0	0	
Adjusted Reimbursable Fund	\$226	\$716	\$481	-\$236	-32.9%
Adjusted Grand Total	\$70,875	\$80,164	\$89,199	\$9,035	11.3%

- After adjusting for back of the bill reductions and deficiencies, general funds increase approximately \$9.3 million, or 16.4%, in the fiscal 2017 allowance. Special funds increase by \$0.3 million, or 1.4%.
- Overall, funds increase approximately \$9.0 million, or 11.3%.

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

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Personnel Data

	<u>FY 15</u> <u>Actual</u>	<u>FY 16</u> <u>Working</u>	<u>FY 17</u> <u>Allowance</u>	<u>FY 16-17</u> <u>Change</u>
Regular Positions	57.60	58.60	55.60	-3.0
Contractual FTEs	<u>6.94</u>	<u>13.33</u>	<u>10.33</u>	<u>-3.0</u>
Total Personnel	64.54	71.93	65.93	-6.0

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	5.58	10.03%
Positions and Percentage Vacant as of 12/31/15	10.00	17.06%

- Positions shown here include Student Financial Assistance programs and the programs providing State support to community colleges and independent institutions.
- In fiscal 2004, Maryland Higher Education Commission (MHEC) had 73.6 full-time regular positions. From fiscal 2004 to 2017, MHEC regular positions decreased 18.0 positions, or about 25%. Over the same period, contractual positions fluctuated, but overall decreased to 8.3 positions.
- The 2017 allowance removes 3.0 regular positions, including the 2.0 positions gained in the 2016 allowance. Two positions go back to the Department of Labor, Licensing, and Regulation (DLLR), which deals with the Workforce Investment Act, and the other position goes under the purview of the Department of Information Technology (DoIT), although the employee will physically remain at MHEC. The first 2.0 positions reflect the decrease of \$236,000 in reimbursable funds on the cover sheet. The allowance also shows the removal of 3.0 contractual positions due to the conclusion of a workforce development grant with DLLR and other expiring grants from the federal government and the Lumina Foundation.
- As of December 31, 2015, the commission had 10.0 vacancies, a rate of 17.1%. Budgeted turnover for fiscal 2017, however, is only 5.6 positions, or 10.0%. Since fiscal 2004, the MHEC mid-fiscal year vacancy rate has fluctuated greatly from a low of 4.2% in fiscal 2007 to a high of 21.8% in fiscal 2012. The average over this time period is about 10.8%. While there appears to be a mismatch between the vacancy rate and the turnover rate, MHEC is one of several agencies transferring its human resources services to the Department of Budget and Management in fiscal 2016 as part of a shared services agreement to speed up its hiring process and ensure it complies with all human resource regulations and best practices. This is similar to how DoIT uses an enterprise system model to manage information technology projects for smaller agencies. A year from now, it is expected that MHEC vacancy issues will be significantly improved.

Analysis in Brief

Major Trends

Achievement Gap in Retention Rates Remains: The achievement gap in retention between all students and Hispanic and African American students can be measured using annual data from MHEC. Overall, Hispanic students, probably due to small enrollment numbers, outperform all students until the most recent cohort. African American students are retained at a significantly lower rate than all students but have shown recent improvements.

Achievement Gap in Graduation Rates Unchanged: Similar to retention rates, the achievement gap in graduation rates for all students and Hispanic and African American students can be measured with MHEC data. While Hispanic students continue to graduate at higher rates than all students in the 2007 cohort, the achievement gap of African American students is mostly unchanged in the most recent cohort.

Meeting the State’s Workforce Shortages: In January 2015, a successful program to increase the capacity of nursing programs in Maryland was extended for another five years. Overall, it has successfully driven an increase in nursing credentials.

Issues

Campus Sexual Misconduct Policies and MHEC: New federal regulations on sexual assault policies took effect in summer 2015. This issue will review MHEC’s efforts to ensure that all campuses in the State, public and private, will meet these new guidelines and in developing a campus climate survey.

Competitor State Funding Guideline Attainment: Since 1999, MHEC has evaluated State funding for public four-year institutions by comparing Maryland schools to peers in other states. MHEC recently adopted a new model that uses only institutions from competitor states, a model first recommended by the Commission to Develop the Maryland Model for Funding Higher Education in 2008.

College Access and Outreach Plan: Recent legislation has pushed MHEC to develop an outreach plan focused on low-income high school students to make them more aware of opportunities for college enrollment and financial aid. This issue will look at what MHEC will do in 2016 to meet this challenge.

Recommended Actions

- | | <u>Funds</u> |
|--|---------------------|
| 1. Reduce general funds for the Sellinger formula grant. | \$ 141,204 |

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2. Add language indicating legislative intent on the transfer of institutional grants.
 3. Add language restricting enhancement funds for Historically Black Colleges and Universities.
 4. Modify budget language as a technical amendment to reflect a reduction to educational grants.
 5. Reduce general fund support for educational grants. 1,133,000
 6. Adopt narrative requesting a report on best practices and progress toward the 55% completion goal.
 7. Adopt narrative requesting a report on the fiscal 2016 outcomes of Access and Success programs.
- Total Reductions** **\$ 1,274,204**

Updates

Academic Mission Review: This update will review the few changes from the last review of mission statements made four years ago.

Measuring Support for and Outcomes of Nontraditional Students: MHEC has again reviewed annual outcomes of students in Access and Success programs and also drawn attention to better ways that the commission and institutions can track, support, and mark the progress of nontraditional students.

Historically Black Colleges and Universities' Lawsuit Ruling Pending: A lawsuit filed in 2006 alleging that Maryland's system of higher education remains segregated and in violation of the federal equal opportunity laws received a finding of fact from the court in 2015. The court found that Maryland has properly funded its historically black colleges and universities but violated law by duplicating certain degree programs. The court ordered the State and plaintiffs to return to mediation, but mediation again failed.

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Operating Budget Analysis

Program Description

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

The key goals of MHEC are as follows:

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

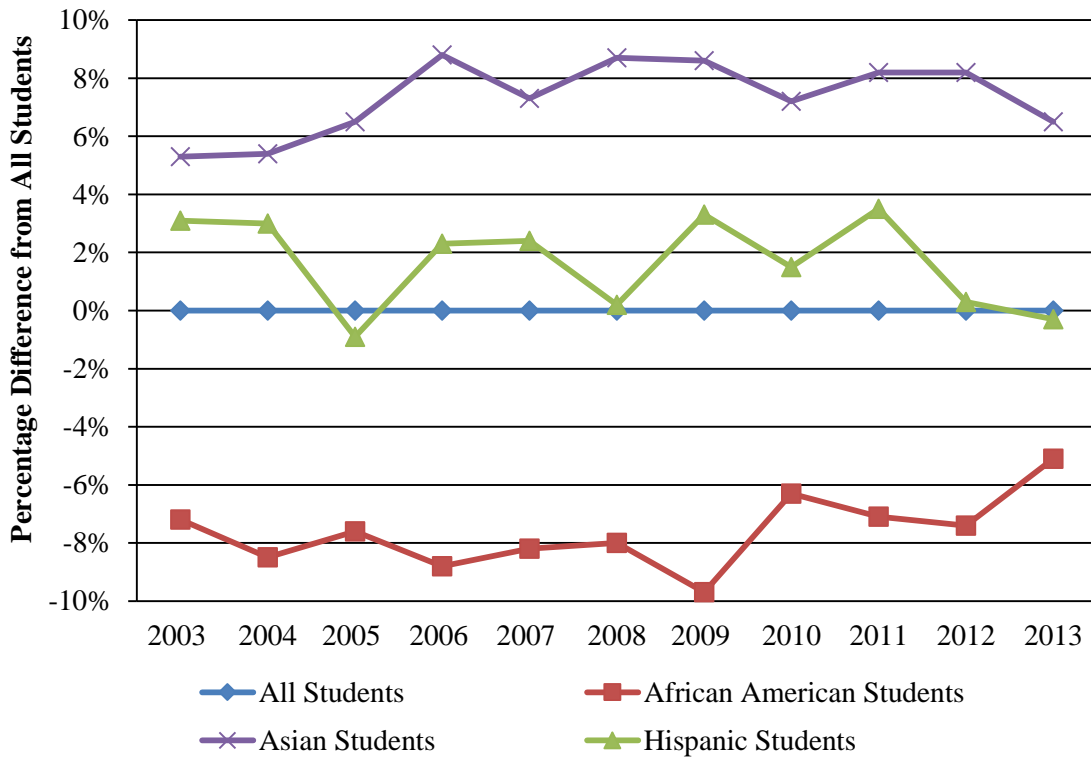
Performance Analysis: Managing for Results

MHEC has outlined several large policy goals in *Maryland Ready*, the 2013 to 2017 *State Plan for Postsecondary Education*. MHEC aims to maintain and strengthen higher education institutions and to ensure accessibility for Maryland's diverse citizenry. Progress in these areas will help achieve the State's college completion agenda to increase degree attainment among Maryland adults to 55% by 2025. To improve outcomes for historically underserved or underrepresented groups, who represent a growing portion of total student enrollment, MHEC works to reduce the achievement gap between minority students and all students; award more degrees to minority students; and target degree growth in high-demand areas.

1. Achievement Gap in Retention Rates Remains

Retention rates indicate how well Maryland's students are progressing toward degree attainment. **Exhibit 1** shows the percentage point difference between the second-year retention rate for all students and African American, Asian, and Hispanic students entering public four-year institutions between 2003 and 2013. The years represent cohorts of first-time, full-time (FT/FT) students entering in the fall semester, *i.e.*, 2010 cohort reflects students enrolling in fall 2010, which is academic year 2010-2011, or fiscal 2011. Although not shown here, the 2013 cohorts reached all-time highs for two-year retention for all Maryland students (85.1%), African American students (80.0%), and Asian students (91.6%). Hispanic students (84.8%) have fallen slightly below the record set by the 2011 cohort (86.0%) and for the first time in eight years, have fallen below all students' retention rates. The performance of Hispanic students is important because these students are the fastest growing demographic, both as residents and as students, in Maryland. MHEC attributed part of the strong performance of Hispanic students from fiscal 2006-2012 to the overall low enrollment of Hispanic students in higher education. Out of roughly 357,000 students across all Maryland institutions in fall 2013, only about 24,000, or about 7.0%, were Hispanic. This was also the first year that Hispanic enrollment surpassed Asian enrollment to become the second largest minority student population. Although not shown in Exhibit 1, from 2003 to 2013, Hispanic students' retention rates at public four-year institutions have been no lower than 78.9%.

**Exhibit 1
Achievement Gap in Second-year Retention Rates
2003-2013 Cohorts**



Note: Only for public four-year institutions.

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

The retention rate for African American students was consistently about 8.0 percentage points below all students from 2003 to 2008, before dropping 2.0 percentage points and then jumping 4.0 percentage points in 2010. It then fell in the 2011 and 2012 cohorts, before jumping up again in 2013. The percentage point gap between all students and African American students in 2013, 5.1, is the smallest achievement gap since the 2000 cohort (not shown in Exhibit 1), which was 6.6. MHEC has noted that the cohort size for African American students peaked at over 5,100 in 2008, but fell below 4,000 in 2013, so it is important for MHEC to ascertain what proportion of the change in the retention rate is due to variation in cohort size versus actual institutional improvements. While White student cohorts also declined over the same time period, it was not to the same degree and, as mentioned above, the Hispanic cohort has been steadily growing.

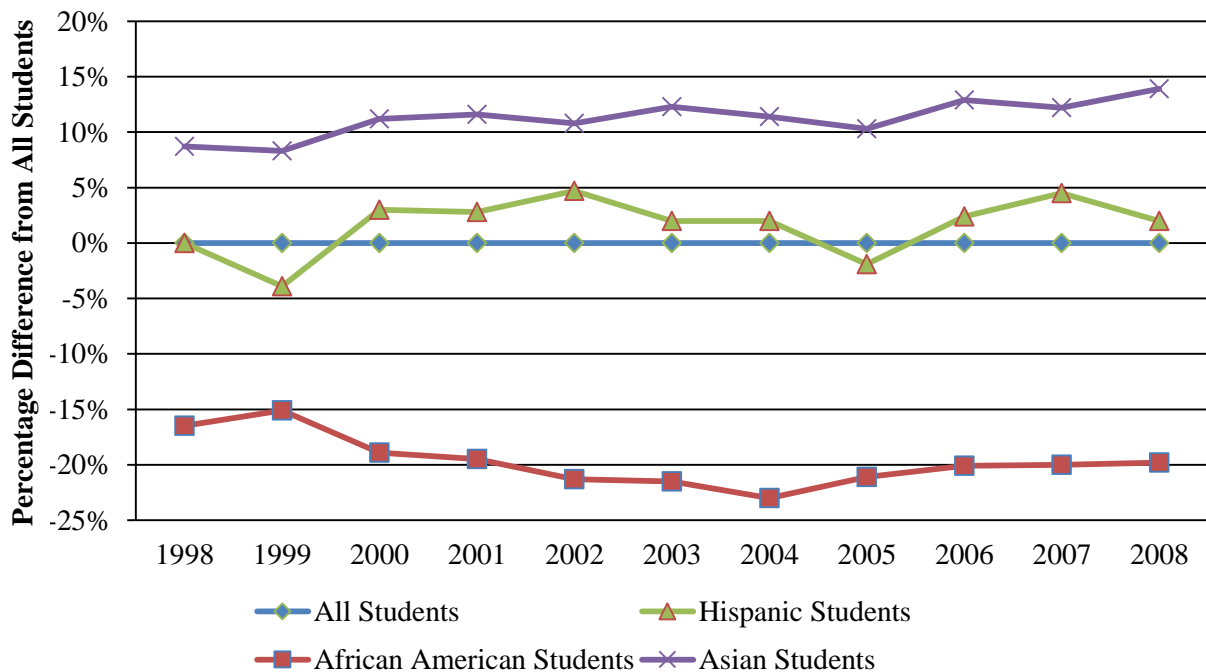
MHEC reports that the State’s college completion agenda will focus on enrolling and retaining more students of all backgrounds and increasingly more nontraditional students who are not captured

in this exhibit because they do not enroll as FT/FT students. (Transfer students, who are also not captured in FT/FT data, represent another rapidly growing demographic on campuses.) More on this topic will be discussed in Issue 4. Specific strategies include redesigning courses in remedial and introductory classes, increasing summer bridge programs, and reaching out to growing or underrepresented demographics, such as Hispanic students, adult students, and military veterans.

2. Achievement Gap in Graduation Rates Unchanged

Retention rates foreshadow graduation rates, which represent the ultimate goal for most students and reflect how effectively public four-year institutions in Maryland educate students. **Exhibit 2** shows the percentage difference between six-year graduation rates for the same student groups shown in Exhibit 1. As data for six-year graduation rates by cohort necessarily lags two-year retention rates by cohort, Exhibit 2 only shows cohort years 1998 to 2008.

Exhibit 2
Achievement Gap in Six-year Graduation Rates
1998-2008 Cohorts



Note: Only for public four-year institutions.

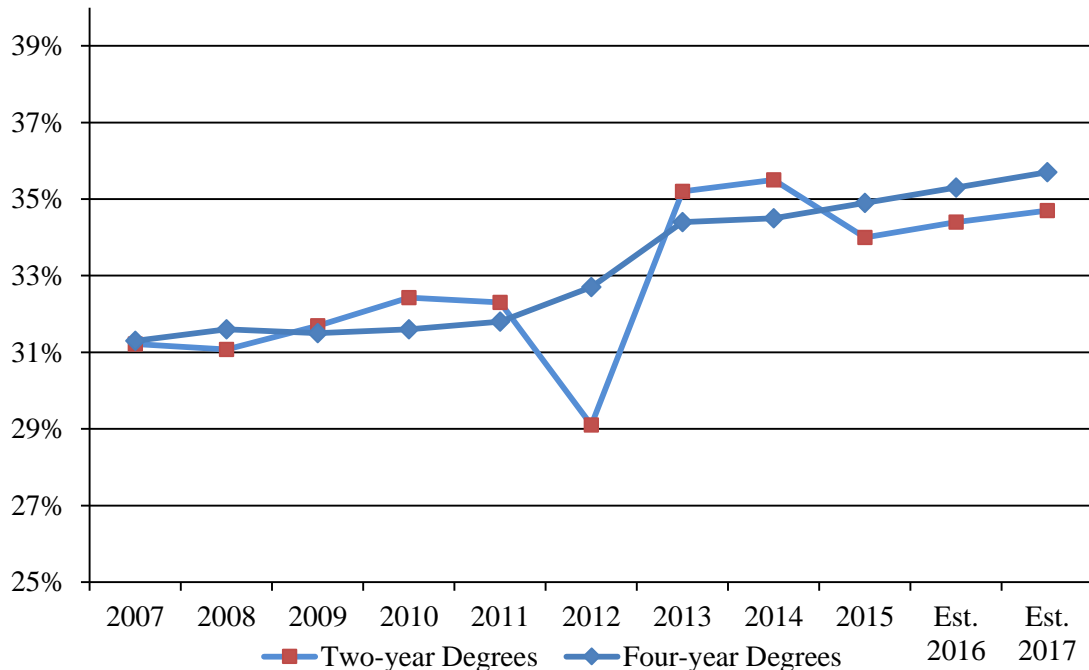
Source: Maryland Higher Education Commission, Enrollment and Degree Information Systems

From 1998 to 2008, Hispanic students have graduated at similar or higher rates than all students in 9 out of 11 years and were below all students in only 2 years. Given that Hispanic students displayed relatively lower retention rates in the 2008 cohort in Exhibit 1, it is not surprising that the graduation rate achievement gap in Exhibit 2 is slightly lower. Since 2000, Asian students have consistently graduated at least 10 percentage points higher than all students.

The achievement gap for African American students generally grew from the 1999 cohort to the 2004 cohort, before shrinking in 2005 and 2006, while 2007 and 2008 were unchanged. However, even with some progress recently, the achievement gap in 2008 was 19.8 percentage points, compared to only 15.0 percentage points in 1999. To ensure educational opportunity for Maryland's diverse citizenry, MHEC had set a cohort year 2007 (fiscal 2013) goal of reducing the six-year graduation rate achievement gap for African American students to 18.0 percentage points. The new goal is to reduce the African American achievement gap to below 16.0 percentage points by cohort year 2012 (fiscal 2018). This, however, is not necessarily progress compared to where the State was with the 1999 cohort's outcomes. Given the volatility in African American retention rates in the 2009 and 2010 cohorts, it may be difficult to predict what the cohorts' six-year graduation rates will be.

The achievement gap effects 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 3.5 percentage points between fiscal 2007 and the 2017 estimate of 34.7%. This rate 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 that the rate will increase again in future fiscal years, surpassing 40.0% in the next decade. Meanwhile, the percentage of bachelor's degrees awarded to minority students was essentially flat from fiscal 2007 to 2011, before climbing rapidly in fiscal 2012 and 2013, then slowing down in 2014 through 2017. Other than the anomalous 2012 data, more associate's degrees were going to minority students from 2009 through 2014. The switching of the order appears to have more to do with community colleges than four-year institutions, which often have more volatile outcomes. Overall, the data in the exhibit shows the rates appear to move together, with the exception of associate's degrees in 2012. The stagnant rates from fiscal 2007 to 2011 may be the effect of the recession, and MHEC believes minority degree attainment will continue its upward climb as the economy improves and demographic trends continue. This rate may grow even faster if the achievement gaps shown in Exhibits 1 and 2 are reduced.

Exhibit 3
Bachelor’s and Associate’s Degrees
Percentage Awarded to Racial and Ethnic Minorities
Fiscal 2007-2017 Est.



Source: Governor’s Budget Books, Fiscal 2006-2016; Maryland Higher Education Commission

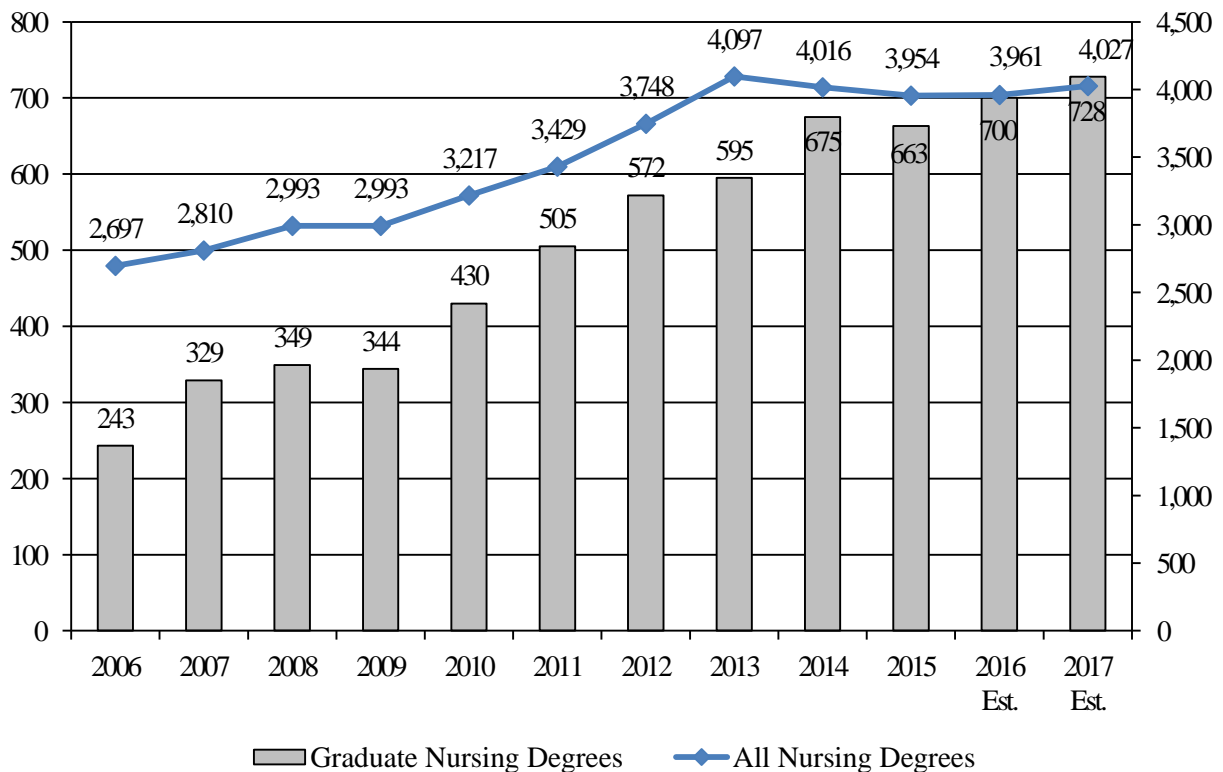
3. Meeting the State’s Workforce Shortages

MHEC supports Maryland’s economy by coordinating programs related to workforce shortages, particularly in health-related occupations. One such shortage is in graduate-level nursing programs, which may negatively impact the future supply of nurse faculty and limit the ability of nursing programs to increase enrollment capacity. The MHEC Nurse Support Program (NSP) II includes statewide initiatives and competitive institutional grants designed to increase the capacity of nursing programs, particularly in producing master’s- and doctoral-level nurses who can serve as nurse educators in associate’s degree and bachelor’s degree programs.

Exhibit 4 shows the number of master’s and doctoral degrees awarded in nursing in Maryland from fiscal 2006 to 2017, as well as the total number of nursing graduates produced each year. Since the first round of NSP II grants in fiscal 2006 to 2015 actual, the number of master’s and doctoral degrees awarded per year in nursing has increased about 173%, from 243 to 663. This far exceeds the original MHEC goal of 350 graduates by 2013. The new goal set by MHEC is to maintain

600 graduates a year through fiscal 2018. Additionally, while all nursing degrees increased 19.3% over the five-year period of fiscal 2006 to 2010, it grew by another 15.3% over the next five-year period, fiscal 2011 to 2015. Assuming some lag between when NSP II funding could train more nursing faculty and when those nursing faculty could then grow Maryland’s nursing programs, it does seem likely that NSP II had an effect in increasing total nursing graduates in Maryland, especially after fiscal 2009. Over this same time period, according to the Maryland Board of Nursing, the National Council Licensure Examination first-time pass rate for nursing associate’s degrees declined from 91.6% to 81.7% and the same rate for bachelor’s degrees fell from 84.2% to 77.1%, likely due to a greater number of nursing students. The total number of nursing degrees declined slightly in 2015 due to fewer associate’s degrees, which is likely part of an industry shift toward requiring bachelor’s degrees and higher in nursing. For example, in fiscal 2012, the program began to prioritize doctoral degrees as these are increasingly preferred for nursing faculty, even at the community college level. The funding source for NSP II was renewed in January 2015 for an additional five years.

Exhibit 4
Nursing Degrees Produced
Fiscal 2006-2017 Est.



Source: Maryland Higher Education Commission

Fiscal 2016 Actions

Proposed Deficiencies

There is one proposed deficiency for MHEC administration in the 2017 allowance that increases the fiscal 2016 working appropriation by \$0.3 million for legal services required for the ongoing lawsuit with Historically Black Colleges and Universities that is discussed in an update at the end of this analysis. MHEC also has three deficiencies within its Aid to Community Colleges programs and two within its Office of Student Financial Assistance programs, which will be discussed in detail in their respective budget analyses.

Cost Containment

The fiscal 2016 cost containment had an additional 2% across-the-board reduction in general funds for MHEC of \$2.1 million and a \$6.5 million reduction to Sellinger aid. There was also a contingent transfer of \$1.7 million from the fund balance of the Health Personnel Shortage Incentive Grant (HPSIG) to the general fund. Both of the 2% reductions proved to be a great challenge for MHEC as it is primarily a grant pass-through organization, so there simply is not much to reduce in MHEC given that the administrative budget for salaries and other necessary office functions amount to only about \$6.0 million. MHEC ended up taking \$1.6 million of the 2% reduction within Educational Excellence Awards, the State's largest need-based financial aid program, and for which a deficiency appropriation is provided. The remainder was taken out of personnel and administrative costs mostly by leaving positions vacant.

The Secretary of Higher Education should comment on whether special fund fees have proven sufficient to replace lost general funds.

Proposed Budget

As shown in **Exhibit 5**, after a back of the budget bill reduction to health insurance costs, the fiscal 2017 allowance increases the overall budget of MHEC by \$9.0 million, or 11.3%. General funds grow mostly from \$8.0 million in Sellinger aid funding formula for independent institutions, a new \$1.1 million information technology (IT) grant for SMCM, and about \$0.2 million in new funding for outreach programs, while special funds grow slightly due to increased administrative fee revenue. Reimbursable funds decline due to 2.0 positions returning to the Department of Labor, Licensing, and Regulation (DLLR), and 1.0 being transferred to the Department of Information Technology. Federal funds decline due to the conclusion of grants, discussed later in this analysis. Finally, personnel increments, budgeted within Department of Budget and Management (DBM) – Personnel, total \$89,000 for MHEC in fiscal 2017. Of that amount, about \$79,000 is general funds.

Exhibit 5
Proposed Budget
Maryland Higher Education Commission
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2015 Actual	\$56,115	\$12,356	\$2,178	\$226	\$70,875
Fiscal 2016 Working Appropriation	56,543	20,144	2,761	716	80,164
Fiscal 2017 Allowance	<u>65,824</u>	<u>20,432</u>	<u>2,462</u>	<u>481</u>	<u>89,199</u>
Fiscal 2016-2017 Amount Change	\$9,281	\$288	-\$299	-\$236	\$9,035
Fiscal 2016-2017 Percent Change	16.4%	1.4%	-10.8%	-32.9%	11.3%

Where It Goes:**Personnel Expenses**

Employees' retirement system.....	\$82
Turnover adjustments	50
Employee and retiree health insurance	24
Other fringe benefit adjustments.....	-12
Regular earnings	-40
Abolished/transferred positions (3.0 full-time equivalent).....	-284

Other Changes

Mandated increase to Sellinger formula	7,990
St. Mary's College of Maryland Information Technology Grant	1,113
College outreach	247
Other adjustments	163
Conclusion of federal grants	-298

Total **\$9,035**

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

In fiscal 2016, MHEC reorganized, changing office and position titles. Most significantly, it is grouping nearly all units into three areas: finance policy and operations (budget and financial aid); external relations and outreach (communications and grants); and program review and compliance (academic affairs). This is intended to improve the internal processes of MHEC and not affect its budget.

Across-the-board Reductions

The fiscal 2017 budget bill includes an across-the-board reduction for employee health insurance, based on a revised estimate of the amount of funding needed. This agency’s share of these reductions is about \$7,000 in general funds, \$1,200 in special funds, and \$500 in federal funds. There is an additional across-the-board reduction to abolish vacant positions statewide, but the amounts have not been allocated by agency.

Joseph A. Sellinger Formula

Exhibit 6 shows how total Sellinger aid is appropriated using the statutory formula – the per student general fund support at certain public four-year institutions is multiplied by a percentage set in statute. The Budget Reconciliation and Financing Act (BRFA) of 2014 sets this percentage for fiscal 2017 at 10.1%, an increase of 0.5 percentage points over fiscal 2016. Per full-time equivalent student (FTES) support increases to \$11,650, or \$1,287 more per student than the effective per student funding in fiscal 2016, as the final total amount of funding was set in the BRFA of 2015. This amount is then multiplied by independent college and university enrollments, which grew by only 140 students in the most recent audited data, fiscal 2015.

Exhibit 6 Sellinger Aid Formula Fiscal 2016-2017

	Working Appropriation <u>Fiscal 2016</u>	Allowance <u>Fiscal 2017</u>	DLS Proposed <u>Fiscal 2017</u>
Per FTES general funds per selected public institutions ¹	\$10,363	\$11,650	\$11,617
Statutory Sellinger Percentage	9.6%	10.1%	10.1%
General Funds x Percentage	\$995	\$1,177	\$1,173
Independent Enrollment	43,044	43,185	43,185
Sellinger Appropriation	\$42,822,240	\$50,812,427	\$50,671,223

DLS: Department of Legislative Services
FTES: full-time equivalent student

¹ This is based on the allowance without any subsequent changes.

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

The Sellinger appropriation grows to \$50.8 million in the 2017 allowance, an increase of \$8.0 million, or 18.7%. Because Sellinger aid resets every year, that is, the prior year has no direct

impact on the next year’s funding formula, the growth after a year of cost containment becomes very pronounced. The growth in fiscal 2017 is due to increased support for public four-year institutions and the increased statutory percentage because, as noted above, independent enrollment grew only 0.3%. Even with this significant increase, Sellinger aid remains \$5.2 million, or 9.3%, below its peak of \$56.1 million in fiscal 2008. This is due to repeated actions in past BRFA’s to reduce the funding percentage.

In addition to base support provided in the budget to the institutions upon which the Sellinger formula is based, the allowance amount for Sellinger was determined by also distributing \$6.8 million in enhancement funds at USM in fiscal 2017 in proportion to fiscal 2016 working State support to those same institutions. However, the fiscal 2017 health insurance reduction, although specified for higher education in the budget bill, was not factored into the Sellinger formula. Adjusting Sellinger aid for this action reduces independent support to \$50.7 million, a decrease of \$0.1 million, or less than 1% versus the allowance.

The Department of Legislative Services (DLS) recommends rerunning the Sellinger Aid formula to account for the statewide health insurance reduction. This reduces Sellinger aid in fiscal 2017 by \$141,204.

Exhibit 7 shows the allocation of Sellinger aid by institution. While enrollment information is not shown in this exhibit, only Johns Hopkins University (JHU), Washington Adventist University, and Capitol College had enrollment growth in fiscal 2015, which is used in the allowance formula. Despite this, because of the overall growth in Sellinger aid, every eligible institution receives an increase of at least 7%, with an institutional average of just over 15%, and total funding increasing by 18.3%. JHU, by far the largest eligible institution, has the largest increase and sees its share of total Sellinger aid grow from about 45% in fiscal 2016 to 47% in fiscal 2017.

**Exhibit 7
Sellinger Aid Distribution
Fiscal 2016-2017**

<u>Institution</u>	<u>Working 2016</u>	<u>Allowance 2017</u>	<u>DLS Proposed 2017</u>	<u>Working to DLS Proposed 2017</u>	
Johns Hopkins University	\$19,311,755	\$23,749,248	\$23,683,251	\$4,371,496	22.6%
Loyola University	5,103,994	6,006,224	5,989,533	885,539	17.3%
Stevenson University	3,762,980	4,343,917	4,331,846	568,866	15.1%
Mount St. Mary’s College	1,908,600	2,255,564	2,249,296	340,696	17.9%
Maryland Institute College of Art	2,215,577	2,534,849	2,527,805	312,228	14.1%
Goucher College	1,732,344	2,049,371	2,043,676	311,332	18.0%
McDaniel College	2,306,038	2,602,587	2,595,355	289,317	12.5%
Hood College	1,626,732	1,826,918	1,821,841	195,109	12.0%
College of Notre Dame	1,489,006	1,660,966	1,656,350	167,344	11.2%

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<u>Institution</u>	<u>Working 2016</u>	<u>Allowance 2017</u>	<u>DLS Proposed 2017</u>	<u>Working to DLS Proposed 2017</u>	
Washington Adventist University	754,685	896,592	894,100	139,415	18.5%
Washington College	1,564,156	1,679,051	1,674,385	110,229	7.0%
Capitol College	486,875	579,055	577,446	90,571	18.6%
St. John's College	559,498	628,085	626,340	66,842	11.9%
Total	\$42,822,240	\$50,812,427	\$50,671,223	\$7,848,983	18.3%

DLS: Department of Legislative Services

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

Sojourner-Douglass College (SDC) closed at the end of the 2014-2015 academic year following accreditation difficulties. The year before, the National Labor College closed. Although both institutions received Sellinger funding, the latter was never a member of the Maryland Independent College and University Association (MICUA), which now represents all 13 Sellinger aid-receiving institutions. Because the General Assembly specified a Sellinger funding level in the BRFA of 2015, the funding that otherwise would have gone to SDC was redistributed to other MICUA institutions.

MICUA reports that, since 1973, the State has distributed over \$1 billion through the Sellinger program. MICUA has a stated goal for member institutions to use at least 70% of Sellinger funding for need-based financial aid for Maryland residents. In fiscal 2016, 88% of funding was used this way, about the same as the prior two years. Sellinger funding not used for aid allows some flexibility for private institutions to meet other State priorities, such as education for teacher education, nursing, and diversity goals.

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 *Maryland Ready*. **Exhibit 8** shows educational grant appropriations for fiscal 2016 through 2017. While an increase over fiscal 2016, general funds for MHEC education grants in fiscal 2017 are down about 45% from an all-time high in fiscal 2006 of \$16.4 million.

Federal funds for educational grants fall \$230,000 in fiscal 2017 from fiscal 2016, reflecting the phasing out of several federal fund grants. Although MHEC received funds in the past, the newest award for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) for \$0.4 million in fiscal 2017, is budgeted within the Maryland State Department of Education's (MSDE) Aid to Education. Maryland is using the MHEC College Preparation Intervention Program's \$750,000 as matching funds for the GEAR UP six-year grant to support college preparation, access, and outreach initiatives.

Exhibit 8
Maryland Higher Education Commission Educational Grants
Fiscal 2016-2017

<u>Programs</u>	<u>Working</u> <u>2016</u>	<u>Allowance</u> <u>2017</u>	<u>\$</u> <u>Difference</u>	<u>%</u> <u>Difference</u>
<i>Federal Funds</i>				
Improving Teacher Quality	\$1,000,000	\$975,000	-\$25,000	-2.5%
College Access Challenge Grant Program	1,200,000	1,000,000	-200,000	-16.7%
John R. Justice Grant	30,000	25,000	-5,000	-16.7%
<i>Subtotal</i>	<i>\$2,230,000</i>	<i>\$2,000,000</i>	<i>-\$230,000</i>	<i>-10.3%</i>
<i>General Funds</i>				
Complete College Maryland	250,000	250,000	0	0.0%
OCR Enhancement Funds	4,900,000	4,900,000	0	0.0%
Washington Center for Internships and Academic Seminars	175,000	175,000	0	0.0%
UMB – WellMobile	285,250	285,000	-250	-0.1%
Regional Higher Education Centers	2,150,000	2,150,000	0	0.0%
St. Mary's College of Maryland IT Grant	0	1,133,000	1,133,000	
<i>Subtotal</i>	<i>\$7,760,250</i>	<i>\$8,893,000</i>	<i>\$1,132,750</i>	<i>14.6%</i>
Total	\$9,990,250	\$10,893,000	\$902,750	9.0%

IT: Information Technology

OCR: United States Office for Civil Rights

UMB: University of Maryland, Baltimore

Source: Maryland Higher Education Commission

The large increase in grants in fiscal 2017 is entirely due to a new IT grant for SMCM. SMCM received tuition stabilization funds in fiscal 2015 from this very same MHEC program. This is an unusual practice and DLS raised issues with whether this was the best way to transfer and budget these funds. For example, MSU received additional State support for financial aid in fiscal 2017, but that funding was placed directly in its budget. While SMCM is formula funded, nothing precludes the allowance from including additional funding for SMCM with language noting that it is not part of the formula. SMCM is using this funding for IT infrastructure, such as Enterprise Resource Planning (ERP) software. The State's other formula-funded institution, Baltimore City Community College (BCCC), is also developing an ERP, but is funding that entire project out of its own fund balance. Moreover, SMCM is already receiving \$1.3 million for IT infrastructure as a deficiency appropriation in fiscal 2016 and already charges students a fee for campus facilities. The deficiency is funded within the SMCM budget.

The President of SMCM should comment on why the college needs additional State support outside of its block grant, especially when another formula-funded institution, BCCC, is funding extensive IT development out of its own fund balance.

DLS is concerned this will set a precedent for other institutions seeking IT support outside of the normal routes for operating and capital budget development. Additionally, if SMCM cannot operate with the State support from its operating funding formula, their funding formula should be reviewed. **DLS recommends eliminating the new \$1.1 million grant for SMCM in fiscal 2017.**

DLS has also raised issues about fund transfers out of MHEC institutional grants. First, for both the U.S. Office for Civil Rights (OCR) enhancement funds and for a prior SMCM Stabilization Grant, funds are disbursed to State institutions outside of the budget amendment process because they are grants. While the OCR funding is annually restricted by the legislature pending a report on its proposed use, there is never actual confirmation that the funding is disbursed through the budget system. In a similar manner, it is unclear to DLS when the SMCM Stabilization Grant was actually sent to the college. Second, for the same two programs, it appears that funding may be double counted. For example, the fiscal 2015 working appropriation number in the Governor's Budget Books shows \$1.5 million for the SMCM grant in MHEC educational grants as current unrestricted revenue for SMCM. Fiscal 2016 budget bill language directed DBM and MHEC to require grant disbursements to institutions be made through budget amendments in order to notify the General Assembly of the transfer and so that such funds are not double counted in the working appropriation of MHEC and the receiving institution.

The Secretary should comment on the ability of MHEC and DBM to ensure that institutional grant funds are not double counted in the budget if the IT grant remains in the MHEC budget and MHEC should use the budget amendment process as directed in 2015 budget bill language when transferring these grants to State institutions to ensure budget transparency.

Regional Higher Education Centers

As shown in **Exhibit 9**, the fiscal 2016 and 2017 budgets fund non-USM Regional Higher Education Centers (RHEC) at \$2.2 million. This is \$0.4 million, or 15.7%, below the fiscal 2014 funding level. Non-USM RHEC funding is also still below the fiscal 2014 appropriation and the fiscal 2015 legislative appropriation of \$2.6 million as it was reduced by \$600,000 in fiscal 2015 cost containment.

**Exhibit 9
State Support for RHECs
Fiscal 2016-2017**

<u>Non-USM RHECs</u>	<u>Fiscal 2016</u>	<u>Fiscal 2017</u>	<u>\$ Change Fiscal 2016-2017</u>	<u>% Change Fiscal 2016-2017</u>
AACC RHEC at Arundel Mills	\$290,585	\$294,026	\$3,441	1.2%
Eastern Shore Higher Education	321,136	349,688	28,552	8.9%
University Center ¹	416,717	300,595	-116,122	-27.9%
Laurel College	281,513	281,611	98	-0.0%
Southern Maryland Waldorf	527,340	557,010	29,670	5.6%
	312,709	367,070	54,361	17.4%
Non-USM RHECs Total	\$2,150,000	\$2,150,000	\$0	0.0%
USM RHECs				
Universities of Shady Grove	\$8,634,272	\$8,634,272	\$0	0.0%
University System of Maryland at Hagerstown	1,832,294	1,832,294	0	0.0%
USM RHECs Total	\$10,466,566	\$10,466,566	\$0	0.0%

AACC: Anne Arundel Community College
RHEC: Regional Higher Education Center
USM: University System of Maryland

¹Formerly called the Higher Education and Applied Technology (HEAT) Center (in Harford County).

Note: USM RHECs do not include their allocation of \$6.8 million in enhancement funds in fiscal 2017.

Source: Maryland Higher Education Commission

Exhibit 9 also compares the allocation of funding for USM and non-USM RHECs in fiscal 2017. The MHEC non-USM RHEC funding strategy is for each RHEC to receive \$200,000 in base funding and then to allocate the remainder by FTES enrolled in 2+2 and upper division coursework at each RHEC. As non-USM RHECs funding is flat in fiscal 2017, RHECs will redivide the same amount of funding based upon changes in enrollment (which is how Sellinger aid works in years when it is flat funded). Overall, the audited fiscal 2015 enrollments used in the 2017 formula increased by 2 FTES, or 0.3%, after fiscal 2014 had declined by about 199 FTES, or 22.3%. The University Center RHEC lost over half its eligible FTES enrollment in the formula, declining 84.4 FTES, or about 53.0%. Because of this, it loses about 28.0% of its formula funding, or \$116,000. The allowance funds

non-USM RHECs at \$3,097 per FTES versus \$3,488 per FTES for USM RHECs (excluding enhancement funds), thus USM RHECs get about 13.0% more funding per student.

Despite the recent decline in enrollment, the intent of RHECs is to expand access to higher education in geographically underserved areas of the State that are not near public four-year institutions. However, the two USM RHECs receive about \$8.3 million more in State support than the six non-USM RHECs.

The Secretary should comment on how the RHECs align with the State plan’s goals to provide improved opportunity and access to all of Maryland’s citizens.

In summer 2014, MHEC released two regional higher education assessments to determine needs in Frederick County and in Northeastern Maryland. The Frederick RHEC report concluded that the region needed more degrees in health profession, engineering, and IT fields. The Northeastern Maryland study group was focused on updating the postsecondary education programs at the existing University Center (formerly called the Higher Education and Applied Technology Center) and concluded that there needs to be a better regional strategy involving communications and marketing between local employers and the University Center and potentially new programs, such as cybersecurity.

The Secretary should comment on the status of a potential new RHEC in Frederick, program updates at the University Center in Northeastern Maryland, and any other notable developments at Maryland RHECs.

Health Professional Shortage Incentive Grants

After NSP II, HPSIG is the other significant health-related grant program operated by MHEC. When the Governor does not appropriate general funds for HPSIG, MHEC collects fees from the Maryland Board of Physicians. Since the first round of awards in fiscal 1992, no general funds have ever been appropriated for this program. Half of the fees collected fund the Loan Assistance Repayment Program for Physicians and Physician Assistants budgeted within the MHEC Office of Student Financial Assistance, and the other half goes to HPSIG. These funds are then distributed to postsecondary institutions to enhance or expand approved academic programs in health occupations experiencing personnel shortages in Maryland.

As shown in **Exhibit 10**, despite receiving over \$0.5 million in fiscal 2012 and 2013, MHEC expended no HPSIG funding. In fact, unspent funds from prior years were returned from institutions to MHEC resulting in a higher HPSIG nonreverting fund balance. Due to this inactivity, during cost containment in fiscal 2015 the BRFA of 2015 transferred \$1.7 million from the HPSIG fund balance to the General Fund, leaving just \$0.4 million. MHEC still received HPSIG funding in fiscal 2015 and expects to receive the next round of funding from the Board of Physicians toward the end of fiscal 2016.

Exhibit 10
HPSIG Funding
Fiscal 2010-2017

<u>Fiscal</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Annual Balance</u>	<u>Cumulative Balance</u>
2010	\$513,947	\$507,423	\$6,524	\$369,490
2011	615,869	400,000	215,869	585,359
2012	523,601	-19,117	542,718	1,128,077
2013	631,372	-4,361	635,733	1,763,810
2014	546,645	573,257	-26,612	1,737,198
2015	678,529	351,000	327,529	2,064,727
2015 BRFA	-1,700,000	0	0	364,727
2016*	750,000	750,000	0	364,727
2017*	750,000	750,000	0	364,727

HPSIG: Health Personnel Shortage Incentive Grant

*Budgeted expenditures.

Source: Maryland Higher Education Commission

The HPSIG program's challenges led to a 2015 *Joint Chairmen's Report* (JCR) request for a report entitled *Report on Uses of Physicians' Fee Revenue*. In it, MHEC reviewed the difficulties in spending HPSIG funding. One problem is that the Department of Health and Mental Hygiene (DHMH) must annually approve the list of health personnel shortage areas based on health care occupational projections produced by DLLR. However, the statutory requirement of at least a 7% shortage of positions at hospitals and related institutions does not apply to any current occupations. Additionally, MHEC has raised concerns over the fact that the seven health occupations that can be certified by DHMH in the Health Occupations Article (§ 1-204) never exactly matched the occupations listed in the Education Article (§ 18-803). Of the seven, only three are mentioned in both articles: occupational therapist, physical therapist, and respiratory therapist.

Personnel turnover at both DHMH and MHEC, along with unclear legal guidance on whether the funds should be spent or not, led to the uneven program outlays shown in Exhibit 10. The Board of Physicians has also raised concerns over the categories of workforce shortages that are eligible to receive funding, since many of them are not directly related to physicians, and because this board is the only licensing board to contribute funding toward HPSIG awards. A final concern from the MHEC report is that HPSIG uses a funding formula based on enrollment, so MHEC has no discretionary power to allocate the funds and has little ability to measure the impact of grant funding. MHEC ultimately recommended several statutory changes to clarify how HPSIG works and who should receive awards.

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The Secretary should comment on progress toward resolving the statutory issues with DHMH, DLLR, and the Board of Physicians to maximize the use of HPSIG.

Issues

1. Campus Sexual Misconduct Policies and MHEC

MHEC has had statutory responsibility (§ 11-601 of the Education Article) since 1993 to review sexual assault policies and how those policies should be posted and distributed in Maryland. This includes the right to file criminal charges, designation of the nearest hospital, *etc.* MHEC must also periodically review and make changes to institutional policies to ensure that higher education institutions in Maryland are in compliance with federal regulations and are adopting best practices.

In 2015 MHEC reviewed all the policies of the public and independent institutions in the State to ensure that all are in compliance with federal Title IX of the Education Amendments of 1972 (Title IX), which prohibits discrimination on the basis of sex in all education programs that receive federal financial assistance. A related but distinct federal law from Title IX is the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics (Clery) Act of 1990. This requires all universities to submit, at the beginning of every federal fiscal year (October 1), an Annual Security Report (ASR) providing specific crime statistics, maintain a public crime log that covers the campus and certain areas adjacent to campus, and meet several other requirements.

Language in the fiscal 2016 budget bill (Chapter 310 of 2015) withheld \$100,000 in general funds until MHEC submitted a report on higher education institutions' revised sexual misconduct policies. The report required the collection of information from each of Maryland's 55 postsecondary schools on how these institutions had made any necessary changes to be fully in compliance with Chapter 436 of 2015 which, among several changes to State law, required these institutions to conduct periodic campus climate surveys.

A report from MHEC entitled *Report on Higher Education Institutions Revised Sexual Misconduct Policies*, from November 2015, summarized the results of all institutions. Two issues arose. First, five small, private schools did not respond to MHEC or did not respond in a timely manner. Two are vocational schools and three are religious institutions. As MHEC lacks any strong power to compel these institutions to comply in the short term, MHEC will continue to communicate with these institutions and considers their progress toward compliance as "pending." These institutions are:

- Lincoln College of Technology;
- Seafarers Harry Lundberg School of Seamanship;
- Binah Institute of Advanced Judaic Studies for Women;
- Maalot Baltimore Women's Institute of Torah Seminary; and
- Ner Israel Rabbinical College.

The second issue is that although many of the remaining 50 institutions have updated their policies, due to shared governance structures these policies will not be formally adopted until the next convening of their respective governing boards – meaning that these institutions are not yet in compliance with Chapter 436. MHEC reports that many such boards will meet in early 2016 to adopt the revised policies.

The Secretary should comment on the status of all 55 institutions revising and adopting updated sexual assault policies as of February 2016.

It should further be noted that MHEC had some difficulty reviewing policies across 55 institutions due to not having an accredited Title IX coordinator on staff. However, by coincidence, an MHEC student intern was also the Title IX coordinator for the Community College of Baltimore County (and a doctoral candidate at MSU). This was highly fortuitous for MHEC as Title IX training and compliance will be a real ongoing cost for MHEC and all institutions.

MHEC also distributed an internally designed climate survey in October 2015 to all 55 institutions, as required by Chapter 436. Institutions will not submit survey results to MHEC, but will report incidents and how the institutions will use the survey results. This will offer more precise information than what is collected for ASRs, such as degrees of sexual assault. MHEC has a final report due in fall 2016. As it is not collecting much of the quantitative data, its review will be more qualitative in nature. This survey and survey review will be required every two years.

In addition to reviewing policies, MHEC held two workshops for smaller institutions that have had more difficulty finding the time and expertise to revise their policies. The first workshop for community colleges was in January 2015 and the second workshop for private institutions was in November 2015. These meetings covered definitions of key terms, case studies of campus policies, and reporting and adjudicating procedures. Maryland’s criminal code does not specifically define some terms frequently used in Title IX and Clery discussions, such as sexual assault, domestic violence, dating violence, or consent, so the workshop was able to assist community colleges in meeting federal intent. This ensures that new policies are more inclusive and will bring institutions into compliance with the next round of federal regulations, which took effect in summer 2015. These changes expand rights afforded to campus survivors of sexual assault, expand reporting for such incidents, and require institutions to provide certain training programs. It also expands the types of crimes covered in the ASR and requires institutions to report the number of withheld crime statistics. Finally, complicating implementation of sexual assault policies has been compliance with the Family Education Rights and Privacy Act (FERPA), which governs access to education records but allows disclosure of criminal conduct. Online federal resources provide materials explaining how institutions are to comply with Title IX, the Clery Act, and FERPA.

This MHEC review of Title IX and Clery policies coincides with an increase in federal Department of Justice (DOJ) investigations into Title IX compliance nationwide. In summer 2014, DOJ confirmed 55 opened cases. By January 2016, this nearly tripled to 197 cases at 161 colleges. Cases are opened by civil rights complaints or proactive compliance review and frequently take more than a year to resolve. For example, in 2015, 106 cases were opened, but only 7 were closed. Nearly all are at traditional four-year campuses with residence halls.

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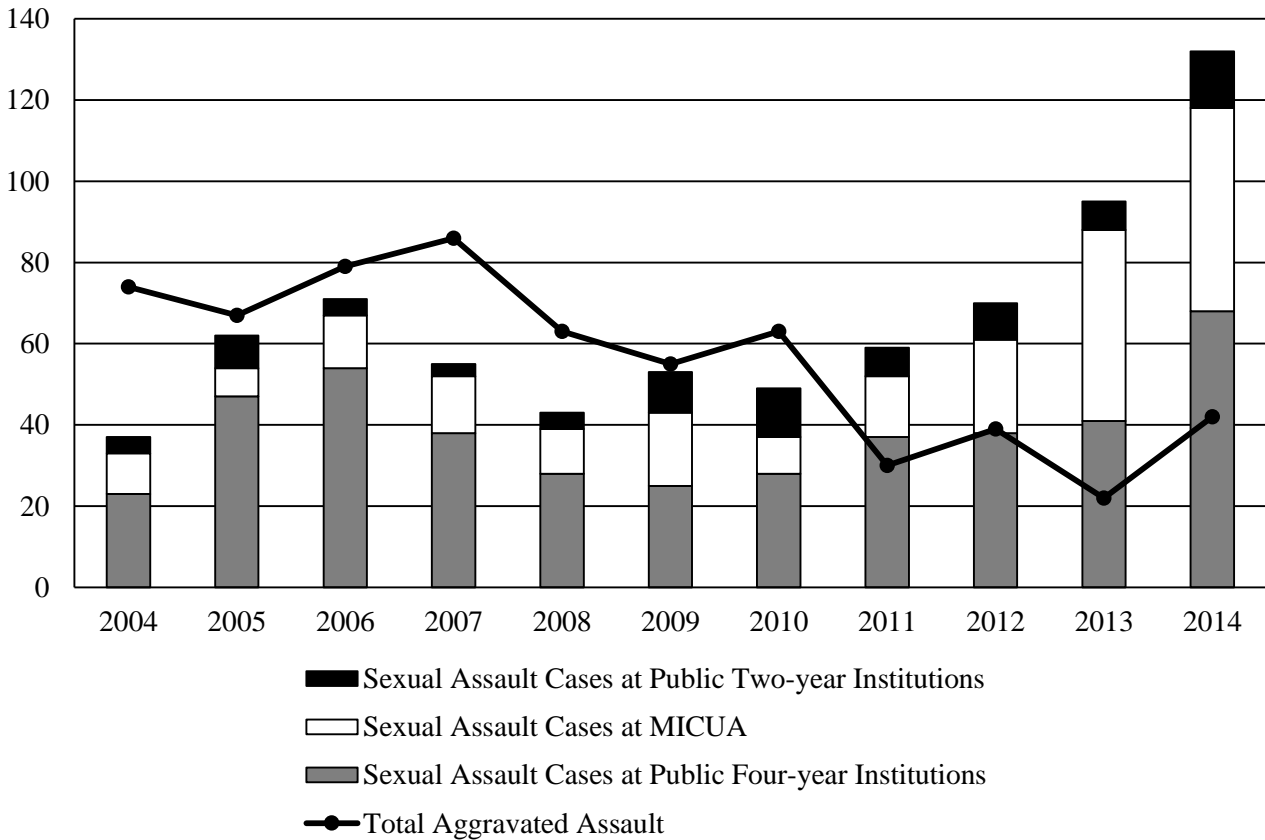
As of January 2016, the following Maryland institutions are under investigation by OCR within the U.S. Department of Education (ED):

- Frostburg State University as of September 2013;
- MSU as of June 2014;
- JHU as of August 2014; and
- SMCM as of June 2012 (one closed and four ongoing).

SMCM is notable for having the most opened investigations, five, at a single institution in the entire country. In addition, in Maryland, the school districts of Prince George's County and Queen Anne's County are also under Title IX investigations. Every state bordering Maryland, as well as the District of Columbia, has institutions under investigation.

Exhibit 11 shows campus crime statistics for sexual assault and aggravated assault for all years currently available from ED. Overall, during this time period reported cases of aggravated assault dropped from around 80 cases per year down to about half that in 2011 through 2014. Meanwhile, reported cases of sexual assault at Maryland campuses increased rapidly from 2010 through 2014, especially at MICUA institutions. Whether this represents an increase in the incidence of possible sexual assaults or an improvement in reporting alleged crimes cannot be determined from this data.

**Exhibit 11
Reported Aggravated and Sexual Assault Crimes in Maryland
Reporting Years 2004-2014**



MICUA: Maryland Independent College and University Association

Note: Includes alleged criminal offenses whose locations were reported as “campus” or “noncampus.” Includes public four-year institutions, community colleges, and Seller-eligible institutions.

Source: U.S. Department of Education, *Campus Safety and Security Data Analysis Cutting Tool*

The Secretary, Director of Maryland Association of Community Colleges, and President of MICUA should comment on any next steps for Maryland institutions to come into compliance with federal regulations on sexual assault policies, observations about the development and deployment of the campus climate survey tool, and any other role MHEC may play to facilitate compliance for all postsecondary education institutions in Maryland.

2. Competitor State Funding Guideline Attainment

In fiscal 1999, as required by Chapter 515 of 1999, MHEC developed guidelines for operating funding for the public four-year higher education institutions by identifying peer institutions that are similar to each Maryland institution in size, program mix, enrollment composition, and other characteristics. After this selection process, the financial characteristics of the peer institutions were analyzed to determine the resources available per FTES. The overall goal has been to fund Maryland's institutions at the seventy-fifth percentile of their current peer institutions. The SMCM operating budget was not evaluated through this process because the college receives funding through a statutory formula.

In 2001, MHEC staff, in consultation with representatives from USM, DLS, DBM, and MSU, reviewed the funding guidelines process and established criteria for periodically updating peer groups and for making adjustments to an institution's peer group that is not in the normal cycle. The MHEC schedule calls for an update every three to four years, with the opportunity for reevaluation of any institution's peer group when requested by the Maryland public college or university. In 2006, the Commission to Develop the Maryland Model for Funding Higher Education (Funding Commission) spent two years studying the levels, models, and policies for State funding provided to colleges and universities and for student financial assistance. At the conclusion of this study in 2008, the Funding Commission made several recommendations for modification of State higher education funding policies such as setting State funding of public four-year institutions at the seventy-fifth percentile of funding per student of a group of comparable institutions ("peers") located in states with which Maryland principally competes for employers. These 10 states are referred to as Maryland's competitor states: California, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia, and Washington. Additionally, the HBCU funding goal is raised to the eightieth percentile in recognition of the additional resources needed for HBCUs to compete with other public institutions. However, HBCUs are not to be solely measured against other HBCUs. This method is called the Competitor State Funding Guideline Model. Different methodologies are used for the USM Office and the University of Maryland Center for Environmental Sciences (UMCES).

The peer institutions selected for each Maryland school have similar academic scope, comparable size, and a somewhat similar student financial profile and are reflected in each institution's Carnegie Classification. For the University of Maryland, College Park, an Association of American Universities (AAU) school, other AAU schools in the competitor states have been used; and for University of Maryland, Baltimore (UMB), other institutions within the Carnegie Classification of Special Focus Institutions – Medical Schools and Medical Centers and research institutions with medical schools or freestanding medical centers have been selected. To recognize that institutions can change Carnegie Classifications over time as they offer new programs and award new degrees, MHEC will continue with the established schedule for an update to the peer groups every three to four years and reevaluation of any institution's peer group when requested by the Maryland public college or the university.

The funding guideline for each institution is calculated by determining the seventy-fifth percentile of the sum of State appropriation and tuition and fee revenue per FTES of the competitor state peer institutions. The resulting per student rate is multiplied by the institution's

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projected enrollment to determine the recommended resources. Projected institutional tuition and fee revenue is then subtracted from the recommended resources. The remainder represents the State investment. Funding guideline attainment is expressed as a percentage with the goal being 100%.

The Competitor State Funding Guideline Methodology was implemented by MHEC in fiscal 2015. Information for each institution, as determined by the peer groups recommended by the Funding Commission in 2008, is provided in **Exhibit 12**. Overall, total State attainment was 72% in the fiscal 2016 legislative appropriation, which does not yet reflect the health insurance deficiency for USM institutions. As in the past, the University of Maryland University College has the lowest funding attainment, 53%, while Coppin State University has the highest, 128%. Compared to the older attainment model used for fiscal 2015, most institutions are down no more than four points.

Exhibit 12
Competitor State Funding Guidelines
Fiscal 2016

<u>Institution</u>	<u>Recommended Resources</u>	<u>Fiscal 2016 Tuition Revenue Estimates</u>	<u>Fiscal 2016 Funding Guideline</u>	<u>Fiscal 2016 State Funds Appropriation</u>	<u>Estimated Attainment</u>
Bowie State University	\$83,691,070	\$36,810,699	\$46,880,371	\$41,525,890	89%
Coppin State University	51,399,995	16,538,253	34,861,742	44,755,130	128%
Frostburg State University	82,486,188	37,041,242	45,444,946	38,470,741	85%
Salisbury University	138,932,629	71,939,944	66,992,685	47,533,057	71%
Towson University	361,195,849	183,339,866	177,855,983	107,050,342	60%
University of Baltimore	124,776,344	71,020,250	53,756,094	34,639,444	64%
University of Maryland, Baltimore	437,698,001	19,870,873	317,827,128	215,405,339	68%
University of Maryland Baltimore County	312,161,223	122,572,828	189,588,395	111,151,119	59%
UMCES	(2)	(2)	27,468,459	22,353,347	81%
University of Maryland, College Park	1,164,047,550	519,441,424	644,606,126	480,925,509	75%
University of Maryland Eastern Shore	83,964,928	34,913,460	49,051,468	38,083,911	78%
University of Maryland, University College ⁽¹⁾	215,175,532	142,822,830	72,352,702	38,596,667	53%
USMO	(2)	(2)	(2)	23,567,555	(2)

<u>Institution</u>	<u>Recommended Resources</u>	<u>Fiscal 2016 Tuition Revenue Estimates</u>	<u>Fiscal 2016 Funding Guideline</u>	<u>Fiscal 2016 State Funds Appropriation</u>	<u>Estimated Attainment</u>
University System of Maryland Total	\$3,055,529,309	\$1,356,311,669	\$1,726,686,099	\$1,244,058,051	72%
Morgan State University	\$169,851,008	\$56,106,433	\$113,744,575	\$86,134,601	76%
Total	\$3,225,380,317	\$1,412,418,102	\$1,840,430,674	\$1,330,192,652	72%

UMCES: University of Maryland Center for Environmental Sciences

USMO: University System of Maryland Office

⁽¹⁾ University of Maryland University College calculations use only Maryland enrollment and statewide tuition revenue.

⁽²⁾ Data is not applicable.

Note: Figures reflect fiscal 2016 legislative appropriation plus the cost-of-living adjustment restoration.

Source: Maryland Higher Education Commission

It is not clear how these guidelines are used to inform the budget process. For example, during cost containment in fiscal 2015 and 2016, the guidelines could have been used to suggest which institutions had the least ability to sustain reductions given their size and missions. Instead, institutions that were relatively lower in attainment, like University of Maryland Baltimore County and Salisbury University, implemented midyear tuition increases. Another opportunity lies in the fiscal 2017 budget, as \$6.8 million in enhancement funding is budgeted within University System of Maryland Office for new initiatives. Additionally, MHEC also has institutional grants and financial aid programs that flow to higher education institutions.

The Secretary should comment on how funding in the fiscal 2017 budget should be evaluated using the funding guideline model.

3. College Access and Outreach Plan

Despite the availability of need-based financial aid programs at MHEC and institutions, low-income students have a lower college going rate than their wealthier peers. Chapter 201 of 2015 established the MHEC Outreach and College Access Pilot Program, which requires MHEC to target college information to low-income Maryland high school students to promote high school completion and college enrollment. This is broad based and could include promotion of existing State financial aid programs, like the Guaranteed Access Grant, online resources, like MDGo4It, or entirely new initiatives. MHEC was also required to establish a grant to obtain matching funds from nonprofit organizations and determine, after two years, whether its efforts have a significant impact. The 2015 JCR also required MHEC to report on efforts to increase college access and outreach. The JCR response, entitled *College Access Outreach Plan*, also served as a first response to Chapter 201.

The JCR indicated that MHEC annually provides outreach to more than 12,000 students using existing resources and federal grants. For example, the federal College Access Challenge Grant, is budgeted for \$1.0 million in fiscal 2017, but expires in that fiscal year. MHEC also receives \$0.4 million in GEAR-UP funding from MSDE for administrative costs for raising college awareness among a cohort of middle school students and will receive this funding for another three fiscal years. When the tracked cohort of students graduates high school in fiscal 2021, MHEC will disperse nonbudgeted federal funds, currently in a trust, for financial aid for this cohort. As noted in Exhibit 6, MHEC does have about \$250,000 in new general funds for outreach projects to support new efforts. However, MHEC does not currently have a communications staff member in a full-time position and one of its current personnel vacancies is the director of grants management position.

The MHEC response to the 2015 JCR focused on services available to Baltimore City high schools. Currently, MHEC reports it provides brochures and YouTube videos to all such schools and that financial aid presentations are made at more than half of high schools where 75% or more of students are eligible for free and reduced-price meals. However, of sixth to twelfth grade schools, MHEC reports it is only personally visiting 4 of 18 schools. There is a lot of opportunity remaining for MHEC to visit all twelfth grade serving schools in Baltimore, let alone other regions of the State. Furthermore, brochures and YouTube videos establish a good minimum baseline for MHEC outreach, but more needs to be done. MHEC notes that it is:

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- launching a redesigned MDGo4IT website in February 2016 with an updated design and new content; it was last reformatted in 2010;
- publishing all four of its brochures online in English and Spanish;
- promoting a November 2015 collaboration with Maryland Public Television called “How to Pay for College” and making DVDs available for schools;
- bringing online what is now a text-messaging service so that that the MHEC Office of Student Financial Assistance can communicate directly with students; this could be pivotal in reducing financial aid award cancelation rates; and
- establishing a new partnership called the Maryland College Access Network (MDCAN) with organizations such as First Generation College Bound.

The initiatives are all positive developments toward a comprehensive outreach plan, but the small staff size and limited budget of MHEC present challenges in managing a truly statewide plan that effectively reaches all potential students in high school, as well as nontraditional students elsewhere. MHEC should use its familiarity with the Governor’s P-20 Council, the State’s 529 College Savings Plan, and other connections to maximize its outreach potential.

The Secretary should comment on work towards filling the MHEC director of grants management position and new federal or private sources to support MHEC outreach programming. The Secretary should also comment on what the new \$250,000 in funding will support in fiscal 2017, especially new web content, and what goals MHEC has to utilize that funding for maximum impact.

Finally, the Secretary should discuss potential partnerships with nonprofits and the timeline for creating and managing MDCAN.

Recommended Actions

- | | <u>Amount
Reduction</u> | |
|----|------------------------------------|----|
| 1. | \$ 141,204 | GF |
| 2. | | |

Provided that it is the intent of the General Assembly that institutional grants to a public four-year institution should be transferred only by budget amendment to that institution.

Explanation: This action provides greater clarity to the General Assembly on when an institution receives an institutional grant from the Maryland Higher Education Commission and also prevents funds from being double counted in the working appropriation.

3. 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 colleges and universities may not be expended until the Maryland Higher Education Commission submits a report by July 1, 2016 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. Funds restricted pending receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

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 colleges and universities (HBCU).

Information Request	Author	Due Date
HBCU enhancement expenditure report	Maryland Higher Education Commission	July 1, 2016

4. Modify the following language to the general fund appropriation:

Complete College Maryland.....	250,000
Improving Teacher Quality.....	975,000
Office of Civil Rights Enhancement Fund	4,900,000
Regional Higher Education Centers	2,150,000

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College Access Challenge Grant Program	1,000,000
Washington Center for Internships and Academic Seminars	175,000
University of Maryland, Baltimore – WellMobile	285,000
John R. Justice Grant	25,000
St. Mary’s College of Maryland Information Technology Grant.....	1,133,000
.....	<u>0</u>

Explanation: This is a technical amendment to reduce educational grants.

	<u>Amount</u>	
	<u>Reduction</u>	
5. Reduce Educational Grants funding by deleting the St. Mary’s College of Maryland Information Technology Grant because the institution is already receiving additional State support outside of its funding formula in fiscal 2016 for this purpose.	1,133,000	GF
6. Adopt the following narrative:		

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

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

R62I0001 – Maryland Higher Education Commission

Information Request	Author	Due Date
Report on best practices and progress toward the 55% completion goal	MHEC	December 15, 2016, and annually thereafter

7. 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 colleges and universities (HBCU) 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 HBCU 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 HBCUs. The committees request that MHEC collect progression, retention, and graduation data from each public HBCU on all students participating in the Access and Success program in fiscal 2016. 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 and graduation rates. The report should include a summary of fiscal 2016 programs supported by Access and Success funds and a statement from each institution on how findings from the 2015 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, 2016, and every year thereafter.

Information Request	Author	Due Date
Report on the fiscal 2016 outcomes by cohort of students participating in Access and Success programs	MHEC	October 15, 2016, and annually thereafter

Total General Fund Reductions	\$ 1,274,204
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Updates

1. Academic Mission Review

One of the main responsibilities of MHEC (Education Article, §§ 11-302, 11-303) is the review of mission statements of all public institutions every four years. Each institution's mission statement outlines who the institution teaches, what geographic area the campus serves, admission standards, and academic specializations. The document guides decisions concerning new academic program development and budgets to build on each institution's unique strengths and avoid unnecessary program duplication. MHEC last reviewed mission statements in December 2015 and, before that, last reviewed mission statements in January 2012. While the January 2012 review noted several significant changes, such as UMCES pursuing degree-granting status, recognizing the dissolution of the University of Maryland Biotechnology Institute, and name changes for three institutions, the 2015 review has few notable changes. As was the case in 2012, MHEC completed review of all institutions and concluded it should approve all mission statements as most institutions recommended no changes to their statements. However, a few changes are noteworthy:

- Bowie State University (BSU) reaffirmed its status as a comprehensive institution. BSU had an unusually high doctoral degree output in one year, which would have made the institution eligible for "research" status.
- UMB shortened its mission statement moderately to heighten a focus on interprofessional education to promote multidisciplinary efforts and also a renewed push for community engagement, as the institution borders west Baltimore, which faces many challenges.

2. Measuring Support for and Outcomes of Nontraditional Students

The 2015 JCR included narrative to provide an annual update on the Access and Success Program (A&S) outcomes at HBCUs. For many years, DLS has raised concerns that the funds are not used consistently and that program outcomes have been relatively poor. The JCR also requested MHEC to look at how to better account for measuring the progress of nontraditional students, who are a rapidly growing demographic, even when FT/FT students are in decline. Together, these reports show how some institutions are trying new approaches to reaching, assisting, and measuring success for a diversifying student body.

A&S funding has been provided since fiscal 2001 to improve student retention and graduation rates at HBCUs. Annual committee narrative since fiscal 2010 requires MHEC to collect and analyze progression, retention, and graduation data by cohort to evaluate the impact of A&S programs across HBCUs. The 2015 *Report on Outcomes of Students Participating in Access and Success Programs by Cohort* used 10 indicators to compare A&S students to the general first-year student population. Overall, there is considerable variation in performance, but many A&S students, particularly in the summer bridge programs, outperform other first-year students, although the strong performance varies

from school to school. The most recent A&S cohorts are showing improvements in grade point average (GPA), credits earned, and retention rates, all suggesting such students will be on track for graduation and that institutions are finding better methods to serve students. At BSU, for the 2011 and 2014 cohorts, participants earn six to eight more credits in the first year and maintain comparable GPAs. While A&S students at BSU actually had a four-year graduation rate half that of regular students in fall 2008, they surpassed all students in the 2011 cohort, as shown in **Exhibit 13**.

Exhibit 13
Four-year Graduation Rates at
Historically Black Colleges and Universities
2008 and 2011 Cohorts

<u>Cohort</u>	<u>UMES</u>		<u>BSU</u>		<u>CSU</u>		<u>MSU</u>		<u>State Average</u> ⁽¹⁾
	<u>A&S</u>	<u>All Others</u>	<u>A&S</u>	<u>All Others</u>	<u>A&S</u>	<u>All Others</u>	<u>A&S</u>	<u>All Others</u>	
2011	19.6%	19.7%	22.2%	15.4%	9.1%	6.1%	16.7%	13.4%	(2)
2008	18.2%	19.2%	3.8%	7.8%	(2)	(2)	7.9%	11.8%	12.5%

A&S: Access and Success

BSU: Bowie State University

CSU: Coppin State University

MSU: Morgan State University

UMES: University of Maryland Eastern Shore

⁽¹⁾ For first-time, full-time African American students at all public four-year universities.

⁽²⁾ Data not yet available.

Source: Maryland Higher Education Commission, Access and Success, 2015 Report

Enrollment in A&S programs has been challenging. At MSU, A&S summer bridge participation fell from 42 in fall 2011 to only 20 in fall 2013. BSU had only 26 students in fall 2012, but then had enrollment jump to 122 a year later. The University of Maryland Eastern Shore (UMES) does not offer any summer bridge and instead focuses on broad programs intended to promote retention and progression across much of the student body (about one-third to one-half in total, depending on the year), so its outcomes are notably different from the other three institutions which focus more on summer bridges.

The UMES four-year graduation rate for the 2011 A&S cohort is nearly 20%, the second highest of the HBCUs and the most comparable rate to all other students on the same campus. While UMES A&S students' GPAs were slightly lower than their peers, they still earned more credits, indicating that they persisted, even when they were not initially faring as well in the first year of studies. UMES also had similar or lower retention rates compared to the other A&S programs, suggesting something is happening for students after initial enrollment. The key difference between UMES and the other three institutions is that UMES does not fund a bridge program. Given that the three bridge programs

each focus on a different population at their respective campus, it is also difficult to evaluate the bridge programs against each other. MHEC did conclude its report by recommending that HBCUs focus on “serving a broader population of students” and that this is a juxtaposition against a recent emphasis to focus on personal services for every student, which is expensive and time consuming.

Understanding how UMES may be reaching higher graduation rates is difficult because there are few good measures for how nontraditional students’ progress and even what constitutes a good outcome. This is partially addressed in the MHEC JCR response on nontraditional student metrics wherein MHEC has committed to better understanding the progression of nontraditional students. Such students are a loosely defined group, but often enroll part-time, have children to care for, have a GED rather than a high school diploma, work full-time while enrolled, are a veteran, or are a first generation student. One national study that MHEC cites finds nontraditional enrollment to be 74% of all undergraduates in academic year 2011-2012.

Overall, MHEC notes great success in boosting access and student diversity but notes a lack of developing or implementing new metrics to track these students. MHEC finds data on nontraditional students is much less robust due to FT/FT students being the historical focus of education data analytics. Going forward, the Maryland Longitudinal Data System will be an invaluable tool for MHEC and policymakers in linking workforce status to students, enabling a richer look at student demographics. MHEC notes that degrees awarded per 100 FTES may better reflect part-time student progress and will look for ways to focus new reporting on students 25 years and older, who are considered nontraditional.

MHEC reports institutional best practices include dedicated advising, study spaces, and additional supports for students who may be less familiar with or less ready for a college program. Degree pathways and updated websites are some of the very simple tools that can be used. Many of these steps can be, or already are, incorporated into the A&S programs mentioned above.

3. Historically Black Colleges and Universities’ 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. In the coalition’s lawsuit, three policies of the Maryland system of higher education allegedly traceable to the prior *de jure* system were at issue: (1) limited institutional missions; (2) operational funding deficiencies; and (3) unnecessary program duplication. In October 2013, the court did not find that mission-related policies or practices or current operational funding were traceable to the *de jure* era; however, the court did find that the State has failed to eliminate unnecessary program duplication for Maryland’s HBCUs and that this policy is traceable to the *de jure* era.

The court concluded that the coalition proved that unnecessary program duplication continues and is a policy traceable to prior *de jure* segregation in Maryland higher education. The court, applying the law established by the Supreme Court in *United States v. Fordice*, 505 U.S. 717 (1992), defined unnecessary duplication as the offering by two or more institutions of the same nonessential or noncore

programs; nonbasic liberal arts and sciences course work at the bachelor’s level; and all duplication at the master’s level and above. The court cited the MHEC decision to approve a joint University of Baltimore/Towson University Master of Business Administration program, despite the objections of MSU in 2005, as an example of how the State has failed to prevent additional unnecessary duplication. (The joint MBA program was discontinued in fall 2015.)

Despite the findings of fact and conclusions of law included in the memorandum, the court has deferred entry of judgment pending mediation or further proceedings, if necessary, to establish a remedy. The case was referred back for mediation with a court-appointed judge as mediator. As a promising starting point, the court, quoting the coalition’s expert, suggests that each HBCU “should develop programmatic niches or areas of excellence in at least two high-demand clusters within the next three to four years.” The niche areas identified by the court include Green Sustainability Studies, Computer Sciences, Aging Studies, and Health Care Facilities Management. Additionally, the coalition’s expert said it is likely that transfers or merging of programs will be necessary. If mediation is unsuccessful, then one or more of the parties may request an immediate appeal under the Federal Rules of Civil Procedure.

Negotiations continued in 2015, but ultimately failed to resolve the case. The determination of remedies is an ongoing process. Given that this lawsuit is nearly 10 years old, it is very difficult to determine when this case will be resolved.

Current and Prior Year Budgets

Current and Prior Year Budgets

MHEC – Administration

(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2015					
Legislative Appropriation	\$60,176	\$18,210	\$3,570	\$187	\$82,143
Deficiency Appropriation	0	0	0	0	0
Cost Containment	-3,998	0	0	0	-3,998
Budget Amendments	42	467	2	135	645
Reversions and Cancellations	-105	-6,321	-1,394	-95	-7,915
Actual Expenditures	\$56,115	\$12,356	\$2,178	\$226	\$70,875
Fiscal 2016					
Legislative Appropriation	\$56,358	\$8,205	\$2,759	\$346	\$67,668
Budget Amendments	-126	11,939	2	370	12,185
Working Appropriation	\$56,232	\$20,144	\$2,761	\$716	\$79,853

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. Numbers may not sum to total due to rounding.

Fiscal 2015

The fiscal 2015 legislative appropriation for MHEC Administration was reduced by \$11.3 million. General funds decrease about \$4.0 million due to two rounds of across-the-board cost containment efforts by the Board of Public Works reducing Sellinger aid (\$3.0 million); grants for regional higher education centers (\$0.6 million); operating expenses (\$0.2 million); and funding administrative positions with a program fee providing special funds (\$0.2 million). This was offset by general funds increasing about \$37,000 for fiscal 2015 cost-of-living adjustments (COLA) and about \$5,000 for telecommunications expenditures alignment. About \$0.1 million in general funds were reverted almost entirely due to an ongoing issue with the Office of Legislative Audits regarding administration of financial aid awards.

Special funds increase by about \$3,000 for the COLA and \$463,000 due to an ongoing, but unspent, Credit When It's Due grant being moved to fiscal 2015 from the prior year. About \$6.3 million in special funds were canceled due to a larger appropriation than needed to make all necessary awards in the Nursing Support II (\$4.6 million) and the Health Personnel Shortage Incentive Grant (\$1.7 million). These funds will be available for awards in future fiscal years.

Federal funds increase almost \$2,000 for the COLA while about \$1.4 million in federal funds were canceled due to MHEC not spending the entirety of two budgeted federal grants in fiscal 2015 on teacher quality and college outreach.

Reimbursable funds increased about \$0.1 million to fulfill a Memorandum of Understanding between MSDE and MHEC for staffing of the Longitudinal Data System, while about \$0.1 million were cancelled due to this position being vacant for most of the fiscal year and because some other administrative expenses were lower than anticipated.

Fiscal 2016

To date, the legislative appropriation has increased by \$12.2 million. The general fund appropriation has decreased \$0.1 million with \$0.1 million to restore the 2% pay reduction offset by a decrease of \$0.2 million to redistribute cost containment from need-based financial aid programs to the administrative budget program for MHEC. Special funds increased \$6,000 to restore the 2% pay reduction and \$11.9 million due to the reauthorization of the Nursing Support II Program, which renewed the special fund source for this large annual grant program. Federal funds also increased \$2,000 to restore the 2% pay reduction. Finally, reimbursable funds increased \$0.4 million from a GEAR-UP grant from MSDE.

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

<u>Object/Fund</u>	<u>FY 15 Actual</u>	<u>FY 16 Working Appropriation</u>	<u>FY 17 Allowance</u>	<u>FY 16 - FY 17 Amount Change</u>	<u>Percent Change</u>
Positions					
01Regular	57.60	58.60	55.60	-3.00	-5.1%
02Contractual	6.94	13.33	10.33	-3.00	-22.5%
Total Positions	64.54	71.93	65.93	-6.00	-8.3%
Objects					
01Salaries and Wages	\$ 4,836,021	\$ 5,195,957	\$ 5,025,548	-\$ 170,409	-3.3%
02Technical and Spec. Fees	461,793	585,573	613,486	27,913	4.8%
03Communication	61,863	67,311	63,759	-3,552	-5.3%
04Travel	92,022	58,814	75,284	16,470	28.0%
07Motor Vehicles	71,158	58,620	60,680	2,060	3.5%
08Contractual Services	815,804	495,091	764,040	268,949	54.3%
09Supplies and Materials	29,422	46,307	65,000	18,693	40.4%
10Equipment – Replacement	32,073	12,250	25,750	13,500	110.2%
11Equipment – Additional	5,496	350	15,000	14,650	4185.7%
12Grants, Subsidies, and Contributions	64,267,422	72,909,256	82,040,427	9,131,171	12.5%
13Fixed Charges	202,352	423,228	458,623	35,395	8.4%
Total Objects	\$ 70,875,426	\$ 79,852,757	\$ 89,207,597	\$ 9,354,840	11.7%
Funds					
01General Fund	\$ 56,115,204	\$ 56,231,971	\$ 65,831,206	\$ 9,599,235	17.1%
03Special Fund	12,356,310	20,143,752	20,433,279	289,527	1.4%
05Federal Fund	2,177,645	2,760,761	2,462,365	-298,396	-10.8%
09Reimbursable Fund	226,267	716,273	480,747	-235,526	-32.9%
Total Funds	\$ 70,875,426	\$ 79,852,757	\$ 89,207,597	\$ 9,354,840	11.7%

Note: The fiscal 2016 appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.

**Fiscal Summary
Maryland Higher Education Commission**

<u>Program/Unit</u>	<u>FY 15 Actual</u>	<u>FY 16 Wrk Approp</u>	<u>FY 17 Allowance</u>	<u>Change</u>	<u>FY 16 - FY 17 % Change</u>
01 General Administration	\$ 6,588,476	\$ 7,086,152	\$ 7,324,446	\$ 238,294	3.4%
02 College Prep/Intervention Program	750,000	750,000	750,000	0	0%
03 Joseph A. Sellinger Program	41,422,240	42,822,240	50,812,427	7,990,187	18.7%
07 Educational Grants	10,906,252	9,990,250	10,893,000	902,750	9.0%
38 Nurse Support Program II	10,857,458	18,454,115	18,677,724	223,609	1.2%
39 Health Personnel Shortage Incentive Grant Program	351,000	750,000	750,000	0	0%
Total Expenditures	\$ 70,875,426	\$ 79,852,757	\$ 89,207,597	\$ 9,354,840	11.7%
General Fund	\$ 56,115,204	\$ 56,231,971	\$ 65,831,206	\$ 9,599,235	17.1%
Special Fund	12,356,310	20,143,752	20,433,279	289,527	1.4%
Federal Fund	2,177,645	2,760,761	2,462,365	-298,396	-10.8%
Total Appropriations	\$ 70,649,159	\$ 79,136,484	\$ 88,726,850	\$ 9,590,366	12.1%
Reimbursable Fund	\$ 226,267	\$ 716,273	\$ 480,747	-\$ 235,526	-32.9%
Total Funds	\$ 70,875,426	\$ 79,852,757	\$ 89,207,597	\$ 9,354,840	11.7%

Note: The fiscal 2016 appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.