

HB734_MACC_Fav_Phillips.pdf

Uploaded by: Brad Phillips

Position: FAV



APPROPRIATIONS COMMITTEE
TESTIMONY

Submitted by Dr. Brad Phillips, Executive Director

February 22, 2022

HB 734 – Higher Education – Student Financial Assistance – Alterations and Appropriation

POSITION: Support

The Maryland Association of Community Colleges, representing Maryland's 16 public two-year institutions of postsecondary education, offers our support for HB 734 that provides a more equitable award process for students who have qualified and received the Howard P. Rawlings Educational Excellence Awards. These awards are the State's need-based financial aid grants, which are comprised of the Guaranteed Access (GA) Grant and the Educational Assistance (EA) Grant.

The GA Grants go to students whose family income is below a designated poverty index and who meet the academic requirements of the grant. However, should the family income change during a student's postsecondary tenure, the student can be denied the scholarship in following years, forcing students to borrow funds, delay enrollment or permanently forego their academic pursuit. This legislation permits the Maryland Higher Education Commission to use a sliding scale to recalculate the grant and to continue to award qualifying students.

This legislation also expands the EA awards from \$3,000 to \$7,000, which will assist community colleges students with remaining unmet need. Community college students utilize the EA awards and as the State's largest need-based financial aid program, this will increase the amount to be more aligned with the needs of our students.

Community colleges also support giving the Maryland Higher Education Commission the authority to determine financial need for students to qualify for the 2+2 Transfer Scholarship. The 2 +2 Transfer Scholarship offers the Community College Promise recipients who transfer to a Maryland four-year institution with an associate degree with an opportunity to receive scholarship aid upon transfer.

These enhancements to the State's need-based awards will help substantially. Yet criteria around credit-completion that have been added to receiving these awards have had a negative impact on student's ability to maintain these awards. As a result of the College Affordability Act of 2016, the credit completion requirements have resulted in 65% of our students becoming

ineligible for the EEA awards in the subsequent year, according to the Maryland Higher Education Commission. This is devastating to our students and their educational attainment even though the policy changes were designed to encourage completion and shorten the time to degree. The majority of community college students are working adults, with the average age of 25 and over half are working 20 hours or more a week. Requiring them to be full-time students and complete 15 credits per semester has altered their ability to work, provide for their families, and achieve the necessary requirements for maintaining their EA awards. These criteria have become a barrier to success for our students and are resulting in greater inequity in our higher education system.

MACC realizes the intent of this legislation is not to resolve these concerns, yet we want to bring this issue to your attention as you look to future solutions for helping students who really are attempting to improve their quality of life yet struggle with policies that are designed for first-time full-time recent high school graduates.

Maryland's community colleges support this legislation and ask that the Committee give it a favorable report.

HB 734 Letter of Support.pdf

Uploaded by: Brianna Callahan

Position: FAV

KIPP:Forward

February 18th, 2022

Dear Members of the Maryland House of Representatives:

I am writing on behalf of KIPP Baltimore to advocate and support changes outlined in HB 734 to the Guaranteed Access Grant Program.

I have worked in Maryland with college enrolled students for 7 years. In that time our organization has supported many Guaranteed Access Grant recipients. This program has been instrumental in giving Maryland students access to higher education, while also providing a sustainable financial pathway to graduation.

As the grant is currently written, students whose family income increases even slightly over the income limit lose the grant completely. In one case, I had a student whose household size decreased by one, putting her family's income above the income maximum. In this student's case she lost \$38,000 in financial aid yearly since she attended an institution that matched the Guaranteed Access grant. This student's family income is only modestly above the maximum, however the financial implications of the loss of the Guaranteed Access grant have been devastating. This student has since had to take on significant loan burden to stay at her school of choice. Outside of the financial circumstances, the stress of paying for school and advocating for more financial aid took a heavy toll on her mental health. She is still at her school of choice, but at significant burden to her and her family. This is just one student example of the impact this loss has had on one Maryland family. Maryland students deserve better.

KIPP Baltimore supports HB 734. Guaranteed Access Grant recipients whose family income goes above the renewal maximum should remain eligible for the GA award on the following methodology: the award amount should be reduced by the amount of the income overage, dollar for dollar rounded to the nearest \$100.

Thank you for your time and consideration.

Brianna Callahan, MSW
Manager of Alumni Persistence
KIPP Baltimore

HB734_financial aid_BROOKE LIERMAN_FAV.pdf

Uploaded by: Brooke Lierman

Position: FAV

BROOKE E. LIERMAN
Legislative District 46
Baltimore City

Environment and Transportation
Committee

Chair

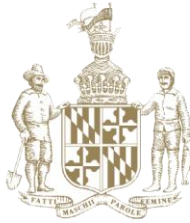
Land Use and Ethics Subcommittee

Joint Committee on Administrative,
Executive, and Legislative Review

Joint Committee on Ending
Homelessness

Co-Chair

Joint Committee on Pensions



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB 734

Higher Education - Student Financial Assistance - Alterations and Appropriation
Appropriations Committee * February 22, 2022

What this bill does

This bill improves access to higher education for students in Maryland by increasing funding to our state's two major financial aid programs: the Educational Excellence Award and the Guaranteed Access Grant.

The Next Generation Scholars Maryland Program

This program helps students graduate from high school and get ready for college. The State Department of Education (MSDE) awards grants to nonprofits, businesses, and institutions of higher education to administer the program. These organizations work with students to develop: a high school graduation plan, internships, skills to navigate financial aid, career interests, mentorship opportunities, and a plan to graduate from college.

- The bill addresses a disagreement between MSDE and Maryland Higher Education Commission (MHEC) about the implementation of the Next Generation Scholars Maryland program. Students *pre-qualify* for this program in 8th, 9th, or 10th grade. The bill clarifies that determination of family income required for this program be based on the year that the student qualified, not when they matriculate.
- The bill enables organizations administering the Next Generation Scholars Program to continue providing services to students while in college (focused on retention).

The Delegate Howard P Rawlings Program

This program consists of Guaranteed Access Grants that are awarded to the neediest students to ensure that 100 percent of educational costs, and Educational Assistance Grants that are awarded to low and moderate income students to assist in paying educational costs.

- The bill increases the maximum award for an education assistance grant from \$3,000 to \$7,000 to reflect cost of living and tuition increases over the years since it was created.
- The bill requires that, if a guaranteed access grant needs to be adjusted based on changes to family income, it shall be done on a sliding scale basis, as developed by the MHEC with input from the Financial Aid Advisory Council.
- The bill mandates an appropriation of at least \$112,000,000 in the Governor's annual budget bill for the Howard P Rawlings Education Excellence Awards. *(Based on a drafting error, the original bill included at least a \$75,000,000 annual appropriation. A sponsor amendment corrected the error).*

Why this bill matters

Expanding access to affordable education is critical for the success of our youth - the future leaders of our state. As costs of college rise, the State must react and do what it takes to help students to achieve their academic goals.

This bill would increase scholarship programs to ensure that students get to *and through* college. Particularly for students from low-income families, getting into college is only half of the battle – retention and success in higher education is a major issue. Vulnerable students need *both* social support and financial support to make college a reality. This bill addresses both of these needs by: (1) enabling the Next Generation Scholars Maryland Program to continue its support of students *through* college, (2) increasing scholarship caps for higher education, (3) increasing the overall pool of money for Howard P Rawlings Education Excellence Awards, and (4) ensuring that there is no benefits cliff associated with a change in family income.

I urge you to vote favorably on HB734.

CollegeTracks Written Testimony HB 734.pdf

Uploaded by: Rachel Lostumbo

Position: FAV



Rachel Lostumbo
CollegeTracks

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HB 734 – SUPPORT
“Higher Education – Student Financial Assistance- Alterations and Appropriations”

House Appropriations Committee
February 18, 2022

CollegeTracks submits this written testimony in support of HB 734 which addresses, in part, the Guaranteed Access Grant for students attending institutions of higher learning in the state of Maryland. Specifically, we support the provision that allows for students who have qualified for and received the Guaranteed Access Grant to remain eligible if there is a change in their family income by reducing the grant amount based on their new income, instead of losing their grant in its entirety.

CollegeTracks is a non-profit organization in Montgomery County that works in partnership with Montgomery County Public Schools (MCPS). Our mission is to empower first-generation-to-college students and students from low-income and immigrant households in Montgomery County, Maryland by helping them bridge systemic opportunity gaps with enough support to get to and through postsecondary education and on a career pathway.

We strongly believe that all young people in Maryland deserve the opportunity to pursue higher education, if they choose, and to have access to as much financial aid as they need to do so. For Maryland students from low-income households, the Guaranteed Access Grant can be the difference between earning a higher education credential or not. In 2021 CollegeTracks worked with 123 high school seniors who were awarded the Guaranteed Access Grant. Of these, 116 chose to attend a Maryland institution of higher education, in part because the Guaranteed Access Grant meant they could afford it.

The largest impediment to a student completing their postsecondary education is financial pressure.¹ Unfortunately, we have worked with students who have lost their Guaranteed Access Grant because their families’ income rose above the limit. This includes students who are working full-time to help cover their college expenses and the increase in their own earnings impacted the household income. For most of these students, the loss of their Guaranteed Access Grant jeopardized their ability to afford college, to stay in school, and complete their degree.

HB 734 takes important steps towards ensuring that those who have the most financial need in Maryland are given the assistance they need to pursue higher education, get on a career pathway, and continue contributing to a thriving state economy, instead of being penalized by a small increase in family income.

¹ 38% according to a Signal Vine presentation, Reflect Resilience, February 3, 2022.

HB 734 GA FAV_.pdf

Uploaded by: Sara Fidler

Position: FAV

House Appropriations Committee
***House Bill 734 (Lierman) Higher Education – Student Financial Assistance – Alterations
and Appropriation***

Sara C. Fidler, President
sfidler@micua.org
February 22, 2022

On behalf of the member institutions of the Maryland Independent College and University Association (MICUA) and the 58,000 students we serve, I thank you for the opportunity to provide this written testimony in support of [House Bill 734 \(Lierman\) Higher Education – Student Financial Assistance – Alterations and Appropriation](#). This bill requires the Maryland Higher Education Commission to utilize the annual family income determination used when the student prequalified for a Guaranteed Access Grant (GAG) when making an award. The bill also increases the maximum award amount for an Educational Assistance Grant to be \$7,000 instead of \$3,000 and allows the recipient of a GAG who becomes ineligible due to an income change to remain eligible for the full award term with a reduced amount of funding.

Every one of MICUA’s thirteen State-aided institutions participates in the Guaranteed Access Partnership Program (GAPP). GAPP is a public-private partnership that helps students close the affordability gap in order to attend a private nonprofit institution of higher education in the State. Students who receive a GAG from the State are eligible for a matching grant from a MICUA institution. Since 2017 when the program was established, GAPP has matched over \$45 million to nearly 2,400 Maryland students.

The modifications to the GAG program made by this bill will have a substantial positive impact on student retention and completion. In some instances, when a recipient loses a GAG due to income ineligibility, they may choose to withdraw from the institution. Allowing a student to receive a reduced GAG award amount is a significant improvement over a firm cutoff (the “GA cliff”) for the award. Data from our MICUA institutions indicates that many students who lose eligibility for their GAG because of an income change remain Pell grant eligible – meaning these are still the lowest-income students. Maintaining the GAG, even at a reduced award level, allows these students to continue pursuing their academic goals, and graduate with a baccalaureate degree.

The MICUA colleges and universities are committed to helping students obtain the financial assistance they need to access their choice of institution of higher education. We use 85%-90% of our Sellinger funding for financial aid for Maryland students, and in Fiscal 2021, we awarded over \$300 million in institution-based financial aid. We have seen increased financial need in recent years, especially during the pandemic, and this bill will help alleviate some of the economic pressures on our students.

We appreciate the effort that the sponsors have made to ensuring that students receive and retain the financial aid resources they need to pursue their undergraduate education. If you have any questions or would like additional information, please contact Angela Sherman, Vice President for Academic Affairs, asherman@micua.org.

For all of these reasons, MICUA requests a favorable Committee report for House Bill 734.

HB 734 Student Financial Assistance (Lierman) APP

Uploaded by: Barbara Wilkins

Position: INFO



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

HOUSE BILL 734 Higher Education - Student Financial Assistance - Alterations and Appropriation (Lierman)

STATEMENT OF INFORMATION

DATE: February 22, 2022

COMMITTEE: House Appropriations

SUMMARY OF BILL: HB 734, in part, mandates an appropriation in the amount of \$75 million for the Educational Excellence Awards, beginning FY 2024.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the \$75 million mandated appropriation provision that impacts the FY 2024 and subsequent budgets.

The FY 2023 Budget allowance provides \$100 million for the Educational Excellence Awards, or \$10 million more than the FY 2022 funding amount. Typically, this particular scholarship Award increases 2% each year to keep up with tuition growth at the public four year institutions. The Governor has consistently demonstrated his support for the Educational Excellence Awards program and for the students it serves and has significantly increased funding for the program in FY 2023.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature's new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary

vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

**For additional information, contact Barbara Wilkins at (410) 260-6371
or barbara.wilkins1@maryland.gov**