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Position: FAV

Senate Education, Energy, and the Environment Committee

Testimony by

Dr. Brad Phillips, Executive Director

March 1, 2023

SB 662 – Higher Education - Appointment of Secretary and Student Financial Assistance

POSITION: Favorable

The Maryland Association of Community Colleges (MACC), representing Maryland's 16 community colleges, supports this legislation and thanks Chair of Education, Energy, and the Environment Committee, Senator Feldman, for introducing this legislation that allows for the decentralization of the Maryland Community College Promise program.

Maryland's Community College Promise Program has a tremendous impact on helping students attend college. Removing administrative barriers will help fulfill the statutory goals imagined when the program was signed into law. Decentralizing the program will significantly streamline the awarding process and allow for timely decisions, such as when the student decides to enroll and when they might know what financial aid resources are available. Decentralization allows community college financial aid officers to directly assist students and apply Promise funds accordingly. Currently, Maryland allows for two financial aid programs to be decentralized as they are only awarded to community college students, the Part-Time Grant, and the Decentralized Educational Assistance Grant (also designed for students who missed the March 1st deadline). In their evaluation of the Office of Student Financial Assistance, the Office of Program Evaluation and Government Accountability (OPEGA) recommends decentralizing several state financial aid programs so colleges can award funding directly to students. This legislation aligns with OPEGA's recommendation.

This legislation allows each community college to make awards to students in continuing education courses leading to licensure and certification in critical workforce shortage areas, something the program is designed to accomplish. It should be noted that most continuing education courses are not eligible for a Pell Grant or State need-based assistance. Continuing education courses operate on a rolling basis, and each college has unique offerings, making MHEC incapable of determining how to award students.

MACC would like to work with the sponsors of this legislation on some friendly amendments that could even further enhance the Promise Program to create a more universal opportunity for students to reach their educational goals. We have provided 8 suggestions that would make Promise a premier financial aid program and are listed below. These changes would result in capturing what is best in 4 State financial aid programs and consolidating them into one decentralized program that would serve full-time, part-time, and students who are seeking licensure and certification programs in our continuing education offerings. The State's current Howard P. Rawlings Educational Excellence awards only serves 3,200 students out of all students enrolled at Maryland's community colleges for the 2022-2023 academic year. The need is too great at our colleges to maintain the current course and this legislation could provide

incredible opportunities for our students and help us reverse a long trend in declining enrollment.

- Remove Maryland's community colleges from the Howard P. Rawlings Educational Excellence Awards (EEA) that is comprised of both the Guaranteed Access Grant (GAG), the Educational Assistance Grant (EAG), and the Campus-Based Educational Assistance Grant (CBEAG).
- In exchange, shift/move/increase the Maryland Promise Scholarship by \$10 million to establish a single financial aid program geared towards serving community college students.
- Link the EEA and the Promise by requiring any percent increase in one program to automatically increase the other program by the same percent.
- Have the changes phase-in so current students who are receiving an EEA can continue to receive the award. This also allows community colleges the time to transition to a fully decentralized model by the 2024-2025 Academic Year.
- Provide for the community colleges to have the flexibility to use a minimum of 5% of the Promise Scholarship for low-income students to cover the cost of attendance (COA) that is currently calculated for the GAG.
- Provide eligibility for all students who graduated from a Maryland high school by removing the initial GPA requirement but maintain a 2.25 GPA standard for renewal awards.
- Allow an alternative method for verifying income eligibility other than the FAFSA for students in continuing education courses leading to licensure and certification and remove the March 1 deadline for FAFSA filing.
- Allow the colleges to award Promise to full-time and part-time students (taking a minimum of 6 credits) as well as those in a sequence of credit and/or non-credit courses that lead to licensure or certification.

Thank you for your consideration of this bill, our amendments, and all your efforts to meet the needs of the students we serve.

MACC requests a favorable position with amendments to SB 662.

SB662_Kelly Atabong_fav..pdf

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Position: FAV

Good afternoon everyone my name is Kelly Atabong, I am a graduating senior and I currently attend Bowie state university. Today I be talking about challenges I have had with keeping my GA grant and how first generations college bound has helped and worked with me to obtain and keep this grant. During my senior of high school, I had no idea which college I wanted to go to or how I was going to pay for school but, in the first quarter of my senior year I was introduced to Ms. Deja from First Generation College Bound who helped me all throughout high school until I got to college. During this process I faced a lot of challenges, which included understanding the GA grant, turning in paper work and doing appeals which was very exhausting process but with the help of FGCB they gave me the motivation to keep going. I faced another challenge during my junior year of college after taking a semester off, this almost caused me to lose the GA grant but thanks to FGCB they were able to help and guide me on getting the GA grant back. Having the guarantee access grant has helped me tremendously because I am able to graduate this May with no debt which makes medical school more attainable for me as I continue to pursue my dreams.

Thank you,
Kelly Atabong

SB662_Kenneth Moore III_fav..pdf

Uploaded by: Kenneth Moore III

Position: FAV

Kenneth Reynolds Moore III

2/20/2023

GA Grant Letter

First Generation College Bound

As you can probably tell I am a first-generation college-bound student. It is great pleasure to be the first person in my family to go to college, it also brings me a lot of pride and joy where ever I go. Although unfortunately there are some downsides to being a first-generation college-bound student. It is extremely hard to support your family without a college degree, as I am sure you are well aware. Jobs are not as readily available and the jobs you do get treat you like crap. At least from what I can see. Needless to say, those jobs don't pay well either. So how does a first-generation college-bound student like me get to go to college? It is due to my good grades I achieved in High School and, more importantly, the GA grant. Without that grant, I would not have enough money even with my FAFSA loans to go to college. I did the math I would still have to pay 5,000 dollars out of pocket to be able to do 2 semesters at the school I am currently at. It's just me and my mom and we don't just have that kind of money in general so how could we make that money up for college? That is why the Ga grant is so important because it gives students that don't have the same access to funds and the benefits that come with it a fighting chance to get the job they want with a degree. One more little bump in the road you run into being a first-generation college-bound student is that your parents do not know much about the processes it takes to get you into college. That's when first-generation college-bound came in to help me and made it so much easier to navigate the slopes of finding colleges to apply to, doing the FAFSA, and ultimately finding out about MDCAPS which got me the GA grant. Without them, I might have been in a mountain of debt that I could not afford to pay back and in a lot more stressful situation. That could affect my performance in school and might even make me underperform. So I am just so glad that First Generation College Bound came around to help me when I needed it!

SB662_Mary Adewole_fav.pdf

Uploaded by: Mary Adewole

Position: FAV

February 24, 2023

Dear Senators and Delegates,

I have always known I would go to college. I didn't know what I wanted to be. I didn't know the first steps I needed to take and there is only so much you can ask Google.

Since my parents have never been through this type of transition. From high school in the United States to college, they didn't know what it was like to not know the path to take, they couldn't guide me in choosing a major, they couldn't comfort me the way I needed and most importantly, as a first-generation student, they couldn't provide the financial aid we as a family would need for me to get a higher education.

I remember when I got my graduation cap and gown in the summer of 2022, how I needed to look up on YouTube how to attach a tassel to a cap.

As I was doing this, I felt an overpowering feeling of pride, and it was all because I didn't do it alone.

My first-generation counselor was Mrs. Onokoko. She was there for me, more than even I could say about my high school counselor. At every step, she was there. FGCB was there to remind me to do my FAFSA before my school could inform us of that. They helped me in filling it out. Mrs. Onokoko would stay on the call with me for hours when necessary, helping me calculate a tax return I'd never seen or touched because I never took a financial literacy task and my parents didn't know how to use FAFSA, especially since I was the firstborn.

Mrs. Onokoko helped me decide the types of schools that I should be applying to. Mrs. Onokoko told me that I didn't need to have my major figured out right at that moment, saving me from crumbling under the stress of not knowing and feeling like I was behind. Mrs. Onokoko motivated me with her own stories of the college application and decision process, how difficult it was, and how she didn't understand why certain colleges didn't accept her when she was a good student. She informed me about MD caps and then district senate scholarships. Without her help. Without FGCB's help and representation in my life. I would become another statistic. Stuck taking out a loan that would cripple me and hold my family back. They showed me where to go, and one of those places was towards the GA Grant.

The GA grant is the most important, impactful, and life-saving gift that the state of Maryland could ever provide to a person that is just wanting to be and do better with their life. I would constantly fear that my need for tuition and housing at my college would drive my family apart because I wasn't the only child, we had family back in Nigeria looking up to us and expecting us to help provide financially as well. They wanted to act strong in front of me, but I knew. And it was a looming observation and realization that followed me throughout my high school career. FGCB guided me to follow the path I wanted, they directed me to the GA grant by helping with the financial aid process and after finding out I was eligible, the questions I had about it that I

told Mrs. Onokoko about would not go on answered. She would call MDCAPS and make a three-way call with me involved, making sure I was aware of my resources and confident within them.

I am sitting here typing this in my Towson University Dorm, as a pre-business marketing major and a computer science minor, because of FGCB and the GA grant. I am at a place where I love, learning about the things that I love, something I didn't make the conclusion to do until I took Mrs. Onokoko's words to heart and lived my life without stress and worry, and things just clicked. I can afford the things that I love and have a chance at doing them for the rest of my life because of the GA grant.

I couldn't be more thankful, my parents can't be more thankful, and my siblings couldn't be more hopeful that an opportunity and organization like this will continue to be around when it is their turn to attach their tassels to their graduation cap, with me as a guide instead of a video. I hope more people can get the chances that I have gotten.

With Great sincerity,

Mary.

SB 662OSFA FAV FINAL.pdf

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Position: FAV

Favorable

Senate Education, Energy, and the Environment Committee

Senate Bill 662 Higher Education – Appointment of Secretary and Student Financial Assistance - Alterations

Matt Power, President

mpower@micua.org

March 1, 2023

On behalf of Maryland’s independent colleges and universities and the 56,000 students we serve, we thank you for the opportunity to provide this letter of support with amendments regarding *Senate Bill 662 - Higher Education - Appointment of Secretary and Student Financial Assistance - Alterations*. MICUA believes that there are many positive components in the bill that will help increase access for Maryland students, but also has concerns that some components on the bill, as introduced, will be difficult, if not impossible, to implement. As a result, there are several technical and practical changes to the bill that MICUA believes would strengthen the bill and create an easier and more predictable path for students to obtain a Guaranteed Access grant (GA).

First, MICUA believes that its member institutions can successfully administer the Guaranteed Access grant as a campus-based program. However, there are two cohorts of GA students that we don’t believe we can independently verify under the existing process and bill as proposed: (1) Next Generation Scholars Students, and (2) Dreamers that file the Maryland State Financial Aid Application (MSFAA) rather than the Free Application for Federal Student Aid (FAFSA). The bill should be amended so that these two groups of students still have their GA grants verified and awarded by MHEC.

Second, MICUA would also like to see the bill amended to clarify the definition of the word “EACH applicant” on page 16, lines 24-28. The language should be clarified to ensure that the verification is based on the data submitted by a student as opposed to institutions verifying the accuracy of the data a student has attested to. Additional clarification is also needed to differentiate between an applicant’s award letter and an applicant’s admission on page 17, lines 13-15. The GA should be awarded as part of an applicant’s award letter, not at admission.

Third, MICUA’s members are particularly concerned about the duplication of effort and drain on collective resources that will inevitably arise from multiple institutions verifying the same student. Currently, an institution’s verification of a student can be utilized by a different institution to make a GA award but if the award is made in error, it is the initial verifying institution, not the institution that enrolled and awarded the GA, that is liable to reimburse funds.



AFFILIATES



Lastly, MICUA also has concerns that the bill as drafted will result in awards for Educational Excellence award grants (EA) being made too late for them to be determinative or even useful to students. More importantly, the bill needs a provision that grandfather existing EA awardees, prior to the awarding of GA grants, so that the educational progression of existing EA awardees isn't negatively impacted or terminated due to a lack of funding.

MICUA appreciates that the bill acknowledges that shifting the verification and awarding of GA grants from the Maryland Higher Education Commission (MHEC) to a campus-based process will inevitably result in the need for additional resources for campus financial aid offices. Unfortunately, the bill only directs the Governor to provide funding for public institutions of higher education. MICUA member campuses will have the same additional responsibilities as public institutions of higher education and would greatly appreciate the General Assembly expressing its intent that the Governor include funding for financial aid offices at MICUA schools as well.

Overall, MICUA greatly appreciates the sponsor's willingness to work with the segments on many of the practical and logistical issues associated with a change of this magnitude. The two-year delay for the effective date is extremely appreciated. MICUA recommends that the bill also create a workgroup consisting of MHEC, MICUA, USM, MACC and member campuses financial aid offices to make regulatory and legislative recommendations over the next two years to ensure that the process is smooth and the transition results in better outcomes for future Maryland students.

For these reasons MICUA requests a favorable Committee report for Senate Bill 662.

SB 662_CollegeTracks_Fav.pdf

Uploaded by: Rachel Lostumbo

Position: FAV



Rachel Lostumbo
CollegeTracks

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SB 662 – SUPPORT

“Higher Education – Appointment of Secretary and Student Financial Assistance - Alterations”

Senate Education, Energy and Environment Committee
March 1, 2023

CollegeTracks submits this written testimony in support of SB 662.

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 onto a career pathway.

CollegeTracks is currently working with over 1300 High School students from 5 MCPS High Schools, and over 520 college students, 96% of whom attend colleges in Maryland. The program begins with our CollegeTracks Access Program, which serves high school students starting in their junior year and focuses on College Admissions and Financial Aid advising. The CollegeTracks Success Program supports these students once they graduate high school, and helps them enroll, persist, and graduate from college, and move on into a meaningful career. 99% of our students are accepted into at least one college or vocational school, and they enroll, persist, and graduate at rates that match their more affluent peers.

Overall, CollegeTracks supports the effort to streamline the process of applying for and administering Maryland state financial aid. The process of getting and maintaining state aid is unduly complicated and we know from experience that many deserving students do not get the aid they need to pursue their education. SB 662 is an important step in redesigning Maryland state financial aid so that those students who cannot afford college are able to pursue their education in the state of Maryland.

Specifically, we support the provisions in SB 662 eliminating a GPA requirement of 2.5, as well as the removal of the requirements to enroll within one year of high school graduation and to be under the age of 22. For Maryland students from low-income households, the Guaranteed Access Grant can be the difference between earning a higher education credential or not. Removing these barriers to this important grant is a positive development.

In 2022, CollegeTracks served 650 high school seniors. Of these students 122 were eligible for the Guaranteed Access grants and 112 of these students chose to attend a Maryland institution of higher education, in part because the Guaranteed Access Grant meant they

could afford it. 118 students were eligible to receive the Educational Assistance Grant. 19 of these students had a GPA of less than 2.5 and at least 10 of these students had an EFC of 0, which may have made them eligible for the Guaranteed Access Grant and could have been the difference that allowed them to attend a four-year institution.

We also support provisions in SB 662 which make the College Promise Scholarship a campus-based program and allow for the scholarship to be awarded to students taking at least 6 credits, with priority given to full-time students. We have had a number of students lose the College Promise Scholarship when they have reduced their course load to part-time for family and/or economic reasons.

The largest impediment to a student completing their postsecondary education is financial pressure. 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. It is our hope that through continued research and collaboration, Maryland state aid will be adjusted so that the Guaranteed Access Grant and the Educational Assistance grant are combined into one program, with awards made on a sliding scale, utilizing a simplified and streamlined process for students, including the process of verification. We also will support provisions that will expand outreach to students who have unmet requirements and allow students to regain their state aid should they lose it.

SB 662 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.

SB662_Samuel Ebobissè_fav..pdf

Uploaded by: Samuel Ebobissè

Position: FAV

Dear Committee Members,

I am here today to speak about the critical role that community-based organizations, such as FGCB, play in supporting students from low-income families in their pursuit of higher education. Without organizations like FGCB, many students would not have access to the resources and support they need to succeed in high school and college.

Growing up in a low-income household, I faced many barriers to achieving my educational goals. However, thanks to the support and guidance of organizations like FGCB, I was able to overcome these obstacles and pursue higher education. FGCB provided me with academic support, college and financial aid application assistance, and mentorship, which were all critical in helping me navigate the college admissions process and secure funding through the GA grant program.

As a former recipient of this grant, I can attest to the vital role it plays in making higher education more accessible to students from low-income families. I grew up in a single-parent household with limited financial resources, and without the Maryland Guaranteed Access Grant, I would not have been able to afford to attend college.

This grant provided me with the financial assistance I needed to pay for tuition, textbooks, and other necessary expenses, and it allowed me to focus on my studies without the added burden of worrying about how I would pay for my education. The Maryland Guaranteed Access Grant not only helped me achieve my educational goals, but it also opened doors for me that would have otherwise been closed. With a college degree, I was able to secure a job while going to school that provided me with stability and the opportunity for upward mobility. This grant played a crucial role in helping me break the cycle of limited resources that had been a part of my life. I strongly support the Maryland Guaranteed Access Grant because I know firsthand how it can change lives.

Without organizations like FGCB, I would not have had access to these resources, and my journey to higher education would have been much more challenging. I firmly believe that community-based organizations are essential in bridging the gap between low-income students and the resources they need to succeed in higher education.

I strongly urge the state to fund more community-based organizations that support students in their pursuit of higher education, particularly those who are eligible for the GA grant program. This grant has helped thousands of students like me achieve their dreams of higher education, and it has played a vital role in increasing the number of college graduates in our state. Investing in these organizations is investing in the future

of our state, as it helps to ensure that all students, regardless of their socioeconomic background, have the opportunity to pursue higher education and achieve their full potential.

In conclusion, I thank you for considering the importance of community-based organizations like FGCB in supporting students from low-income families. I urge you to provide the necessary funding to support these organizations and help ensure that every student has access to the resources they need to succeed in higher education.

Senate Bill 665-Kurtinitis-Testimony for Submissio

Uploaded by: Sandra Kurtinitis

Position: FAV

House Appropriations Committee

Testimony by Dr. Sandra L. Kurtinitis

President of the Community College of Baltimore County

March 1, 2023

SB 662 – Higher Education – Appointment of Secretary and Student Financial Assistance Alterations

POSITION: Support

As President of the Community College of Baltimore County and current Chair of the Presidents Council of the Maryland Association of Community Colleges (MACC), I am pleased and proud to offer testimony in support of SB 662. This legislation, if approved, will bring about significant changes to the Maryland College Promise Scholarship Program, enabling thousands more Marylanders to benefit from this generous initiative.

As testament to the vastly unrealized potential of the Maryland Promise Scholarship, I write to share an astonishing fact. CCBC served over 48,000 students last year and yet, because of the process challenges and application restrictions, our college awarded a paltry 259 Promise scholarships. Year after year, the March 1 application deadline, the processing delays through the well-meaning, but ponderously slow Maryland Higher Education Commission (MHEC) process, the well intentioned, yet restrictive application guidelines have conspired to convert a marvelous opportunity designed to provide full tuition/fee Promise Scholarship into a “broken” promise for far too many Maryland community college students! The result: millions of dollars go unawarded each year.

Nonetheless, several relatively simple fixes described below can turn Maryland Promise Scholarships into the generous and forward-thinking access tools that the original proponents desired.

- Remove administration of Promise funds from the Maryland Higher Education Commission (MHEC) and place the responsibility for distribution of the funds in the hands of the individual community colleges. The federal government trusts our well-trained financial aid professionals to manage millions of dollars in Pell Grants; they can do the same with Promise scholarships.
- Remove the March 1 deadline for filing a Free Education for Federal Student Aid (FAFSA). Most community college students are working adults who often make a decision to return to college long after an early spring deadline in place largely for high school seniors.
- Award Promise Scholarships to both full and part-time students with no priority given to one or the other. Thousands of CCBC students are ineligible because 89% of them attend part-time while pursuing either degree and workforce credentials. As most of the credentialing programs are not Pell eligible (i.e. their length of term is fewer than 600

hours), find an alternative to completing a Free Education for Federal Student Aid (FAFSA) to verify income.

Maryland's community colleges are coming out of the pandemic with vision and strength, more determined than ever to lead with equity by examining everything we do through the lens of who is sitting in our classrooms today. That reality moves this discussion to an equitable access issue. Thank you for considering an alternate way to turn a well-intended, generous, but underused scholarship opportunity into a true gift to the people of Maryland, and especially to the vulnerable populations your community colleges serve. This legislation is indeed an example of Maryland "leading with equity."

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MERIT_TESTIMONY_SB 662_FWA.pdf

Uploaded by: Jimmy Tadlock

Position: FWA



TESTIMONY ON SB 662

Education, Energy, and the Environmental Committee
by the
Medical Education Resources Initiative for Teens, Inc. (MERIT)
March 1, 2023

Members of the Committee. My name is Jimmy Tadlock, Executive Director, Medical Education Resources Initiative for Teens, Inc. On behalf of MERIT, I am pleased to testify in support of SB 662 with amendments. MERIT believes that improvements in the state's need-based financial aid programs – Educational Assistance Grant (EAG), Guaranteed Access Grant (GAG), and the Next Generation Scholars program (NGS) and the Promise Scholarship – are crucial and will make a significant impact on the future of thousands of Marylanders and the state's economy.

I. MERIT supports the following provisions included in the bill.

- A. Appointment of the Secretary of Higher Education by the Governor.
- B. Guaranteed Access Grant awards:
 - Elimination of the 2.5 GPA requirement
 - Elimination of the requirement to enroll within one year of HS graduation.
 - Elimination of the requirement to be under the age of 22 to receive award.
 - Elimination of the college prep requirement
 - Changes to verification standards from federal V1 standards to "federal standards".
- C. Educational Assistance Grant awards:
 - Efforts to increase knowledge of the state's need based programs.
- D. Next Generation Scholarship program
 - Eliminates the pledge to remain drug free.
 - Allows students eligible for the federal free lunch program to be eligible for services.
 - Allows student who have been in the program for at least a year to continues to participate if they move to another Maryland county even if the county does not qualify for the NGS program.
 - The Commission shall provide a list of all students who have prequalified for a GAG award.
- E. Promise Scholarship
 - Makes the Promise Scholarship a campus-based program; certification of eligibility for new and renewal awards is handled at the college level, not MHEC.
 - Allows awards for students who enroll for at least 6 credits per semester; however, priority is given to students enrolled for 12 credits per semester.

- Provides that community colleges verify the income of applicants using federal standards.

F. Maryland Higher Education Commission

- Eliminates the requirement for OSFA to become a separate agency.

II. MERIT recommends a comprehensive study of need-based financial aid programs before significant changes are enacted.

While MERIT supports many of the provisions in the bill, we recommend that significant changes to the structure of these programs be developed based on a comprehensive study of the Educational Excellence Award program that engages all constituencies. The review will build upon a recent report from the Office of Program Evaluation and Government Accountability of the Department of Legislative Affairs. The report found many problems with the current programs resulting in a complex, confusing and onerous process for students and their families to navigate. Further, the programs do not support numerous low income students, who either never learn about the program or who are unable to navigate the complex application process. In addition, the \$3,000 maximum award for the Educational Assistance Grant has not been increased since 1996, falling significantly behind the current cost of education.

A positive outcome reported in the review was that students who received a need-based grant were able to achieve a degree by age 25, with 72% of GA Grant and 57% EA Grant recipients graduating in that time frame. However, the report also found that from 2010 – 2017 the college enrollment gap between low-income and higher income students increased since 2010, with enrollment by low-income students declining by 10%, while the decline for higher income students declined by only 3%.

Financial aid programs are very complex and intertwined. For that reason, MERIT believes that a broader study to reimagine the state's primary need-based programs (EAG, GAG and NGS) is needed to ensure that any recommended changes do not have unintended consequences and that all interested constituencies have an opportunity to weigh in on proposed changes. MERIT also recommends that enhanced funding for outreach to students and parents be considered since these programs are critical for students from low-income families while that are in high school and continued support is needed while in college.

III. MERIT recommends amendments as follows:

- A. Verification for all GAG awards should be conducted for GAG applicant based on those identified under the federal verification process.
- B. Eligibility under the Next Generation Scholars program should be based on federal free and REDUCED lunch program.
- C. For the EEA program, we suggest a correction to fix the problem of students who completed 60 credits at the end of their 2nd year but completed more than 30 credits the first year and less than 30 the second year. Also, we recommend that institutions include credits earned by students in all semesters in prior year to be counted – including the summer session. Suggested language is as follows:

*If the student successfully completed at least 60 credits in the prior academic years, WHICH INCLUDES THE FALL, SPRING AND THE FOLLOWING SUMMER SEMESTERS, the award amount shall be equal to 100 percent of the student's financial need as determined by the [Office] **INSTITUTION OF HIGHER EDUCATION**, not to exceed the equivalent annual expenses of a full-time resident undergraduate at the 4-year public institution of higher education within the University System of Maryland, other than the University of Maryland Global Campus and University of Maryland, Baltimore Campus, with the highest annual expenses for a full-time resident undergraduate; or*

If the student successfully completed at least 48 but less than 60 credits in the prior academic year, the award amount shall be equal to 100 percent multiplied by the ratio of the number of credits successfully completed divided by 30.

IV. MERIT has additional feedback/comments on the following issues.

- A. It appears that the bill moves the administration of GAG awards to institutions but leaves the administration of EAG awards to MHEC with the funding for both programs from the same budget. Further, the bill restricts awarding of EAG awards until after all GAG awards have been awarded and accepted. The timing and budget management of this approach is problematic since EAG awards are to be awarded by April 15 each year and awarding and acceptance of GAG awards take several months to complete.
- B. The bill states that the Commission establishes the annual family income used to determine student eligibility for EAG awards on or before August 1 each year, however, the EFC (or SAI) calculation is used to make EAG awards not family income.
- C. Current law allows verification to be conducted by institutions instead of MHEC, however, a study conducted by the FAAC found that verification for GAG awards needs to be either conducted by the institutions or by MHEC; a hybrid approach in which some GAG verification is done by institutions and some by MHEC is unworkable.
- D. Section 18-304, (b) (3). We are not sure what is intended here since GAG awards at community colleges are based on 100%.

FINAL TESTIMONY ON SB 662.pdf

Uploaded by: Joseph Fisher

Position: FWA



TESTIMONY ON SB 662

Education, Energy, and the Environment Committee
by the
Maryland Alliance for College Affordability and Equity

March 1, 2023

Chair Brian Feldman and members of the Committee.

My name is Joe Fisher. I serve as the chair of the Maryland Alliance for College Affordability and Equity and the CEO of First Generation College Bound. Along with me today is Janice Doyle who is an advisor to the Alliance.

We are pleased to provide testimony on behalf of the Maryland Alliance for College Affordability and Equity. We are testifying in support of HB 923 with amendments. The Alliance believes that improvements in the state's need-based financial aid programs – Educational Assistance Grant (EAG), Guaranteed Access Grant (GAG), Next Generation Scholars program (NGS) and the Promise Scholarship – are crucial and will make a significant impact on the future of thousands of Marylanders and the state's economy. Alliance members have significant experience working in the community with students from low income families and we believe that experience makes us a valuable resource as we work to improve the higher education pipeline for low income students today and generations to come.

I. The Alliance supports the following provisions included in the bill.

- A. Appointment of the Secretary of Higher Education by the Governor.
- B. Guaranteed Access Grant awards:
 - 1. Elimination of the 2.5 GPA requirement
 - 2. Elimination of the requirement to enroll within one year of HS graduation.
 - 3. Elimination of the requirement to be under the age of 22 to receive award.
 - 4. Elimination of the college prep requirement
 - Changes to verification standards from federal V1 standards to "federal standards".
- C. Educational Assistance Grant awards:
 - Efforts to increase knowledge of the state's need based programs.
- D. Next Generation Scholarship program
 - Eliminates the pledge to remain drug free.
 - Allows students eligible for the federal free lunch program to be eligible for services.

- Allows student who have been in the program for at least a year to continue to participate if they move to another Maryland county even if the county does not qualify for the NGS program.
- The Commission shall provide a list of all students who have prequalified for a GAG award.

E. Promise Scholarship

- Makes the Promise Scholarship a campus-based program; certification of eligibility for new and renewal awards is handled at the college level, not MHEC.
- Allows awards for students who enroll for at least 6 credits per semester; however, priority is given to students enrolled for 12 credits per semester.
 - Provides that community colleges verify the income of applicants using federal standards.

F. Maryland Higher Education Commission

- Eliminates the requirement for OSFA to become a separate agency.

II. The Alliance recommends a comprehensive study of need-based financial aid programs before significant changes are enacted.

While the Alliance supports many of the provisions in the bill, we recommend that significant changes to the structure of these programs be developed based on a comprehensive study of the Educational Excellence Award program that engages all constituencies. The review will build upon a recent report from the Office of Program Evaluation and Government Accountability of the Department of Legislative Affairs. The report found many problems with the current programs resulting in a complex, confusing and onerous process for students and their families to navigate. Further, the programs do not support numerous low income students, who either never learn about the program or who are unable to navigate the complex application process. In addition, the \$3,000 maximum award for the Educational Assistance Grant has not been increased since 1996, falling significantly behind the current cost of education. The report also found that from 2010 – 2017 the college enrollment gap between low-income and higher income students increased since 2010, with enrollment by low-income students declining by 10%, while the decline for higher income students declined by only 3%.

Financial aid programs are very complex and intertwined. For that reason, **the Alliance believes that a study to reimagine the state's primary need-based programs (EAG, GAG and NGS) is needed to ensure that any recommended changes do not have unintended consequences and that all interested constituencies have an opportunity to weigh in on proposed changes.** The Alliance also recommends that enhanced funding for community-based organizations to support outreach to students and parents be considered since these services have proven to be critical for the success of students from low-income families while **they are in high school and college.**

The purpose of the study is to create a new program that merges the GA and EA grants into one program with awards based on a sliding scale. Analysis is needed to determine the

details and funding needed for this new awarding approach. The new program should be based on the following criteria:

1. Combine EA and GA Grants into one program.
2. Awards should be made on a sliding scale.
3. Simplify the application process as much as possible:
 - Qualifications for the new program based on the current rules of the EA Grant.
 - Verification should be limited to applicants who are selected under the federal verification process and follow the federal verification standards.
 - Income and other eligibility criteria to be verified with state records as much as possible to simplify the process.
4. All high school students from low-income families should be eligible for outreach support while they are in high school and college since these programs are proven to enhance success for students from low-income families.

III. The Alliance recommends amendments as follows:

- A. Verification for GAG applicants should be completed **only for those students flagged for verification by the federal government** and verification should be based on federal verification standards.
- B. 18.303.1 Eligibility for guidance and services under the Next Generation Scholars program if student qualifies for federal FARMS (Free and Reduced Meals) and/or is in a school or non-profit organization receiving NGS services.
- C. For the EEA program (both EA and GA), we suggest a correction to fix the problem of students who completed 60 credits at the end of their 2nd year but completed more than 30 credits the first year and less than 30 the second year. Also, we recommend that institutions include credits earned by students in all semesters from prior year to be counted – including the summer session. Suggested language is as follows:

For the EAG:

IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST 60 CREDITS IN THE PRIOR ACADEMIC YEARS, THE AMOUNT OF AN EDUCATIONAL ASSISTANCE GRANT MADE TO A STUDENT MAY NOT BE LESS THAN \$400 OR MORE THAN \$3,000; OR

IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST 48 BUT LESS THAN 60 CREDITS IN THE PRIOR ACADEMIC YEARS, THE AWARD AMOUNTS SHALL BE EQUAL TO THE AMOUNT THE STUDENT WOULD HAVE OTHERWISE RECEIVED MULTIPLIED BY THE RATIO OF THE NUMBER OF CREDITS SUCCESSFULLY COMPLETED DIVIDED BY 60.

For the GAG:

IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST 60 CREDITS IN THE PRIOR ACADEMIC YEARS, THE AWARD AMOUNT SHALL BE EQUAL TO 100 PERCENT OF THE STUDENT'S FINANCIAL NEED AS DETERMINED BY THE INSTITUTION OF HIGHER EDUCATION, NOT TO EXCEED THE EQUIVALENT ANNUAL EXPENSES OF A FULL-TIME RESIDENT UNDERGRADUATE AT THE 4-YEAR PUBLIC INSTITUTION OF HIGHER EDUCATION WITHIN THE UNIVERSITY SYSTEM OF MARYLAND, OTHER THAN THE UNIVERSITY OF MARYLAND GLOBAL CAMPUS AND UNIVERSITY OF MARYLAND, BALTIMORE CAMPUS, WITH THE HIGHEST ANNUAL EXPENSES FOR A FULL-TIME RESIDENT UNDERGRADUATE; OR

IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST 48 BUT LESS THAN 60 CREDITS IN THE PRIOR ACADEMIC YEAR, THE AWARD AMOUNTS SHALL BE EQUAL TO 100 PERCENT MULTIPLIED BY THE RATIO OF THE NUMBER OF CREDITS SUCCESSFULLY COMPLETED DIVIDED BY 60.

Academic year defined:

FOR THE PURPOSE OF THIS SECTION, ACADEMIC YEARS INCLUDE THE FALL, SPRING, AND SUMMER SEMESTERS.

IV. The Alliance has additional feedback/comments on the following issues.

- A. It appears that the bill moves the administration of GAG awards to institutions but leaves the administration of EAG awards to MHEC with the funding for both programs from the same budget. Further, the bill restricts awarding of EAG awards until after all GAG awards have been awarded and accepted. The timing and budget management of this approach is problematic since the awarding and acceptance of GAG awards may take several months to complete. EAG recipients desire to know their award amounts prior to the annual May 1 decision deadline.
- B. The bill states that the Commission establishes the annual family income used to determine student eligibility for EAG awards on or before August 1 each year, however, the EFC (or SAI) calculation is used to make EAG awards not family income.
- C. Current law allows verification to be conducted by institutions instead of MHEC, however, a study conducted by the FAAC found that the process for verification of GAG awards needs to be developed in a manner that does not prove burdensome on institutional financial aid offices.
- D. Section 18-304, (b) (3). We are not sure what is intended here since GAG awards at community colleges are based on 100%.

Respectfully submitted by the Maryland Alliance for College Affordability and Equity

CASA de Maryland

College Tracks, Inc.

CollegeBound Foundation

Collegiate Directions, Inc.

Community Youth Advance, Inc.

End Time Harvest Ministries

FAME – Foundation for the Advancement of Music & Education

First Generation College Bound, Inc.

Hillside Family of Agencies

It Takes a Village to Help Our Children, Inc.

Joes Movement Emporium

KIPP Baltimore

Maryland Business Roundtable for Education, Inc.

MERIT Health Leadership Academy

The Training Source, Inc.

Y of Central Maryland

SB662_USM_FWA.pdf

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Position: FWA



SENATE EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE
Senate Bill 662

**Higher Education - Appointment of Secretary and Student Financial Assistance -
Alterations**
March 1, 2023
Favorable with Amendments

Chair Feldman, Vice-Chair Kagan, and Members of the Committee, thank you for the opportunity to testify on Senate Bill 662. The University System of Maryland (USM) has long-sought modifications and clarifications in the relationship with the Maryland Higher Education Commission (MHEC) in making financial awards to students. Senate Bill 662 goes a long way toward that goal.

While the bill in its current form could have a significant fiscal impact – the amount of which is difficult to quantify – the USM looks forward to working with the sponsors and higher education partners to offer suggestions that make Senate Bill 662 more workable.

Senate Bill 662, as drafted, eliminates MHEC's role in income eligibility verification, awarding, award reporting and award notification for the Guaranteed Access Grant (GA) and shifts responsibility to higher education institutions. That shift requires institutions to verify each GA applicant's income criteria using Federal Verification standards. On or before August 1 each year MHEC will establish the annual family income used to determine a student's eligibility for a GA and an Educational Assistance (EA) Grant and calculate and offer the GA to the applicant upon the applicant's award letter for admissions. Institutions will then be required to include, as part of their award offer letter, information about the availability of the EA award, including description of the award, description of MHEC's Office of Student Financial Assistance, awarding timeline, and point of contact at MHEC's Office of Student Financial Assistance. Higher education institutions must then submit (before June 1 each year) to MHEC a list of applicants awarded a GA grant.

The bill requires institutions to maintain the record that is used to determine an applicant's eligibility for a GA grant for 5 years. The bill also eliminates MHEC's April 15th EA and GA grant award notification deadline to eligible recipients.

In order for USM institutions to verify the income eligibility of each GA applicant using federal verification standards, campus financial aid systems need to be modified to correctly identify applicant students, send notification and complete the verification required. This system would require modification and annual system maintenance to update any required criteria. The verification (notification, document collection and FAFSA update if required) based on Federal verification standards will be performed, most likely, by using third party verification service providers. It remains unclear whether verification means collecting supporting documents (tax return, household information, etc.) for all applicants. Changes

to the federal FAFSA Simplification Act that will be effective in FY 2025 will allow a direct data exchange between the FAFSA and the Internal Revenue Service (IRS), verifying 100% of the GA offered to students should not be required.

To better manage the process and better serve applicants, the USM suggests several important amendments. The USM seeks clarification on the verification requirement to mean a confirmation that each student meets eligibility requirements, not verifying Free Application for Federal Student Aid (FAFSA) information. Additionally, the USM seeks to clarify that MHEC will continue to process awards for Maryland State Financial Aid Application (MSFAA) and Next Generation Scholars students.

We also ask for flexibility on the timeframe for providing information on student recipients to MHEC. Additionally, revising the award process to allow award notifications on a rolling basis and setting an earlier application deadline for EA grants would improve the process.

Thank you for allowing the USM to share our position on Senate Bill 662. The USM looks forward to working with the sponsors and the committee on this bill.



About the University System of Maryland

The University System of Maryland (USM)—one system made up of 12 institutions, three regional centers, and a central office—awards 8 out of every 10 bachelor’s degrees in the State of Maryland. The USM is governed by a Board of Regents, comprised of 21 members from diverse professional and personal backgrounds. The chancellor, Dr. Jay Perman, oversees and manages the operations of USM. However, each constituent institution is run by its own president who has authority over that university. Each of USM’s 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes Historically Black Colleges and Universities, comprehensive institutions, research universities, and the country’s largest public online institution.

USM Office of Government Relations - Patrick Hogan: phogan@usmd.edu

Senate Bill 662 MHEC Letter of Information 0030120

Uploaded by: Lee Towers

Position: INFO



Wes Moore
Governor

Aruna Miller
Lt. Governor

Mary Pat Seurkamp, Ph.D.
Chair

Bill Number: Senate Bill 662 Position: Letter of Information
 Title: Higher Education – Appointment of Secretary and Student Financial Assistance – Alterations
 Committee: Senate Education, Energy, and Environment Committee
 Hearing Date: March 1, 2023

Bill Summary:

Provides that the Secretary of Higher Education is appointed by, and serves at the pleasure of, the Governor. It alters eligibility criteria for, and the process for awards from, the Delegate Howard P. Rawlings Program of Educational Excellence Awards. It alters eligibility criteria for services provided to students through the Next Generation Scholars of Maryland Program. It requires community colleges to award Maryland Community College Promise Scholarships in place of the Office of Student Financial Assistance.

Information:

- *Page 4 lines 7 – 8.* The legislation continues to require a passing score of at least 165 per module on the diploma by examination (i.e., GED), however on page 1 lines 19-27, the proposed legislation eliminated the GPA and college preparatory program requirements for high school applicants. The minimal score needed on each test to pass and earn a GED diploma is 145. MHEC proposes that in order to remain equitable, the passing score requirement for GED recipients should be removed since the GPA requirement has been eliminated for high school students.
- *Page 5 lines 8 – 9.* The legislation continues to require Next Generation Scholars to maintain a cumulative grade point average of at least 2.5 on a 4.0 scale or its equivalent; however, on page 1 lines 19-27, the proposed legislation eliminated the GPA and college preparatory program requirements for high school applicants. MHEC would point out that to remain equitable; GPA requirement for Next Generation Scholars should be removed since the GPA requirement has been eliminated for high school students.
- *Page 7 line 8 – 10.* The legislation removes federal “VI” terminology and replaces it with “Standards for”. Federal standards are not specific and are determined by interpretation. Although federal verification is a process, which requires institutions to verify the accuracy of the information provided on a student's Free Application for Federal Student Aid (FAFSA) in an effort to ensure federal aid is distributed to those who are eligible. The Department of Federal Student Aid (FSA) long-term goal is for a customized approach to verification, which creates menu of potential verification items for each award year. MHEC would suggest that additional language be included to provide clarity of “Standards”. An example of suggested language is as follows:

Federal standards include Adjusted Gross Income (AGI); Income Earned from Work, Household Size, and High School Completion Status.

- *Page 8 line 24 – 29.* The legislation decentralizes the Maryland Community College Promise Scholarship program and requires the Commission to allocate Maryland Community College Promise Scholarship funding to each community college based on the proportion of full-time equivalent (FTE) students at each institution. MHEC expresses that decentralizing the Promise Scholarship program and allocating funds as identified in the legislation may have an adverse effect based on the proposed funding formula causing an inequity of funds. If the funding allocation for each community college is based on the proportion of full-time equivalent students at each community college, the amount allocated to each institution may be increased or decreased disproportionately. Currently, as a centralized program, awards are made to the student based on eligibility and need, funds are not allocated to the institution, but paid to the institution based on how many students are eligible for the funds and have a remaining balance for the funds to cover. Since the Promise Scholarship is a last dollar fund, there are many instances in which an eligible student is no longer eligible because they have no cost remaining. The applicant received enough aid from other types or sources of aid (including Pell Grant, Guaranteed Access Grant, Educational Assistance Grant, private scholarships, etc.), in which the applicant had no remaining balance for the semester. Therefore, an institution received funds based on eligible students and funds remain available for students that need additional funding. The proposed legislation creates an environment in which now community colleges will have the funds and funding for eligible recipients will be determined if the eligible recipient attends an institution with funding available. The proposed legislation creates the possibility that institutions with a higher FTE will have majority of funding that they cannot spend as where institutions with a lower FTE will have more eligible students, but not funding because they have exhausted it all.

MHEC is currently in the process of extending the deadline dates for the Promise Scholarship so that students are eligible to apply for it all year round. MHEC suggests that either this part of the proposed legislation is removed and allow MHEC increase accessibility of the Promise Scholarship or at minimum allow MHEC to propose a different manner or calculating the allocation to institution of higher education.

- *Page 15 line 11 – 14.* The legislation identifies and establishes a deadline date for the Commission to establish the annual family income used to determine a student’s eligibility for a Guaranteed Access Grant and Educational Assistance Grant each year. MHEC advises that putting such a date in statute will require a more extensive process if there is ever a need to change the date. MHEC proposes that this section of the legislation be revised to read the following:

Each year the Commission shall establish the annual family income used to determine a student’s eligibility for a Guaranteed Access Grant and Educational Assistance Grant each year. The Commission shall include an established date of when the annual family income will be available as part of the Commissions Guaranteed Access Grant and Educational Assistance Grant regulations.

- *Page 15 lines 19 – 22.* The proposed legislation does not remove MHEC from the verification of Next Generation Scholars, but it requires institutions of higher education to verify already pre-qualified Next Generation Scholars. On page 15 lines 23 – 25, it is established that the Commission shall provide a list of all students who have prequalified for Next Generation Scholars. Since Next Generation Scholars takes place during grades 7, 8, 9, or 10; and prequalified students are already identified and verified by the Commission, why would there be a need for institutions of higher education the verify the prequalified student, when MHEC already verified and prequalified the student? MHEC would like additional clarity.

- *Page 15 lines 23 – 25.* The legislation adds that the Commission shall provide a list of all students who have prequalified for the award under subsection (e)(1) or (2) of this section to each institution of higher education. MHEC already provides a list of all students who have prequalified for the Next Generation Scholars (Guaranteed Access Grant) award. Next Generation Scholars award is treated as a subsidiary of the Guaranteed Access Grant and currently named separately in the Maryland College Aid Processing System (MDCAPS) for awarding, tracking, and reporting purposes.
- *Page 16 lines 24 – 28.* The proposed legislation adds that each institution of higher education in the state “shall” verify the eligibility of “each” applicant for the Guaranteed Access Grant program, etc. MHEC is concerned that the word “each” implies that the institution must verify all GA initial and renewal recipients. MHEC suggests that the word “each” should be removed and allow the number of recipients to be verified determined in regulations or set by each institution.
- *Page 17 lines 13 – 19.* The proposed legislation requires an institution to verify whether each applicant qualifies for a Guaranteed Access Grant, calculate, and offer the Guaranteed Access Grant award to the applicant upon the applicant’s award letter for admission, and submit to the office on or before June 1 each year for the upcoming school year, information on the students whom the institution of higher education offered a Guaranteed Access Grant. Majority of Institutions start the admission process for incoming students (i.e., freshman, Transfer, and Graduate students) as early as September in the current year for the upcoming year (i.e., admission process starts September 2023 for the incoming class of 2024-2025). The proposed requirements may cause a delay in student admission decision, since the Free Application for Federal Student Aid (FAFSA) is not available until October 1 of the prior year (i.e. 2024-2025 FAFSA is available October 1, 2023) an institution will not be able to calculate and offer the GA award if the student has not completed the FAFSA/MSFAA. Typically, the financial aid office issues a student’s award letter not the admissions office and the letters are not issued at the same time. Most institutions do not provide an award letter to the student until the student completes the FAFSA and each student’s Pell eligibility is required to calculate the GA award. Therefore, the GA calculation will not be able to be completed at the time of admissions, unless the admission office delays the admission offer until the student completes the FAFSA, and it is received by the financial aid office to calculate the award. Admission offices will need to coordinate with financial aid offices prior to notifying students of their acceptance.

The legislation has a fiscal impact to institutions. If the institution must calculate the GA award the institution must update their financial aid management system to perform the calculation. Institutions will not be able to calculate the award manually and will need to update their information systems to import the upcoming year FAFSA records, which usually is not ready until early November of the prior year. Incoming students usually apply to multiple institutions, which would require each institution to verify if the applicant qualifies, calculate, and offer the award upon the applicant’s award letter for admission. If the institution is required to verify the applicant’s eligibility, each applicant will be required to submit documents to each institution they applied to for admission. Furthermore, since the proposed legislation requires all institutions to do verification in the GA program, this may create an audit risk for institutions. Under the current regulations, subsection §18-303.3.(d)(1), “a verification obtained by an applicant under subsection (b) of this section may be used at any eligible institution described under § 18-305 of this subtitle.” This audit risk deterred many institutions from opting into completing the verification. Institutions did not want to be responsible for another institution’s error. Will the same audit risk remain if this bill is passed? The legislation creates a tracking dilemma for MHEC, since a student may apply to multiple institutions, tracking awards being made by the institutions to ensure there is no over awarding will be a challenge.

Please be aware, institutions do not have access to MSFAA applicants. MHEC only collects data for MSFAA applicants. If the legislation passes as is, MHEC will have to enhance MDCAPS to provide MSFAA output data for institutions to use when calculating the award, this is one of the enhancements included in the fiscal notes. Additionally, the legislation only allows MHEC 2-3 months to award all eligible Educational Assistance (EA) awards.

Page 20 lines 23 – 27. The legislation states after awards from institutions of higher education have been made and accepted for the GA grant, the Office shall award eligible students the EA award based on financial need from any remaining funding for the EA awards. Language in lines 23-27, would impede MHEC in assessing funding levels in the EA program and most likely push back the assessment at least until October of the current award year. The reason being is most institutions now practice block scheduling, in which once the student is admitted, the student attends a “incoming student day” and institutions registers the student for classes. Unfortunately, this creates a problem when the student decides not to attend but does not notify the institution. The institution is not able to identify students that are not enrolled at their institution to begin canceling the award until after census. Not to mention that if the school identifies that the student is not enrolled, they would more than likely reallocate the funds to another student, still utilizing the funds. The proposed legislation will directly impact community colleges as a number of EA recipients attend a community college. Also, the proposed legislation does not account for the federal requirement satisfactory academic progress (SAP) which requires each institution that participates in federal student aid to complete at the very minimum at the end of each academic year. Institutions do not process awards for renewal students until June 1 after SAP has been run. MHEC suggests that the timeline be revisited.

Page 17 lines 16 – 19, allows institutions to submit to the office on or before June 1 each year, information on the students to whom the institution offered the GA award. This creates a dilemma when compared to page 20 lines 23 – 27. What happens to current EA renewal students, will they be required to wait until GA eligibility has been finalized? Many institutions have rolling acceptance and most likely will not submit information for the students until the final deadline, June 1. This may put students eligible for the EA award at a disadvantage since they will not receive notification of eligibility until after June 1, 3 months prior to the start of the upcoming academic year. This will also increase the operational impact on the office by increasing the inquiry volume for the office since institutions will notify students to contact the office for more information, but the office will not be able to provide specific information until after June 1.

MHEC provides some suggested amendments to the legislation:

1. Revisit timeline.
2. Separate funding between GA and EA program or at minimum allocate a percentage of EEA funds to the Educational Assistance (EA) award program, so that the office may award renewal applicants and initial applicants that are identified as ineligible for the GA grant earlier.
3. Allow the office to initially qualify and award applicants based on the current system and provide institutions with the list of GA applicants that have listed the institution on their FAFSA/MSFAA
 - In congruence with the legislation, institutions will still be responsible to verify and confirm students’ eligibility (in place of the office) as well as calculate/adjust awards. However, it will allow the office to manage EEA funds more efficiently by actively reviewing the amount of GA funds used from the appropriation to manage EA awards.

4. Line 23, on page 20 states that after awards from institutions of higher education have been made and accepted for the GA Grant MHEC can now award eligible student EA. MHEC suggests that the word “accepted” either be removed or add an additional requirement for institutions to create an acceptance process in the legislation. Most institutions do not require students to accept grants or scholarships and since the institution will be making the awards the student will no longer be required to accept the award in the MDCAPS systems.
5. Add the following language:

If an institution of higher education fails to meet a reporting deadline or fails to certify any student, the Commission, must provide the institution with an opportunity to submit the report and/or certify the student within a 30-day time frame. If the Commission provides the institution with an opportunity to submit the report to certify the student(s) within a 30-day time frame and the institution does not comply, the Commission may consider the error as an administrative error and cancel all related awards. The institution of higher education may not require the student to pay the institution for an administrative error.

- One of the current issues MHEC is observing is that some institutions do not report (i.e., complete billing rosters, etc.) in a timely manner, which creates an obstacle for MHEC to reallocate funds to eligible students on the waiting list. Currently, there is no statute/regulation that allows MHEC to enforce guidelines. In adding the suggested language to the legislation, it will allow MHEC to enforce guidelines while still supporting institutions and students. We do not want to penalize our institutions of higher education; we want to work together with them for the benefit of the student.

Final Comments:

With the elimination of the age requirement and GPA in the legislation, it allows any student planning to attend or currently enrolled at a post-secondary institution to be eligible for the GA award as long as they meet the income requirement. This change will significantly increase the number of GA awards made in the program. If the legislation is passed and institutions will be responsible for calculating awards in the GA program, enhancements will need to be made in MDCAPS to allow the institutions to report award outcomes for MHEC to track funding levels. A timeline of required reporting dates will need to be established by MHEC to ensure institutions do no over award and legislative support will be needed to hold institutions accountable.

Also, there is no mention of grandfathering current EA recipients. Under the proposed legislation, no funding would be available to continue to award EA students. This needs to be addressed in legislation.

MHEC welcomes the opportunity to work with the Chairman and the members of the committee on the bill.

For additional information, please contact Mr. Al Dorsett, Director of the Office of Student Financial Assistance, at al.dorsett@maryland.gov, for more information.