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February 24, 2026

The Honorable Ben Barnes
Appropriations Committee
120 Taylor House Office Building
Annapolis, Maryland 21401

The Honorable Melissa Wells, Chair
Government, Labor, and Election Committee
142 Lowe House Office Building
Annapolis, Maryland 21401

Chair Barnes, and members of the Appropriations and Government, Labor, and Elections Committee,

The Maryland Higher Education Commission (MHEC) respectfully requests a favorable report on House Bill 231 – Higher Education – Guaranteed Access Grant Program – Applicability.

House Bill 231 is MHEC’s departmental legislation and is necessary to ensure the continued, orderly administration of the Guaranteed Access Grant (GA) Program, Maryland’s highest-need, last-dollar financial aid program for low-income undergraduate students. The bill delays the implementation of statutory provisions until the 2029-2030 school year, which would decentralize certain GA Grant administrative functions to institutions of higher education, allowing additional time for system readiness and stakeholder coordination.

Legislative Background and Implementation History

The statutory framework for decentralizing components of the Guaranteed Access Grant program was most recently advanced through **House Bill 923 of the 2023 legislative session**, which established a timeline for transitioning certain GA Grant administrative functions to institutions of higher education. The policy rationale for decentralization is sound: institutions are best positioned to administer the program because they possess real-time information on student enrollment, academic progress, cost of attendance, and continued eligibility, information that is critical to accurately awarding and maintaining need-based aid.

While MHEC was operationally prepared to support the implementation of decentralization, institutions of higher education indicated that they were not ready to assume these responsibilities within the statutory timeline. As a result, and with the approval of Secretary Sanjay Rai, MHEC paused implementation to avoid disruption to students and institutions. That pause contributed to delays in awarding Guaranteed Access Grants during FY

MARYLAND HIGHER EDUCATION COMMISSION

217 East Redwood Street • Suite 2100 • Baltimore, MD 21202

T 410.767.3300 • 800.974.0203 • F 410.332.0270 • TTY for the Deaf 800.735.2258 www.mhec.maryland.gov

2025, underscoring the importance of aligning statutory timelines with institutional readiness.

As the State approached FY 2026, institutions again communicated that they were not prepared to move forward with decentralized administration, particularly in the light of significant changes in the administration of federal student aid programs that would impact the ability to provide state and institution-based aid for students. In response, MHEC elevated these concerns to the Governor's Office to ensure that the General Assembly was informed of the operational realities facing institutions and to avoid further disruption to students who rely on GA Grants to enroll and persist in higher education.

Why House Bill 231 Is Necessary

Proceeding with decentralization before these issues are fully resolved risks delays, inconsistencies, and administrative errors that could directly impact students who rely on GA Grants to enroll in and persist through higher education. House Bill 231 does **not** expand eligibility, reduce award amounts, or alter student-facing benefits. Students will continue to receive Guaranteed Access Grant awards under the current centralized model during the delay period, ensuring continuity and stability.

Commitment to Collaboration and Long-Term Policy Goals

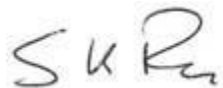
Given the current federal financial aid landscape, significantly altered by recent federal laws and regulations that remain under development, MHEC is fully committed to working in close partnership with Maryland's institutions of higher education as the State prepares for decentralization. This includes engaging institutions on operational planning, developing clear guidance and timelines, aligning systems and data processes, and supporting training and capacity-building efforts.

Decentralization of the Guaranteed Access Grant program remains an important long-term policy goal. Institutions are uniquely positioned to administer GA Grants effectively because they have direct access to enrollment verification, academic standing, changes in student status, and cost-of-attendance data. When implemented correctly, decentralization can improve accuracy, reduce delays, and better align awards with students' actual eligibility throughout the academic year.

The delay provided by HB 231 will allow MHEC and institutions to proceed deliberately and collaboratively, ensuring that decentralization is implemented in a manner that is consistent, transparent, and protective of students. MHEC views this period not as a pause in progress, but as an opportunity to strengthen coordination and readiness so that the transition achieves its intended outcomes.

For these reasons, the Maryland Higher Education Commission respectfully requests a favorable report on HB 231. If you have any questions or concerns, please contact Meghan Music, Executive Director of External and Legislative Relations.

Yours in Service,



Sanjay Rai, Ph.D.
Secretary
Maryland Higher Education Commission

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