



THE MARYLAND GENERAL ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991

**JOINT AUDIT AND EVALUATION COMMITTEE**

**Agenda**

Tuesday, October 17, 2023, 10:00 a.m.  
Zoom Meeting

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**Call to Order and Opening Remarks**

- Senator Clarence K. Lam, Senate Chair
- Delegate Jared Solomon, House Chair

**Evaluation of the Center of Excellence on Problem Gambling**

*Office of Program Evaluation*

- Michael Powell and Grant Mayhew

**Maryland Center of Excellence on Problem Gambling**

- Mary Drexler, Director
- Rob White, Director of External Affairs

**Maryland Department of Health**

- Mary Viggiani, Deputy Director for Service Access and Practice Innovation, Behavioral Health Administration

## **Scoping Evaluation of the Maryland EXCELS Program**

### ***Office of Program Evaluation***

- Michael Powell, Tonya McNair, and Diana Winter

## **Maryland State Department of Education**

- Deann Collins, Deputy State Superintendent, Office of Teaching and Learning
- Sylvia Lawson, Deputy State Superintendent, Office of Organizational Effectiveness
- Shayna Cook, Assistant Superintendent, Division of Early Childhood,
- Akilah Alleyne, Executive Director, Office of Governmental Affairs, Education Policy and External Relations

## **Evaluation of the Office of Student Financial Assistance**

### ***Office of Program Evaluation***

- Michael Powell and Diana Winter

## **Maryland Higher Education Commission**

- Catherine Motz, Chair of Maryland Higher Education Commission
- Sanjay Rai, Acting Secretary
- Geoffrey F. Newman, Assistant Secretary for Finance and Administration
- Al Dorsett, Director Office of Student Financial Assistance
- Derrick Coley, Executive Director for External Relations

## **Closing Remarks**

- Senator Clarence K. Lam, Senate Chair
- Delegate Jared Solomon, House Chair

## **Adjournment**

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# **Evaluation of the Center of Excellence on Problem Gambling**

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**Presentation to the Joint Audit and Evaluation Committee  
By the  
Office of Program Evaluation and Government Accountability**

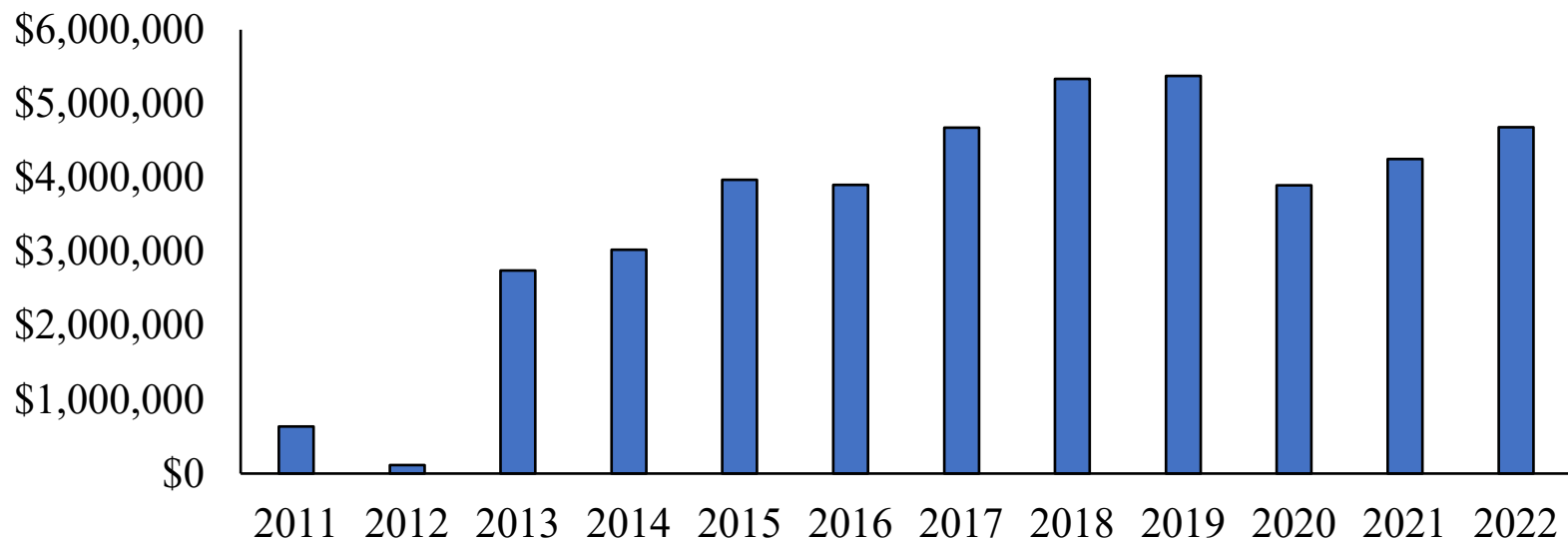


**October 17, 2023**



# Problem Gambling Fund Revenue

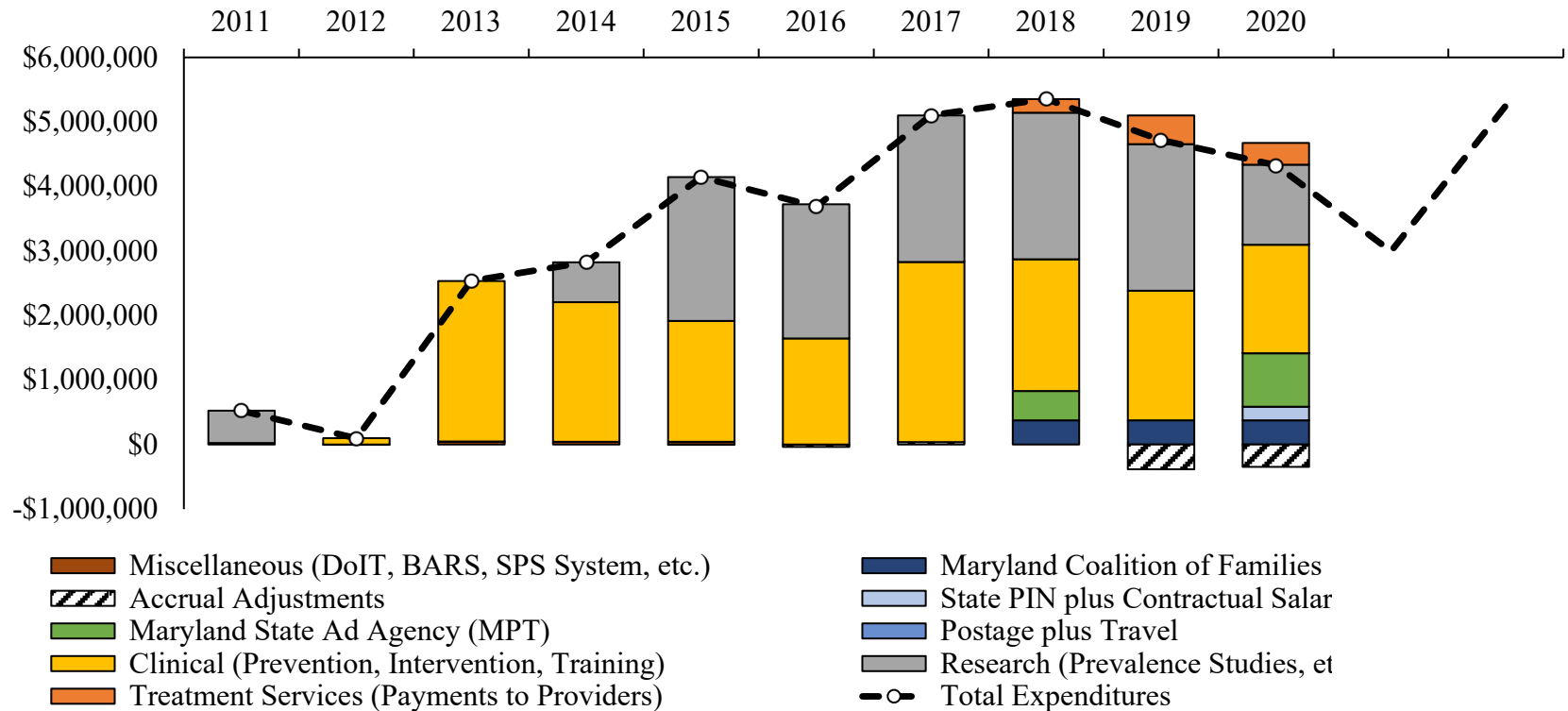
## Net Revenues to the Special, Nonlapsing Problem Gambling Fund Fiscal 2011-2022 Actuals





# Problem Gambling Fund Expenditures

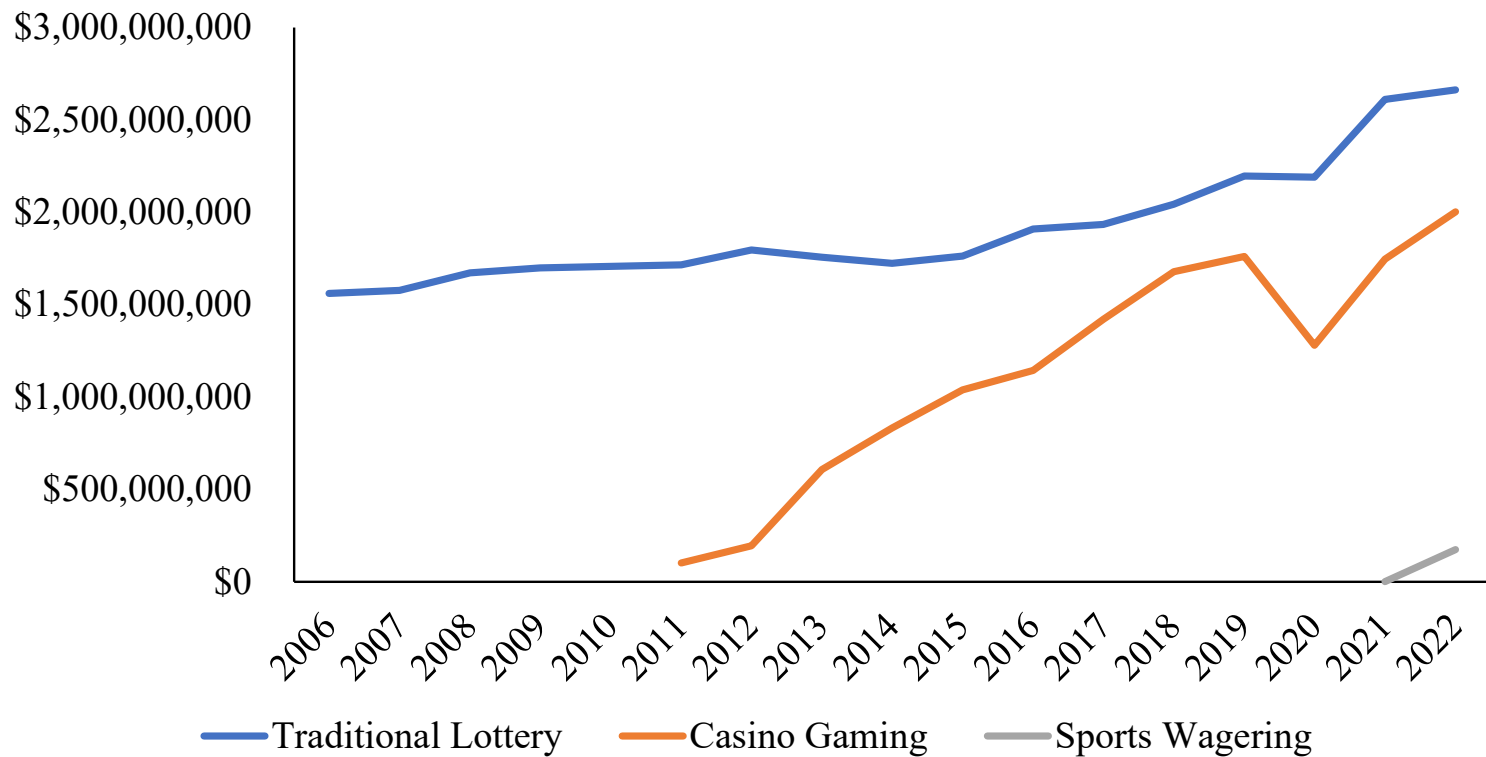
Expenditures from Problem Gambling Fund  
Fiscal 2011-2022 Actuals





# Gambling Spending

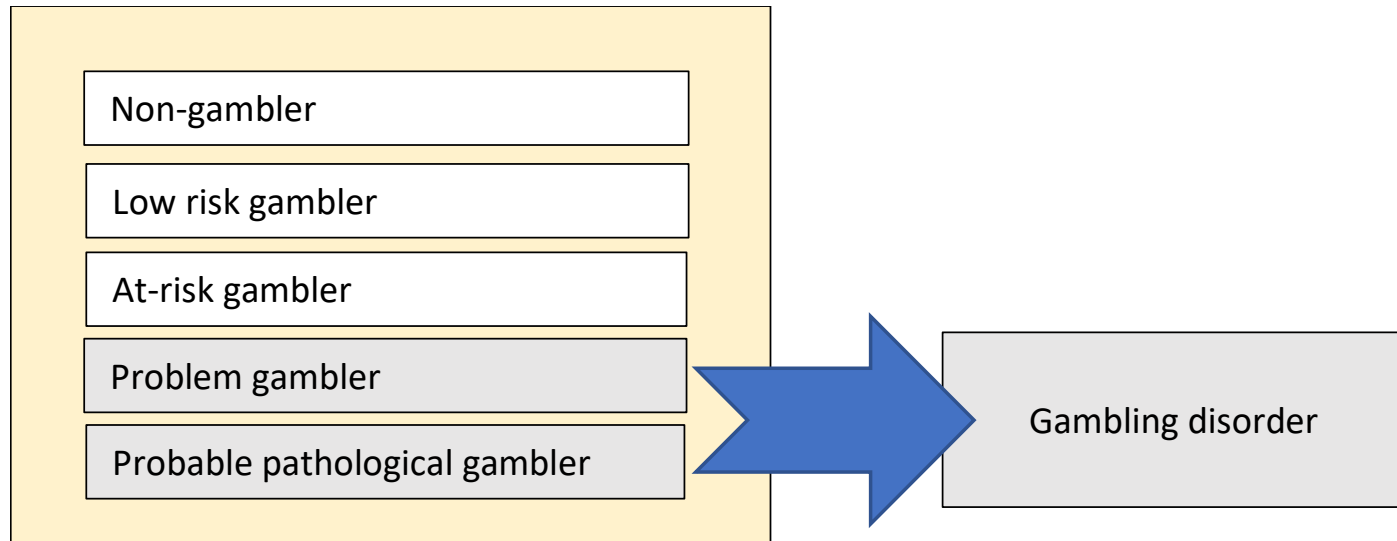
**Gambling Spending**  
Fiscal 2006-2022





# Disordered Gambling

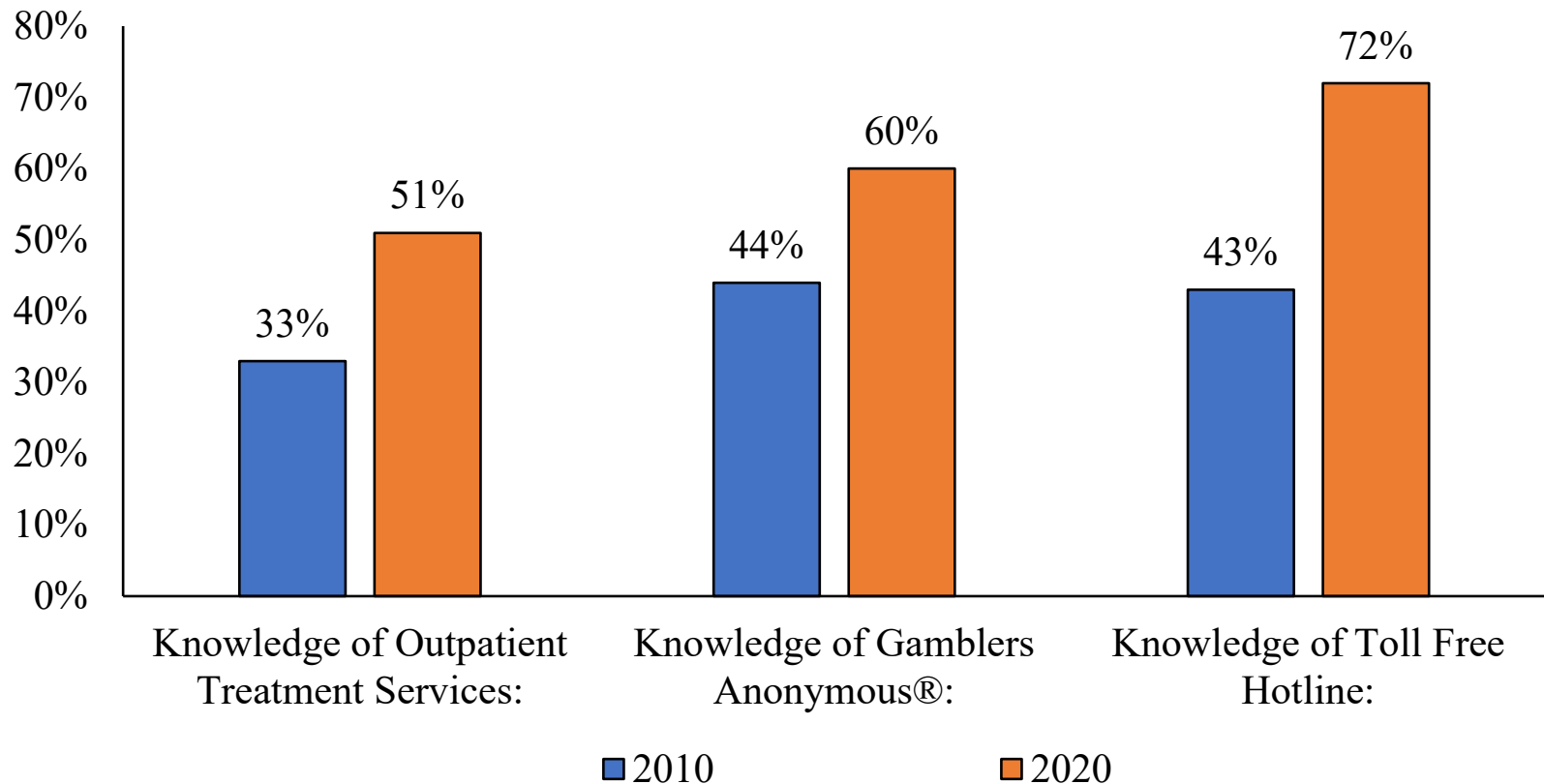
**The Term “Gambling Disorder” Combines the Riskiest Gambling Categories in the NODS and SOGS Screening Instruments**





# Prevalence Studies

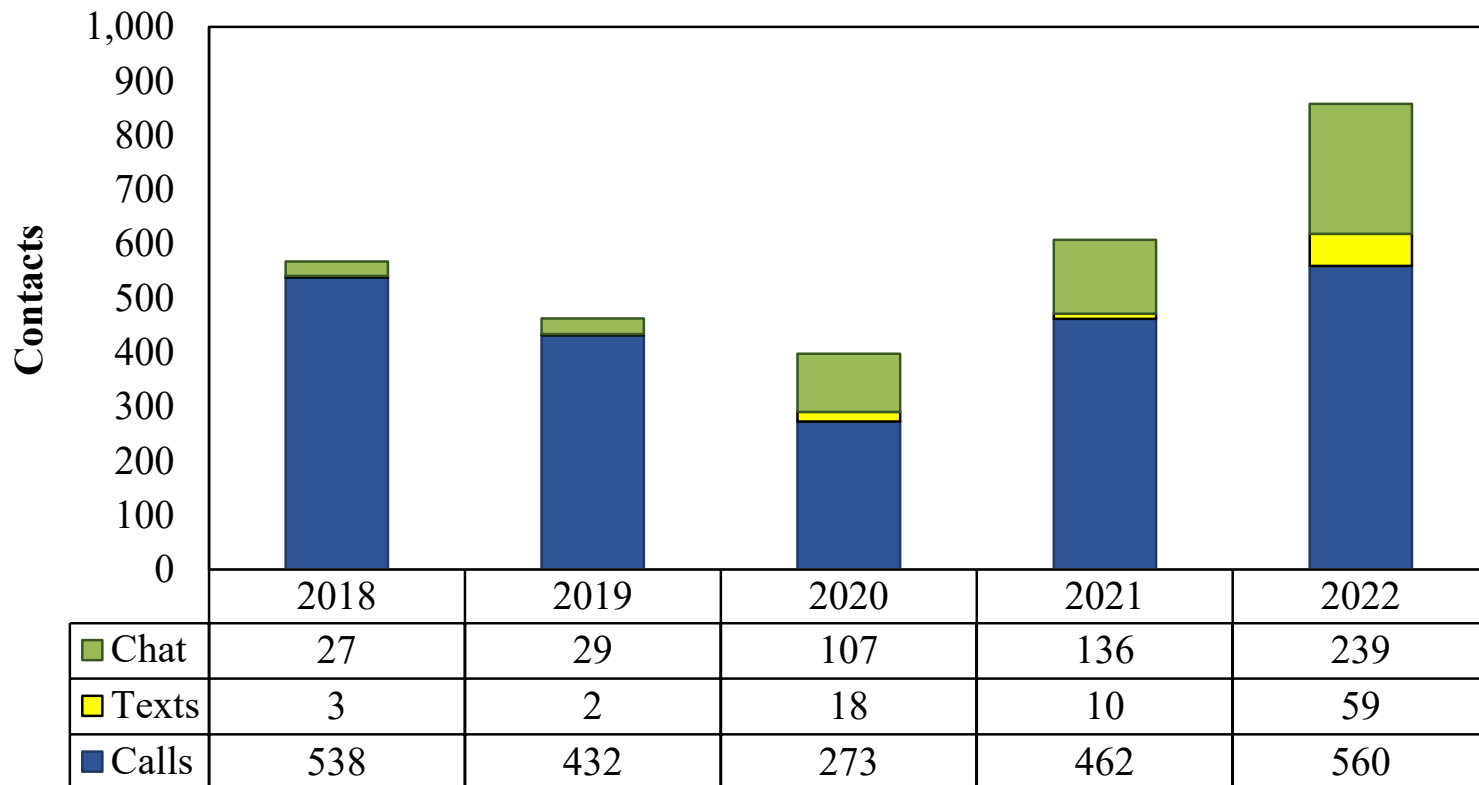
## Awareness of Problem Gambling Help among Disordered Gamblers





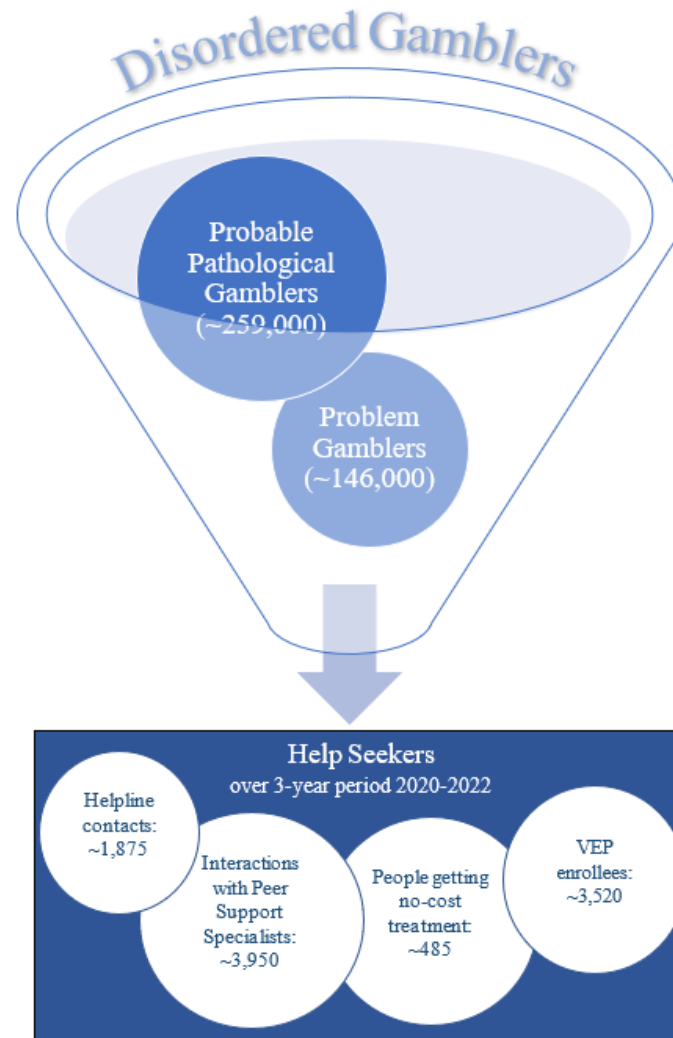
# Problem Gambling Help

## 1-800-GAMBLER Helpline Maryland Report Data Calendar 2018-2022





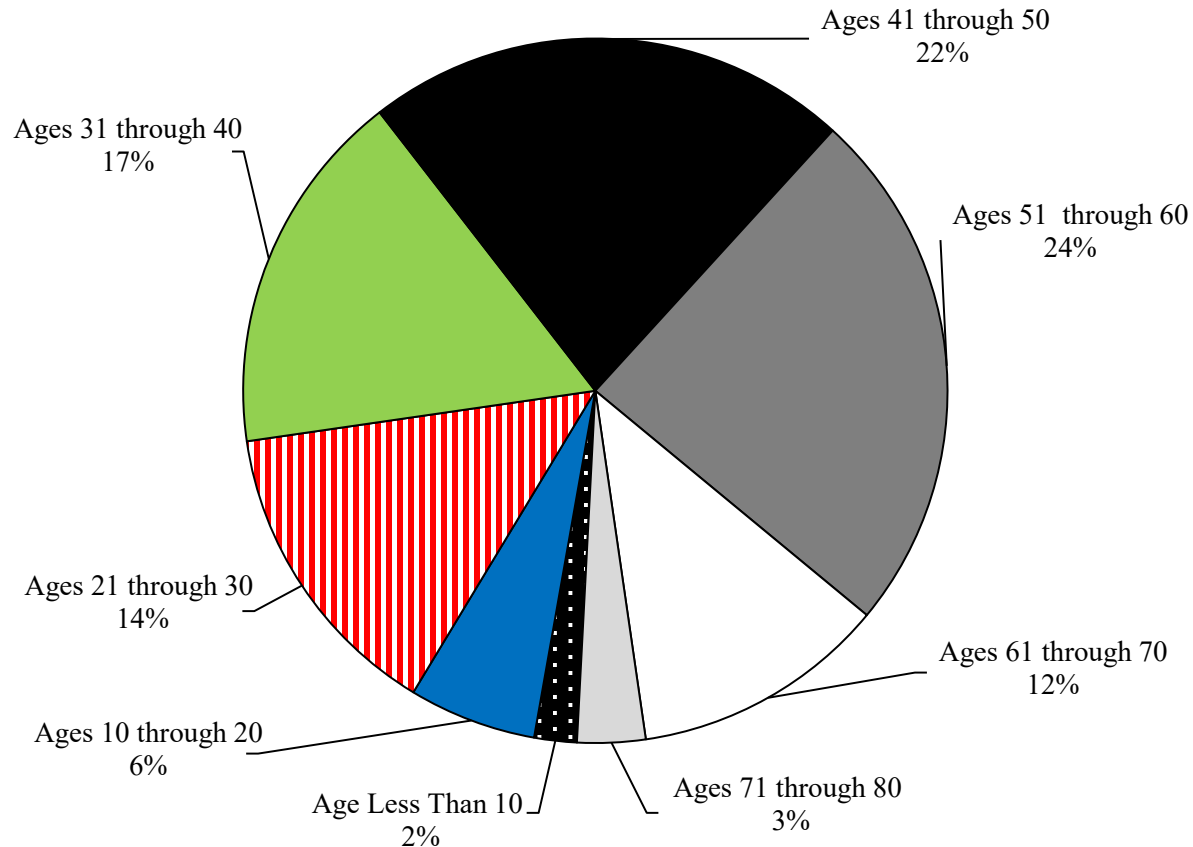
# Help Seekers





# No-Cost Treatment

**Age Range of People Who Sought No Cost Treatment Services for  
Problem Gambling (Paid Claims Only)  
Calendar 2020-2022**





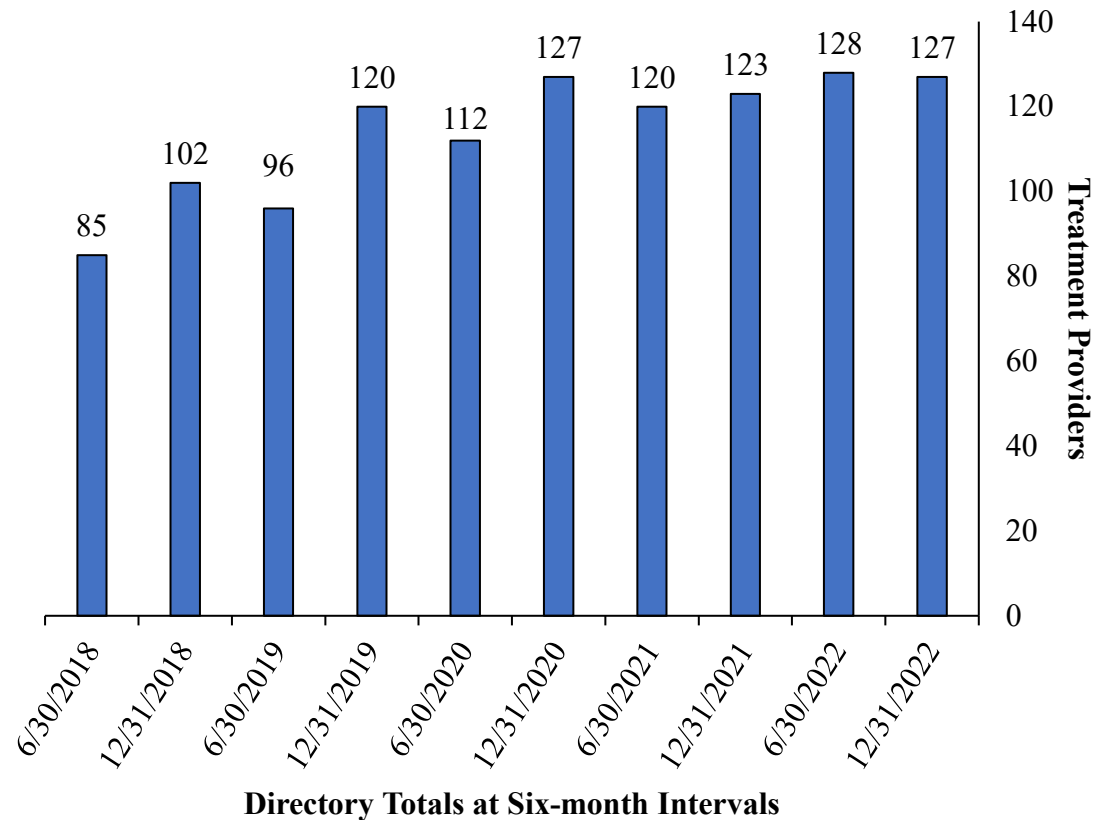
# Costs of Treatment

<b><u>Calendar Year in Which Service Was Provided</u></b>	<b><u>Problem Gambling Fund</u></b>	<b><u>Medicaid</u></b>	<b><u>State**</u></b>	<b><u>Uninsured**</u></b>	<b><u>(blank)**</u></b>	<b><u>Total</u></b>
2020	\$101,751	\$43,553	\$9,337	\$798	\$1,924	\$157,363
2021	158,932	160,691	25,091	573		345,287
2022	213,245	70,998	4,681	28,935		317,859



# Treatment Providers

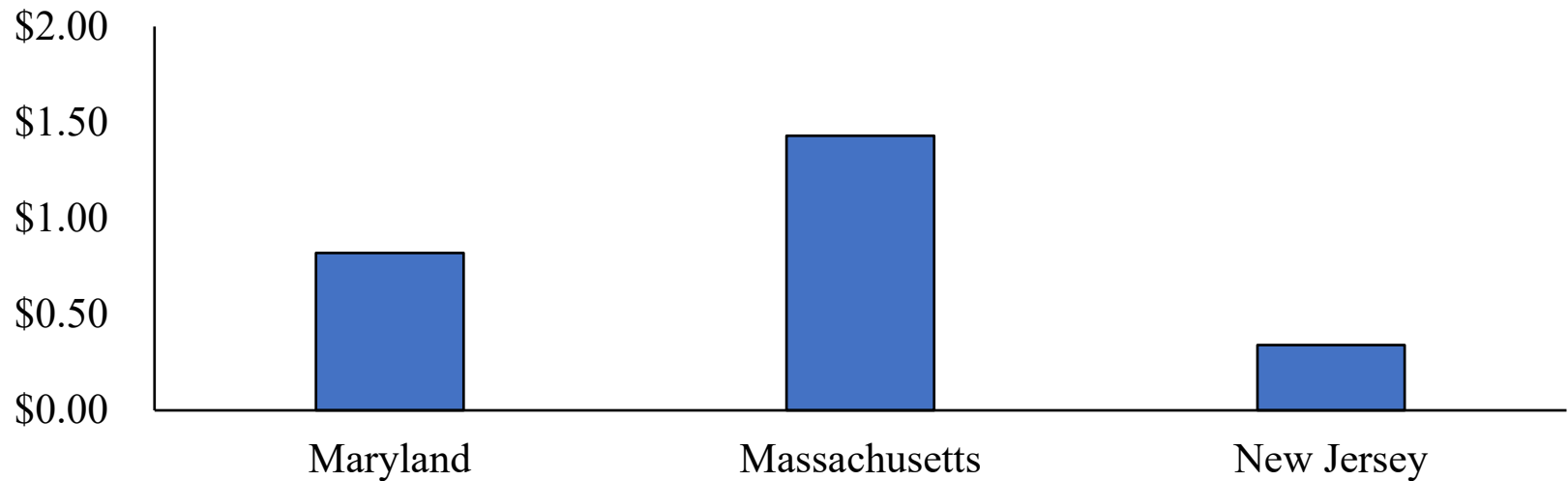
## Maryland Disordered Gambling Treatment Provider Referral Network Directory June 2018 to December 2022





# How Maryland Compares

## Comparison of Per Capita State Expenditures on Problem Gambling Research, Prevention, Treatment, and Other Related Services Fiscal 2021





# Recommendations

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- **Recommendation #1:** The Maryland Department of Health should share prevalence studies, and related research briefs and reports, with the Maryland General Assembly more timely.
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- **Recommendation #2:** Consider revising the Voluntary Exclusion Program (VEP) application process to better facilitate contact between the Maryland Center of Excellence on Problem Gambling (the Center) and VEP enrollees.
- 
- **Recommendation #3:** Consider diversifying the revenue sources into the Problem Gambling Fund (PGF).
- 
- **Recommendation #4:** The Center should revise its website to allow help-seekers to search the No Cost Provider Network using additional filters or criteria.
- 
- **Recommendation #5:** The Behavioral Health Administration (BHA) – Maryland Department of Health should consider providing the Center with a regularly updated list of the behavioral health providers who accept Medicaid.
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- **Recommendation #6:** The administrative services organization should regularly update BHA on treatment service claims for problem gambling to facilitate BHA oversight of capacity and spending for treatment services.



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# Evaluation of the Maryland EXCELS Program

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**Presentation to the Joint Audit and Evaluation Committee  
By the  
Office of Program Evaluation and Government Accountability**



**October 17, 2023**



# Example of Rating Criteria

- Developmentally Appropriate Learning and Practice

Level 1	Level 3	Level 5
Daily schedule	Daily schedule*	Daily schedule*
	<b>Philosophy statement</b>	Philosophy statement*
	<b>Statement describing selection and use of learning materials</b>	Statement describing selection and use of learning materials*
Positive behavioral practices policy (discipline policy)	Positive behavioral practices policy (discipline policy)*	Positive behavioral practices policy (discipline policy)*
	<b>Curriculum statement</b>	Curriculum statement*
	<b>Statement describing lesson planning process</b>	Statement describing lesson planning process*
Daily schedule or lesson plan	<b>Recent lesson plan for each age group*</b>	Recent lesson plan for each age group*
	<b>Screen time policy</b>	Screen time policy*
	<b>Statement of observation practices</b>	Statement of observation <b>and assessment</b> practices
	<b>Developmental checklist</b>	<b>Sample child assessment tools</b>

# Incentives



<b><u>Provider Type</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Level 4</u></b>	<b><u>Level 5</u></b>
Child Care Center <i>Capacity 1-50</i>	\$50	\$250	\$400	\$1,000	\$1,500
Child Care Center <i>Capacity 51-100</i>	100	500	800	2,000	3,000
Child Care Center <i>Capacity 101+</i>	150	750	1,200	3,000	4,500
Family Child Care Home	50	150	300	500	800
Large Family Child Care Home	50	200	400	800	1,000



# Impact of QRIS Unclear

<u>State</u>	<u>Executive Function</u>	<u>Language and Literacy</u>	<u>General Cognition</u>	<u>Physical Development</u>	<u>Social and Emotional</u>	<u>Math</u>
California	👍	✗	Not Studied	Not Studied	Not Studied	✗
Delaware	👍	✗	Not Studied	Not Studied	✗	✗
Massachusetts	Not Studied	👍	Not Studied	Not Studied	👍	Not Studied
Minnesota	✗	✗	✗	✗	👍	✗
Rhode Island	✗	👎	Not Studied	Not Studied	👍	👍
Washington	✗	👍	✗	👍	✗	✗
Wisconsin	👍	✗	✗	Not Studied	👍	✗



Strong Positive Relationship



No Relationship



Strong Negative Relationship



# Contractual Employees

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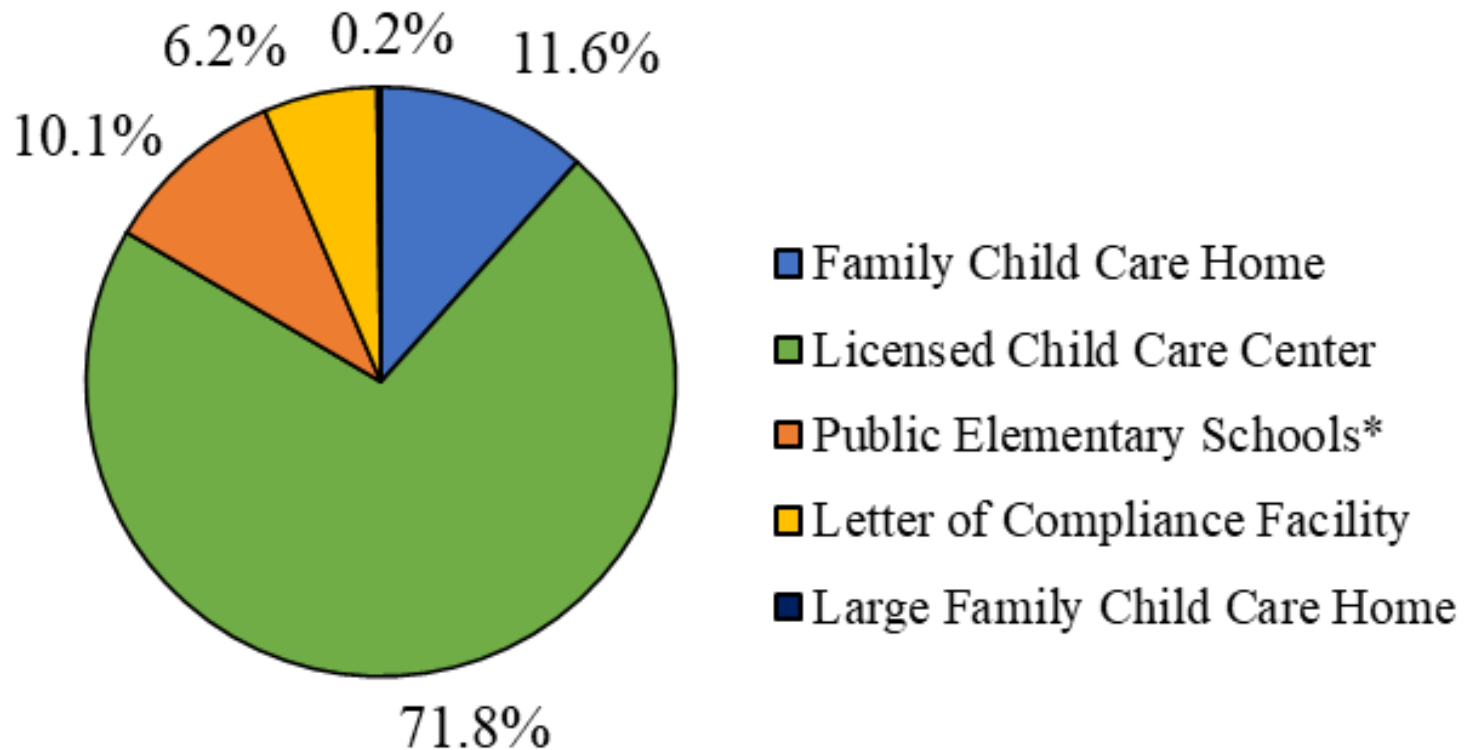
**21 of 24 EXCELS positions are contractual**

## **MSDE Headquarters Maryland EXCELS Program Personnel**

<b>Regular Permanent Employees</b>	<b>2</b>
Maryland EXCELS Branch Chief	1
Quality Assurance Supervisor	1
<b>Contractual Employees</b>	<b>21</b>
Administrative Specialist	1
Community Outreach and Marketing Specialist	1
Quality Assurance Coordinator	3
Quality Assurance Specialist	15
Quality Measurement Specialist	1



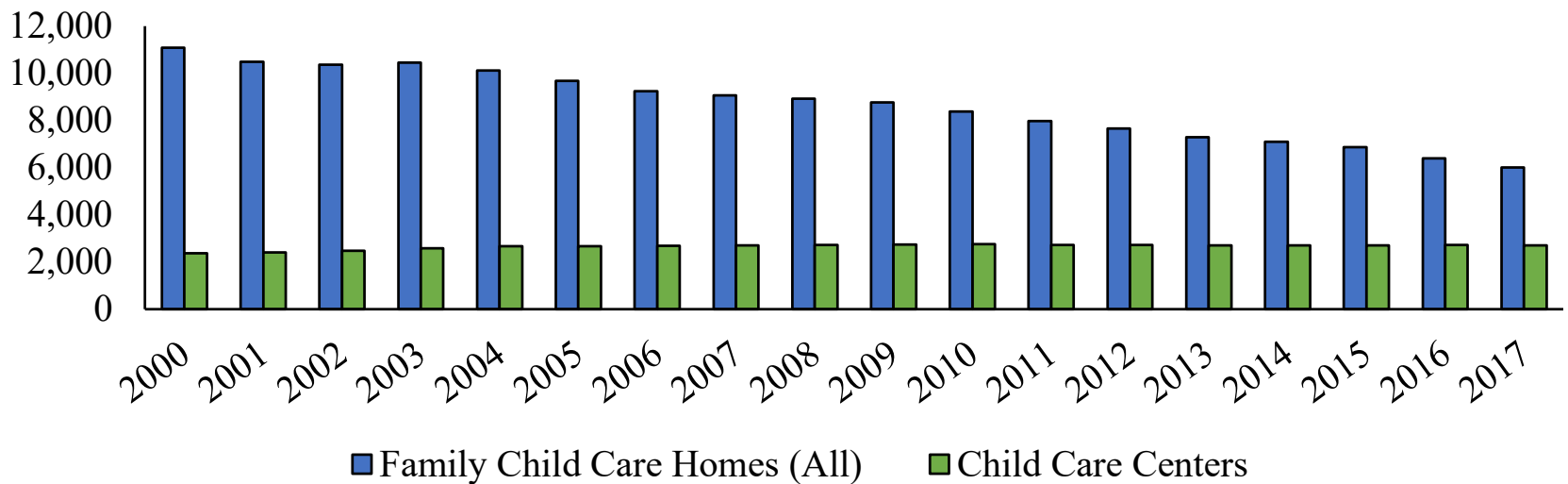
# Child Care Capacity





# Number of Providers has Declined

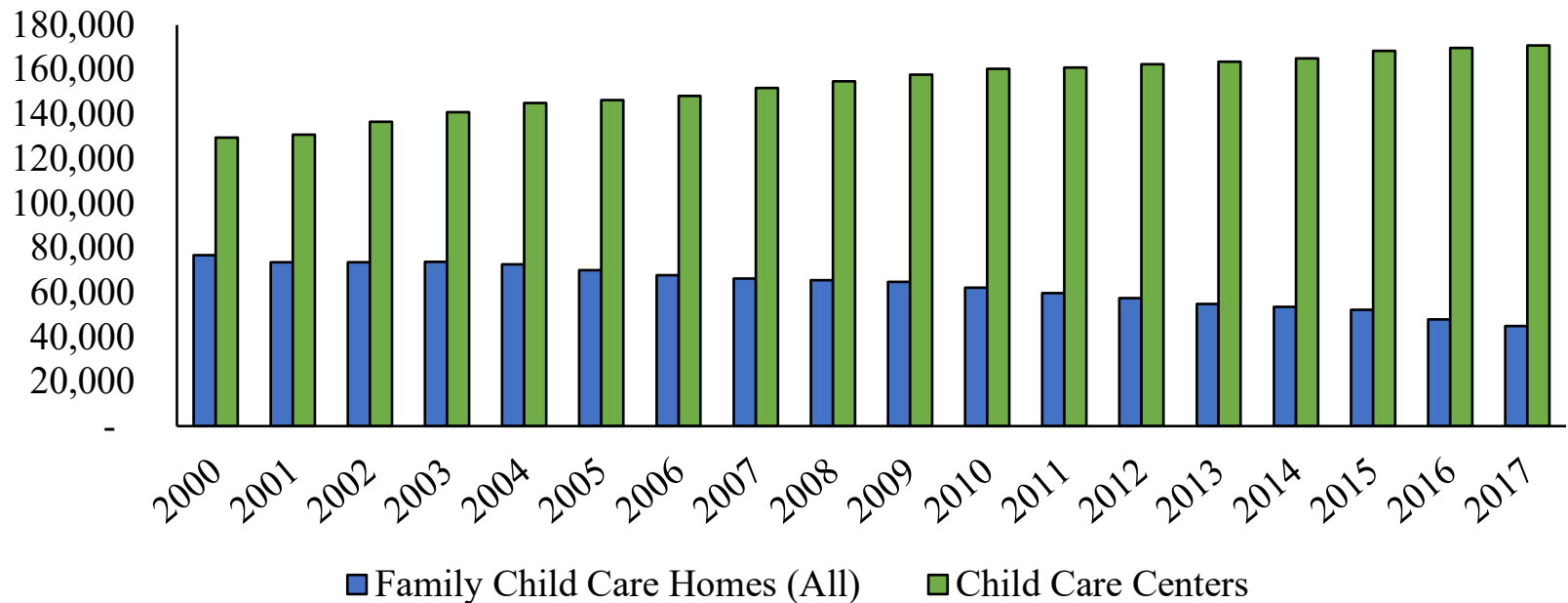
**Number of Licensed Private Child Care Providers  
Fiscal 1998-2021**





# Number of Slots has Increased

**Number of Licensed Child Care Slots in Private Facilities  
Fiscal 2000-2017**





# 17 Jurisdictions have Lost Slots

<u>Jurisdiction</u>	Net Change in Capacity (# Slots)		<u>Total</u>
	<u>Child Care Centers</u>	<u>Family Child Care Homes</u>	
Caroline	-47	-409	-456
Kent	-16	-178	-194
Baltimore City	1,225	-4,591	-3,366
Dorchester	-67	-57	-124
Wicomico	233	-670	-437
Washington	1,360	-1,855	-495
Worcester	118	-236	-118
Allegany	255	-394	-139
Talbot	216	-327	-111
Prince George's	2,951	-5,142	-2,191
Cecil	617	-780	-163
Calvert	508	-685	-177
Carroll	1,521	-1,747	-226
Somerset	57	-81	-24
Charles	809	-961	-152
Harford	1,452	-1,598	-146
St. Mary's	473	-516	-43
Queen Anne's	332	-282	50
Baltimore	4,179	-3,077	1,102
Anne Arundel	4,297	-3,409	888
Frederick	2,087	-1,450	637
Garrett	219	-114	105
Howard	4,624	-1,854	2,770
Montgomery	12,637	-1,286	11,351



# EXCELS Participation has Grown

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## Participation in the Maryland EXCELS Program July 2014-July 2022

<b><u>Date</u></b>	<b><u>Number of Providers Participating</u></b>	<b><u>Percent of Licensed Private Providers Participating</u></b>
July 2014	2,333	24%
July 2015	2,371	25%
July 2016	4,534	50%
July 2017	4,457	51%
July 2018	4,505	52%
July 2019	4,576	55%
July 2020	4,859	60%
July 2021	4,830	63%
May 2022	4,864	65%



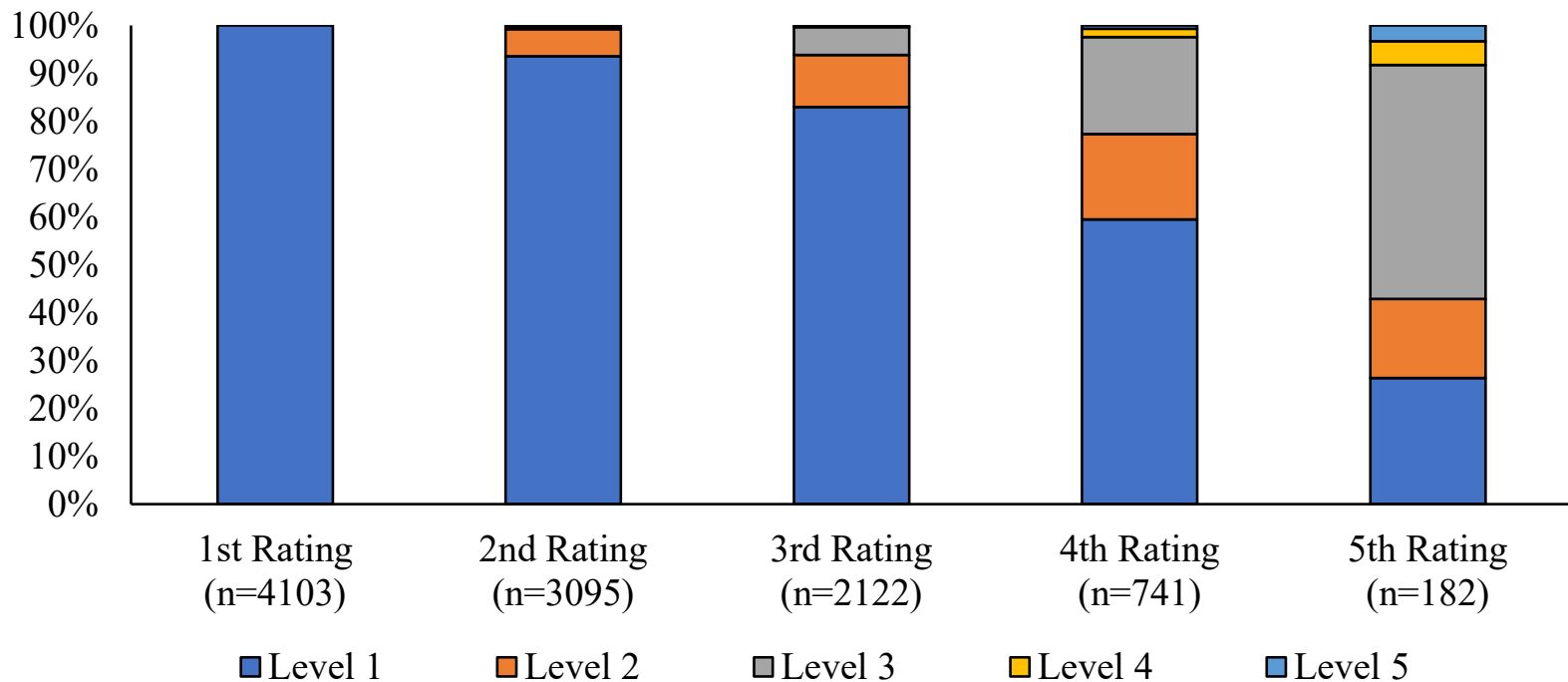
# Quality Rating Improvement

		Last Quality Rating					Total
		1	2	3	4	5	
Initial Quality Rating	1	<b>88.0%</b>	4.9%	6.6%	0.3%	0.3%	100%
	2	3.0%	<b>65.5%</b>	25.9%	2.8%	2.8%	100%
	3	1.8%	0.2%	<b>84.5%</b>	5.4%	8.1%	100%
	4	1.4%	0.0%	4.2%	<b>48.6%</b>	45.8%	100%
	5	1.1%	0.3%	1.1%	0.9%	<b>96.6%</b>	100%



# Gradual Improvement

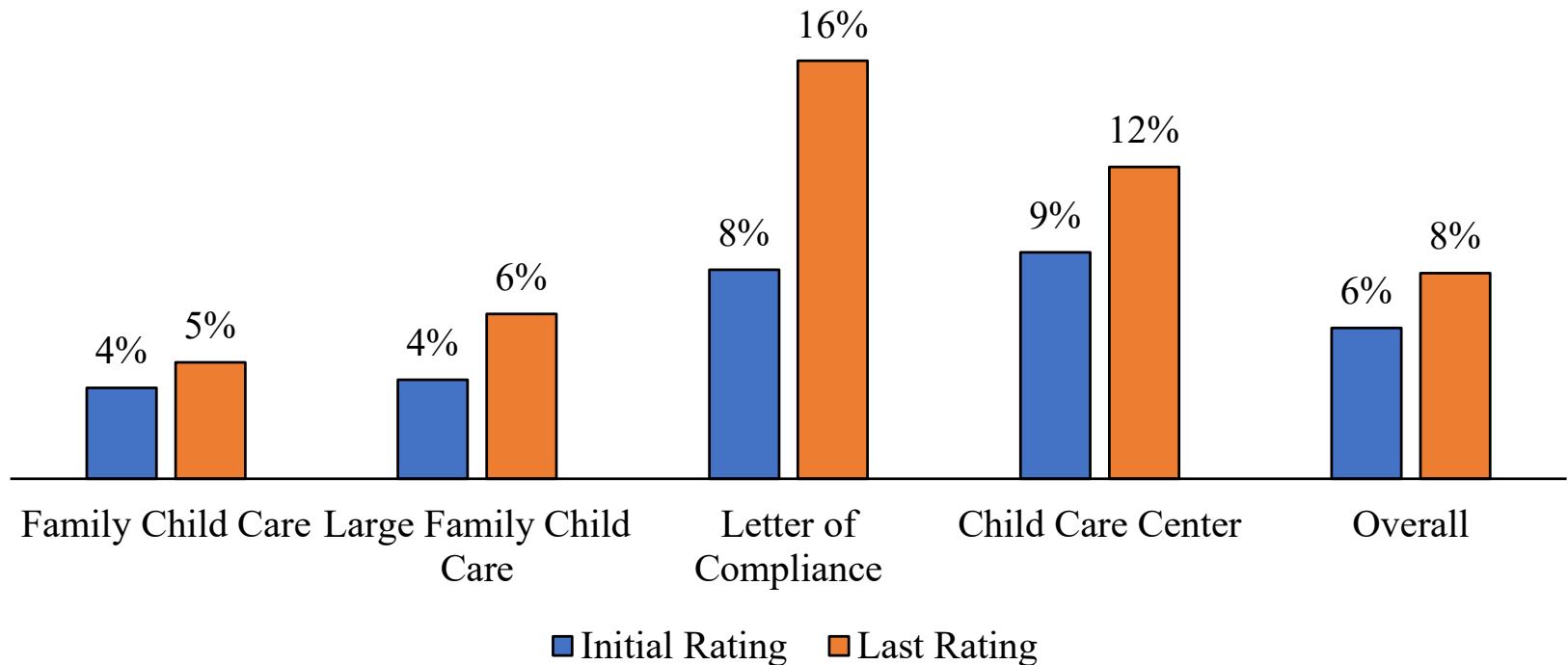
## Quality Rating Changes for Providers Starting at Maryland EXCELS Level 1





# Ratings by Type of Provider

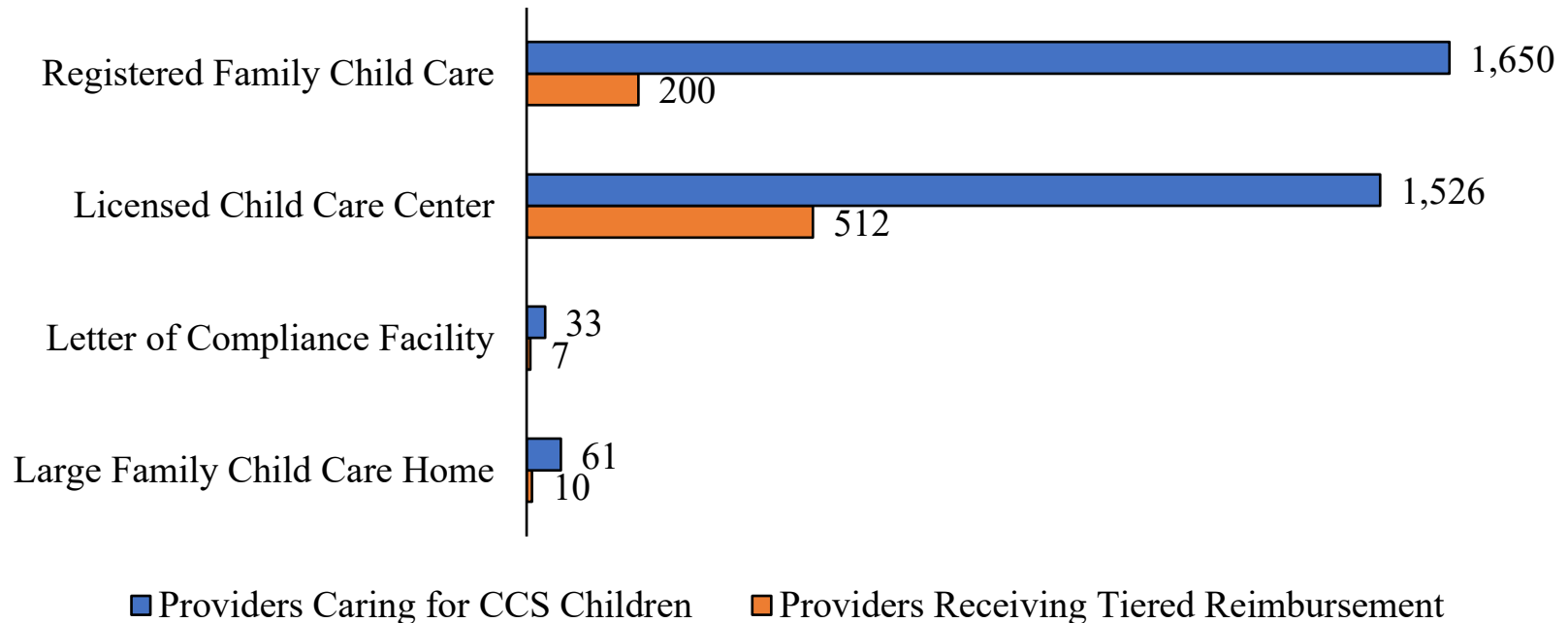
## Percent of Each Provider Type with Quality Ratings 4 or 5





# Tiered Reimbursements

## Tiered Reimbursement Payments to CCS Providers Fiscal 2020





# The Blueprint

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- Many Public Pre-K providers will need to get EXCELS ratings
- Family Child Care providers are concerned about the economics of losing older children to Public Pre-K
- Barriers to private providers meeting Public Pre-K standards



# Select Recommendations

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- MSDE report on sufficiency of personnel structure
- Create an accreditation pathway for Family Child Care providers
- Update MGA on redesigned EXCELS standards and rating scales
- By 2030, evaluate impact on long-term childhood development

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# **Evaluation of the Office of Student Financial Assistance**

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**Presentation to the Joint Audit and Evaluation Committee  
By the  
Office of Program Evaluation and Government Accountability**

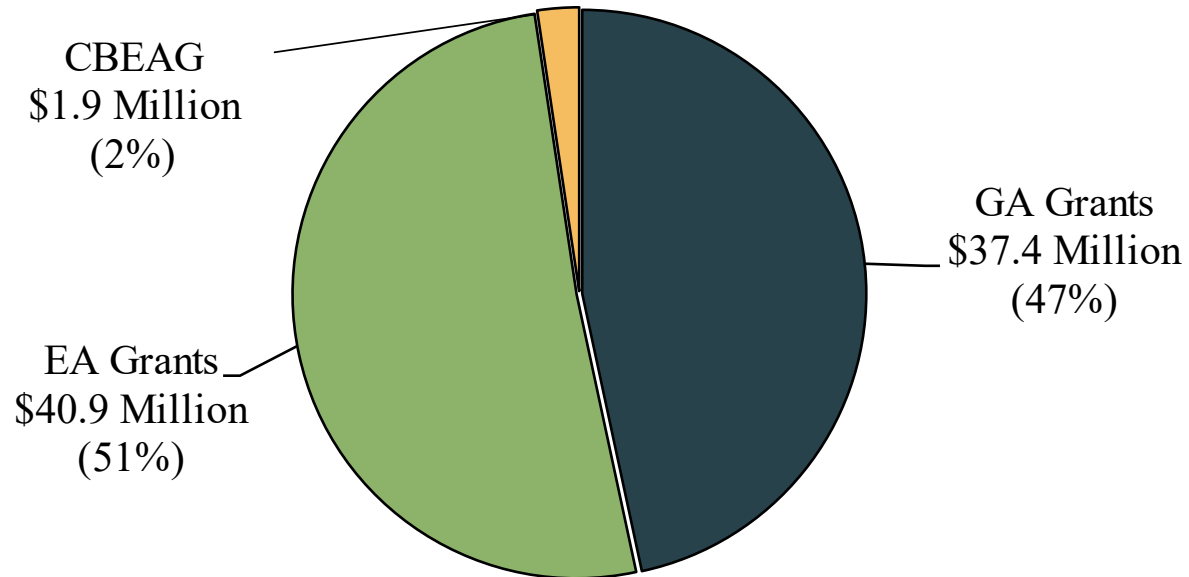


**October 17, 2023**



# Educational Access Grants

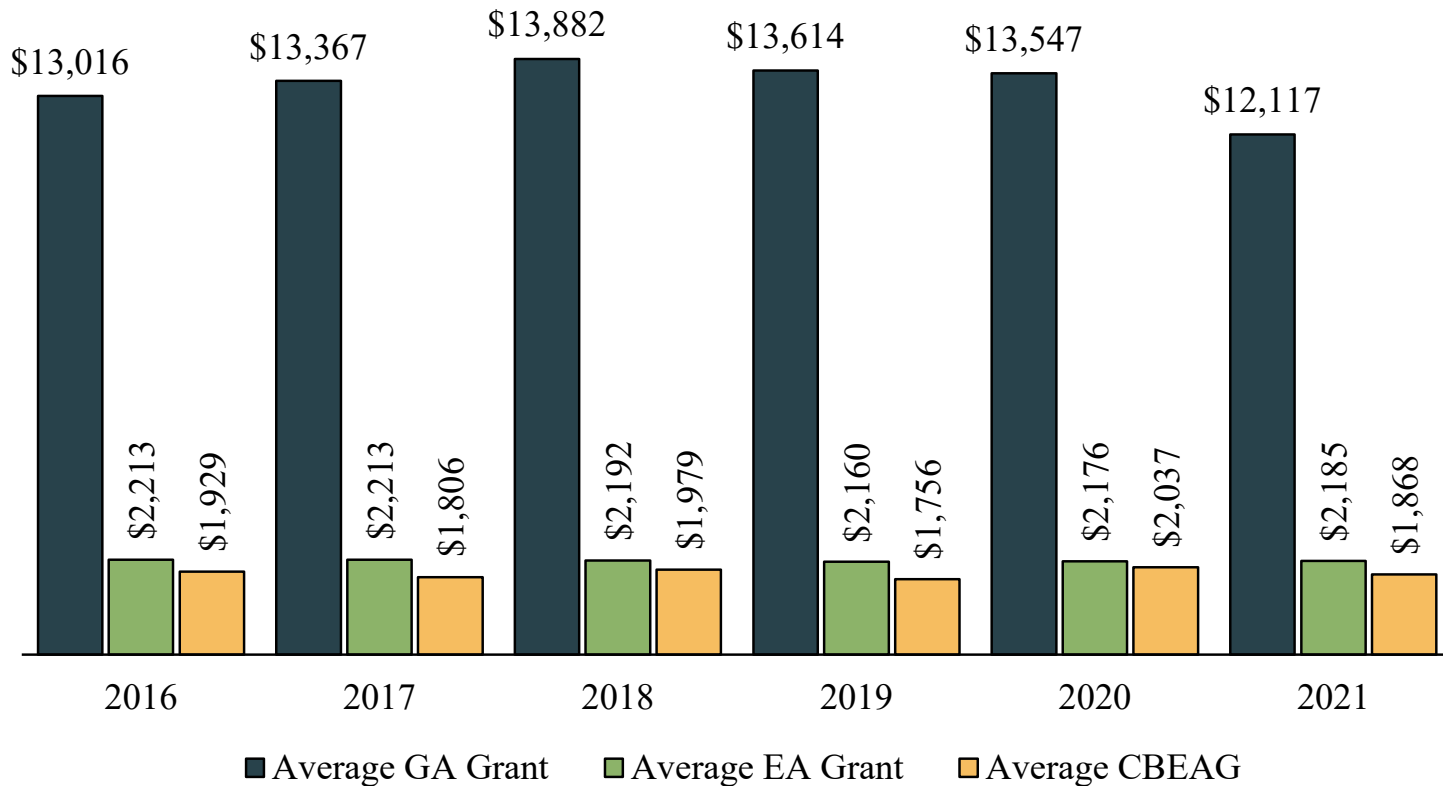
## EEA Expenditures, by Grant Category (Total Expenditure \$ in Millions; % of EEA Total) Fiscal 2021





# Award Amounts

## GA and EA Average Grant Awards Fiscal 2016-2021





# Statutory Eligibility

GA Grant		EA Grant	
<i>Initial</i>	<i>Renewal</i>	<i>Initial</i>	<i>Renewal</i>
Qualify for <b>in-State</b> tuition			
Demonstrate <b>financial need</b> (applicants are ranked by need)			
Statute	Aged <b>22 or younger</b> at time of first award		
	Enroll <b>within 1 year</b> of high school or GED		
	Income below <b>poverty index</b> set by MHEC	Continued Pell Grant <b>eligibility</b>	
	Minimum high school <b>GPA</b> of 2.5 at the end of 1 <sup>st</sup> semester senior year  OR minimum GED score of 165 in each module	Show <b>satisfactory academic progress (SAP)</b> toward a degree	Show <b>satisfactory academic progress (SAP)</b> toward a degree
	Enroll as a <b>full-time</b> student	Option to enroll <b>24-40 credits</b> per year	Enroll as a <b>full-time</b> student  Option to enroll <b>24-40 credits</b> per year



# Regulatory and Administrative Eligibility

## Regulations

Annually **file a FAFSA or MSFAA** by Maryland's March 1<sup>st</sup> deadline

**Submit verification documents** by MHEC's deadline (unspecified date)

Awardees must log onto MDCAPS to **accept the EEA grant offer**.

Maximum family **income of 130% federal poverty** or 150% if funds allow

At least 25% of GA Grant recipients must **verify their income eligibility** each year

An unspecified percent of new applicants must be **verified** by OSFA

## MHEC Policy

**Accept award offer** within 6 weeks of notification

Adhere to specific **MHEC deadlines** for verification documents

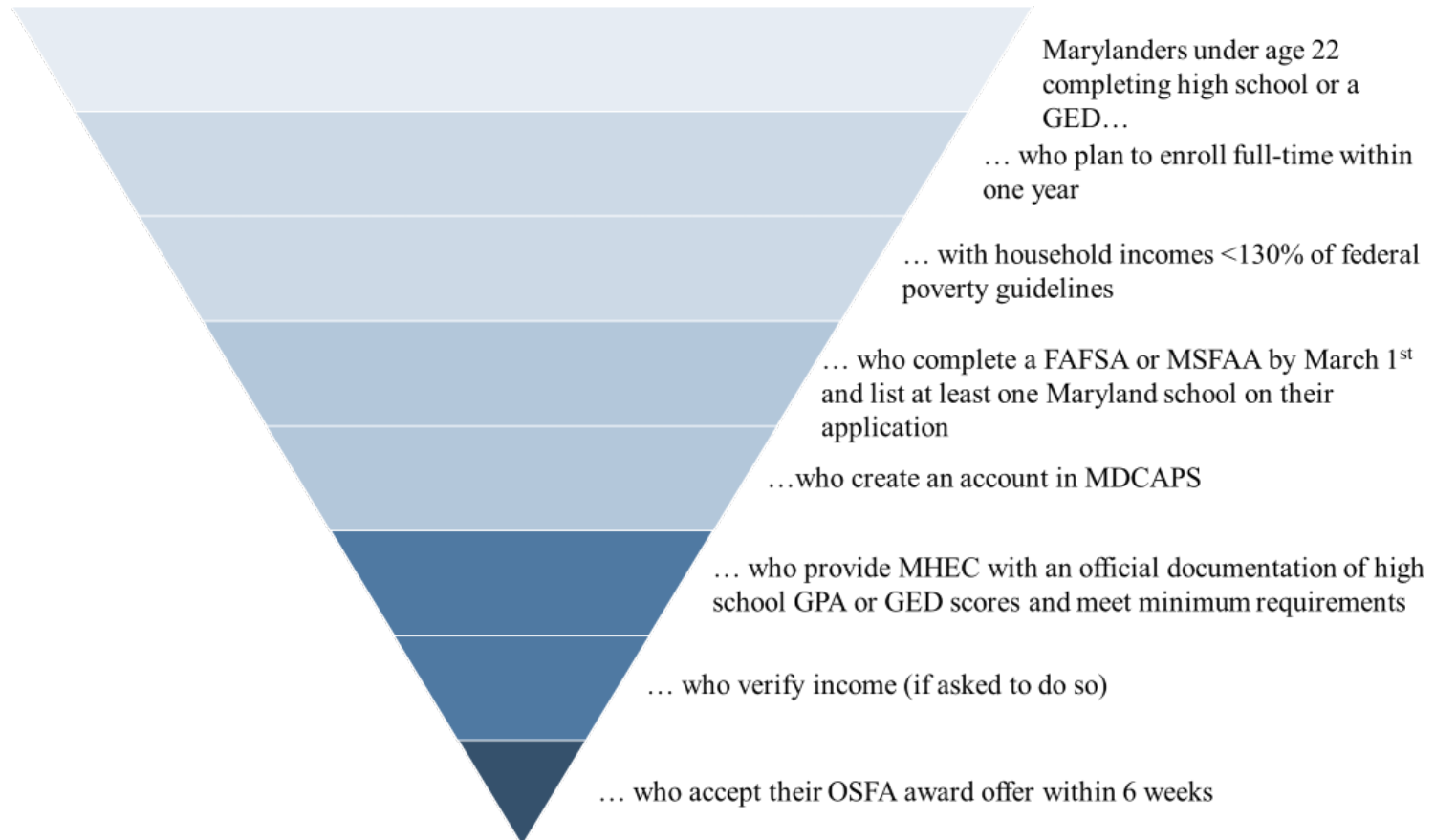
At least 60% of recipients must **verify income eligibility**

Submit an **official high school transcript** or GED score through MDCAPS

# Hurdles



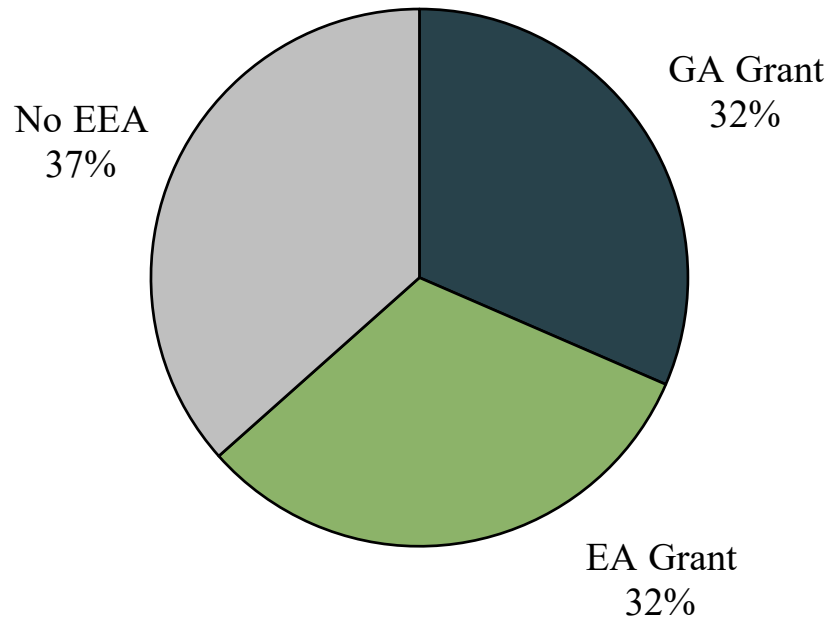
## Student Hurdles to an Initial Guaranteed Access Grant (Within the Rawlings Educational Excellence Awards Grant Program)





# Eligible Students Not Getting a GA

## Percentage of Potentially-eligible Maryland Undergraduates Academic Year 2020-2021





# Incomplete Applications

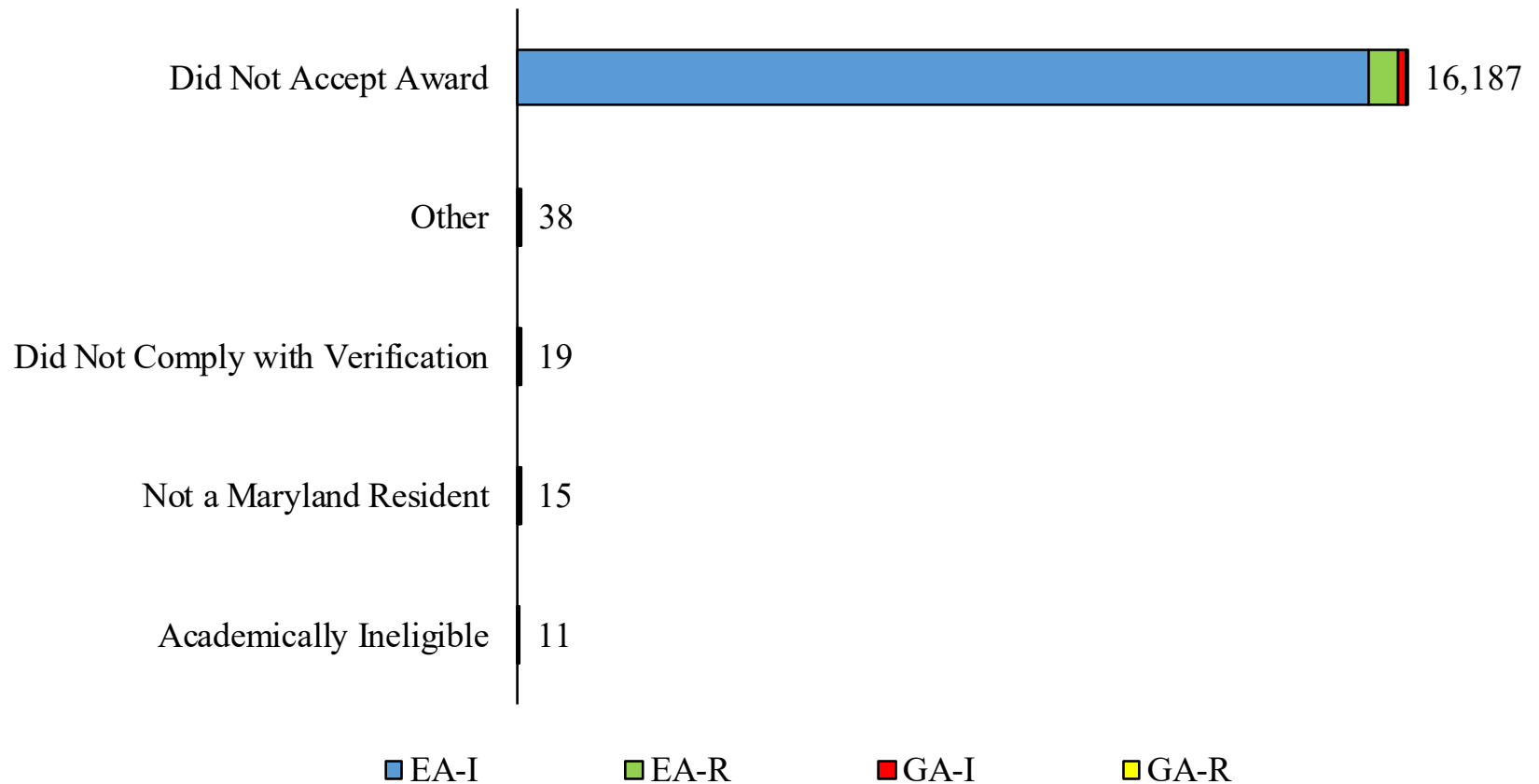
## Documents Tracked for GA Grant Award Process Academic Year 2021-2022

	<u>Completed Documents</u>	<u>Incomplete Documents</u>	<u>Waived Documents</u>	<u>Total Documents Tracked</u>	<u>Percent Documents Incomplete</u>
<b>GA – Initial</b>					
FAFSA/MSFAA	17,476	54	215	17,745	0%
HS transcript/GED score	3,037	3,037	259	6,333	48%
MHEC Income Verification	3,652	4,114	339	8,105	51%
Other	2,266	259	138	2,663	10%
<b>GA – Renewal</b>					
FAFSA/MSFAA	3,172	361	-	3,533	10%
MHEC Income Verification	1,356	216	39	1,610	13%
Other	535	19	22	574	3%



# Award Acceptance

## Canceled GA and EA Grant Award Offers Academic Year 2020-2021, Fall Term 1





# OSFA Communications

## Examples of MHEC Communication Efforts on Behalf of OSFA

<u>Marketing Tool</u>	<u>Hyperlink</u>	<u>Notes based on Fiscal 2022</u>
MHEC website*	<a href="#">MHEC Website</a>	1.8 million visitors annually with nearly 300,000 of those going directly to the OSFA Scholarship and Grant Program page
YouTube channel	<a href="#">MHEC YouTube Channel</a>	A mix of professional products and self-produced videos regarding various scholarship programs
MHEC Podcasts and Audio Briefs	<a href="#">MHEC Podcasts</a>	69,911 downloads to a device and an additional 2,466 listened on social media**
MHEC News Briefs	<a href="#">MHEC Twitter</a>	Emails sent to 74,000 subscribers which promote an OSFA scholarship in each edition
MHEC Facebook	<a href="#">MHEC Facebook</a>	3,669 Clicks and 7,196,189 Impressions**
MHEC Twitter	<a href="#">MHEC Twitter</a>	2,348 Clicks and 2,867,128 Impressions**
MHEC Instagram	<a href="#">MHEC Instagram</a>	
MHEC LinkedIn	<a href="#">MHEC LinkedIn</a>	
Outreach brochures and one-pagers	<a href="#">MHEC Brochures and One-pagers</a>	



# MHEC Awareness

## From Reddit:

The following selected comments suggest a lack of awareness of EEA Grants:

- “What’s an MDCAPS Account?” (2021-2022 Cycle);
- “Can anyone explain what the Maryland Higher Education Commission is? Do they give grants and how much on average?” (2018-2019 Cycle); and
- “[Today I learned] that MHEC is a thing that exists. Thank you so much!!” (2021-2022 Cycle).

## Top Search Results for “MHEC” October 4, 2022 – Incognito Browser

## From Google:

People also ask :

Is the Mhec legit?

What is Mhec?

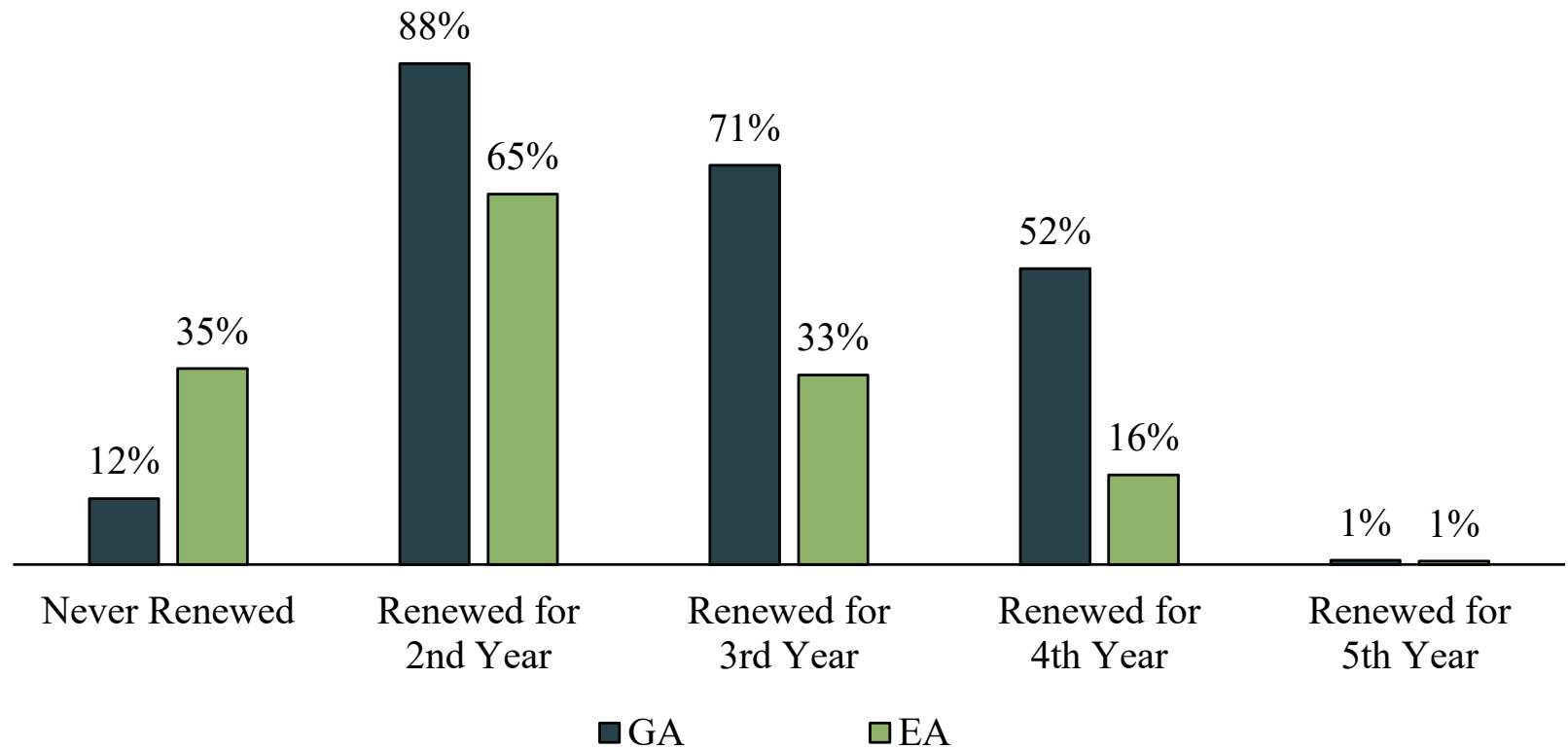
How do you do Mdcaps?

How do I accept my Mdcaps award?



# Renewals

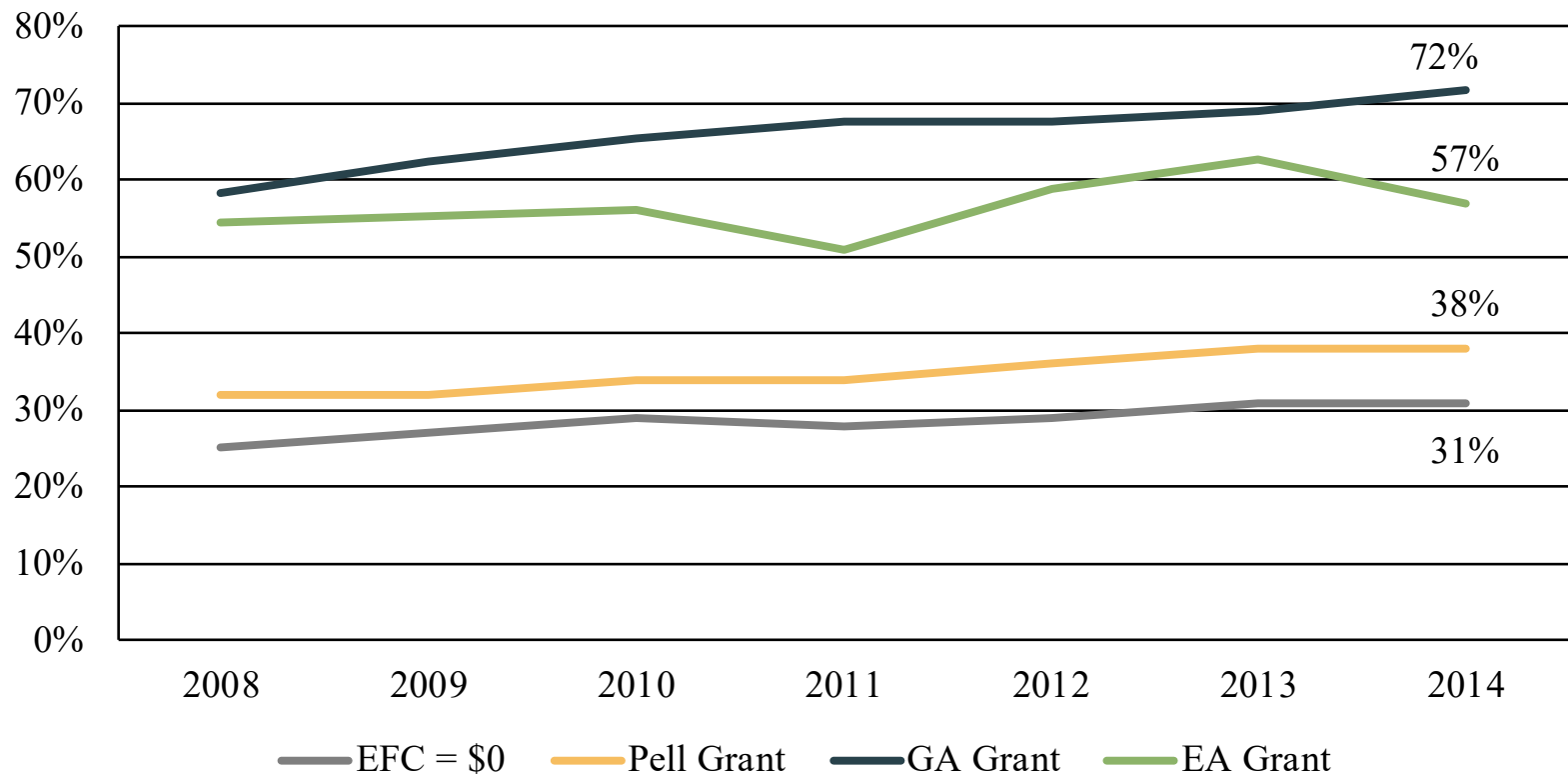
## Renewals by EA/GA Recipients at Four-year Schools





# Graduation Rates

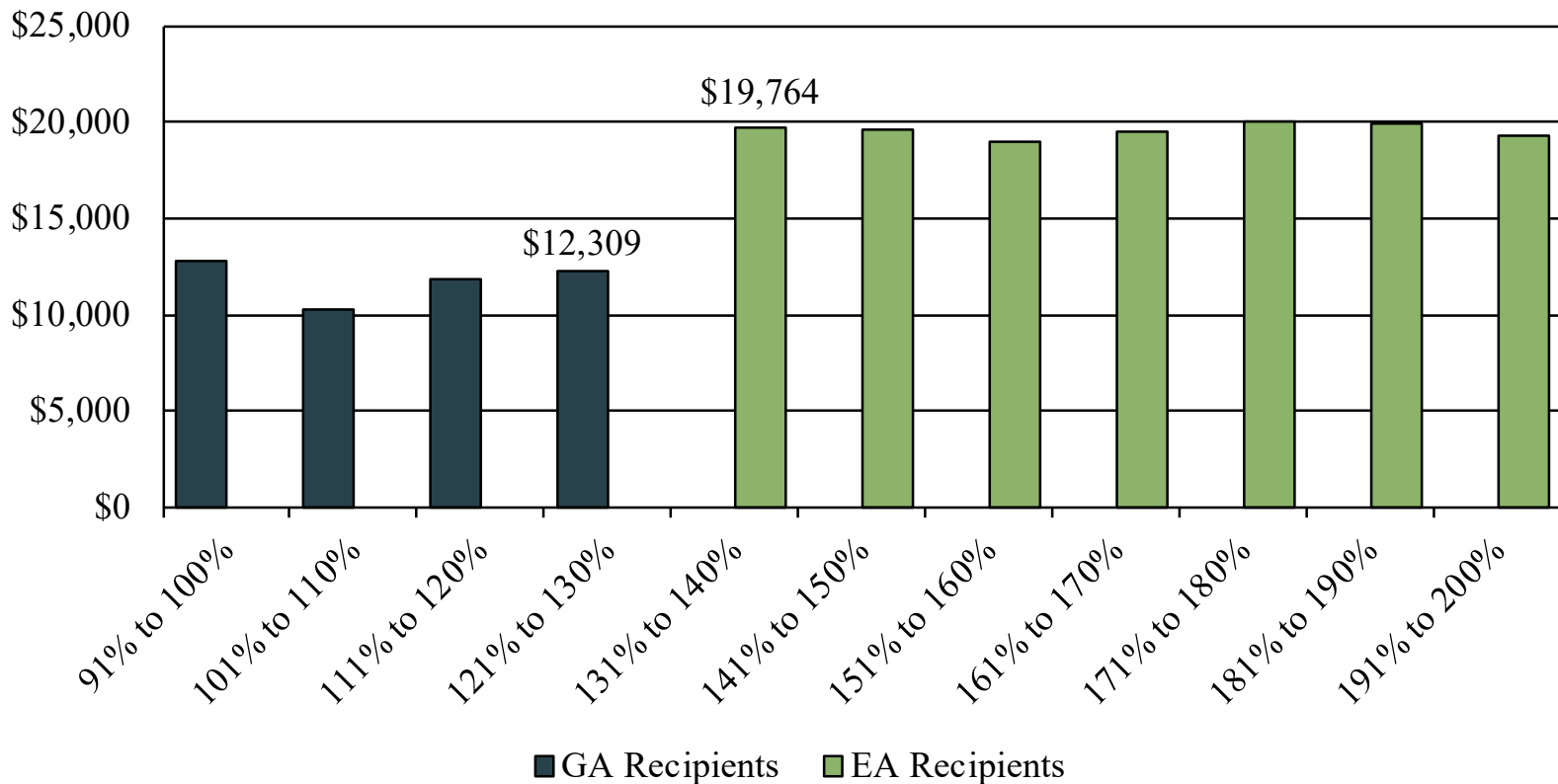
## Degree Completion Rates, by Grant Type





# Income Eligibility Cutoff

## Unmet Need of GA and EA Grant Awardees After EFC, Pell, and EEA Awards AY 2020-2021



# State Comparison



State	Maryland	Pennsylvania	Virginia
<b>Administrative Structure</b>	Centralized	Centralized	Decentralized
<b>Maximum Award (FY 21)</b>	GA: \$19,400 EA: 3,000	\$5,750	Varies by institution; can include tuition, fees, and books
<b>Basis: Individual or Institution</b>	Individual	Individual	Institution
<b>Merit-based Component to Eligibility</b>	For GA: Yes, min. GPA 2.5/4.0 unweighted, or GED score 165/module. For EA: No	No	VGAP: Yes, 2.5/4.0
<b>Need-based Income Limit</b>	For GA-I: HH income $\leq$ 130% FPG. For EA-I, ranked by EFC.	Yes	Varies by institution
<b>Income Verification</b>	For GA: Up to 60% of applicants	Automated	Not at the state level
<b>State FAFSA Deadline</b>	March 1	May 1  Aug. 1 for first-time applicants to community college; certain trade schools; hospital school of nursing; or some two-year programs	Varies by institution
<b>Notification Date to Student of Award Offer:</b>	May 1 (until AY 23-24)	(Under) Estimate in May, based on first choice school	Varies by institution; can be as shortly after admittance
<b>FT/PT Enrollment Criteria</b>	FT	FT or PT	VGAP: FT
<b>Aid Guarantee</b>	For GA, yes; For EA, no.	Yes	No
<b>Separate Account</b>	MDCAPS	Account Access	No
<b>FAFSA "API" Link</b>	No	Yes	N/A



# Select Options and Recommendations

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## BUDGETING

- **Option A:** Budget GA and EA Grants as separate grant programs in the appropriations process.
- **Option B:** Redesign GA and EA Grants as one continuous grant program with sliding scale for income eligibility criteria.

## TRANSCRIPTS

- **Option:** MGA could require all local education agencies (LEAs) to upload official transcripts for all high school seniors to MHEC
- **Option:** MGA could authorize MHEC to accept high school transcripts after an applicant's junior year.
- **Option:** Stop requiring a minimum GPA or GED score for initial GA-Initial Grant eligibility



# Select Options and Recommendations

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## INCOME VERIFICATION

- **Option: Reduce MHEC income verification to the current statutory minimum of 25% of FAFSA and MSFAA completers**
- **Option: Explore the development of a memorandum of understanding between MHEC and the Maryland Comptroller's Office to verify the State income tax return status and income level for financial aid applicants.**
- **Option: Accept income reported in the FAFSA, either using the IRS DRT or self-attested, under penalty of perjury for those who knowingly falsify their income information.**



# Chapter 634 of 2023

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## **Guaranteed Access**

As of July 1, 2023:

- Eliminates GPA requirement
- Expands eligibility to applicants up to age 26, and within 6 years of High School graduation

As of July 1, 2025:

- OSFA provides student information to colleges
- Colleges determine eligibility
- OSFA reimburses colleges
- OSFA must adopt regulations

## **Educational Assistance**

As of July 1, 2025:

- OSFA makes awards from remaining funding

Joint Audit and Evaluation Committee Meeting

Tuesday, October 17, 2023

Maryland Higher Education Commission (MHEC)

Response to the Evaluation of the Office of Student Financial Assistance

(December 2022)

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## Overview of Evaluation

The Maryland Higher Education Commission (MHEC) has reviewed the Report titled “Evaluation of the Office of Student Financial Assistance,” authored by the Office of Program Evaluation and Government Accountability (OPEGA) of the Department of Legislative Services (DLS) dated December 2022. MHEC would like to thank OPEGA staff for the observations and recommendations that were made as the result of their evaluation. We appreciate the overview as well as the time OPEGA committed to conduct the evaluation of OSFA and provide a detailed and constructive report focused on the evaluation on the efficiency and effectiveness of the Delegate Howard P. Rawlings Program of Educational Excellence Awards (EEA) Program. MHEC finds the report very helpful, as it addresses many issues that we have previously expressed as well as raises new insights into areas that we have not previously considered. The report identifies a number of observations and presents the opportunity to implement new policies and guidelines as well as processing procedures. Over the past year, MHEC has taken many strides to improve procedures, communication, and customer service and continues to push forward with making improvements to better assist Maryland residents in obtaining financial assistance to fund their educational expenses. While MHEC agrees with many of the observations and suggestions within the report, we are concerned that some observations are identified based on insufficient information. The following paragraphs focus on key observations and recommendations in the report and MHEC’s response to those observations and recommendations.

### Chapter 1. High School Eligibility

The first observation that MHEC would like to address is that high school students must overcome many hurdles to receive a GA Grant due to the eligibility criteria and application procedures limit the number of students awarded an initial GA Grant. There is no application for Guaranteed Access (GA) or Educational Assistance (EA) grant. A student is required to complete the FAFSA/MSFAA as established in legislation. The eligibility criteria is all based on legislative guidelines, but has since lessened with the recent passage of Chapter 634, Acts of Maryland 2023 (House Bill 923) that removed the GPA requirement and extended the age and eligibility time frame requirement. The removal and extension of the three (3) requirements will ultimately increase the number of eligible applicants in the upcoming 2024-2025 academic year. Although we are unable to provide an exact count in relation to the increase in the number of applicants that will become eligible to receive the GA grant due to the recent changes, it is estimated that around 1,500 additional applicants will become eligible. In this current 2023-2024 academic year, we have already awarded 5,310 applicants the GA grant for a total of \$77,659,240. The estimated increase of 1,500 applicants at an average award of \$19,719 calculates to an expected increase of \$29,492,000. If the increase occurred in the current 2023-2024 academic year, we would have awarded 6,810 applicants for a total of \$107,959,240. Currently we are allocated \$112,000,000 per year in Howard P. Rawlings Educational Excellence Awards (EEA) funds, of which \$2,000,000 is dedicated to the Campus Based Educational Awards Grant (CBEAG). Based on the estimated numbers, there would only be \$2,040,760 remaining in EEA funds to award Educational Assistance (EA) Grant funds.

These numbers provided are based on the 130% poverty level eligibility guidelines. If we increase the poverty level eligibility guidelines to 150% or higher, we will increase eligibility, but unless the allocation is increased

there will not be enough funding for all eligible GA applicants and no funds will be available for any EA applicants.

OPEGA has recommended making the process by which high school students document their eligibility for an initial GA Grant more efficient. With the removal of the GPA requirement and Federal Student Aid (FSA) important student and parent tax income information directly from the IRS through the FAFSA Simplification Act, the recommendations have already been satisfied. Additionally, Chapter 634, Acts of Maryland 2023 (House Bill 923) also establishes that Maryland institutions of higher education will transition to make GA awards beginning in the 2025-2026 academic year, which relates to OPEGA's suggestion to "decentralize" the GA award process. MHEC has formed a Howard P. Rawlings EEA Study workgroup which is composed of representatives from various types of Maryland institutions of higher education as well as representatives from Maryland nonprofit organizations focused on education access and attainment. The focus of the workgroup is to review the EEA component of Chapter 634, Acts of Maryland 2023 (House Bill 923) to focus on the current structure of the EEA Program and opportunities to effectively expand the program to benefit Maryland students. The workgroup will be submitting an analysis report to the Commission in November 2023.

## Chapter 2: Delegate Howard P. Rawlings Educational Excellence Awards Program

As OPEGA identifies in chapter 2, the EEA Program is Maryland's largest source of State-funded student financial aid. MHEC believes it is very hard to compare Maryland with other state financial assistance programs because the GA program provides up to 100 percent of an applicant's direct cost, which is not the practice in other states. Many of the observations and concerns that OPEGA expressed in chapter 2 relate to eligibility criteria. On page 6 of OPEGA's report it states, "while statute generally states that EEA Grants are for students with the greatest financial need, the Code of Maryland Regulations (COMAR) specifies the income eligibility criteria for GA-Initial Grants as a total family income at or below 130 percent of federal poverty guidelines." However, OPEGA's report does not include that subsection §18-303(b)(5) of the Education Article of the MD Code, which states "subject to subsection (d) of this section, have an annual family income below a poverty index determined by the Commission." The regulations developed by the Commission directly follow the guidance of the legislation. In accordance with §18-303 of the Education Article of the Annotated Code of Maryland, MHEC is focused on making sure Guaranteed Access Grants (GA) are awarded to the neediest students. MHEC previously established that 130 percent of the Department of Health and Human Services (HHS) poverty guidelines, which are used for administrative purposes for determining financial eligibility for certain federal programs, would be a strong indicator to identify and award the neediest students, while at the same time managing funds. While MHEC requires "initial" students to meet the 130 percent income requirement, statutory law allows "renewal" students to continue to receive the GA grant as long as they remain Pell eligible. MHEC is starting to see a growth in the number of GA recipients when comparing the number of GA recipients in FY 2021 (3,094) compared to FY 2022 (3,247).

Since both GA and EA funding come from the EEA fund, as the number of GA awards increase, the number of EA awards decrease, which is identified in the OPEGA report. The information provided below in Exhibit 1, shows the final numbers for both the GA and EA grants for FY 2022 and FY 2023. You will see that as the GA grant increased in the number of eligible applicants from FY 2022 to FY 2023, the EA grant decreased in the number of eligible applicants. This occurred because as the number of eligible applicants in GA increased,

more funds were expended in the EEA program, reducing the amount of funds remaining to award applicants eligible for the EA program.

### Exhibit 1 - Final Numbers for GA and EA Grants for FY 2022 and FY 2023

Program Category	# Students Paid	Total \$ Paid	# Students Paid	Total \$ Paid
	2021-2022		2022-2023	
Educational Assistance Grant	19,977	\$44,828,676.00	18,911	\$42,836,094.00
Guaranteed Access Grant	3,240	\$41,849,195.00	3,966	\$53,934,423.00

MHEC is in the process of analyzing the current GA award income eligibility guidelines for initial applicants to assess if income guidelines should increase from 130 percent of the Federal Poverty Level (FPL) to 150 percent, 180 percent or even higher; however with the recent passing of Chapter 634, Acts of Maryland 2023 (House Bill 923), MHEC needs to assess the significant impact the approved changes are going to have on the EEA program in relation to funding and how the increase in the number of eligible GA applicants will affect the overall program. The approved changes in Chapter 634, Acts of Maryland 2023 (House Bill 923) not only increase the number of high school graduates that will now be eligible to receive the GA grant, but also Maryland residents that transfer from an out-of-state institution to an institution of higher education in Maryland, residents who graduated high school less than six years ago and now decide to enroll at an institution of higher education in Maryland, and residents who were not initially eligible for the GA grant, but now will become eligible. MHEC is also looking into establishing a Maryland Student Aid Index (MSAI), that uses a formula similar to what Federal Student Aid (FSA) has developed as well as what some other states, such as New Jersey, are using. In order to develop an MSAI, MHEC would need funding to support the research and resources to develop a practical formula. It is expected that the implementation of an MSAI formula would still relate to the poverty index, meaning that there would not be a need to alter legislation. In developing the formula there would be the potential to create a scaling model that would allow award amounts to be based on the applicant's financial need as calculated by the Maryland eligibility index; however this would require legislation to be revised, specifically in any subsection that identifies that the award amount shall be equal to 100 percent of the student's financial need. New Jersey's Tuition Aid Grant (TAG) Award Table provides a model of a scaling-based eligibility and award calculation <https://www.hesaa.org/Documents/TagTable.pdf>.

The recommendations provided on page 64 of OPEGA's analysis are as follows:

- Option #A: Budget GA and EA Grants as separate grant programs in the appropriations process.
- Option #B: Redesign GA and EA Grants as one continuous grant program with sliding scale for income eligibility criteria.

MHEC agrees with option #A. By constructing separate appropriations for the GA and EA grants, it allows OSFA to manage both funds more efficiently and effectively. Chapter 634, Acts of Maryland 2023 (House Bill 923) transitions the review and awarding process for the Guaranteed Access (GA) grant from MHEC to Maryland institutions of higher education, which is set to go into effect in the upcoming 2025-2026 academic year. It is expected that the transition will eliminate the requirement for the applicant to accept the award in the

Maryland College Aid Processing System (MDCAPS). However, a major concern with the passing of Chapter 634, Acts of Maryland 2023 (House Bill 923) is the impact the changes will have on the EA grant and the potential to delay and/or limit EA funding. Although MHEC communicates with each participating institutional financial aid office, there are recurring instances from year to year in which some institutions do not complete reporting requirements (i.e. billing rosters) in a timely manner. This slows down the reconciliation process and prevents MHEC from being able to fund additional students. MHEC suggests that statutory language be added to give MHEC authority to cancel funds due to administrative errors when identified and hold institutions, not students, accountable for cancellations.

### Chapter 3: Structural Issues

The OPEGA review indicates that Educational Excellence Award (EEA) Grants are meant for low-income students, but not all low-income students get EEA Grants. This is not an accurate statement. Subsection §18–301(b)(1) of the Education article of the MD Code states, “Guaranteed Access Grants that are awarded to the neediest students to ensure that 100 percent of educational cost, as defined by regulations adopted by the Commission.” Additionally, subsection §18–301(b)(2) states “Educational Assistance Grants that are awarded to low and moderate income students to assist in paying educational costs, as defined by regulations adopted by the Commission.” Overall, the Howard P. Rawlings Educational Excellence Awards Program is meant for three distinct groups of students (i.e. neediest, low income, and moderate income). Based on OPEGA’s observations in Chapter 3, the program is being administered properly, as designed in legislation. In order to ensure that all low-income applicants receive an EEA award, the appropriation would need to dramatically increase to cover all eligible applicants. Additional research is needed to determine the exact amount of increase needed.

MHEC agrees that OPEGA’s observations related to age and requirement to enroll within one year after graduating from high school are barriers to accessing GA funds, however the recent passage of Chapter 634, Acts of Maryland 2023 (House Bill 923) removed those barriers. Applicants now may still be eligible to receive the GA grant as long as they enroll at an eligible institution of higher education before the age of 26 and within six years of graduating from high school. This still leaves a barrier for Maryland residents who make the decision to attend an institution of higher education after the age of 26 or residents that moved to Maryland after the age of 26. Unfortunately, the only way to remove such related barriers is to remove the age limit and enrollment requirements from legislation.

The OPEGA report identifies that the credit completion requirements are another barrier affecting the EEA eligibility. In 2016, Maryland legislators passed the College Affordability Act of 2016 Chapter 690, Acts of Maryland 2016), which established new eligibility criteria for the EEA program: students receiving the award for at least two years are required to enroll and complete 30 credits at the end of the 2<sup>nd</sup> year and all subsequent years to maintain the full award, or at minimum 24 credits to be eligible to receive a prorated amount of award with up to 20 percent of the award deducted. Any student that fails to complete the minimum 24 credit requirement loses eligibility for the grant. In FY 2023, MHEC’s Office of Research and Policy Analysis conducted a causal analysis to evaluate the effectiveness or hindrance of the 30 credit rule on academic momentum and degree completion as well as other areas of concern. Their study suggests that the 30-credit requirement does not improve on-time degree completion as intended, however it did not prove that it is a bad policy. Results from the study identified that although the policy establishes a penalty, it does not provide an incentive for EEA recipients and does not motivate recipients to increase credit enrollment and completion,

especially for EA recipients. Additionally, the policy has the ability to push students to register for more courses than they are academically prepared to handle. Additional research and resources are needed to further investigate the effectiveness and impact of the 30-credit requirement.

Page 45 of OPEGA's evaluation discusses the March 1 deadline for Maryland residents to complete the Free Application for Federal Student Aid (FAFSA) or Maryland State Financial Aid Application (MSFAA) in order to be considered eligible for the GA or EA award. FAFSAs or MSFAAs submitted after March 1 are not considered "on-time" for the Howard P. Rawlings EEA program. Note, prior to FY 2024, Maryland residents that submitted a FAFSA or MSFAA after the March 1 deadline were considered for the Maryland Community College Promise Scholarship as well, however as of FY 2024 the deadline to complete a FAFSA or MSFAA and be considered for eligibility for the Promise scholarship has been extended to April 15, 2024. Per review, the Howard P. Rawlings Educational Excellence Awards (EEA) Program is the only program that requires the FAFSA to be completed by March 1. The only other program that considers a filing date for the FAFSA is the Douglas J.J. Peters Veterans of the Afghanistan or Iraq Conflicts Scholarship, which does not require a FAFSA, but requires that if an applicant completes a FAFSA, they must complete it by March 1 in order to be eligible for the scholarship. MHEC agrees that the March 1 deadline as an essential requirement for EEA grant eligibility is a barrier for many applicants. Federal Student Aid (FSA) allows a student to complete a FAFSA as early as October 1 of the prior year academic year and as late as June 30 of the actual academic year in which the applicant is receiving the award. Many low-income students do not decide to enroll at an institution of higher education until a few weeks before the semester starts and others take a semester off before they enroll. The March 1 deadline prohibits applicants that make late decisions from being eligible to receive an EEA award. Other states have priority filing dates and final filing dates, which allow applicants to still be eligible for funds. Additionally, other states have a spring award, which allows applicants that take a semester off and decide to enroll later to still be eligible to receive an award. The current March 1 deadline date does not allow applicants to explore all of their options. MHEC is preparing to implement a new schedule of required filing dates for other State financial assistance programs that do not have a provided date in legislation. As MHEC transitions to a "Maryland One Application" (MD One-App), in which a student may apply for all financial assistance programs through one application, including complete MSFAA requirements, it is proposed that the application will become available the same day as the FAFSA and will remain open until February 28 of the actual award year. This will allow all students, especially those that intend to skip the fall semester and enroll in the spring to have ample time to complete the application. MHEC will establish a priority filing date to incentivize applicants to complete the FAFSA or MD One-App early.

## Chapter 4. Administrative and Process Issues

Chapter 4 of OPEGA's report focuses on administrative and process issues within the Office of Student Financial Aid (OSFA), specifically in reference to staffing, as well as the OSFA staff's specific efforts to raise student awareness of State aid programs through marketing and outreach. Additionally, the chapter addresses several process hurdles for students related to creating a Maryland College Aid Processing Portal (MDCAPS) account, documenting eligibility, and accepting offered awards. OPEGA makes the observation that the number of programs administered, OSFA staff, and grants distributed through OSFA-administered programs have increased since 2013, while the number of awards given by OSFA has decreased. MHEC agrees that there has been a fluctuation in the number of award recipients over the years, but believes OPEGA's observation does not

represent a full analysis of the Office of Student Financial Assistance (OSFA) administrative capabilities or lack of available resources. The report compares 2013 and 2021, which in most cases would be a standard comparison, however the COVID-19 pandemic establishes an anomaly that MHEC suggests be incorporated into the report if the report is going to compare FY 2013 to FY 2021. A recent study published in the Congressional Research Service on January 27, 2021 identified that preliminary data available suggest that there have been enrollment declines during the COVID-19 pandemic (Collins, Fountain, and Dortch, 2021, pg. 2). Total postsecondary education enrollment peaked around 2011 and has declined somewhat since then.<sup>2</sup> The peak enrollment may have been the culmination of a long-term increase in enrollment rates (i.e., the share of individuals enrolling in postsecondary education), possibly abetted by a short-term increase due to a high unemployment rate.<sup>3</sup> The overall size of the primary college-going population (age 15-24) was also slightly higher in 2011 than in 2018.<sup>4</sup> Since the enrollment peak around 2011, which follows the unemployment peak in 2010, the largest enrollment declines were at two-year public institutions and proprietary institutions. Enrollment at both public four-year institutions and private nonprofit institutions increased between 2011 and 2018. Some of the shift in enrollment is due to sector reclassification of some institutions over the period of review. For example, 67 public-two year institutions with a combined FTE enrollment of approximately 424,000 students were reclassified as public-four year institutions between 2011 and 2018.<sup>5</sup> Thus, approximately one-third of the change in enrollment at public-two year institutions was due to sector reclassification.

Exhibit 2 shows the total number of students awarded and the total amount awarded from FY 2020 to FY 2023 in both GA and EA grants. While Exhibit 2 does not represent an analysis of all programs managed by OSFA, it represents the fluctuation in award recipients in comparison to the fluctuation in total award amounts. As tuition costs increase, award amounts increase, which reduces the number of award recipients for each program unless the yearly allocation is increased to overcome the increased cost. Additionally, since both GA and EA grants come from the same source of funds, as the number of GA recipients increase, the number of EA recipients decrease dramatically.

## Exhibit 2- Total Number of Students and Amount Awarded for GA and EA

Year and Category	GA	EA
FY20 - Total Students	2,681	23,536
FY20 - Total \$ Awarded	\$36,817,275.00	\$51,165,750.00
FY21 - Total Students	3,095	18,931
FY21 - Total \$ Awarded	\$37,472,404.00	\$41,327,413.00
FY22 - Total Students	3,248	20,113
FY22 - Total \$ Awarded	\$41,926,195.00	\$45,170,576.00
FY23 - Total Students	3,978	18,968
FY23 - Total \$ Awarded	\$54,063,673.00	\$42,967,497.00

There are two key concerns with OPEGA's observation; one is that awards are directly connected to enrollment, therefore if enrollment declines, the number of award recipients is likely to decline. Exhibit 4.1 in OPEGA's report shows a decline in awards when comparing fiscal 2013 and 2021; however, it also shows an increase in dollars distributed through OSFA programs. If enrollment begins to increase post-COVID, then one can assume that the number of students awarded will increase as well. For example, in FY 2021, 3,089 applicants were awarded and paid the GA grant for a total of \$37,438,104, whereas in FY 2022, 3,240 applicants were awarded and paid the GA grant for a total of \$41,856,295. There was an increase of 151 students awarded between FY 2021 and FY 2022.

The other concern is limited resources. OSFA has faced many challenges due to the current number of staff members within the office, including trying to respond to all inquiries (i.e., phone, email, virtual appointments) while trying to meet current award processing demands. In FY 2022, the number of telephone inquiries reported was 22,174. In comparing OSFA's incoming call data from FY 2019 to FY 2022, it shows that the phone volume was highest in FY 2019 with 24,708 calls and then declined to 17,518 in FY 2020, 6,000 in FY 2021 and then began increasing again in FY 2022. This correlates with the increase in awards between FY 2021 and FY 2022. Since the start of the COVID-19 pandemic, OSFA has implemented virtual appointments, which many applicants are choosing. Each phone call as well as virtual appointment can take from five to 15 minutes to assist applicants, so we can estimate that the average call or virtual appointment is 10 minutes. Based on the FY 2022 number for telephone inquiries, the staff spent 220,000 minutes answering phone calls, which is equivalent to 3,667 hours. If we have 12 staff members answering the phone, each would be on the phone for an average of 306 hours, while still maintaining processing and all other program responsibilities for 1 – 2 programs, depending upon the size of the program.

Although the number of award recipients may fluctuate from year to year, the number of applications and required documentation has consistently increased over the years. All financial assistance programs currently managed by OSFA either have an application process or require supporting documentation to confirm eligibility to receive the award. Examples of required documentation include academic transcripts, proof of employment, confirmation of enrollment, etc. All submitted documentation is required to be manually reviewed by a staff member to ensure accuracy and to determine the applicant's eligibility, input information into the MDCAPS system, and confirm award(s) for accuracy. As shown in Exhibit 3, in FY 2023 the Office received 461,951 documents which were required to be reviewed to either determine an applicant's eligibility or finalize the applicant's award. In many instances the same requirement was submitted multiple times due to incorrect information submitted.

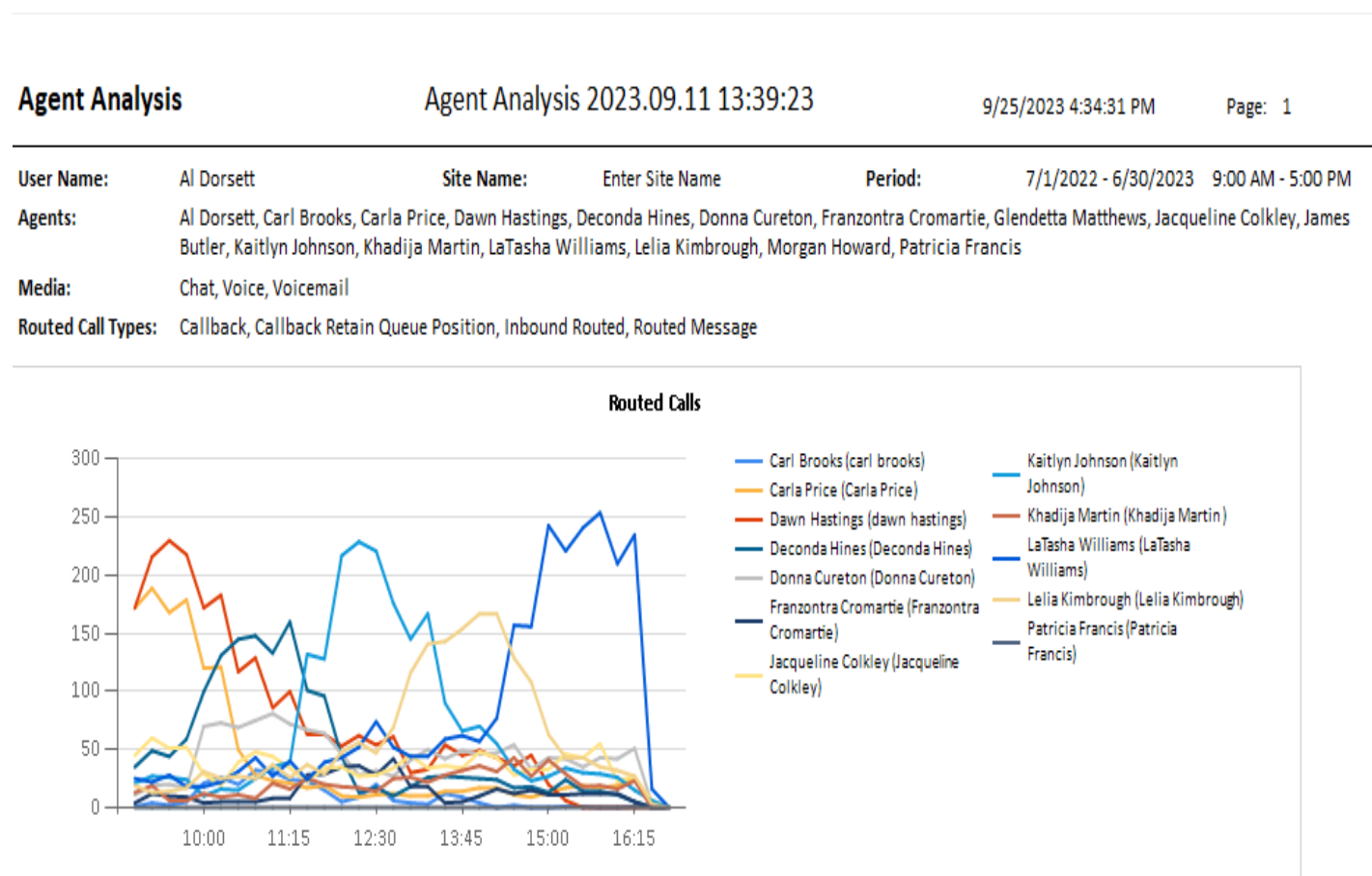
**Exhibit 3 - Document Tracking Report - FY 2023**

<b>Program</b>	<b>Sum of # Completed</b>	<b>Sum of # Incomplete</b>	<b>Sum of Total #</b>
2+2	4,446	697	5,143
Cybersecurity	308	181	489
Delegate	8,491	680	9,171
EA	249,195	29,048	278,243
GA	34,382	7,077	41,459
LARP	1,758	940	2,698
M-LARP	12	0	12
Near Completer	1,733	521	2,254
NGS	737	126	863
Nurse	326	417	743
Police Officer	122	38	160
Promise	147,807	24,218	172,025
Richard Collins	571	172	743
Riley	208	161	369
Senatorial	5,637	555	6,192
Teaching Fellows	1,239	241	1,480
Tolbert	523	72	595
VAIC	1,311	101	1,412
WSSAG	3,145	918	4,063

<b>Grand Total</b>	<b>461,951</b>	<b>66,163</b>	<b>524,051</b>
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The Office also manages incoming inquiries via phone and email to assist students and their families with the application and award process. In FY 2023, OSFA consisted of 17 staff members, including the director, and recently was approved for 3 additional staff members for FY 2024 along with the addition of three new programs. As shown in Exhibits 4 and 5, the Office received 18,827 phone inquiries in FY 2023 in which only 14,581 were able to be answered due to the lack of staff. In addition to phone and email inquiries, OSFA continues to schedule virtual meetings with students, parents, and other constituents. In FY 2023, the Office conducted over 500 virtual meetings with the same staff that answer incoming email and phone inquiries as well as oversee one to two programs each. An accurate analysis on administrative and process issues within the Office of Student Financial Aid (OSFA), specifically in reference to staffing, cannot truly be obtained without reviewing the administrative requirements to administer each financial assistance program and current resources within the Office. Unfortunately, in FY 2023 there were several turnovers which came from staff feeling overworked and overextended.

#### Exhibit 4 - Phone Inquiries Peak Times



## Exhibit 5 - Phone Call Totals

Agent	Total Calls	Routed Calls	Routed Answered Calls	Routed Not Answered Calls	Transferred Routed Calls	Answered Transferred Routed Calls	Direct Incoming Answered Calls
Carl Brooks (carl brooks)	400	283	275	8	5	3	58
Carla Price (Carla Price)	1462	1362	1330	32	32	1	27
Dawn Hastings (dawn hastings)	3014	2340	2217	123	126	45	316
Deconda Hines (Deconda Hines)	1610	1547	1472	75	35	6	31
Donna Cureton (Donna Cureton)	1635	1392	1348	44	10	17	104
Franzontra Cromartie (Franzontra Cromartie)	439	429	418	11	11	2	3
Glendetta Matthews (Glendetta Matthews)	0	0	0	0	0	0	0
Jacqueline Colkley (Jacqueline Colkley)	1657	1135	897	238	20	33	206
James Butler (James Butler)	0	0	0	0	0	0	0
Kaitlyn Johnson (Kaitlyn Johnson)	2357	2157	1874	283	47	15	81
Khadija Martin (Khadija Martin)	646	631	621	10	4	0	3
LaTasha Williams (LaTasha Williams)	2763	2634	2434	200	62	22	42
Lelia Kimbrough (Lelia Kimbrough)	2116	1891	1695	196	74	17	68
Morgan Howard (Morgan Howard)	0	0	0	0	0	0	0
Patricia Francis (Patricia Francis)	728	0	0	0	0	6	305
<b>Total</b>	<b>18827</b>	<b>15801</b>	<b>14581</b>	<b>1220</b>	<b>426</b>	<b>167</b>	<b>1244</b>

Limited resources are not only related to staff but also to the current Maryland Aid Processing System (MDCAPS). The current system is outdated and has many limitations. Unfortunately, the current system does not provide a history of each action or step within the entire award process. For example, when all applicants are initially awarded, the number of applicants awarded is greater than at the end of the fiscal year when funds are reconciled. The system does not keep a record of all applicants' initial/original status, instead once an applicant's status is changed to a cancel or declined status the record only identifies canceled or declined. This conflicts with reporting information, since there is a difference between funds awarded and funds paid. In these instances, reports convey an inaccurate message, while 5,000 applicants may have been awarded for the year, because only 3,000 attended an institution and enrolled full-time, the other 2,000 were canceled because they did not attend an institution or attended but did not meet the full-time enrollment requirement. When program information is reported, it conveys that only 3,000 applicants were awarded the fund, when in reality 5,000 applicants were awarded the fund but only 3,000 met the requirements to receive the fund. MHEC is currently in the process of submitting a request for proposal (RFP) for a new financial assistance award management system (FAAMS). Once a new system is in place this issue will be resolved.

The Office, with support from the Secretary of Maryland Higher Education Commission (MHEC), is in the process of restructuring. All financial assistance programs are being categorized into units with a Program Manager and Administrative Officer leading each unit and a number of Administrative Specialists within each unit. The number of Administrative Specialists per unit will be based on the number of programs within the unit and the number of applicants and recipients for each program. Additionally, MHEC is requesting additional staff in order to develop a Customer Service unit to provide front-end customer service by managing incoming calls and email inquiries, while other staff will focus on back-end administrative processes. The Office's focus is to create an infrastructure of efficiency in administering financial assistance programs and provide stronger customer service to Maryland residents and students.

The report by OPEGA observes that MHEC is not tracking how many Maryland residents who complete the FAFSA by March 1 fail to sign up for an MDCAPS account. This is an incorrect observation. MHEC not only observes how many Maryland residents who complete a FAFSA do not have an MDCAPS account, but also emails each FAFSA filer and provides them with information on how to create an MDCAPS account as well as information on awards. MHEC imports all Maryland resident FAFSAs into MDCAPS. A process is automatically set up within MDCAPS to identify FAFSA filers that do not have an MDCAPS account and to notify individuals that MHEC received their FAFSA and they may be eligible to receive an award through the state of Maryland. Additionally, the communication provides each individual with instructions on how to create an MDCAPS account and links for additional information about MHEC and financial assistance awards.

MHEC agrees that in marketing State aid to students, many stakeholders besides MHEC play a role, and these relationships could be strengthened. MHEC is currently working with Maryland State Department of Education (MSDE) and Maryland Department of Human Services (DHS) to not only market new programs recently added during the 2023 legislative session, but also develop new initiatives to educate Maryland residents on recent FAFSA changes. For example, MHEC is currently working with MSDE to provide statewide training to county board educators, high school counselors, nonprofit organizations, as well as other state constituents focused on access to higher education. The training is scheduled to take place during the months of November and December in all regions throughout Maryland. The training will focus on providing information on completing the FAFSA and State financial assistance programs.

The OPEGA analysis was correct in the observation that OSFA has no staff dedicated solely to marketing and outreach to promote scholarships and grants. Although the majority of programs require that OSFA and/or MHEC to market programs to various constituents, the Office has had difficulty in this area. Research has shown that other state agencies have Outreach & Communications departments within their organizations with several staff members dedicated to communicating with various constituents as well as working with the Grants and Scholarships department to develop marketing materials and publications. Some states even contract and compensate financial aid professionals from institutions within the state to provide FAFSA and financial literacy workshops at high schools and community organizations within the state.

MHEC would recommend that consideration be made to allocate funding directly to MHEC to increase awareness of all programs administered by MHEC through OSFA and should include the following:

- Funding specifically for additional personnel to provide in-person workshops to high schools, nonprofits, faith based and community organizations; and
- Funding for marketing projects such as: Billboards, Public Transportation, Mall Marketing and Radio and Digital Commercials

Additionally, the Department of Outreach is developing new marketing initiatives to increase MHEC's outreach and inform Maryland residents on several topics including current and upcoming financial assistance programs, recent changes to the Howard P. Rawlings Educational Excellence Awards Program, the new MD One-App, etc. MHEC is also in the process of researching how to create a professional listserv to disseminate information to MHEC partners.

MHEC's focus within the past year and moving forward has been to reduce barriers that prevent Maryland residents from taking advantage of the educational financial assistance resources Maryland provides. The passing of Chapter 634, Acts of Maryland 2023 (House Bill 923) provided great support by removing the GPA requirement and extending the eligibility time frame for an applicant to be eligible to receive an EEA award. In conjunction with the Federal Student Aid (FSA) FAFSA Simplification Act, the revised FAFSA scheduled to become available in December 2024 and implementation of the FSA Student Aid Index (SAI) MHEC is now focusing on revising current verification procedures to be more in line and concurrent with FSA verification. OPEGA's analysis observes that 60 percent of GA-Initial Grant applicants are subject to MHEC income verification (rather than the minimum of 25 percent required in law). MHEC agrees that the verification process needs to be revised, however as the steward of EEA grant funds it is MHEC's responsibility to make sure all award recipients are eligible recipients. The Department systematically selects applicants for verification based upon characteristics associated with risk of error or fraud. MHEC is currently reviewing federal verification guidelines as well as the FSA Student Aid Report (SAR) Comments Codes to assist in enhancing the GA verification selection process within the Maryland College Aid Processing System (MDCAPS), which is currently a random process based upon the percentage entered in the system under the Portal Settings page. The implementation of new guidelines and procedures will assist in supporting the transition of moving the responsibility of confirming award eligibility from the office to institutions of higher education.

## Conclusion

In conclusion, MHEC is diligently working to make several critical and impactful changes in how many of the financial assistance programs for which it is responsible for overseeing are managed, while at the same time increasing program awareness and customer service. Some of the key observations and recommendations found in the OPEGA review have already been resolved by the passing of Chapter 634, Acts of Maryland 2023 (House Bill 923). While MHEC has already made some great strides and continues to move forward with the goal of improving services, additional staff is needed in order to build an efficient infrastructure and provide the services Maryland residents deserve. MHEC is in the process of finalizing the request for proposal (RFP) for a new financial assistance award management system (FAAMS) and is focused on building a user friendly customer service centered system that will allow MHEC to not only manage all financial assistance programs efficiently, but will bridge the gap with MHEC and external organizations such as nonprofit organizations, institutions of higher education, other Maryland state agencies to better serve Maryland residents.

## References

- 1 Al-Baadani, A., & Abbas, M. (2020). The COVID19 Pandemic and Institutions of Higher Education: Contemporary Issues. *European Journal of Education Studies*, 7(7), 2. <https://doi.org/10.46827/ejes.v7i7.3152>
- 2 See United States Census Bureau, “CPS Historical Time Series Tables on School Enrollment,” particularly table A-7, <https://www.census.gov/data/tables/time-series/demo/school-enrollment/cps-historical-time-series.html>.
- 3 For historical data on postsecondary enrollment rates, see Digest of Education Statistics, Table 103.20 and Table 302.60, which are based on Census data. See also U.S. Census Bureau, “Postsecondary Enrollment Before, During and Since the Great Recession,” April 2018, <https://www.census.gov/content/dam/Census/library/publications/2018/demo/P20-580.pdf>.
- 4 Students aged 24 and under make up approximately 73% of undergraduate students and about 66% of total postsecondary students. See Digest of Education Statistics, Table 303.50, based on IPEDS. In 2011, the total population of the age 15-24 cohort was about 43.8 million. In 2018, it declined to about 42.9 million. See U.S. Census Bureau, “National Population by Characteristics: 2010-2019,” <https://www.census.gov/data/tables/time-series/demo/popest/2010s-national-detail.html>.
- 5 CRS calculations using IPEDS data on 12-month full-time equivalent enrollment.

October 17, 2023

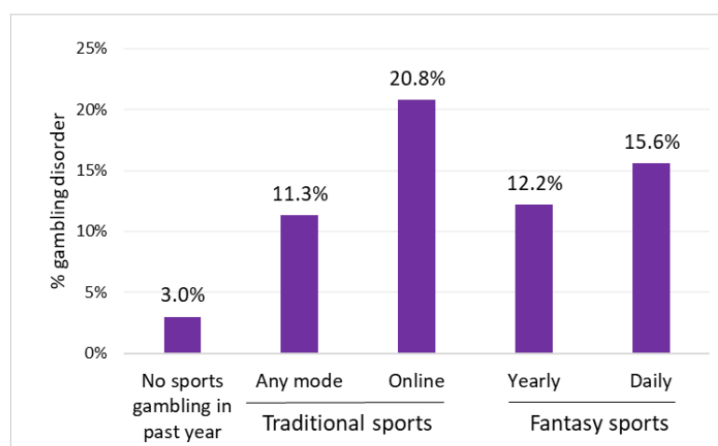
Joint Audit and Evaluation Committee  
Annapolis, Maryland 21401

RE: Evaluation of the Center of Excellence on Problem Gambling conducted  
by the Office of Program Evaluation and Government Accountability

Dear Chair Lam and Chair Solomon:

The Maryland Center of Excellence on Problem Gambling (the Center) agrees with the recommendations made in the report and the Center is taking steps to address each recommendation. The 2022 prevalence study was released after the publication of this report so we would like to briefly mention a few salient points.

The 2022 study found that about 4% of adults in Maryland had experienced disordered gambling in their lifetime; that is down from 2020 but higher than every year prior. More than a third of Maryland gamblers had ever participated in sports gambling (30.1%), which included both traditional sports gambling and fantasy sports. The prevalence of disordered gambling was notably high amongst this group of individuals. Of note, this study was conducted before mobile sports betting went live in November 2022.



*Participants may fit into more than one category;  
all "online" traditional sports bettors are also in the "any mode" group.*

According to a press release from Maryland Lottery and Gaming, in September 2023 95.1% of sports bets were placed online contributing \$420,957,789 to the total statewide sports betting handle of \$442,450,666. When sports betting was legalized, the state invested in Marylanders who would suffer from disordered gambling by diverting unclaimed sports betting funds into the Problem Gambling Fund. With so many people betting online, that leaves almost no unclaimed funds, thus adding very little in the way of support for Marylanders in crisis. Through this frame of reference, the Center supports the Office of Program Evaluation and Government Accountability's recommendation to dedicate a portion of revenues from each legal type of gambling to the Problem Gambling Fund.

The Center has experienced an increase in calls to the problem gambling helpline with above average numbers of college-age helpseekers or concerned parents of college-age children. Marylanders requesting help have increased enough that we are in the process of bringing on two more certified peer recovery support specialists. The Center is expecting a busy holiday season which will not slow down in the new year as the Superbowl and March Madness come in rapid succession. The state has not yet seen the full extent of the impact sports betting, especially online sports betting, will have on the health of Marylanders.

I am always available to answer questions and speak more on this important issue. I can be reached by email at [mdrexler@som.umaryland.edu](mailto:mdrexler@som.umaryland.edu) or by phone at 860-798-9086.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary Drexler".

Mary Drexler, MSW  
Director of Operations  
Maryland Center of Excellence on Problem Gambling



MARYLAND STATE  
DEPARTMENT OF EDUCATION

# Scoping Evaluation of the Maryland EXCELS Programs

Division of Early Childhood

October 17, 2023

PRESENTED BY

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Dr. Deann Collins, Deputy State Superintendent, Office of Teaching and Learning  
Dr. Shayna Cook, Assistant State Superintendent, Division of Early Childhood



## Presentation Outline

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1. Division of Early Childhood: Adequacy and Sustainability
2. Creating a Family Child Care Pathway within Maryland Accreditation
3. Public Prekindergarten Report
4. Growing Family Child Care Opportunities Pilot Report
5. Redesigning Maryland EXCELS standards and rating scales
6. Enhancing State Early Childhood Integrated Data Systems
7. Assessing Impact through an Independent Evaluation of the Maryland EXCELS program



1. **Division of Early Childhood: Adequacy and Sustainability**
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## Division of Early Childhood: Adequacy and Sustainability

*The Maryland State Department of Education's (MSDE) Division of Early Childhood prioritizes the needs of the Blueprint for Maryland's Future in its personnel structure and work.*

# Division of Early Childhood: Personnel Structure (1 of 2)

- Governance of early care and education programs under the Maryland State Department of Education's (MSDE) Division of Early Childhood supports the birth through age 8 continuum. This governance structure also ensures longitudinal alignment and will enable the successful implementation of Blueprint for Maryland's Future.
- MSDE's Division of Early Childhood is adequately structured to support the successful implementation of the Blueprint for Maryland's Future through 2030 and beyond.
- In December 2022, a new Assistant State Superintendent was appointed by the Maryland State Board of Education.
- The Division was restructured into four offices, which include:
  - Office of the Assistant State Superintendent
  - Office of Early Learning and Instruction
  - Office of Family Support Services
  - Office of Child Care

## Division of Early Childhood: Personnel Structure (2 of 2)

- The Division is making a concerted effort to align human resources with the scaling of quality prekindergarten programs, Judy Centers, and Patty Centers.
- Maryland EXCELS has redistributed the caseload of the Quality Assurance Specialists to ensure that early care and education programs as well as local education agencies have the support to move up in the quality ratings.
- Licensing staff are critical to ensuring Maryland families have access to safe, high-quality child care. Licensing staff positions received a 12% salary increase after MSDE conducted a comprehensive salary study. Recently, MSDE converted all Licensing staff position to permanent positions, making them eligible for all benefits offered to Maryland employees.
- In October 2023, an Executive Director of Operations, Policy, and Strategy was brought to the Division.
- MSDE has and continues to conduct statewide recruitment to ensure every position is filled.



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## Creating a Family Child Care Pathway within Maryland Accreditation

*The Division of Early Childhood is working with key stakeholders to develop multiple pathways for family child care providers to obtain accreditation.*

# Accreditation Pathways for Family Child Care Programs

- Currently, family child care programs can obtain accreditation through the National Association of Family Child Care (NAFCC). The Division of Early Childhood has an upcoming meeting with NAFCC leadership to discuss ways to improve this pathway.
- The National Association for the Education of Young Children (NAEYC) and the National Early Childhood Program Accreditation (NECPA) recently announced the expansion of accreditation to include family child care programs.
- Both NAEYC and NECPA are accreditation organizations recognized by MSDE.
- In March, Maryland EXCELS staff held preliminary conversations with the Maryland State Family Child Care Association (MSFCCA) to determine if MSFCCA would support a pathway within Maryland Accreditation for family child care providers.
- By the end of October, the Division will survey currently accredited family child care providers and family child care providers who are in the process of accreditation and have access to the Accreditation Support Fund to get stakeholder feedback on Maryland Accreditation adding a pathway for family child care providers.



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## Public Prekindergarten Report

*MSDE's Division of Early Childhood, in partnership with the Division of Assessment, Accountability, and Performance Reporting, submits a report to the Accountability and Implementation Board annually on December 1. This report can also go to the Maryland General Assembly.*

# Prekindergarten Data

- In December 2022, MSDE submitted a Pre-K Data Report to the Accountability and Implementation Board (AIB).
- In FY23 there were 43 Pre-K grantees (30 Private Providers and 13 local education agencies)
- Through the Pre-K grants, Maryland served 2,185 children in 157 high-quality classrooms located in child care centers, family child care homes, Head Start programs, approved non-public nursery schools, therapeutic child care programs, public charter schools, and local education agencies.
- The next report is due to the AIB in December 2023.

<https://drive.google.com/drive/folders/1d4yhKqL1TSOuK3uFFKJKGzx06jBgsc8F>



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## Growing Family Child Care Opportunities Pilot

*The Growing Family Child Care Opportunities (GOFCC) Pilot is expanding to reach every county in the State through Child Care Resource Centers. In addition, Maryland Rebuilds is using federal funds to stabilize, strengthen, and sustain the early care and education programs, particularly family child care.*

# The Strengths of GOFCC

In December, MSDE will submit a report to the Maryland General Assembly on GOFCC.

- GOFCC provides intense and targeted training, coaching, and resources to support interested individuals in opening a family child care business. GOFCC guides potential providers through the licensing process while supporting them in building a strong business foundation and high-quality child care program.
- The Individual Taxpayer Identification Number (ITIN) regulation is going through the promulgation process. The use of the ITIN will help expand the number of licensed and registered child care programs by being inclusive of newcomers, refugees, and immigrants in Maryland. We are eager to increase the number of providers who are reflective of the children and families we seek to serve. The Division anticipates that this will support the continued success of GOFCC.
- Maryland Rebuilds allocated \$23 million to support the stabilization of the early childhood workforce, including family child care; for instance, through apprenticeship and alternative certification programs focused on and inclusive of family child care.



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## Redesigning Maryland EXCELS standards and rating scales

*In close partnership with early care and education stakeholders, the Division of Early Childhood is redesigning Maryland EXCELS standards and rating scales. As of September 2023, 80% of all licensed child care programs and 56% of all registered family child care homes are participating in Maryland EXCELS.*

# Maryland EXCELS: Revising Bonus Structure to Fund Quality Improvement

- Early childhood programs that publish any quality rating for the first time receive a bonus.
- Bonuses have significantly increased from previous years to fund programs to meet quality standards.
- In addition, programs that re-publish a Quality Rating 4 or 5 will receive a bonus.

Quality Rating	Child Care Center Capacity 1-50			Child Care Center Capacity 51-100			Child Care Center Capacity 101+		
	COMAR	FY23	FY24	COMAR	FY23	FY24	COMAR	FY23	FY24
1	\$50	\$150	<b>\$1,000</b>	\$100	\$300	<b>\$1,000</b>	\$150	\$450	<b>\$1,000</b>
2	\$250	\$750	<b>\$2,000</b>	\$500	\$1,500	<b>\$2,500</b>	\$750	\$2,250	<b>\$3,000</b>
3	\$400	\$1,200	<b>\$3,000</b>	\$800	\$2,400	<b>\$3,500</b>	\$1,200	\$3,600	<b>\$4,000</b>
4	\$1,000	\$3,000	<b>\$4,000</b>	\$2,000	\$6,000	<b>\$6,000</b>	\$3,000	\$9,000	<b>\$9,000</b>
5	\$1,500	\$4,500	<b>\$4,500</b>	\$3,000	\$9,000	<b>\$9,000</b>	\$4,500	\$13,500	<b>\$13,500</b>

# Maryland EXCELS: Licensing Standards Revisions (1 of 2)

Previous Standard	Revised Standard
LIC 1.1 Licensed, open and operating.	LIC 1.1 Program is licensed, open, and operating.
LIC 1.2 Licensed, open and operating for at least six months.	LIC 1.2 Program is licensed, open, and operating and not in conditional status.
LIC 1.3-1.5 Fully licensed and not in provisional and/or conditional status.	LIC 1.3-1.5 Program is licensed, open, and operating and not in conditional status.
Previous Standard	Revised Standard
LIC 2.1 No Requirement	LIC 2.1 No Requirement
LIC 2.2-2.5 Substantial Compliance with Child Care Regulations	LIC 2.2-2.5 Program has substantial compliance with Code of Maryland Regulations (COMAR) for child care. Substantial compliance means no more than one inspection date in the previous 12 months with findings of non-compliance in Injurious Treatment; Child Protection; Supervision; or Capacity, Group Size and Staffing.

# Maryland EXCELS: Licensing Standards Revisions

## (2 of 2)

Previous Standard	Revised Standard
LIC 3.1 No Requirement	LIC 3.1 No Requirement
LIC 3.2-3.5 No enforcement actions pending.	LIC 3.2-3.5 Program has no license enforcement actions pending. Enforcement actions pending means a program is under a Sanction, Emergency Suspension, Suspension, or Revocation action where all appeals have not been exhausted.

# Maryland EXCELS: Accreditation and Rating Scales Standards Revisions (1 of 2)

Previous Standard	Revised Standard
ACR 1.1 No Requirement.	ACR 1.1 No change.
ACR 1.2 Within the past 12 months, the Director or designated staff person has completed MSDE approved Accreditation Training.	1.2 No longer required.
ACR 1.3 Within the past 12 months, the Director or designated staff person has visited or had a conversation with a child care program accredited by an organization recognized by MSDE.	ACR 1.3 Within the past 12 months, the Director or designated staff person has completed MSDE-approved Accreditation Training and/or had a conversation about the accreditation process with a child care program accredited by an organization recognized by MSDE.
ACR 1.4 Accreditation self-study completed, and validation visit requested.	<p>ACR 1.4 The program has:</p> <ul style="list-style-type: none"> <li>• Begun the accreditation process, is actively pursuing accreditation, and is within the time allowed by the accrediting organization; OR</li> <li>• Completed the Accreditation Self-Study and requested the validation visit.</li> </ul>

# Maryland EXCELS: Accreditation and Rating Scales Standards Revisions (2 of 2)

Previous Standard	Revised Standard
ACR 1.5 Accreditation awarded by an organization recognized by MSDE and program remains in good standing with accrediting body.	ACR 1.5 No change.

# Maryland EXCELS: Administrative Policies and Practices (ADM) Revisions

ADM 4: Frozen fruit and vegetables with no additives are accepted as fresh produce in documentation.





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## Enhancing State Early Childhood Integrated Data Systems

*The Division of Early Childhood is using federal funds to support the enhancement of data systems to better support the planning, oversight, and evaluation of programs and services.*

# Division of Early Childhood Data System Enhancements

Starting in October 2023, the Division of Early Childhood awarded funds to enhance data systems.

- The Division staff have gathered requirements for the new system to improve and automate processes to support improved data-driven decision-making and customer service.
- In addition, the Division is identifying gaps in existing early childhood data and building an action plan to address these gaps. For instance, the Division is partnering with Maryland Family Network on a survey that will focus gathering data on market rate, cost modelling, and the workforce.
- Data dashboards will be created to share information to the early care and education field, Maryland policymakers, and other stakeholders.



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## Assessing Impact through an Independent Evaluation of the Maryland EXCELS program

*By 2030, the Division of Early Childhood is on track to have an independent evaluation, consisting of a validation study, to assess the impact of the quality rating and improvement system on improving program quality.*

# Independent Validation Study

- MSDE will conduct an independent evaluation by 2030.
- It will be important to conduct the validation study once MSDE completes all standard revisions and system upgrades, which include data modernization.
- In addition, the independent evaluation will occur once early care and education programs adapt to the current and future changes.
- Currently, an independent evaluation is included in MSDE's timeline after revisions and systems updates to the Maryland EXCELS program are complete and implemented.