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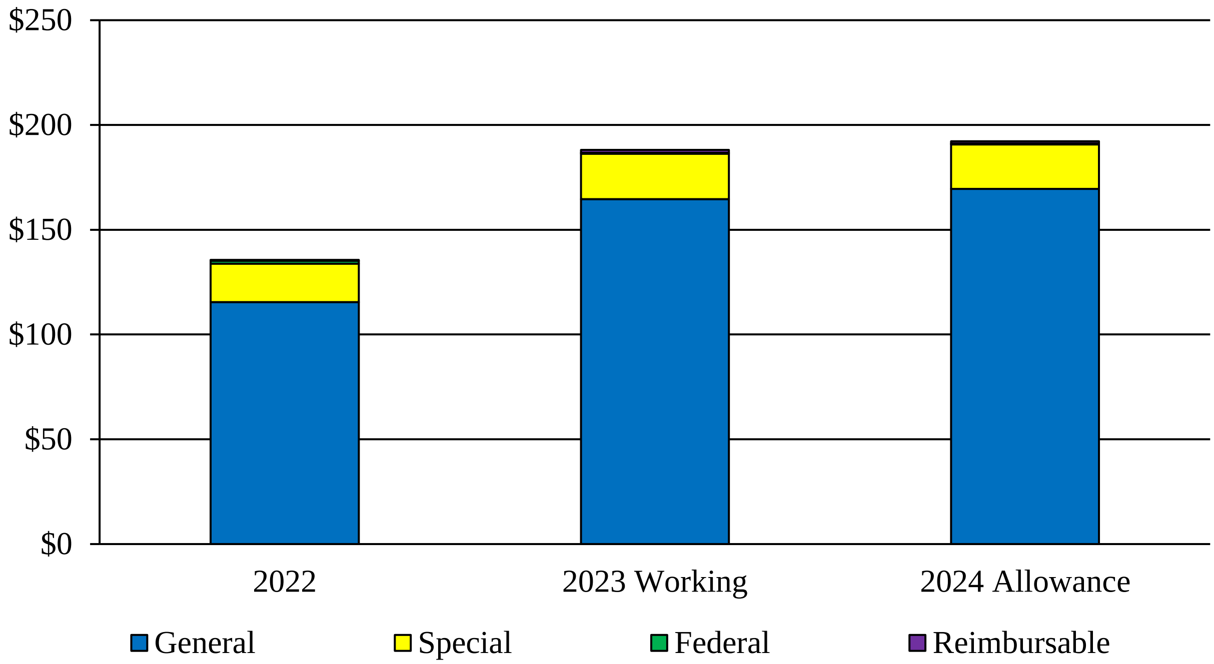
Maryland Higher Education Commission

Executive Summary

The Maryland Higher Education Commission (MHEC) is the State's coordinating body for the State's public four-year and independent institutions, community colleges, and private career schools and other for-profit institutions.

Operating Budget Summary

Fiscal 2024 Budget Increases $4.2 Million, or 2.2%, to $192.3 Million
($ in Thousands)



Note: The fiscal 2023 general fund appropriation is adjusted to reflect deficiencies including the Maryland Higher Education Commission's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). The fiscal 2024 allowance does not include salary adjustments budgeted in the Statewide Account in DBM. Numbers may not sum due to rounding.

- The fiscal 2024 budget includes five proposed deficiency appropriations for MHEC that reduce general funds by a net $3.4 million. The decrease is driven by a $3.6 million reduction in funding for the Save4College matching program reflecting recent experience.

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- There is a decrease of $22.0 million in general funds related to the one-time funding for attorney fees in fiscal 2023 as mandated in Chapter 41 of 2021.

- Funding for the Sellinger formula in the fiscal 2024 allowance increases by 15.6%, or $18.5 million, due to an increase in the State funding per full-time equivalent student (FTES) at the selected public four-year institutions.

Key Observations

- ***Enrollment in Distance Learning Programs:*** In fall 2021, the number of students enrolled exclusively in distance learning programs at Maryland institutions decreased by 39.3%, reflecting a return to more normal operations at institutions.

- ***Program Approval Study:*** Chapter 41 required the Department of Legislative Services (DLS) to contract with a consultant to study the capacity and capability of MHEC to conduct academic program reviews under current policies and practices. The final report was submitted in September 2022 and included 13 recommendations for making the approval process an objective and efficient process.

- ***Earnings Miscalculation of the Maryland Prepaid College Trust*:** Account holders' earnings were frozen in April 2022 due to a miscalculation causing accounts to display inaccurate balances, often excessively higher than the accurate amount. Maryland 529 continues to address the issue, 10 months later.

Operating Budget Recommended Actions

1. Adopt narrative requesting a report on institutional aid, Pell grants, and loan data by expected family contribution category.

2. Adopt narrative requesting a report on best practices and annual progress toward the 55% completion goal.

3. Adopt narrative requesting a report on nontraditional pathways.

Operating Budget Analysis

Program Description

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

The key goals of MHEC are as follows:

- Maryland will enhance its array of postsecondary education institutions and programs, which are recognized nationally and internationally for academic excellence, and more effectively fulfill the evolving educational needs of its students, the State, and the nation;

- Maryland will achieve a system of postsecondary education that advances the educational goals of all by promoting and supporting access, affordability, and completion;

- Maryland will ensure equitable opportunity for academic success and cultural competency for Maryland's population;

- Maryland will seek to be a national leader in the exploration, development, and implementation of creative and diverse education and training opportunities that will align with State goals, increase student engagement, and improve learning outcomes and completion rates;

- Maryland will stimulate economic growth, innovation, and vitality by supporting a knowledge-based economy, especially through increasing education and training and promoting the advancement and commercialization of research; and

- Maryland will create and support an open and collaborative environment of quality data use and distribution that promotes constructive communication, effective policy analysis, informed decision making, and achievement of State goals.

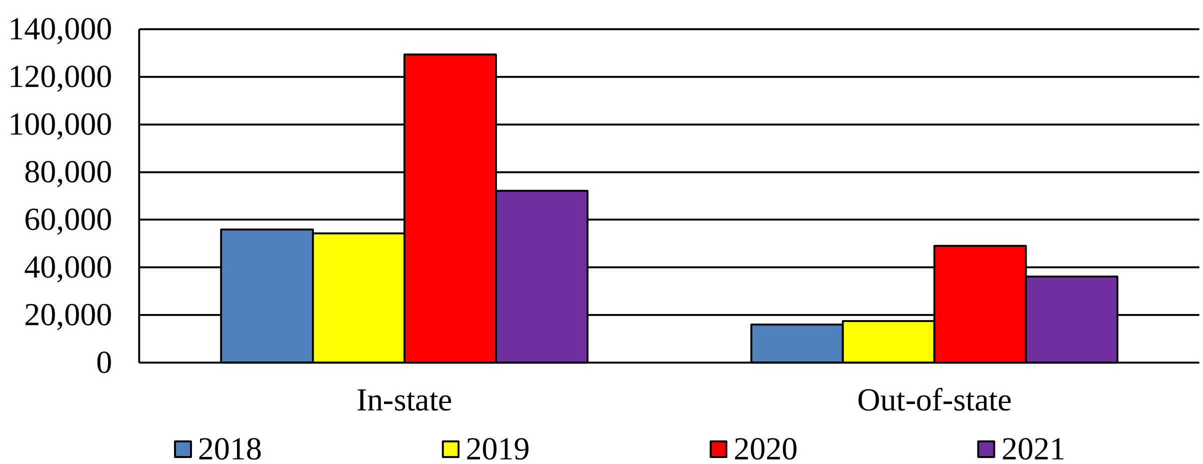
Performance Analysis

1. Online Course Enrollment

The State Authorization Reciprocity Agreement (SARA) is a voluntary agreement program among states and U.S. districts and territories that establishes national standards for interstate offerings of postsecondary distance education courses and programs. Institutions in states participating in SARA are required to annually report on the number of students enrolled in out-of-state online programs and the number of out-of-state students enrolled in its online programs. SARA requires states to approve their in-state institutions for SARA participation (based upon institutional accreditation and financial stability) and resolve student complaints. In addition, SARA states agree not to impose additional requirements on institutions from other SARA states. Maryland became a full participant in 2016. Currently, California is the only state not participating in SARA.

As shown in **Exhibit 1**, online enrollments significantly increased from 71,738 to 178,466 students, an increase of 148.7%, between fall 2019 and fall 2020, reflecting the impact of Maryland institutions de-densifying campuses and moving a majority of courses online. In fall 2021, as institutions returned to more normal operations with the resumption of in-person classes and full occupancy of resident halls, exclusive online enrollments fell by 39.3%, or 70,115 students. Nationally, online enrollments decreased by 26.9%. Even though enrollment declined in fall 2021 to 108,351 students, the number exceeds prepandemic online enrollments, which averaged 71,832 students in fall 2018 and 2019.

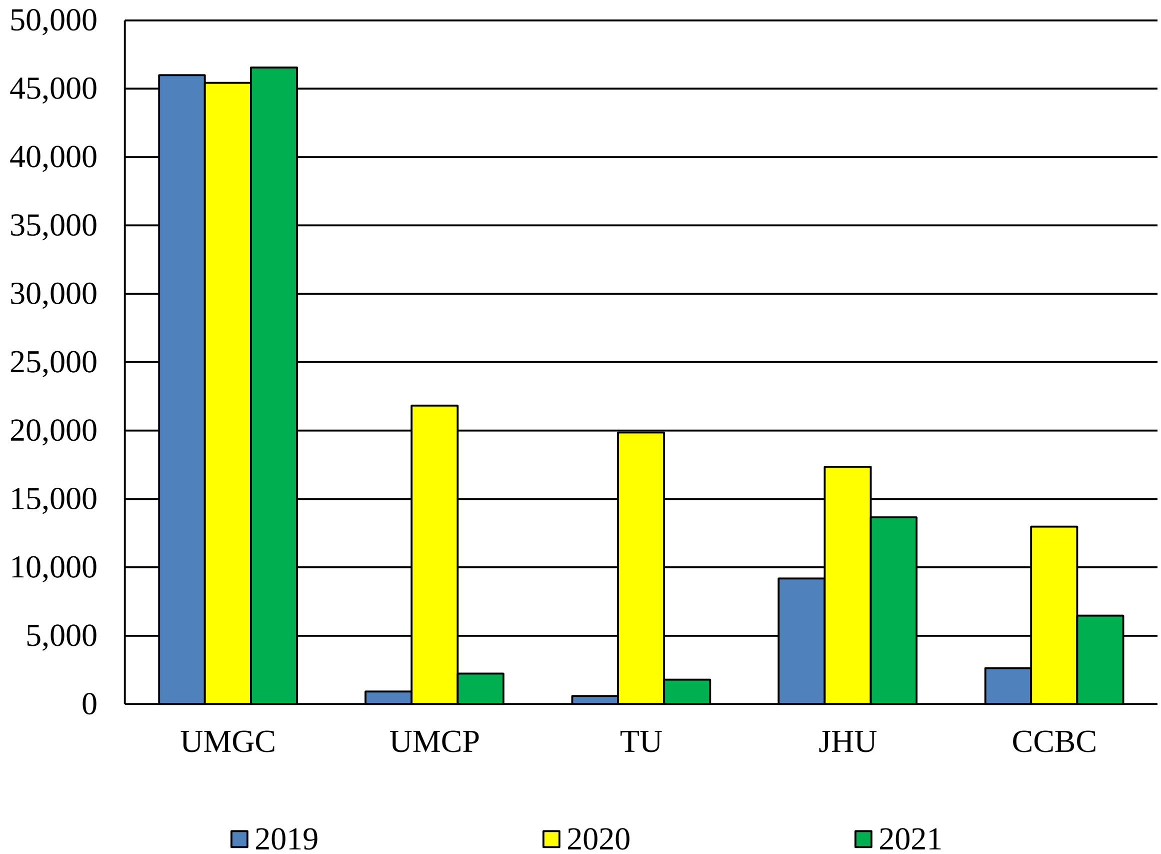
Exhibit 1
Exclusively Distance Education Enrollment at Maryland Institutions
Fall 2018-2021



Source: National Council for State Authorization Reciprocity Agreement

The impact of teaching most courses remotely in fall 2020 is illustrated in **Exhibit 2**, which compares the five Maryland institutions with the highest exclusively distance learning enrollment. Institutions that did not have a strong online presence prior to the pandemic experienced dramatic increases in distance learning enrollments in fall 2020. As these institutions returned to in-person classes, online enrollment dramatically declined, with declines ranging from 91.0% (18,061 students) at Towson University (TU) to 50.2% (6,515 students) at the Community College of Baltimore County (CCBC). However, fall 2021 enrollment exceeds fall 2019 (prepandemic) enrollment with increases ranging from 203.2% at TU to 146.4% at CCBC. This may indicate that institutions found that they could meet the needs of students remotely and may have kept or developed online courses that were previously only offered on campus.

Exhibit 2
Total Exclusive Distance Learning Enrollments at Five Maryland Institutions
Fall 2019-2021

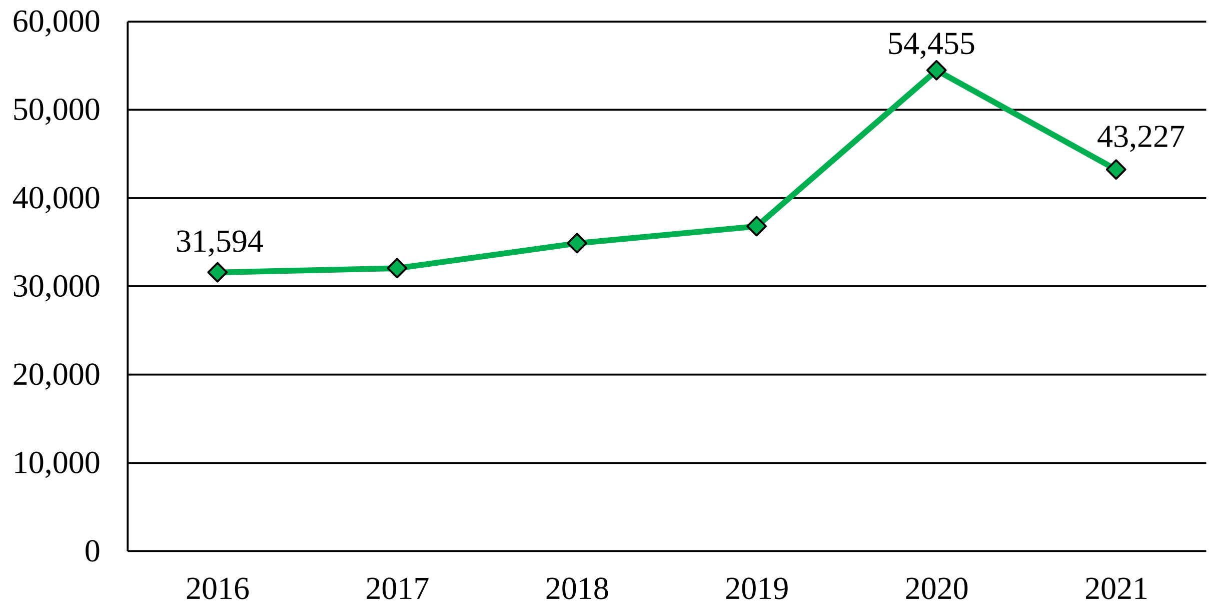


Source: National Council for State Authorization Reciprocity Agreement

For the University of Maryland Global Campus (UMGC), which always had more distance learning enrollments, the total exclusive distance learning enrollments were stable in fall 2020; however, the composition of students changed. In particular, in fall 2020, UMGC experienced an increase of 168.1% in out-of-state students (12,483 students), while in-state students declined by 33.8% (13,041 students) compared to fall 2019. This resulted in the portion of in-state students declining from 83.8% of enrollment in fall 2019 to 56.2% in fall 2020. In fall 2021, in-state students comprised 57.6% of students, while out-of-state students accounted for 42.4% of enrollments.

Exhibit 3 provides information on the number of students from Maryland enrolled exclusively in distance education in other states. Consistent with the changes at Maryland institutions, enrollment spiked in fall 2020, increasing by 47.9%, or 17,638 students, and fell by 20.6%, or 11,228 students, in fall 2021. Almost half the students from Maryland who enrolled exclusively in distance education programs are enrolled in programs in Arizona, the District of Columbia, Virginia, Pennsylvania, or West Virginia.

Exhibit 3
Maryland Students Enrolled in Out-of-state Institutions
Fall 2016-2021



Source: National Council for State Authorization Reciprocity Agreement

2. Student Debt Relief Tax Credit

The Student Loan Debt Relief Tax Credit (Chapters 689 and 690 of 2016) established a refundable tax credit of up to $5,000 for qualified undergraduate student loan debt to Maryland residents beginning in the 2017 tax year. Chapter 382 of 2018 expanded the types of qualifying debt to include debt incurred for graduate school. MHEC is authorized to approve $9.0 million of tax credits annually.

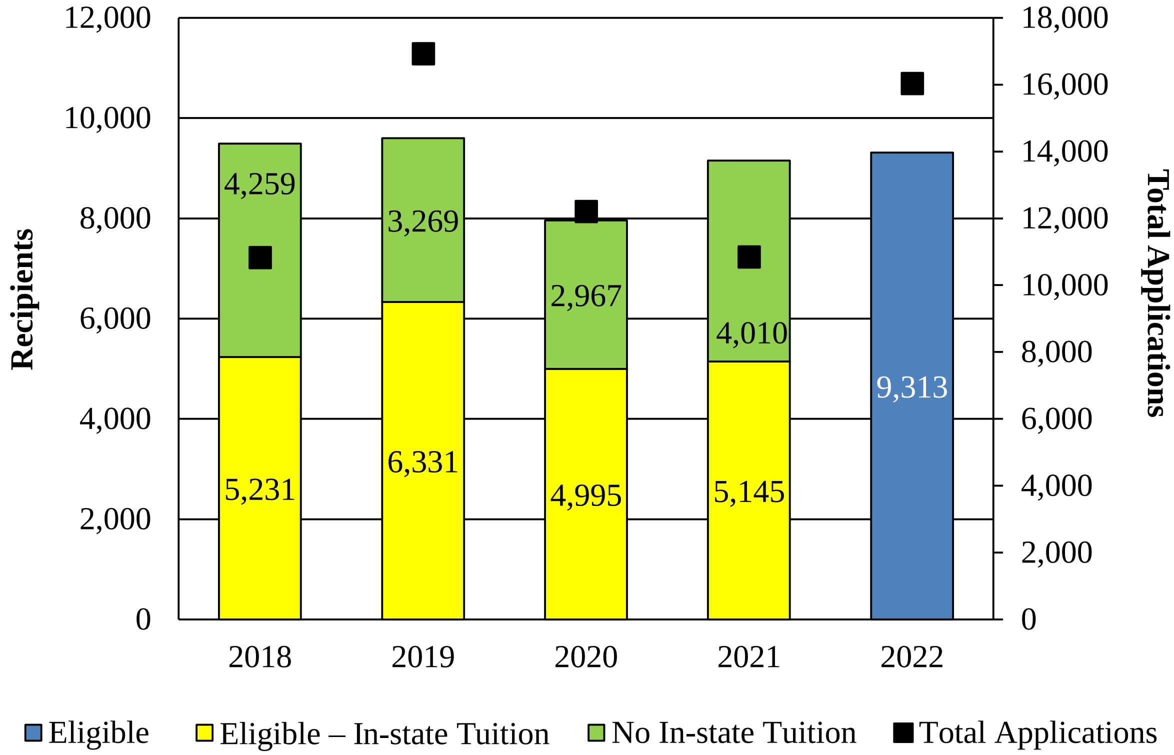
Qualifying taxpayers must have at least $20,000 in total undergraduate and/or graduate student debt and a remaining balance of at least $5,000. Recipients must use the credit within two years to pay down the student loan. Applications must be submitted by September 15, and MHEC must certify the amount of the tax credit by December 15.

Tax credit recipients and the amount they receive are determined using the following criteria:

- did not receive a tax credit in the prior year and were eligible for in-state tuition (eligibility is based on the applicant's place of residency while enrolled in college);
- did not receive a tax credit in the prior year and graduated from a Maryland institution of higher education (*i.e.*, individuals were not eligible for in-state tuition);
- did receive a tax credit in the prior year and were eligible for in-state tuition;
- did receive a tax credit in the prior year and graduated from a Maryland institution of higher education (*i.e.*, individuals were not eligible for in-state tuition); and
- have higher debt-burden-to-income ratios.

As shown in **Exhibit 4**, the number of applications for the tax credit declined by 27.9% and 11.1% for the 2020 and 2021 tax years, respectively. This decline was related to the federal suspension of student loan repayment that started with the onset of the pandemic. The suspension has been extended eight times. Currently, there is uncertainty of when payments on student loans will resume for it is dependent on when the Supreme Court will rule on the legal challenges to the President's debt relief plan to cancel up to $20,000 in student debt per borrower. If the U.S. Department of Education is permitted to implement the debt relief program, or the litigation is resolved, payments will resume in 60 days. If the program has not been implemented and the litigation has not been resolved by June 30, 2023, payments will resume in 60 days. For the 2022 tax year, applications increased 47.8%, which may reflect the uncertainty of the resumption of loan payments.

Exhibit 4
Student Loan Debt Tax Credit Eligible Applications
2018–2022 Tax Years



Source: Maryland Higher Education Commission

For the 2022 tax year, there was no distinction between those recipients eligible for in-state tuition and those not eligible for in-state tuition, which was done in order to maximize the both the number of awards and the dollar amount of each award, according to MHEC. While the number of applicants deemed eligible for the tax credit increased by 1.7%, to 9,313 in the 2022 tax year, it is less than the number deemed eligible prior to the suspension of student loan debt repayment, for the 2018 and 2019 tax years of 9,490 and 9,600, respectively.

As shown in **Exhibit 5**, those eligible for in-state tuition received a higher tax credit than those not eligible for in-state tuition. For the 2021 tax year, the tax credit for those eligible for in-state tuition was $192 more than those not eligible for in-state tuition. It appears that not making a distinction between the eligibility for or not for in-state tuition resulted in those who would have not been eligible for in-state tuition receiving a higher tax credit, while those eligible for in-state tuition received a lower tax credit than in prior years.

Exhibit 5
Amount of Tax Credit
2018-2022 Tax Credit

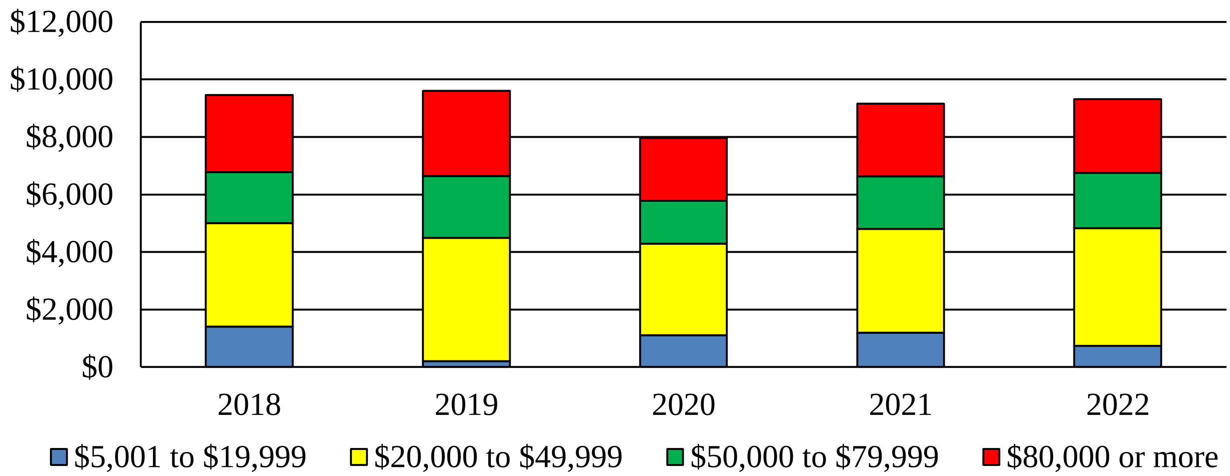
	2018	2019	2020	2021	2022
Eligible for In-state Tuition	$1,000	$1,000	$1,210	$1,067	n/a
Not Eligible for In-state Tuition	883	813	982	875	n/a
Eligible for Tax Credit (No Designation)	n/a	n/a	n/a	n/a	$966
Difference in Tax Credit	**$117**	**$187**	**$228**	**$192**	

n/a: not applicable

Source: Maryland Higher Education Commission

Exhibit 6 compares the outstanding loan balances of tax credit recipients from tax years 2018 to 2022. Between tax years 2018 and 2022, those with debts between $20,000 and $49,999, on average, comprise over 41.2% of those receiving a tax credit, while those with loans exceeding $80,000, on average, comprise 28.3% of the recipients.

Exhibit 6
Outstanding Loan Balances of Student Loan Tax Credit Recipients
2018-2022 Tax Years



Source: Maryland Higher Education Commission

Fiscal 2023

Proposed Deficiency

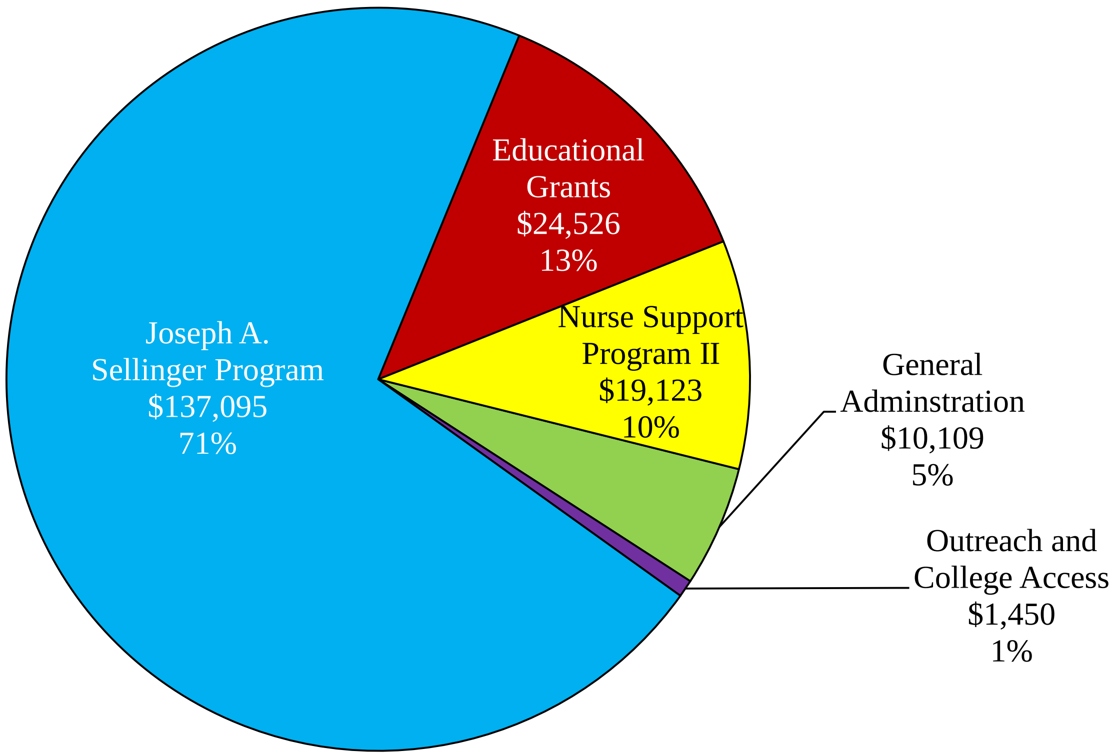
The fiscal 2024 budget includes four proposed deficiency appropriations that in total reduce spending in MHEC by $2.0 million. Two of these proposed deficiency appropriations impact the general fund appropriation with a combined impact of decreasing general funds by a net of $3.3 million reflecting an increase of $200,000 to make modifications to the Maryland College Aid Processing System (MDCAPS) related to new or modifications to existing financial aid programs, which is more than offset by a reduction of $3.6 million for the Save4College match reflecting actual distributions.

An additional two proposed deficiency appropriations impact other fund sources. One of these proposed deficiency appropriations would increase special funds for the Nurse Support Program II by $1.3 million to recognize additional revenue. Another proposed deficiency appropriation would increase the reimbursable fund appropriation by $193,625 related to an interagency agreement with the Maryland Department of Labor (MDL) to help MHEC develop a formal mechanism to evaluate the success of the noncredit programs at degree-granting institutions and private career schools and the impact on workforce outcomes.

Fiscal 2024 Overview of Agency Spending

The fiscal 2024 allowance for MHEC totals $192.3 million (excluding financial aid that is analyzed in a separate analysis). As shown in **Exhibit 7**, funding for the Joseph A. Sellinger (Sellinger) Program for Aid to Non-Public Institutions of Higher Education accounts for 71% ($137.1 million) of the fiscal 2024 allowance. Educational grants comprised 13% ($24.5 million) of the fiscal 2024 allowance. The Nurse Support Program II, funded by the Health Services Cost Review Commission and administered by MHEC to increase the number of nurses in the State accounts for 10% ($19.1 million) of expenditures.

Exhibit 7
Overview of Agency Spending
Fiscal 2024 Allowance
($ in Thousands)



Total: $192.3 million

Note: The fiscal 2024 allowance does not include salary enhancements that are budgeted in the Statewide Account of the Department of Budget and Management.

Source: Governor's Fiscal 2024 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 8**, the fiscal 2024 allowance increases by $4.2 million, or 2.2%, compared to the fiscal 2023 working appropriation after accounting for proposed deficiency appropriations including MHEC's share of the statewide deficiency to support the 4.5% cost-of-living adjustment provided in November 2022. Excluding the $18.5 million increase in the Sellinger formula, funding decreases $14.3 million, or 20.6%, primarily due to one-time funding of $22.0 million for attorney fees as mandated in Chapter 41.

Exhibit 8
Proposed Budget
Maryland Higher Education Commission
($ in Thousands)

How Much It Grows:	**General Fund**	**Special Fund**	**Federal Fund**	**Reimb. Fund**	**Total**
Fiscal 2022 Actual	$115,513	$18,299	$1,383	$353	$135,548
Fiscal 2023 Working Appropriation	164,583	21,677	437	1,427	188,124
Fiscal 2024 Allowance	169,487	21,239	415	1,160	192,302
Fiscal 2023-2024 Amount Change	$4,904	-$437	-$22	-$267	$4,178
Fiscal 2023-2024 Percent Change	3.0%	-2.0%	-5.0%	-18.7%	2.2%

Where It Goes:	**Change**
Personnel Expenses	
Employee/retiree health insurance	$194
New positions	120
Rebasing of salaries	95
Annualization of 4.5% cost-of-living adjustment	82
Other fringe benefit adjustments	18
Social Security contributions	11
Turnover adjustments	-11
Mandate Changes	
Joseph A. Sellinger formula	18,496
One-time funding for attorney fees as mandated in Chapter 41 of 2021	-22,032
Other Changes	
Funding for Nontraditional Pathways to work with higher education on a strategy to strengthen pathways for community college and other nontraditional students	5,000
Save4College match returns to previous funding level in fiscal 2024, after one-time withdrawal due to actual disbursements in fiscal 2023	3,618
Other	-150
One-time deficiency to modify MDCAPS due to new scholarship programs and changes to existing programs	-200
Reimbursable funds related to a grant with the Maryland Department of Labor to develop a method to evaluate the success of noncredit programs primarily due to a deficiency appropriation; originally, the work was to occur over three years, but most work will occur in fiscal 2023	-268

Where It Goes:	**Change**
One-time deficiency to increase Nurse Support II special funds aligning revenues with expenditures	-296
One-time purchase of two Wellmobiles	-500
Total	**$4,178**

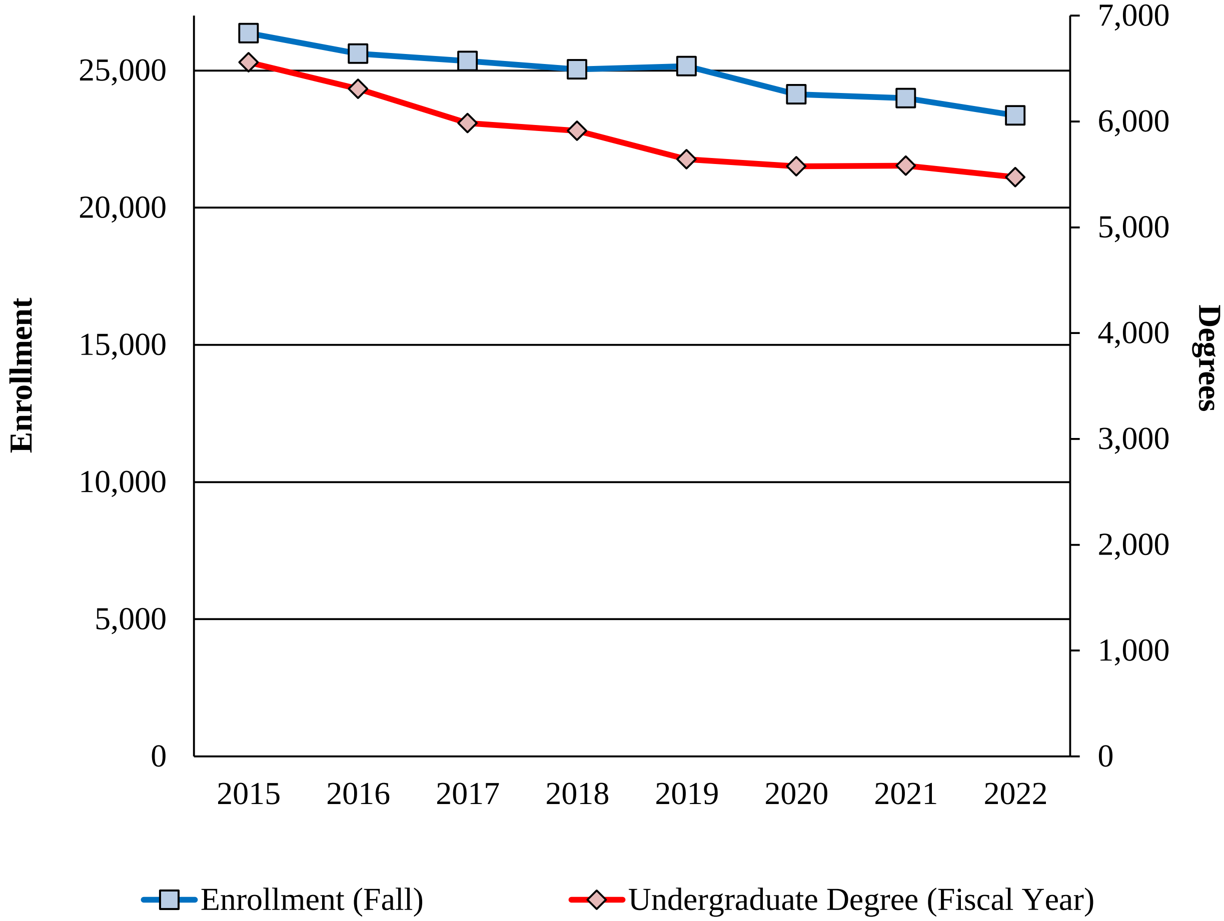
MDCAPS: Maryland College Aid Processing System
USM: University System of Maryland

Note: Numbers may not sum to total due to rounding. The fiscal 2023 general fund appropriation is adjusted to reflect deficiencies including the Maryland Higher Education Commission's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). The fiscal 2024 allowance does not include salary adjustments budgeted in the Statewide Account in DBM.

Sellinger Formula

The Sellinger formula is based on a percentage of the State's per-FTES funding for selected public four-year institutions. This figure is then used to determine the per-FTES funding amount for the eligible independent institutions, which is then multiplied by the two-year prior FTES enrollment at each institution. As shown in **Exhibit 9**, between fall 2015 and 2022, undergraduate enrollment at the independent institutions has fallen by 11.4%, or 3,002 students. The impact of the pandemic on undergraduate enrollment can be seen in fall 2020 with undergraduate enrollment declining 4.1%, or 1,028 students. Nationally, undergraduate enrollment decreased by 1.3% in fall 2020, according to the National Student Clearinghouse. The enrollment declines have led to a decrease in the number of undergraduate degrees awarded during the fiscal 2015 to 2022 period of 16.5%, or 1,084 degrees. This decline impacts the independent institutions' ability to help the State meet its educational completion goal that at least 55% of adults 25 to 64 years old will hold at least one degree credential by 2025. Independent institutions have not met the target degree production goal since fiscal 2017. In fiscal 2021 and 2022, institutions fell below the target by 1,125 and 1,385 degrees, respectively.

Exhibit 9
Fall Headcount Enrollment and Undergraduate Degrees
Fall 2015-2022



Source: Maryland Higher Education Commission

As shown in **Exhibit 10**, the fiscal 2024 allowance funding for Sellinger increases by 15.6%, or $18.5 million, to $137.1 million, primarily due to the increase of 18.5% in the per FTES funding at the select public institutions. Overall, since fiscal 2022, funding for Sellinger increased 54.5%, or $48.3 million, primarily due to general salary increases at the selected public four-year institutions in fiscal 2023 and 2024.

Exhibit 10
Funding Distribution by Institution
Fiscal 2022-2024
($ in Thousands)

Institution	Actual 2022	Working 2023	Allowance 2024	$ Change 2023-2024	% Change 2023-2024	$ Change 2022-2024	% Change 2022-2024
The Johns Hopkins University	$45,780	$64,621	$75,136	$10,516	16.3%	$29,356	64.1%
Loyola College	9,490	11,657	14,370	2,713	23.3%	4,880	51.4%
Stevenson University	6,341	7,774	9,344	1,569	20.2%	3,003	47.4%
McDaniel College	4,995	6,339	7,468	1,130	17.8%	2,473	49.5%
Maryland Institute College of Art	3,431	5,010	5,447	437	8.7%	2,016	58.7%
Mount St. Mary's College	4,386	5,469	6,098	629	11.5%	1,712	39.0%
Goucher College	2,946	3,574	3,852	278	7.8%	906	30.7%
Washington College	2,425	2,848	3,061	212	7.5%	636	26.2%
Hood College	2,948	3,734	4,411	678	18.2%	1,463	49.6%
Notre Dame of Maryland University	2,640	3,328	3,136	-192	-5.8%	496	18.8%
Washington Adventist University	1,418	1,421	1,472	51	3.6%	54	3.8%
St. John's College	1,050	1,628	1,894	266	16.3%	844	80.4%
Capitol Technology University	959	1,195	1,405	210	17.6%	446	46.5%
Total	**$88,810**	**$118,598**	**$137,095**	**$18,496**	**15.6%**	**$48,285**	**54.4%**

Source: Governor's Fiscal 2024 Budget Books; Department of Legislative Services

In fiscal 2024, funding for Notre Dame of Maryland University declines by 5.8%, or $0.2 million, due to enrollment declines. As previously mentioned, funding for institutions is based on the FTES enrollment for two years prior, meaning that for fiscal 2024 the formula is based on the fiscal 2022 FTES enrollment. As shown in **Exhibit 11**, the fiscal 2022 FTES enrollment across institutions declined by 2.4%, or 1,120.68 FTES. Only Loyola University and Stevenson University experienced enrollment increases of 4.0% and 1.4%, respectively. Enrollment declines ranged from 0.3% at Hood College to 20.5% at Notre Dame of Maryland University. The Johns Hopkins University accounted for 41.7%, or 467.7 FTES, of the decline in fiscal 2022.

Exhibit 11
FTES Enrollment by Institution
Fiscal 2021-2022

	2020	2021	2022	FTES 2021-2022	Percentage Change
Johns Hopkins University	22,363.80	25,014.52	24,546.87	-467.65	-1.9%
Loyola College	4,636.03	4,512.33	4,694.70	182.37	4.0%
Stevenson University	3,097.47	3,009.47	3,052.50	43.03	1.4%
McDaniel College	2,440.23	2,453.73	2,439.87	-13.86	-0.6%
Mount St. Mary's College	2,142.73	2,117.00	1,992.27	-124.73	-5.9%
Maryland Institute College of Art	1,676.23	1,939.40	1,779.57	-159.83	-8.2%
Hood College	1,440.03	1,445.23	1,441.17	-4.06	-0.3%
Goucher College	1,439.23	1,383.53	1,258.40	-125.13	-9.0%
Notre Dame of Maryland University	1,289.57	1,288.40	1,024.57	-263.83	-20.5%
Washington College	1,184.60	1,102.47	999.87	-102.60	-9.3%
St. John's College	513.00	630.33	618.80	-11.53	-1.8%
Washington Adventist University	692.60	550.13	480.80	-69.33	-12.6%
Capitol Technology University	468.47	462.60	459.07	-3.53	-0.8%
Total	**43,383.99**	**45,909.14**	**44,788.46**	**-1,120.68**	**-2.4%**

FTES: full-time equivalent student

Source: Governor's Fiscal 2024 Budget Books; Department of Legislative Services

Education Grants

The education grants program provides financial assistance to State, local, and private entities to enrich the quality of higher education. As shown in **Exhibit 12**, educational grant funds increase by 49.4%, or $8.1 million, between the adjusted fiscal 2023 working appropriation and the fiscal 2024 allowance. The increase is primarily due to $5 million for a new Nontraditional Pathways program under which MHEC will work with USM and the community colleges on a strategy to strengthen pathways for community college students and other nontraditional students. MHEC will design the strategy and make grants to USM and community colleges. **DLS recommends adopting committee narrative requesting a report on the use of the funds in fiscal 2024 to strengthen nontraditional pathways.** The other primary driver of the increase is that funding for the Save4College program increases $3.6 million to its mandated level of $11.0 million after accounting for a proposed deficiency that withdraws funds unneeded based on actual distributions in fiscal 2023. In addition, funding for the Inmate Training and Job Pilot Program increases $30,000 as mandated in Chapter 677 of 2021.

Exhibit 12
Education Grants
Fiscal 2023-2024
($ in Thousands)

Programs	Adjusted Working 2023	Allowance 2024	$ Difference	% Difference
General Funds				
Complete College Maryland	$250.0	$250.0	$0.0	0%
Washington Center for Internships and Academic Seminars	350.0	350.0	0.0	0%
UMB – WellMobile[1]	1,285.0	785.0	-500.0	-38.90%
Regional Higher Education Centers[2]	1,409.9	1,409.9	0.0	0%
Colleges Savings Plan Match[3]	7,361.3	10,979.5	3,618.3	49.20%
ABLE Program	344.2	300.0	-44.2	-12.80%
Cyber Warrior Diversity Program	2,500.0	2,500.0	0.0	0%
Near Completers Grant	375.0	375.0	0.0	0%
Inmate Training and Job Pilot Program	300.0	330.0	30.0	10%
Hunger-Free Campus Grant Program	150.0	150.0	0.0	0%
Nontraditional Pathways	0.0	5,000.0	5,000.0	n/a
Subtotal, Including Grants to be Transferred	***$14,325.3***	***22,429.4***	***8,104.1***	***56.60%***
Federal Funds				
John R. Justice Grant	$38.8	$0.0	-$38.8	100%
Special Funds				
Teacher Quality and Diversity Grant Program	$1,000.0	$1,000.0	$0.0	0%
Reimbursable Funds				
GEAR UP Scholarships	$1,094.5	$1,096.2	$1.6	0.15%
Total Funds, Including Grants	**$16,419.8**	**$24,525.5**	**8,105.7**	**49.40%**

ABLE: Achieving a Better Life Experience
UMB: University of Maryland, Baltimore Campus
GEAR UP: Gaining Early Awareness and Readiness for Undergraduate Programs

[1]Funding will be transferred to UMB by budget amendment.
[2] Fiscal 2023 and 2024 includes $0.4 million for the Waldorf Center that will be transferred by budget amendment to University of Maryland Global Campus.
[3]Fiscal 2023 includes $3.6 million deficiency to revert general funds reflecting actual Save4College matching contributions

Source: Governor's Fiscal 2024 Budget Books

Personnel Data

	FY 22 Actual	FY 23 Working	FY 24 Allowance	FY 23-24 Change
Regular Positions	64.00	69.00	72.00	3.00
Contractual FTEs	7.35	9.85	8.35	-1.50
Total Personnel	**71.35**	**78.85**	**80.35**	**1.50**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions		4.29	6.22%
Positions and Percentage Vacant as of 12/31/22		12.00	17.39%
Vacancies Above Turnover		7.71	

- The fiscal 2024 allowance provide for 3.00 regular positions for the Office of Student Financial Assistance (OSFA) to increase efficiency and customer service.

- The fiscal 2024 allowance eliminates 1.5 contractual full-time equivalent positions related to the grant with MDL; while MHEC originally planned to use contractual employees, MHEC subsequently decided to instead procure contractual services.

- Of the 12 vacant positions, 4 are in academic affairs (1 position has been vacant since 2021, 2 since 2022, and 1 since 2023; the posting closes in February 2023 for 3 of the positions, and recruitment is ongoing for the another); 3 are in OSFA (2 positions have been vacant since 2022 and 1 since 2023; postings for these positions close in February 2023); 3 are in budget and administration (1 position has been vacant since 2021 and 2 since 2022; interviews have been complete for 2 positions, and the other position has been reposted); and 1 each in outreach and grants (vacant since 2023) and research and policy analysis (vacant since 2022) (recruitment is ongoing for both).

Issues

1. Academic Program Approval Study

Chapter 41 required DLS to contract with a consultant to study the capacity and capability of MHEC to conduct academic program reviews under current policies and practices and any new policies or practices established as a result of Chapter 41. DLS posted a request for proposals on its website in September 2021 and selected the National Center for Higher Education Management Systems (NCHEMS) to conduct the study.

The study included a variety of areas for the consultant to examine including:

- evaluating MHEC's policies, procedures, and processes for reviewing academic program proposals, including on-campus and online programs, including an assessment of criteria used to determine unreasonable and unnecessary program duplication;
- attaining and evaluating relevant academic program data from MHEC;
- interviewing representatives from the various segments, institutions, and other stakeholders;
- identifying obstacles in the current academic program review process;
- surveying and summarizing academic approval policies, procedures, and processes at other states to identify best practices;
- examining MHECs ability to evaluate workforce development needs related to academic program approval process;
- analyzing MHEC's current academic program review staff and responsibilities recommending an appropriate configuration of a new unit with the addition of 10 new staff members; and
- providing recommendations to improve the academic program review process to ensure that it is an objective and efficient process.

In conducting the study, NCHEMS:

- reviewed MHEC policies and procedures on its academic review process and relevant State statutes and regulations;

- obtained information from the Maryland public four-year institutions on their academic program approval process;

- reviewed MHEC data on academic program reviews and analyzed and organized the information to assess the criteria utilized by MHEC in the program approval process and evaluate MHEC structure and capabilities;

- met with representatives from all higher education segments, MHEC, and MDL; and

- gathered information about the academic program review processes and structures from agencies in other states.

NCHEMS chose Alabama, Arkansas, Louisiana, Mississippi, Ohio, South Carolina, and Virginia as states for this comparison because these states have a tradition of public Historically Black Colleges and Universities (HBCU) and share similarities in terms of their higher education governance structure with Maryland.

Findings

In the course of their work, the consultants found that the:

- first-come, first-served method for program approval contributes to an atmosphere of distrust among institutions;

- lack of adherence to timelines has a negative impact on institutions successfully planning for new programs; and

- lack of available clinical sites for health care programs and MHEC allowing out-of-state institutions to place students in these scarce clinical sites in Maryland impact HBCUs' service to local populations.

Recommendations

The report presented 13 recommendations for MHEC to ensure the program approval process is objective and efficient including:

- MHEC should better integrate the planning and program review functions, and potential contributions to the statewide plan should be made a major factor in the program approval decision process.

- MHEC's authority to approve missions needs to be clarified. In particular, a more strategic approach would be to approve an operational mission statement that expresses the role that institutions play in meeting demands based on their programs, audience served, and other special features such as an institution's status as an HBCU.

- MHEC must adhere to published timelines and ensure institutions understand the timetable.

- MHEC should encourage more collaborations by identifying programmatic areas for inter-institution collaboration by deepening its activities in identifying workforce demands.

- MHEC should develop measurable criteria for determining when a proposed new program would be considered an unreasonable/unnecessary duplication, and the criteria should be transparently and consistently applied.

- MHEC should require three-year plans from institutions that are reviewed on an ongoing basis.

- MHEC should discontinue the practice of allowing institutions to object to other institutions' new program proposals and instead request comments to help improve new programs and not set up barriers to innovation.

- MHEC should reconsider how it considers online programs, including requiring that outcomes for online and in-person classes be equal at all institutions.

- MHEC should adjust triggers for a full program review and rely more on professional accreditors, peer reviewers, or external experts to do the analysis to be coordinated by MHEC.

- MHEC should establish criteria for program success at institutions and review those criteria on a regular basis.

- MHEC should work to build trust among all institutions.

Staffing of Program Evaluation Unit

Chapter 41 also mandated funding for 10 new positions to staff a program evaluation unit to evaluate new programs and substantial modifications. MHEC has filled these 10 positions.

2. Status of New Financial Aid System

MDCAPS is the financial information system used to process scholarship applications and allocate funds. The system is over 10 years old and has reached its design capacity for advanced technology features. Over the years, there have been concerns about the functionality of MDCAPS and the ability of MHEC to make timely modifications to existing programs or incorporate new scholarship programs. Additional funding has been required over the years to modify this old, outdated system. When these modifications are needed, there have been concerns if the modifications would be completed in time to not only accept applications but make awards in the timely fashion.

The fiscal 2023 budget allocated $8.0 million to the Dedicated Purpose Account (DPA) to develop a new unified financial aid system. According to the Department of Information Technology (DoIT) and as shown in the Major Information Technology Appendix of the Governor's Budget Books, $0.7 million in special funds is budgeted in fiscal 2024 to begin the project. However, these funds are not budgeted in MHEC; according to MHEC, funds will be drawn down from the DPA via budget amendment as expenditures are incurred. The project charter has been approved, and MHEC is working with DoIT to hire a senior project manager. The current timeline anticipates the project will be completed in fiscal 2026. The total estimated cost is $20.7 million, which includes $12.7 million in general funds with the remainder funded through the funding through the DPA.

The new system will provide a consumer-friendly, web-based, unified scholarship application allowing students to apply for all scholarships provided through MHEC. The new system will:

- be available in multiple languages;
- be mobile accessible with upload capability from the device;
- allow students to view documents and progress to completing an application;
- have the ability for students to electronically sign documents;
- integrate with the student's and parent's tax information; and
- provide videos and guidance describing the application process.

The financial aid management and administration of the system will be used for:

- initial applications;
- processing new and renewal awards, student notification, and student award acceptance;

- notifying institutions and legislators of awards and awarding information;
- verifying awards;
- paying funds for awards and reconciling accounts;
- maintenance, tracking, fulfillment, and repayment of service obligations associated with certain programs; and
- Internet access for financial aid status for students and financial aid administrators.

MHEC should comment on the status of the project.

3. Prepaid College Trust Miscalculation

Maryland 529 offers two college saving programs, the Maryland College Investment Plan (MCIP) and the Maryland Prepaid College Trust (MPCT). MCIP allows individuals to invest in various options, typically varying combinations of mutual funds. MPCT lets individuals prepay for college tuition at current rates that they can use to cover tuition and fees costs for their children when they are of college age. MPCT has a minimum benefit that is equal to payments made under the plan's contract minus operating expenses plus a rate of return. An account holder can request a refund for a number of reasons, although there may be a financial penalty under certain circumstances. MPCT accounts can be rolled over (transferred) to MCIP, and it can receive rollovers from other Maryland 529 plans.

In December 2019, the Office of Legislative Audits released a routine fiscal compliance audit with a finding that the Prepaid College Trust calculations for refunds/rollovers resulted in excessive payments. To address this finding, Maryland 529 decided to change its recordkeeping system. The prior system, Banner, needed to be updated and could no longer be serviced. Maryland 529 attempted to keep the recordkeeping system in-house but could not do so. Therefore, in 2020, it hired an outside firm, Intuition College Savings Solutions, to administer the MPCT plan with the implementation of a new, modern system.

A miscalculation of MPCT account holders' earnings occurred in August 2021, when Maryland 529 attempted to set a new earnings rate that would apply to all the distribution options, including minimum benefit, rollover, and refund, in an effort to simplify the program. While performing this calculation, Maryland 529 decided to distribute some of the MPCT surplus to account holders as well. This process led to a calculation error leading many account holders to believe that they had more earnings in their account than they were entitled to by their contract. Between November 2021 through mid-April 2022, account holders received inaccurate account information, causing parents to make crucial decisions based on, at times, excessive amounts. **Exhibit 13** shows a sample of account holders year end statements from 2018 through 2021.

Exhibit 13
Sample of Year-end Statements

2018 Statement	2019 Statement	2020 Statement	2021 Statement
$18,120.00	$18,120.00	$18,120.00	$24,793.09
27,133.00	27,133.00	27,133.00	35,983.16
27,133.00	27,133.00	27,133.00	65,264.81
31,324.00	31,324.00	31,324.00	37,510.77
35,695.00	35,695.00	35,695.00	86,537.24
41,280.00	41,280.00	41,280.00	94,536.58
44,403.64	44,403.64	44,403.64	72,157.43
44,160.00	44,160.00	44,160.00	84,762.04
29,484.00	29,484.00	29,484.00	44,722.10
21,724.00	21,724.00	21,724.00	39,882.03

Source: Maryland 529

For some account holders, the end-of-year balance increased over 100%. In spring 2022, Maryland 529 discovered the issue after account holders' inquiries prompted the agency to review the minimum benefit calculation. It was determined that the calculation was not only being applied to the balances held in accounts as of the transition date but also to historical balances that had been previously distributed. Due to the inaccuracies, in April 2022, Maryland 529 froze the earnings to avoid paying account holders too little or too much while addressing the miscalculation. Account holders had access to the prepaid semesters but not refunds and rollovers, which are used primarily for private and out-of-state universities.

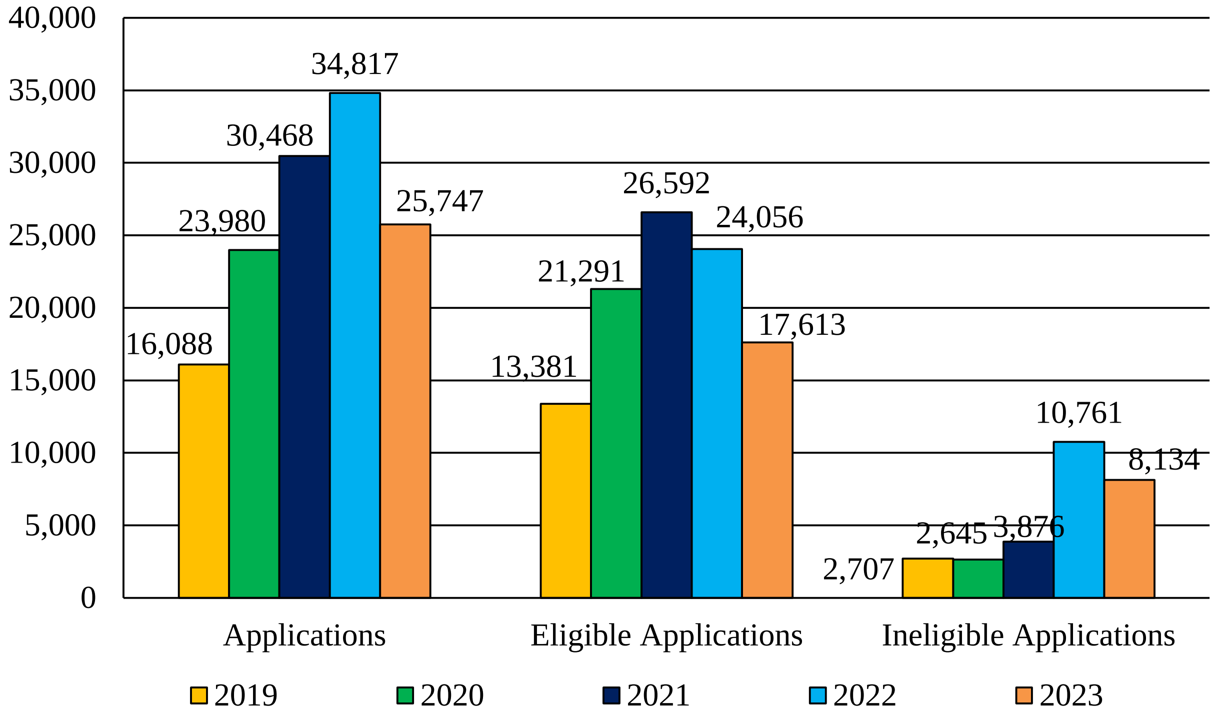
Maryland 529 is manually applying the correct calculation to those who requested their accounts be manually reviewed. The manual calculation process began in January 2023, and account holders can request the manual review until the automated process is fully operational. Maryland 529 has received approximately 500 requests, and as of February 9, 2023, 325 accounts have been manually reviewed. Another 150 accounts have been reviewed but need further investigation before sending account holders an update. Maryland 529 has indicated that the accounts without a request for review will be updated once the automated system is corrected and verified afterward. For reference, there are 3,941 accounts that have received tuition payments for the current academic year, 2022-2023. **Maryland 529 should address the ongoing calculation issue and provide a status update on the manual review of accounts.**

4. Maryland 529 Plan

The College Affordability Act of 2016 (Chapters 689 and 690) was developed to ensure that all families throughout Maryland, especially low-income families, had the opportunity to start saving for college for their children. To help students and families before and during college, Maryland 529 (formerly the College Savings Plan of Maryland) manages the Save4College State Contribution Program (Save4College Program) and provides flexible and affordable Maryland 529 plans to help Maryland families save for future education expenses and reduce dependence on student loans. Maryland 529 is an independent State agency that provides applicants within certain income limitations a matching contribution of up to $500 to a college savings investment account.

In fiscal 2018, the first year of the program, the Save4College Program received eligible applications that resulted in $475,250, or 9.5%, of the total available funding ($5 million) being allocated. As a consequence of the lackluster results, marketing strategies were developed by Maryland 529 to reach lower- and middle-income families to increase enrollment for fiscal 2019. Additionally in fiscal 2019, the State match was raised from $250 to $500 for all but the highest income range contribution groups to further entice participation. The marketing strategies and increased State matching award proved to be effective, with applications increasing by 13,004, or 422%, between fiscal 2018 and 2019. As shown in **Exhibit 14**, the number of applications continue to increase following fiscal 2019, increasing by 116.4% between fiscal 2019 and 2022. However, in fiscal 2023, the number of applications declined by 26.1% to 25,747 applications. Of these applications in fiscal 2023, 17,613 applicants, or 68.4%, were deemed eligible to receive the matching funds from the State, compared to 69.1% in fiscal 2022. A total of 11,800 eligible applicants are due to receive the $500 match (67% of eligible applicants), while 5,813 are due to receive the $250 match (33% of eligible applicants), for a total of $7.4 million in State matching funds.

Exhibit 14
Total Applications and Number Eligible for Match
Fiscal 2019-2023



Source: Maryland 529

While there has been tremendous growth in the program, several alterations have been needed in recent years to ensure that program abuse, whereby individuals were receiving multiple State matching contributions, is mitigated. Chapter 538 of 2020 limited a qualified beneficiary to two State matching contributions per year beginning with application periods after December 31, 2020. Chapter 436 of 2021 further altered the program to clarify that:

- an account holder under the State contribution program must be a resident of Maryland and file income taxes on, or before, July 15 of each year;

- program eligibility would be dependent on Maryland adjusted gross income rather than taxable income;

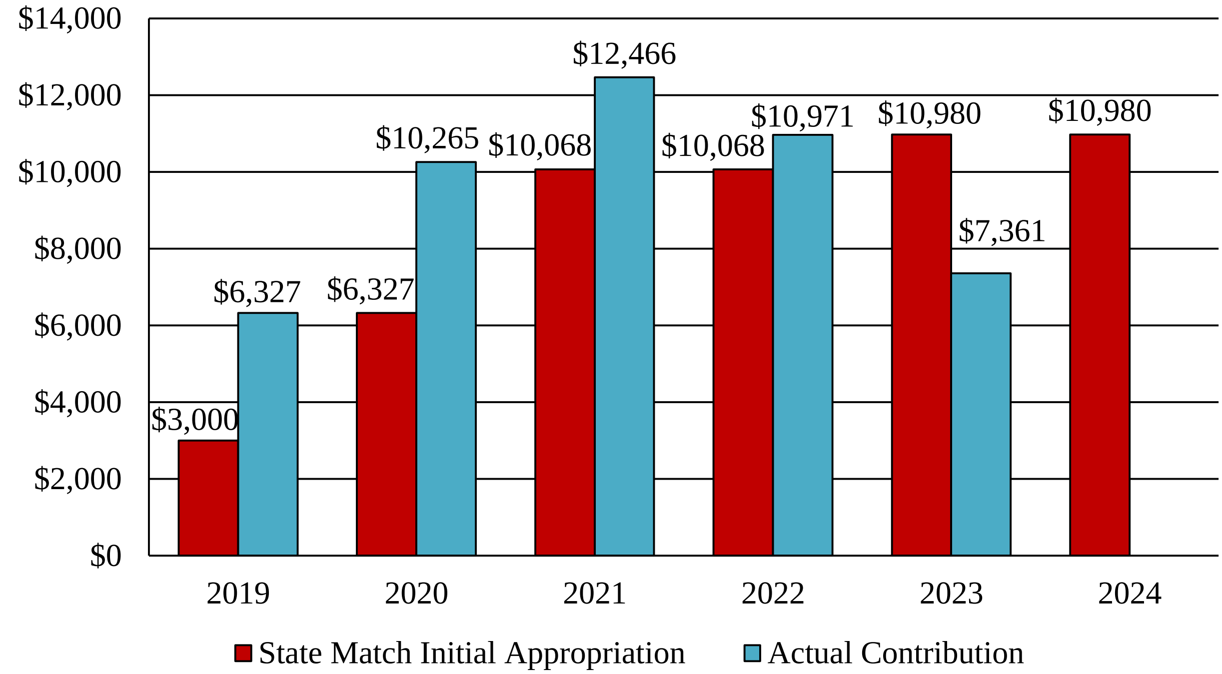
- a qualified beneficiary must be younger than age 26 in the calendar year before the account holder submits an application to receive a State contribution; and

- Chapter 436 also established a maximum $9,000 State contribution amount over the lifetime of the account holder.

The impact that Chapter 436 had on the State matching program is reflected by the increase in the number of ineligible applications compared to years prior to the legislation. There were 10,761 ineligible applications in fiscal 2022, an increase of 177.6% over the previous fiscal year. In fiscal 2023, there were 8,134 ineligible applicants. While a high number, it is a decrease of 24.4% from fiscal 2022.

As shown in **Exhibit 15**, in fiscal 2022, the State match contribution decreased $1.5 million to $11.0 million compared to fiscal 2021. For each year between fiscal 2019 and 2022, deficiency appropriations were provided to ensure that funding levels were adequate to meet the State's matching commitments. However, as noted earlier, a proposed fiscal 2023 deficiency appropriation of $3.6 million for the Save4College program removes funding because the fiscal 2023 allowance was not necessary to ensure that all eligible applicants received their State match contribution. The fiscal 2024 allowance is $11.0 million.

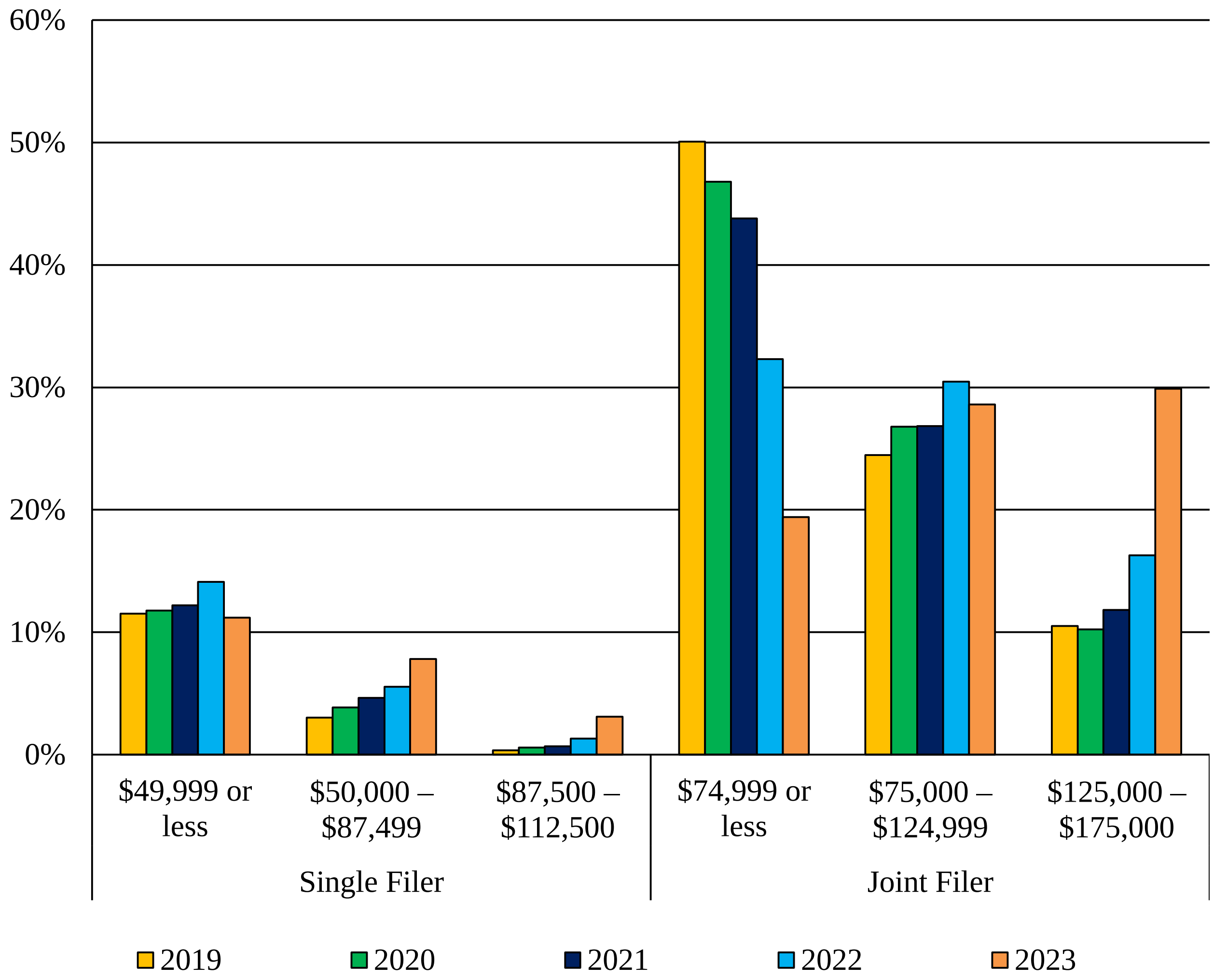
Exhibit 15
State Match Funding Allocation
Fiscal 2019-2023
($ in Thousands)



Source: Department of Legislative Services; Governor's Budget Books

As noted earlier, beginning in fiscal 2019, marketing strategies were developed to attract interest from the lowest tax filing groups. **Exhibit 16** illustrates that these strategies were initially effective, as joint filers who had a taxable income of $74,999 or less increased to 50% of total applications in fiscal 2018 from 30% in fiscal 2019. However, this group has declined as a share of applications since fiscal 2020. In fiscal 2023, applications from this bracket decreased to only 19% of the total application pool. Maryland 529 attributes this decline to the impact of Chapters 538 and 436.

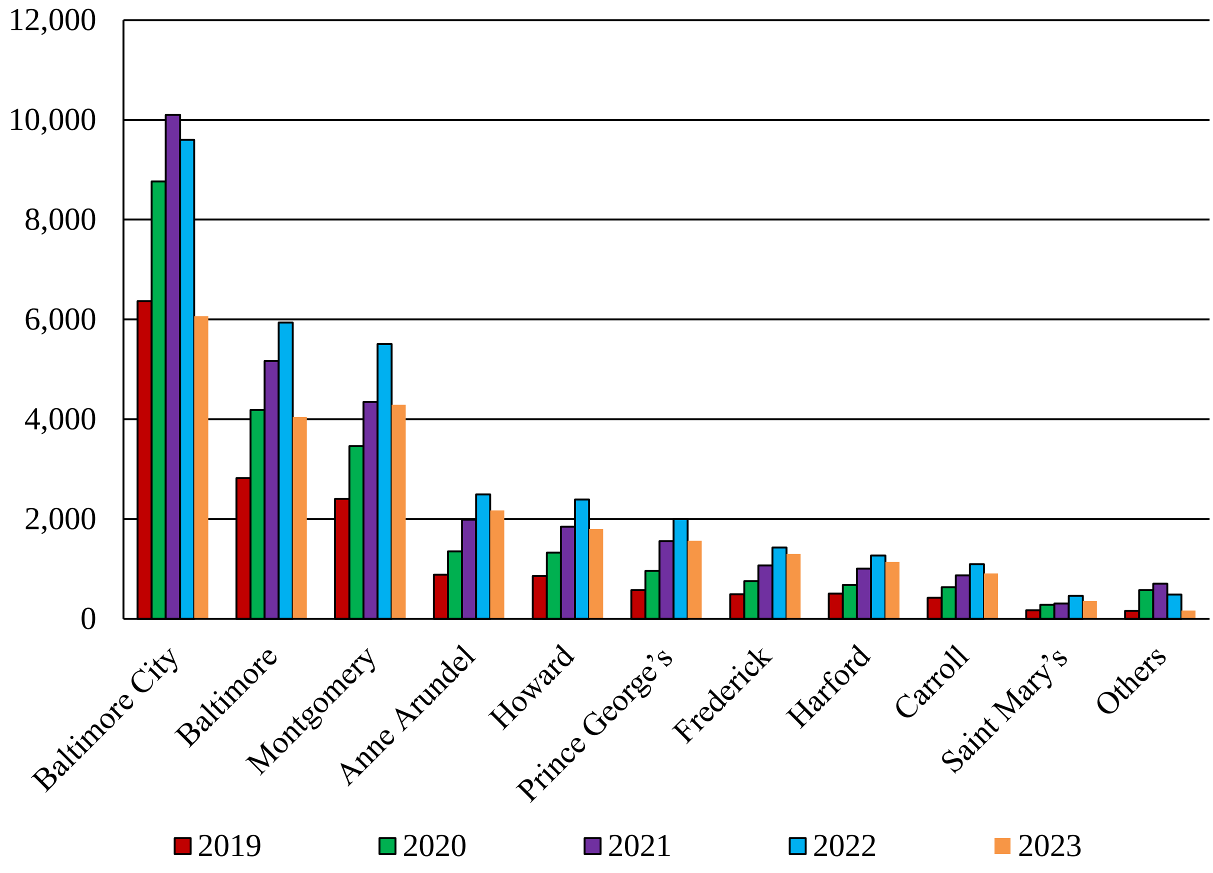
Exhibit 16
Eligible Applications by Income Bracket
Fiscal 2019-2023



Source: Maryland 529

In addition to developing marketing strategies targeting certain income groups, Maryland 529 also focused marketing on specific regions, with a focus on Baltimore City, as well as other harder to reach areas of the State, including Western Maryland and the Eastern Shore. These marketing strategies had a single goal of increasing participation in the program. In fiscal 2022, Maryland 529 indicated that the decline in applications from Baltimore City, as shown in **Exhibit 17**, was tied to the lack of outreach efforts in calendar 2021 and changes from Chapter 538 that limited the number of awards provided per account holder, as a somewhat proportionately higher number of individuals from Baltimore City were impacted. That pattern of decline has continued in fiscal 2023. **Maryland 529 should address the continuing decline in applications particularly in targeted regions despite the marketing efforts.**

Exhibit 17
Application Breakdown by Jurisdiction
Fiscal 2019-2023



Source: Maryland 529

Operating Budget Recommended Actions

1. Adopt the following narrative:

Institutional Aid, Pell Grants, and Loan Data by Expected Family Contribution (EFC) Category: In order to more fully understand all types of aid available to students, the committees request that data be submitted for each community college, public four-year institution, and independent institution on institutional aid, Pell grants, and student loans. Data should include, by EFC, the number of loans and average loan size of federal subsidized and unsubsidized loans and loans from private sources as reported to the Maryland Higher Education Commission (MHEC). Additionally, data should be provided on Pell grants, including the number and average award size by EFC. Finally, data should include the number of institutional aid awards and average award size by EFC for institutional grants, institutional athletic scholarships, and other institutional scholarships. The data in the response should differentiate between need-based aid and merit scholarships. Data should also include the number of institutional aid awards and average award size by EFC for tuition waivers/remissions of fees to employees and dependents and students. Waiver information for students should be reported by each type of waiver in State law. This report should cover fiscal 2022 data received by MHEC from State institutions and is to be submitted in an electronic format (Excel file).

Information Request	Author	Due Date
Institutional aid, Pell grants, and loan data by EFC	MHEC	June 30, 2023

2. Adopt the following narrative:

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

Information Request	**Author**	**Due Date**
Report on best practices and annual progress toward the 55% completion goal	MHEC	December 15, 2023

3. Adopt the following narrative:

Report on Nontraditional Pathways: Nationally, nontraditional students, those 25 years and older, compromise approximately 40% of undergraduate students and, according to the Maryland Higher Education Commission (MHEC), these students account for about one-third of undergraduates in community colleges and the public four-year institutions. While there is no standard definition of a nontraditional student, age is often used as a defining characteristic of this population. Nontraditional students face different obstacles than traditional students in obtaining a college education such as having to balance school, work, and life. In order to grow enrollment, institutions will need to develop programs and initiatives targeting this population to help it succeed. MHEC will work with the University System of Maryland (USM) and the Maryland Association of Community Colleges to develop a strategy to strengthen pathways for nontraditional students. MHEC intends to use the $5 million provided in the fiscal 2024 budget to provide grants to USM institutions and community colleges to execute the strategy. The committees request that MHEC submit a report on how the funds are used to strengthen the pathways for nontraditional students.

Information Request	**Author**	**Due Date**
Report on nontraditional pathways	MHEC	December 15, 2023

Appendix 1
2022 *Joint Chairmen's Report* Responses from Agency

The 2022 *Joint Chairmen's Report* (JCR) requested that MHEC prepare three reports and the Maryland Independent College and University Association (MICUA) prepare two reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Institutional Aid, Pell Grants, and Loan Data by EFC Category:*** The data contains institutional aid, Pell and loan data for the community college, public four-year institutions, and nonprofit independent institutions, and are used throughout various higher education analysis.

- ***Report on Best Practices and Annual Progress Toward the 55% Completion Goal:*** Community colleges and the public four-year institutions continue to exceed their targets in the number of undergraduate degrees awarded, while the independent institutions continue to fall short of meeting their degree target goals. Overall, the total number of undergraduate degrees awarded exceeded the target of the model. Maryland's public and independent institutions will account for the majority of the additional degree holders, while the remainder would be due to migration of individuals from other states and countries who already hold a degree. The report also summarizes best practices at several institutions.

- ***Report on Reorganization of MHEC:*** The report addressed the establishment of OSFA as a separate independent agency. Overall, MHEC recommends against establishing OSFA as a separate agency primarily due to the resources needed to create a new agency and the close interactions OSFA currently has with other offices in MHEC. It was further noted all MHEC resources are shared with OSFA including personnel, information technology, budget and fiscal oversight, and management.

- ***Report on Increasing Participation in Postsecondary Education:*** Three programs were identified in the report that may help to increase the number of students considering in enrolling in college directly after graduating high school: Advancement Via Individual Determination, an academic elective program that helps "academic middle" students recognize that college is an option; dual enrollment and early college programs; and college tours that provide critical insight for high school students who may not realize college is accessible or are hesitant to enroll. The report also notes that immediate enrollment in college after high school may not be in the best interest for all students for various reasons; instead, intentional decision-making about post-high school experience is more valuable. Stressing it is important to ensure that there are multiple pathways with high-quality, evidence-based college access and support programs for historically underserved students.

- ***Report on Supporting the State's Higher Education Goals:*** MICUA reported on how its institutions are using the additional funding received from the Sellinger formula to support the State's higher education goals. Funding for MICUA institutions increased

$30.0 million in fiscal 2023 of which $7.6 million supported programs providing equitable access to affordable higher education, $17.9 million went toward programs targeting financial aid to those with the greatest need and/or increased diversity, $2.8 million to support programs to close the achievement gap, and $1.6 million to program to help the State meet its workforce needs.

- ***Report on Admission Policies:*** MICUA provided a report on its institutions' admission policies, specifically if there are provisions regarding legacy admissions. Four institutions have a policy (Loyola University, St. John's College, Stevenson University, and Washington College). The response notes that legacy applicants receive no other special admissions advantage such as waived application fees or early decisions. Furthermore, the legacy is not an important factor in admissions at these institutions, and in the majority of cases, alumni relations do not have an impact on the institution's decision of whether to admit a student.

Appendix 2
New Unified Financial Aid System for Higher Education
Major Information Technology Project
Maryland Higher Education Commission

This project is discussed in Issue 2

New/Ongoing: New								
Start Date: 2022				**Est. Completion Date:** June 2026				
Implementation Strategy: Agile								
($ in Millions)	**Prior Year**	**2023**	**2024**	**2025**	**2026**	**2027**	**Remainder**	**Total**
GF	$0.000	$0.000	$0.000	$11.400	$13.000	$0.000	$0.000	**$12.700**
SF	0.000	0.000	0.660	7.059	0.280	0.000	0.000	**8.000**
Total	**$0.000**	**$0.000**	**$0.660**	**$18.459**	**$1.580**	**$0.000**	**$0.000**	**$20.700**

Note: Funds in fiscal 2024 are not budgeted within MHEC. According to MHEC funds will be transferred from the Dedicated Purpose Account, via budget amendment, as expenditures are incurred.

- ***Project Summary*:** Provide MHEC OSFA with an efficient and consumer-friendly, web-based, unified scholarship application allowing for an applicant to apply for all centralized scholarship programs offered by MHEC. The new system will include advanced navigation and empower students to take ownership of their financial circumstances; mobile capability would allow online access on any device; and enhance reporting features would allow institutions, legislators, and guidance counselors to remain informed of a student’s status. It will also allow for faster processing and awarding of scholarships.

- ***Need:*** This system will replace MDCAPS, which is over 10 years old and has reached its design capacity for advanced technology features. MHEC needs a financial aid management system that is flexible, extensible, scalable, accessible, and secure to deliver a modern user experience where students and others can self-serve.

Appendix 3
Object/Fund Difference Report
Maryland Higher Education Commission

Object/Fund	FY 22 Actual	FY 23 Working Appropriation	FY 24 Allowance	FY 23 - FY 24 Amount Change	Percent Change
Positions					
01 Regular	64.00	69.00	72.00	3.00	4.3%
02 Contractual	7.35	9.85	8.35	-1.50	-15.2%
Total Positions	**71.35**	**78.85**	**80.35**	**1.50**	**1.9%**
Objects					
01 Salaries and Wages	$ 5,817,489	$ 6,912,300	$ 7,586,724	$ 674,424	9.8%
02 Technical and Special Fees	350,597	667,783	615,024	-52,759	-7.9%
03 Communication	13,366	41,150	41,150	0	0%
04 Travel	18,608	53,776	53,776	0	0%
07 Motor Vehicles	62,861	74,730	84,730	10,000	13.4%
08 Contractual Services	958,754	23,638,312	1,501,053	-22,137,259	-93.6%
09 Supplies and Materials	5,590	42,700	42,700	0	0%
10 Equipment – Replacement	27,124	16,343	16,343	0	0%
11 Equipment – Additional	485	98,750	98,750	0	0%
12 Grants, Subsidies, and Contributions	128,022,017	157,929,623	181,829,061	23,899,438	15.1%
13 Fixed Charges	271,460	432,359	432,359	0	0%
Total Objects	**$ 135,548,351**	**$ 189,907,826**	**$ 192,301,670**	**$ 2,393,844**	**1.3%**
Funds					
01 General Fund	$ 115,512,520	$ 167,857,155	$ 169,486,631	$ 1,629,476	1.0%
03 Special Fund	18,299,362	20,388,485	21,239,401	850,916	4.2%
05 Federal Fund	1,383,239	428,549	415,141	-13,408	-3.1%
09 Reimbursable Fund	353,230	1,233,637	1,160,497	-73,140	-5.9%
Total Funds	**$ 135,548,351**	**$ 189,907,826**	**$ 192,301,670**	**$ 2,393,844**	**1.3%**

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments budgeted within the Department of Budget and Management.

Appendix 4
Fiscal Summary
Maryland Higher Education Commission

Program/Unit	FY 22 Actual	FY 23 Wrk Approp	FY 24 Allowance	Change	FY 23 - FY 24 % Change
01 General Administration	$ 7,323,896	$ 31,626,490	$ 10,108,817	-$ 21,517,673	-68.0%
02 College Prep/Intervention Program	738,230	750,000	750,000	0	0%
03 Joseph A. Sellinger Program	88,810,065	118,598,457	137,094,789	18,496,332	15.6%
07 Educational Grants	20,687,100	20,076,867	24,525,511	4,448,644	22.2%
38 Nurse Support Program II	17,989,060	18,156,012	19,122,553	966,541	5.3%
43 College Access Pilot Program	0	700,000	700,000	0	0%
Total Expenditures	**$ 135,548,351**	**$ 189,907,826**	**$ 192,301,670**	**$ 2,393,844**	**1.3%**
General Fund	$ 115,512,520	$ 167,857,155	$ 169,486,631	$ 1,629,476	1.0%
Special Fund	18,299,362	20,388,485	21,239,401	850,916	4.2%
Federal Fund	1,383,239	428,549	415,141	-13,408	-3.1%
Total Appropriations	**$ 135,195,121**	**$ 188,674,189**	**$ 191,141,173**	**$ 2,466,984**	**1.3%**
Reimbursable Fund	$ 353,230	$ 1,233,637	$ 1,160,497	-$ 73,140	-5.9%
Total Funds	**$ 135,548,351**	**$ 189,907,826**	**$ 192,301,670**	**$ 2,393,844**	**1.3%**

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments budgeted within the Department of Budget and Management. .