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## Maryland Higher Education Commission Fiscal 2018 Budget

**Testimony of Dr. James D. Fielder, Jr., Secretary of Higher Education,  
to the House Appropriations Subcommittee on Education and Economic Development and  
the Senate Budget and Taxation Subcommittee on Education, Business and Administration**

**February 8 & 9, 2017**

### Issues

- 1. The Department of Legislative Services (DLS) recommends that Sellinger aid be distributed by enrollment, rather than the prior year per-institution appropriation as specified in the BRFA of 2017. This would require an amendment to the BRFA. – Pg. 15**

**MHEC Response:** MHEC concurs with the Governor's Allowance.

- 2. The Secretary should comment on how to evaluate the success and effectiveness of non-USM RHECs and whether more (or fewer) are needed in Maryland. – Pg. 19**

**MHEC Response:** MHEC would perform an analysis of the activity of each non-USM center of how each respective center is addressing and meeting the postsecondary needs of the region in which it serves.

Under Maryland law, regional higher education centers are “Higher education facilit(ies) that ... include participation by two or more institutions of higher education in the State, consist of arrays of program offerings from institutions of higher education approved to operate in the State ... offer multiple degree levels.” §10-101(k) Education Article, Annotated Code of Maryland. “Provide access to affordable higher education programs to citizens in unserved or underserved areas of the State, respond to the needs of businesses and industries in the areas in which they serve and encourage participation by institutions of higher education for the benefit of students and serve the needs of, and provide programs to, elementary and secondary schools, business and industry, and governmental agencies.” §10-212(b) Education Article, Annotated Code of Maryland.

In its center review, MHEC would examine enrollment levels in upper-division undergraduate and graduate programs; levels of 2+2 enrollments as memorialized in student agreements; and degree production by numbers of bachelor's, master's and doctoral degrees awarded annually. Further, MHEC would analyze programs provided by each center against the workforce and employment needs for each region for consistency. MHEC would invite Department of Legislative Services (DLS) and Department of Budget and Management (DBM) staff to work collaboratively on these reviews.

Following that analysis, MHEC would present its findings to the Commission regarding the effectiveness of the centers in the delivery of postsecondary education to meet workforce needs. The Commission would then be asked to act upon the findings by making recommendations to the Governor and General Assembly as to each center’s effectiveness in contributing to meeting Maryland’s postsecondary education needs.

**3. The Secretary should comment on expected HPSIG expenditures in fiscal 2017 and whether MHEC needs any legislative appropriation at all in fiscal 2018 for HPSIG. The Secretary should also comment on whether MHEC has pursued any other funding sources for HPSIG or if it is the right time to conclude this grant program. – Pg. 20**

**MHEC Response:** As noted, during the 2016 Legislative Session, the requirement that the Maryland Board of Physicians contribute a portion of its fees to the Health Personnel Shortage Incentive Program was repealed. The closing balance of the Health Personnel Shortage Incentive Grant Program from fiscal 2016 was \$643,213. The fiscal 2017 HPSIG RFP is currently being developed and MHEC expects the RFP to be released in the coming weeks. MHEC anticipates fiscal 2017 expenditures will align with the expenditures over the last two years (2015:\$351,000, 2016: \$304,500). Since MHEC anticipates only expending between \$300,000 and \$350,000 in fiscal 2017, the remaining balance will be expended in fiscal 2018 and the program concluded.

**4. The Secretary should comment on what MHEC is doing to resolve chronic understaffing at the agency. – Pg. 21**

**MHEC Response:** MHEC has been working very closely with the Department of Budget and Management (DBM) Offices of Budget Analysis (OBA) and Personnel Services and Benefits (OPSB) to aggressively fill all vacancies within and lower the vacancy rate of the agency. A specific list of personnel actions over the past year is provided.

Veteran’s Affairs Analyst	<b>Filled</b> 6/22/2016
Assistant Secretary Academic Affairs	<b>Filled</b> 6/27/2016
Director of Academic Affairs	<b>Filled</b> 8/31/2016
Grants Management Manager	<b>Filled</b> 9/28/2016
Grants Specialist	<b>Filled</b> 9/28/2016
Director of Communications	Personnel Change - <b>Filled</b> 5/11/2016
Special Assistant to the Secretary	Personnel Change - <b>Filled</b> 9/28/2016
Education Analyst - Private Career Schools	<b>Filled</b> 12/7/2016
Education Analyst – Collegiate Affairs	<b>Filled</b> 1/7/2017
Education Analyst – Collegiate Affairs	<b>Filled</b> 1/30/2017
Maryland Longitudinal Data Center	<b>Filled</b> 1/4/2017
Outreach Specialist	<b>Filled</b> by long serving contractual employee 1/3/2017
Research and Policy Analyst	Anticipated Hiring by 2/19/2017
Information Technology Analyst	Vacated 1/1/2016 - Anticipated hiring date late February 2017
Information Technology Analyst	Vacated 8/19/2015 – Anticipated hiring date

Finance Policy Analyst – Capital Budget	March 2017 Vacated 12/31/2016 – Anticipated hiring date March 2017
Administrative Specialist III (OSFA)	Vacated 9/12/2015 – Anticipated hiring date late February 2017
Administrative Specialist III (OSFA)	Vacated 11/9/2016 – Anticipated hiring date March 2017
Designated Admin Manager (Chief of Staff)	Remaining Vacant

Any additional actions concerning staffing would have to occur through discussions and meetings with the Governor’s Office and DBM.

**5. The Secretary should comment on MHEC’s ability to implement specific legislative requirements, such as the tax credits; develop, and make Marylanders aware of, the State’s higher education plans and financial aid; perform internal audits; research issues proactively to better inform policymakers; and provide vision for higher education in Maryland. – Pg. 22**

**MHEC Response:** MHEC continues to provide oversight of post-secondary academic programs. As new leadership continues to work on issues and initiatives, MHEC will explore opportunities to improve relationships with other State agencies, identify educational needs in Maryland’s workforce, and maximize the opportunity to bring together stakeholders to improve post-secondary education in Maryland.

Because it has a small number of employees and a relatively large number of functions requiring distinctly different areas of expertise, MHEC has limited ability to shift employees to cover for vacancies. For example, a private career schools analyst cannot fill in for financial aid staff. When there are a large number of vacancies, as there were in 2015 and 2016, agency functions and effectiveness are greatly impacted.

For the past few years MHEC has been working to strengthen its ability to initiate research on issues related to higher education. MHEC redesigned its data collections in an effort to obtain more information from colleges and universities that can, in turn, be used flexibly and responsively to analyze issues of concern. Because of key vacancies in the information technology department, however, MHEC has been unable to build the infrastructure needed to make these data available for policy-related research. A search to fill one such vacancy has been extended, in part because of the difficulties in hiring skilled IT professionals within existing State salary structures.

This year, the Office of Student Financial Assistance (OSFA) reclassified one of the positions on its staff from a program administration to a compliance position. This position will be responsible for analyzing and interpreting both state and federal financial aid regulations as well as overseeing all internal and external auditing of state financial aid programs.

MHEC will also continue to explore, recommend and be open to accepting additional programs, initiatives and responsibilities consistent with its role in the State, agency capabilities, and mission.

For awareness of these initiatives, MHEC is utilizing the following internet-based methods to share information:

Websites: MHEC.Maryland.Gov and MDgo4it.com

Social Media: Facebook , Twitter, and podcasts.

Direct notifications: Press releases covering the entire state or targeting specific areas/regions of the state.

Stakeholder Groups: MHEC has initiated the Maryland College Access Network to share information about financial aid programs, FAFSA changes, etc.

Outreach efforts: MHEC continues to expand outreach efforts by attending events to share financial aid information to interested students, parents, and guardians. In 2017, MHEC will expand efforts to include high school counselors.

**6. The Secretary should comment on whether the agency has pursued any other funding sources to enable the OSFA study and what it has done to plan for implementation of the new EEA provision, which will affect fiscal 2019 awards. – Pg. 23**

**MHEC Response:** MHEC has not pursued any other funding source to enable the OSFA study.

During the 2016 legislative session, the College Affordability Act of 2016 was passed and included a new provision for the Educational Excellence Awards (EEA) Program to commence in fiscal 2019. This new provision requires that at the conclusion of a student's first two academic years of enrollment, a student's EEA award will be renewed based upon the number of credits that the student had successfully completed. In order for a student to be eligible for the maximum award amount in the EEA program the student must have completed 30 credits in those first two years. If a student completed fewer than 30 credits, but more than 24, the award would then be prorated.

The plan for implementation of this new EEA provision is for OSFA to work with the MHEC Financial Assistance Advisory Council (FAAC) to create an outreach marketing campaign with the goal of full disclosure to current and future EEA participants of the change. In addition to the outreach campaign, OSFA will provide additional messages through posters and one-pagers created and provided to Maryland high schools and postsecondary institutions highlighting the EEA changes. OSFA will also continue to announce the change through social media and annual MHEC publications.

Since the new EEA provision will impact initial award recipients from fiscal 2016 and fiscal 2017 when implemented for fiscal 2019, beginning in March 2017, OSFA will send written

communications to current EEA award recipients informing them of the new EEA provision. This will allow current award recipients to plan accordingly for the 2017-2018 award year. The letter will also include a link to the MHEC website, where additional information on EEA program changes will be available.

Finally, the new EEA provision will require system enhancements to the Maryland College Aid Processing System (MDCAPS). OSFA is working closely with its vendor to implement the required changes for MDCAPS for the 2018-2019 award cycle.

**7. The Secretary should comment on MHEC’s ability to fully implement the tax credit program using existing staff and resources. The Secretary should also comment on how MHEC will make graduates who prepared their own tax returns aware of the new tax credit. – Pg. 24**

**MHEC Response:** MHEC supports all efforts to assist individuals and families with policies and programs that improve college affordability and student loan debt relief. MHEC is continuing to assess how this program can be administered.

**8. The Secretary should comment on any preliminary or qualitative information indicating the relative success of transition course implementation in the 2016-2017 school year given that no courses were piloted last year. The Secretary should also comment on whether MHEC is working with the public four-year sector to establish college ready standards, and, if so, whether they should align with the two-year sector’s MOU. – Pg. 25**

**MHEC Response:** MHEC will work with the Maryland State Department of Education (MSDE) and all Maryland colleges and universities to understand the success of transition courses. Transition courses are implemented differently across Maryland and vary by Local Education Agency (LEA). As such, MSDE will need to collect information from LEAs to identify how LEAs have implemented transition courses. MHEC will consult with the Maryland Association of Community Colleges (MACC), University System of Maryland (USM), Maryland Independent College and University Association (MICUA), Morgan State University (MSU), St. Mary’s College of Maryland (SMCM), and potentially the Maryland Longitudinal Data System (MLDS), in the upcoming 2017-18 academic year to evaluate the college impact for the first cohort of students that were enrolled in a transition course. MHEC will also discuss college ready standards with public four-year institutions in Maryland.

**9. The Secretary should comment on the role MHEC can play in incentivizing associate’s degree completion and in publicizing degree pathways to prospective students. – Pg. 28**

**MHEC Response:** MHEC will identify ways to maximize social media outlets to advertise various scholarships and programs throughout the state to encourage degree completion. MHEC will work with MACC, USM, MICUA, MSU, and SMCM to highlight opportunities for re-enrollment for students who have not finished their academic program.

Through the state-funded One Step Away grant program, MHEC, in collaboration with the Motor Vehicle Administration, is currently working with Maryland two- and four-year institutions to help identify and contact near completers, and to provide sub-grants to institutions for targeted initiatives. These targeted initiatives support students and encourage them to re-enroll, complete, and graduate. The third round of competitive One Step Away grant funding was distributed in July 2016 for a 14 month project period. Institutions were awarded up to \$60,000 and required to provide in-kind or matching funds in an amount equal to at least one-third of the total project cost.

As of fiscal 2016, One Step Away grantees (16 Maryland institutions, including community colleges and public and private four-year colleges and universities) have:

- Identified a total of 8,140 near completers
- Successfully contacted 5,864 near completers and re-enrolled 1,012
- Awarded 5,162 credit hours, 425 prior learning assessment credit hours, and
- Awarded 479 associate and bachelor's degrees.

**10. The Secretary should comment on how MHEC will ensure that the new State Plan is widely known and that stakeholders actually value it. The Secretary should also comment on whether the new State Plan will explain the purpose and goal of RHECs in the P-20 continuum. – Pg. 29**

**MHEC Response:** The upcoming revisions to the State Plan will include goals that have measurable outcomes. It is the intent that the measurable outcomes will not only hold MHEC accountable to its legislative mandates, but will also hold all stakeholders for postsecondary education in Maryland accountable. Using a ground-up approach to identify and develop measurable outcomes will encourage engagement and accountability from all stakeholders. It will be important that the goals are in fact obtainable within a specific timeframe, much like the 55 percent college completion goal for 2025.

The new State Plan will discuss regional higher education centers, as past plans have done, as well as other important forms of postsecondary education delivery; including online education, hybrid courses and other forms.

MHEC has begun developing the next State Plan through a workgroup process whereby members of each segment of higher education work collectively on each goal of the plan. The report of the workgroups will then be presented to the MHEC Segmental Advisory Council. The public information phase of the launch of the new Plan will include appearances by the Secretary on public service shows such as State Circle as well as shows on local network outlets. We will also place information on our MHEC and MDgo4it websites and utilize social media, such as Facebook and Twitter.

**11. DLS concurs with MHEC that it is time to change the A&S reporting to better evaluate how HBCUs are using this funding. In addition, DLS recommends that the annual restriction on OCR enhancement funds, until a report is submitted by MHEC and the HBCUs is no longer useful. Instead, DLS recommends that MHEC develop a more**

**useful report that would evaluate progress that HBCUs are making in improving student outcomes.**

**Further, DLS recommends that the OCR enhancement funds be moved to the base budgets of the HBCUs. The State has provided OCR enhancement funding annually to the HBCUs since fiscal 2013. A portion of the funds were moved to Bowie State University's base budget in fiscal 2007.**

**The Secretary should comment on more useful approaches to evaluate HBCU students' progress. The Secretary should also comment on whether summer bridge programs were as effective as anticipated or if there are other best practices that the HBCUs should focus on to improve student outcomes. – Pgs. 30 & 31**

**MHEC Response:** As noted above, the decision to place Access and Success funding in institutional base funding has made it difficult to evaluate the success or failure of individual programs supported by that funding. Because base funding can be applied in many different ways, and because interventions can be diffused across the whole population rather than in targeted ways, base funding is not well suited to the program-effectiveness model of evaluation. In the same way, if the DLS recommendation to place OCR enhancement funds in base funding is adopted, then the program-effectiveness model would also be poorly suited to evaluating OCR enhancement funds. The program-effectiveness model would be better suited to different funding structures in which funds are provided for a defined purpose in a defined way— for example, a grant program, or a matching-funds program.

However, assuming that Access and Success funding will continue to remain in institutional base funding, MHEC believes that institutionwide measures of outcomes, rather than outcomes for students who receive particular interventions, should be used to evaluate the effectiveness of the funding. For example, retention and graduation rates could be key measures of success; enrollments of Pell grant recipients or students 25 and older might be key measures of access; and retention and graduation rates for Pell recipients or older students might be useful measures of access and success. This approach will shift the emphasis from the effectiveness of particular programs to the effectiveness of all programs across the institution, while accounting for the condition of the student body and other environmental factors.

In the coming months MHEC will convene a working group comprised of institutional representatives to select a full range of appropriate measures, within the limits of institutional and state data collections, for use in the Access and Success report. This group may want to recommend other suitable indicators of expanded access, such as enrollment by first-generation college students and underprepared students, and of improved success, such as course completion rates and degrees for part-time students. It may also be possible for each institution to suggest measures and populations of particular interest. The proposed report recommended in the DLS analysis would be informed by these discussions.

As noted in recent Access and Success reports, the summer bridge programs are effective for the populations that have received them, which is why MHEC has encouraged the universities to extend these successful programs more broadly to improve success for the entire student

population. In addition, universities already use Access and Success funding to support other best practices, such as orientation and first-year experience programming, tutoring, and academic advising. Moreover, universities are applying best practices in other areas not directly supported by Access and Success funding, such as pedagogical innovations, technology infrastructure, and financial aid programs.

**1. Adopt the following narrative: - Pgs. 3 & 32**

**Report on Best Practices and Annual Progress Toward the 55% Completion Goal:** The committees understand that in order to meet the State’s goal to have at least 55% of Maryland’s residents age 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 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. In addition, the committees request that MHEC, in collaboration with the Governor’s Prekindergarten-20 Council, convene a biennial Summit on Completion that provides a forum for representatives of all segments of education (including K-12), economic and workforce development, and other stakeholders to share best practices on college completion that are underway in Maryland and hear from experts on best practices in other states that may be replicated in Maryland. A summary of the summit should be included in the annual report on best practices and progress toward the 55% goal.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on best practices and progress toward the 55% completion goal	MHEC	December 15, 2017, and annually thereafter

**MHEC Response:** MHEC concurs with the recommended action.

**2. Add the following language to the general fund appropriation: - Pgs. 3 & 32**

**MHEC Response:** MHEC concurs with this recommended action.

**3. Adopt the following narrative: - Pgs. 3 & 33**

**Revised Report on Student Success at Historically Black Colleges and Universities:** The Maryland Higher Education Commission (MHEC) has reported that it is interested in revising the annual Access and Success funding report that reviews cohort outcomes at historically black colleges and universities (HBCU). The budget committees concur and also request that MHEC include in its new report how the annual Office for Civil Rights HBCU Enhancement Funding is



used to improve student success. The report should discuss changes in the methodology for evaluating the use of funds and how the HBCUs are progressing in improving student outcomes. MHEC should explore ways to make the new annual report more useful to HBCUs and other organizations and institutions in the P-20 continuum. The report is due by December 1, 2017.

**Information Request**

Revised report on best practices for student success and accountability at HBCUs

**Author**

MHEC

**Due Date**

December 1, 2017

**MHEC Response:** MHEC concurs with the recommended action.