MHEC
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Maryland Higher Education Commission
Higher Education Fiscal 2019 Budget Overview

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

January 26 & 29, 2018

Response to Recommendations

1, Adopt the following narrative:

Institutional Aid, Pell Grants, and Loan Data by Expected Family Contribution 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 expected family contribution (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 2018 data received by MHEC from State institutions and is to be submitted in an electronic format (Excel file).

Information Request	**Author**	**Due Date**
Report on fiscal 2018 financial aid categories by EFC	MHEC	June 30, 2019

MHEC Response: MHEC concurs with this recommendation.

Issues

1. Revised Funding Guidelines – Pp. 21 and 22

- The Funding Guidelines were developed in 1999 for the stated purpose of "assess(ing) the adequacy of operating … funding based on comparisons with institutions designated as peer institutions and other appropriate factors" Education Article §11-105(h) (4)

- Funding recommendations are based upon the top quartile of funding for TWIs and the top quintile of funding for HBCUs for their respective funding peer groups.

- Peer institutions are selected from among institutions within competitor states, identified by the then Department of Business and Economic Development in 2008 as California, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia, and Washington. A reassessment of the states that the Department of Commerce considers competitor states may be needed now.

- The selection criteria used to select peers is a complex "least-squares cluster analysis" using five to seven variations composed of up to 47 to 56 institutional characteristic variables that contain several redundancies.

- Finally, the funding guideline attainment can fluctuate because of the several component factors used in calculating them, including not only appropriation levels, but also institutional enrollment as well as tuition and fee revenue levels.

2. Improving Teacher Preparation Programs – Pp. 23 - 26

MHEC, along with segmental representatives, participated in the Teacher Induction, Retention, and Advance Act of 2016. Recommendations from the Institutional Performance Criteria Committee have set the groundwork for revising and updating the education preparation program standards to ensure that Maryland is graduating quality teachers that are prepared to meet the educational needs of Maryland students. The higher education community looks forward to future opportunities to collaborate with MSDE on the education preparation program standards. Additionally, the Teacher Induction, Retention, and Advancement Act of 2016 Workgroup made recommendations on incentives, such as a service-based loan forgiveness program, which would help to ensure that Maryland not only prepares quality teachers but also that these quality teachers stay in Maryland.