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Maryland Higher Education Commission Higher Education Fiscal 2021 Budget Overview

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

January 23 & 24, 2020

Issues

Issue 1, page 27. The Chancellor, presidents of SMCM and MSU, MICUA, and MACC should comment on programs or initiatives to re-enroll and ensure successful outcomes of those students with SCND.

The Secretary of MHEC should comment on factors attributing the high percentage of SCND whose last enrollment was at a Maryland institution completing at an out-of-state institution.

MHEC Response: The data presented in the National Student Clearinghouse (NSC) report indicate that students who leave Maryland institutions are likely to complete at out-of-state institutions, including out-of-state online programs. Maryland is home to one of the largest public four-year online institutions, University of Maryland Global Campus (UMGC). There may be a substantial number of students who started at UMGC -- and therefore be considered "starting at Maryland institution" per the NSC report -- and ultimately complete their programs of study at more local institutions in their home states. Further analysis of the NSC data is needed to confirm this hypothesis. Similarly, during the timeframe of the NSC study, there were several large out-of-state institutions (e.g., ITT, Brightwood, Kaplan) that were operating in Maryland that may account for some of the "out-of-state" completion counts even though the campus was physically located in Maryland.

We are aware that students may leave an institution and re-enroll in other institutions for a variety of reasons. Once near-completers or SCND students are in the workforce, marketing strategies and industry networks may encourage students to complete their degrees at specific institutions. Further qualitative analysis is needed to better understand a students' choices in starting and completing at specific institutions.

Through our initiatives, we have partnered with institutions to help them identify which of their students are most likely to return and tailor messages that encourage near completers to return to Maryland higher education institutions suited to help them meet their educational goals.

ST MARY'S

COLLEGE *of* MARYLAND



The
**NATIONAL
PUBLIC
HONORS**
College

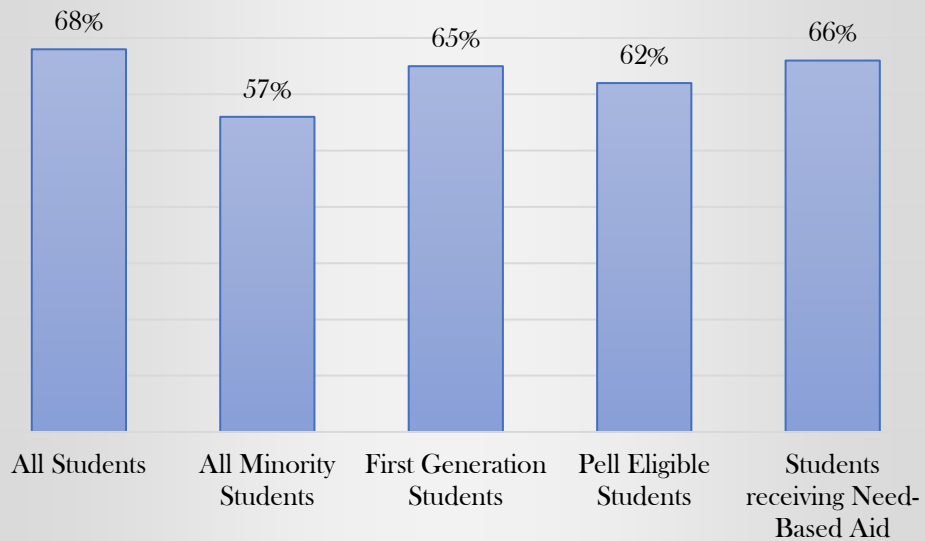
Maryland's Public Honors College



- Unique Mission:
 - Liberal arts college excellence akin to elite privates → curricular innovation and relevance
 - Public = Accessible + Affordable + Diverse
 - Rigorous standards in every academic discipline



4-Year Graduation Rates (average last 5 years)



ST MARY'S

COLLEGE of MARYLAND

The National Public Honors College

Higher Education Overview

**Senate Subcommittee on Education, Business and Administration
January 23, 2020**

~

**House Appropriations Committee
January 24, 2020**

**Dr. Tuajuanda C. Jordan, President
The Honorable Sven E. Holmes, Trustee
Charles C. Jackson, Government Relations Liaison**

Introduction

St. Mary's College of Maryland, located in Historic St. Mary's City, is designated the State's public honors college. The College's charter, established by the State of Maryland in 1992, provides both the promise of a public education affordable to all, thriving on diversity and the high standards of academic excellence. As always, the College is grateful to the Governor, the Legislature, and the Maryland Higher Education Commission for their ongoing commitment to higher education, in general, and to St. Mary's College of Maryland specifically.

Supporting the two goals articulated by the State's historical vision for the College - the educational requirements of an honors program and the promise of access - sets St. Mary's College uniquely in the State and in rare company in the national higher education sector. St. Mary's College has been highly successful in supporting State-wide goals with one of the highest retention and completion rates among Maryland publics, a commitment to diversity, and in providing financial resources for students with need.

The College continues to evolve as an innovator within the national higher education sector. Our new core curriculum, Learning through Experiential and Applied Discovery (LEAD), will provide every student with theme-based integrated learning experiences, practical skills, internships, capstone projects, and other experiences that integrate career preparation with an honors curriculum within the context of the foundation of a liberal education. Our national standing and successes make us the leader among public liberal arts institutions. St. Mary's College has become **The National Public Honors College**.

Response to Questions in the Higher Education Overview

The Chancellor, presidents of SMCM and MSU, MICUA, and the Maryland Association of Community Colleges (MACC) should comment on factors contributing to the decline in enrollment. Further, with the projected decline in high school graduates, they should also comment on efforts that will be taken to stabilize/grow enrollment.

St. Mary's College recognizes the demographic changes and the need to identify reasonable enrollment targets, develop feasible plans to reach those targets, and to stabilize enrollments within an overall challenging setting. Each year, we conduct an assessment with admitted students to understand the reasons why they chose to attend or not attend the College. Not surprisingly, the top three reasons given by both groups are the same: cost of attendance, offered programs, and location. For example, roughly equal numbers of students enroll due to cost as those who cite cost as a reason they chose not to enroll.

To enhance enrollment, St. Mary's College has initiated a multifaceted array of initiatives. As a result of the State's ongoing commitment to our unique mission to provide an outstanding liberal arts education that is affordable and accessible, we have become the most highly acclaimed public liberal arts institution in the country. Thus, in recognition of this success, we have rebranded St. Mary's College as not only the State of Maryland's Public Honors College, but also as the National Public Honors College. This new brand was launched this past year and it appears to have been well received in the market.

Additionally, we have significantly increased our investment in recruiting and marketing by 117% over the past several years. We have used both traditional and social media outlets, such as direct mail, radio, billboards, and digital advertising designed to increase brand awareness among prospective students and their influencers.

Importantly, we have also revamped our programming. Our new Learning through Experiential and Applied Discovery (LEAD) initiative, in part, marries our traditional liberal arts with a new and innovative career preparation program as part of the core curriculum. Our new programming is a direct response to the desires of today's prospective students and their families, who are not only looking for a good fit in terms of what a college has to offer, but also want to understand how their education will enhance their prospects for 1) getting that first job immediately upon graduation and 2) providing the foundation for a career. Early results indicate that the market is responding positively to this curricular innovation.

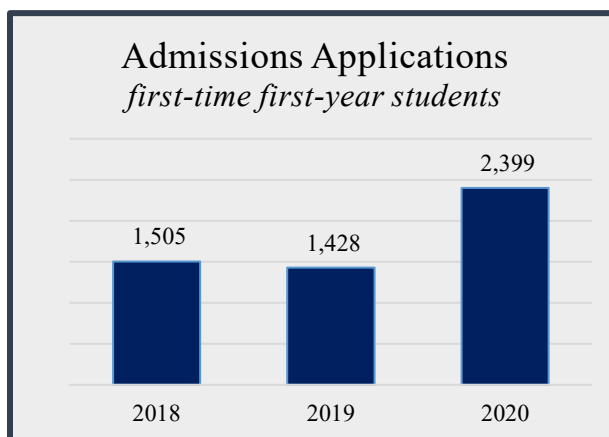
The Chancellor, presidents of SMCM and MSU, MICUA, and MACC should comment on programs or initiatives to re-enroll and ensure successful outcomes of those students with SCND.

St. Mary's College encourages the continued development of the Near Completers Program and participated in the Near Completers survey this past summer. Additionally, each year we reach out to former students who did not complete their degree and encourage their return to the classroom. We support efforts to provide scholarship aid for these students and efforts to increase outreach to them.

Among students who transfer to the College without a previous degree, approximately 20% are returning to college after taking some time off (“stopping out”). Stop-out time for these students ranges from one semester to 18 years. Our preliminary analysis shows that these students are successful at the College. Specifically, 70% of all new non-degreed fall transfer students entering between Fall 2014 and Fall 2017 persisted through the 2019-20 academic year, either earning a bachelor’s degree or remaining enrolled at the College. Students who had stopped out of college for at least one semester before enrolling at the College persisted at a very similar rate of 65%.

The President should comment on what actions are being taken to address the declining enrollment at the institution. The President should also comment on whether SMCM has undertaken efforts to identify administrative and academic efficiencies and, if so, what actions have or will be taken to achieve cost savings. The President should also discuss what actions are being taken to address the high tuition and fees for in-state undergraduate students at SMCM and the extent to which these high tuition and fee levels are making SMCM uncompetitive and unattractive to potential students.

First, it is important to note that we are cautiously optimistic that the actions we have taken over the past several years to improve enrollment are proving to be effective. As of January 21st, applications for the Fall 2020 entering class are up 64% compared to the last two years. Paid deposits are also significantly higher, up 73% over the past two years. While the admissions cycle is still early, these data are welcome and indicate that our efforts to improve our position in the market, through new branding, increased recruitment and marketing, and curricular innovation, are working.

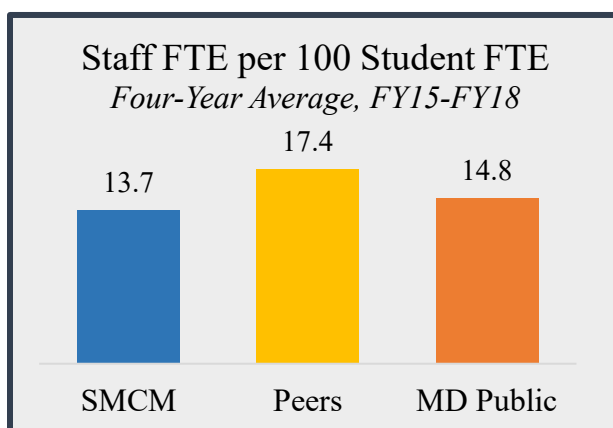


To continue our progress, I requested that our Board of Trustees convene two task forces to look at new student recruitment and tuition as well as programming. The task forces began their work this past summer and are continuing to work through this academic year. One task force is assigned with taking a deep look at recruitment strategies and tuition, as compared to our competitors, and has been charged with developing a model that includes the potential impacts of continued tuition increases, maintaining current tuition levels, or, possibly, lowering tuition.

The second task force is looking at our array of programming. This year, our faculty and staff submitted 28 proposals for new academic and co-curricular programs. After internal review, the most promising of these proposals were sent to a consultant who will complete a market analysis that will help us to better understand each proposed new program’s potential for attracting new students. At the same time, the College is engaged in a program prioritization review of our current academic programs with recommendations due by Summer 2020.

It is important to note that our mission puts us at a place that is, realistically, a public-private hybrid. Thus, although our tuition is high for the normal public higher education institution, we are an honors liberal arts college. This distinction makes our peers predominately nationally-ranked privates. We are quite competitive, cost-wise, with these small, private liberal arts colleges. A significant challenge, however, is with our public, in-state competitors, not our peers. Thus, the perceived uncompetitiveness is a complex challenge that goes beyond pricing. Nonetheless, we are extremely sensitive to the need to constantly identify and implement efficiencies.

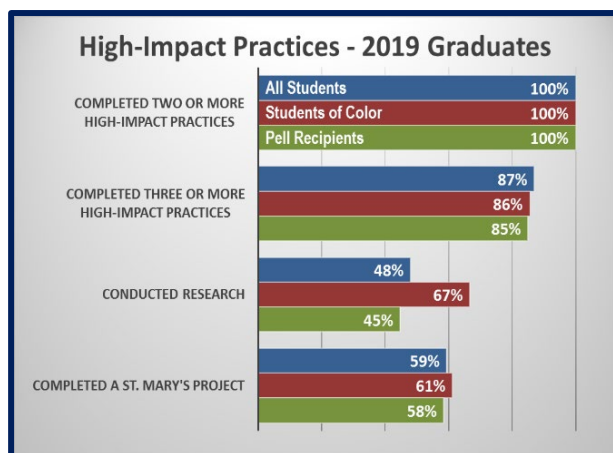
Over the last several years, we have reduced non-essential staffing and implemented technology wherever possible to introduce operational efficiencies. Thus, I am proud to report the St. Mary's College is highly efficient. Overall, our E&G expenses are slightly below the average of our Peers, which consist of four public and eight private liberal arts colleges. With regard to administrative and support staff, the College is 21% below the average of our Peers per FTE, and 7% below the average for Maryland Public Higher Education institutions.



Over the past several years, our enrollment challenges have placed significant pressure on our operating budget. We are very grateful for the support we receive from the State, and in particular the revision of our funding formula that was provided in the 2017 legislative session. As student revenue has declined due to enrollment, we have cut expenses by \$4.9 million (7%) since 2014. As we have trimmed expenses, however, we have maintained our commitment to deliver excellent academic programs and to provide adequate and appropriate student support. For example, our financial aid budget has increased 22% since 2014.

Our mission requires that we maintain a robust academic program that focuses on student success. Our expenses on academic and student support programs reflect:

- a low student-faculty ratio of 9 to 1
- a significant proportion of course credits taught by full-time faculty (88% compared to the USM reported total of 66%)
- an extensive array of High-Impact Practices designed for all students (impacts retention and post-graduate success)
- an extensive program of student support including intrusive advising



These investments continue to provide a high return on investment. The College has among the highest four-year graduation rates in the country. Our students are successful in finding employment and 67% of our students continue on to seek a graduate or professional degree within five years.

St. Mary's College has also made significant progress to narrow the achievement gap, as shown in the chart at the beginning of our testimony. Importantly, this past year, we successfully met the 70% required four-year graduation rate for students in the DeSousa Brent Scholars Program. Thanks to the support you have provided, we have been able to advance the program, which has made a huge difference for many of our at-risk students.

High Return on Investment for Graduates



- 9th highest four-year graduation rate in the *country*
- 94%¹ employed, continuing education, or volunteering within six months (National avg. = 93%)
- 64% go to graduate or professional school within five years
- 2.9%² default on student loans (National avg. = 10.1%)



¹Class of 2018 data; ²As of 2019

A National Gem SMCM: Highly Lauded



- 92nd Best *National* Liberal Arts College (300), *US News*
- 5th Best Public Liberal Arts College (~100), *US News*
- 2019 Best College for your Money, *Money Magazine*
- A national College of Distinction
- 2019 U. S. Hidden Gem
- 5th in the Princeton Review's Top 50 Green Colleges





Maryland Association of Community Colleges
Higher Education Fiscal 2021 Budget Overview
Response to Department of Legislative Services Budget Analysis

Senate Budget & Tax Committee
Education, Business and Administration Subcommittee
The Honorable Senator Craig J. Zucker, Chairman
January 23, 2020

House Appropriations Committee
The Honorable Delegate Maggie McIntosh, Chairwoman
January 24, 2020

Submitted by
Dr. Bernard Sadusky, Executive Director
Maryland Association of Community Colleges

Community colleges serve as the starting point for students entering postsecondary education. Students choose to enroll in community colleges for several reasons as they are a financially affordable pathway to a 4-year degree as well as a job in the workforce. These students typically have many factors that limit their academic success. Many are low-income, nontraditional students who must attend part-time. The role community colleges play in helping these students succeed is one of the most beneficial for growing Maryland's economy and workforce. The Overview raises 2 questions for Maryland's community colleges, each of which our colleges have already been engaged in finding solutions for, through implementing policies to help alleviate (or in some instance reverse) negative trends in enrollment by helping students persist and finish their postsecondary education. Both questions have very similar responses.

Page 20. The Chancellor, presidents of SMCM and MSU, MICUA, and the Maryland Association of Community Colleges should comment on factors contributing to the decline in enrollment. Further, with the projected decline in high school graduates, they should also comment on efforts that will be taken to stabilize/grow enrollment.

Community colleges are open enrollment institutions where enrollment tends to be countercyclical to the economy. For example, when the economy is down, enrollment is up and when the economy is up, our enrollment decreases as more of our students remain in the workforce.

The drop in high school graduates does contribute to the decline in enrollment, however recent high school graduates are only a portion of the population that community colleges serve. The largest population are non-traditional part-time students who are working and financially independent.

Yet for both the traditional and nontraditional students enrolled in community colleges, the largest barrier they face is not an academic problem, it is a financial problem. According to the Center on Budget and Policy Priorities, "Deep state cuts in funding for higher education over the last decade have contributed to rapid, significant tuition increases and pushed more of the costs of college to students, making it harder for them to enroll and graduate. These cuts also have worsened racial and class inequality, since rising tuition can deter low-income students and students of color from college" (Mitchell, Leachman, & Saenz, 2019).

While Maryland has done better than other states at keeping the cost of tuition down, the Governor's Budget Reconciliation and Financing Act (BRFA) of 2020 would have the state support per FTES at a community college reduced 6% or \$212. This threatens access as well as equity for students who have not seen increases in wages and exacerbates other barriers for low-income and nontraditional students.

Efforts to stabilize and grow enrollment involve new opportunities and partnerships with the local area high schools to expand dual enrollment programs, not only in credit areas but also non-credit continuing education. We have also created Middle Colleges, engaged in PTECH

partnerships with private business, and other partnerships with contract training and expanding the state's financial aid resources to include continuing education opportunities.

Page 27. The Chancellor, presidents of SMCM and MSU, MICUA, and the Maryland Association of Community Colleges should comment on programs or initiatives to re-enroll and ensure successful outcomes of those students with some college but no degree.

Community colleges have made a concerted effort to make certain we are removing institutional barriers to student success. Those barriers involve reviewing developmental assessment policies and creating pathways for student success. These pathways, along with high-touch advising, are helping students stay on the path towards completion. The community colleges also have their own near completer campaigns and seek out students via phone, mail, and email if they have not returned in order to help assist them financially if possible or encourage them to complete.

Other initiatives include corequisite developmental education and course redesign, which will begin to impact our successful persister rate in the next few years. Another initiative that the community colleges have implemented is the use of multiple measures for placing students into college level work instead of remediation. Our community colleges are also looking at GPA and other test scores to prevent underplacing students who could be successful in college level work.

One of the largest needs our students face is the math preparation gap. As a result of the USM's First in the World Grant initiative, all of Maryland's community colleges have begun the process of developing a statistic pathway for students entering non-STEM degree fields. This initiative should also begin to impact the successful persister rate as well starting with the fall 2017 cohort.

The State's Promise Program is also providing financial support, one that MACC and the Presidents see as being a signature program in helping students complete their degree. Along with financial support, another goal of the Promise Program is to change the behavior of students so that they enroll sooner after high school and before they are faced with other life challenges that have historically created more barriers, such as being 25, with families or dependents, and having to work part- or full-time jobs.

The state should help the community colleges financially to create more opportunities for students directly out of high school to help preempt some of the problems they will face once they decide to go back to college to earn a postsecondary credential.

Mitchell, M., Leachman, M., & Saenz, M. (2019, October 24). *State Higher Education Funding Cuts Have Pushed Costs to Students, Worsened Inequality*. Retrieved from Center on Budget and Policy Priorities: <https://www.cbpp.org/research/state-budget-and-tax/state-higher-education-funding-cuts-have-pushed-costs-to-students>

Fiscal Year 2021 Higher Education Overview (Operating Budget)

Maryland Independent College and University Association (MICUA)
Response to Department of Legislative Services Budget Analysis
Senate Budget and Taxation Committee
Senator Guy Guzzone, Chair
Education, Business and Administration Subcommittee
Senator Craig Zucker, Subcommittee Chair
January 23, 2020

House Appropriations Committee
Delegate Maggie McIntosh, Chair
Education and Economic Development Subcommittee
Delegate Ben Barnes, Subcommittee Chair
January 24, 2020

For almost 240 years, Maryland's independent colleges and universities have been part of the State's system of postsecondary education. By partnering with private, nonprofit colleges and universities, Maryland is able to serve **MORE** students in **MORE** geographic regions, offer **MORE** academic programs, award **MORE** degrees, and obtain **MORE** favorable outcomes at a **LOWER** cost for State taxpayers. This is a successful public private partnership that has stood the test of time.

Today, Maryland's 13 State-aided independent institutions serve more than 65,600 students in 180 geographic locations and offer 1,600 approved academic programs, including more than 900 post-baccalaureate and graduate programs. These advanced-level academic programs are essential to Maryland's knowledge-based economy and cited often by the State in seeking to attract major employers. Last year, the MICUA institutions awarded more than 15,200 degrees and achieved remarkable outcomes as measured by high retention rates and graduation rates, shorter time-to-degree, low student loan default rates, and top-ranked mid-career salary earnings. Johns Hopkins University, MICUA's only doctoral research university, spent \$2.6 billion on research and development activities, issued 150 patents, fueled 24 new start-up companies, and created 1,000 new jobs in 2019. With just 3% of the State's appropriation for higher education, the MICUA institutions produce remarkable benefits.

As the facts demonstrate, the State's investment in its independent institutions is a wise and efficient use of taxpayer dollars. Therefore, we are disappointed that the 2020 *Budget Reconciliation and Financing Act* reduces the Sellinger Program appropriation by over \$32 million and disregards the long-standing funding relationship between the State and the segments of higher

education. Further, the BRFA perpetuates the long-delayed promise to return the funding of independent institutions to an amount that was first intended as early as the 1970's and supported in reports since. Maryland is best served by a system of higher education with public and private, two- and four-year institutions working collaboratively to meet the State's goals for postsecondary education. **We respectfully request that the Maryland General Assembly reject the BRFA and fully fund the Sellinger Program in the fiscal 2021 budget.**

The *Higher Education Fiscal 2020 Budget Overview* prepared by the Department of Legislative Services, requests that MICUA comment on the factors contributing to the decline in student enrollment. MICUA institutions fully recognize and embrace their role in the success of the postsecondary pipeline. Our institutions are actively engaged in efforts to increase overall enrollment. We reach out to middle school and high school students and their families to encourage college attendance, advise students on college preparation, and assist with the admissions and financial aid application process. Representatives from MICUA institutions participate in college fairs in high schools with diverse populations and host on-campus recruitment events for prospective students and their families. Many MICUA institutions offer dual enrollment programs for qualified high school students and summer bridge programs for admitted students who may need extra support to acclimate to college life and succeed in college-level work.

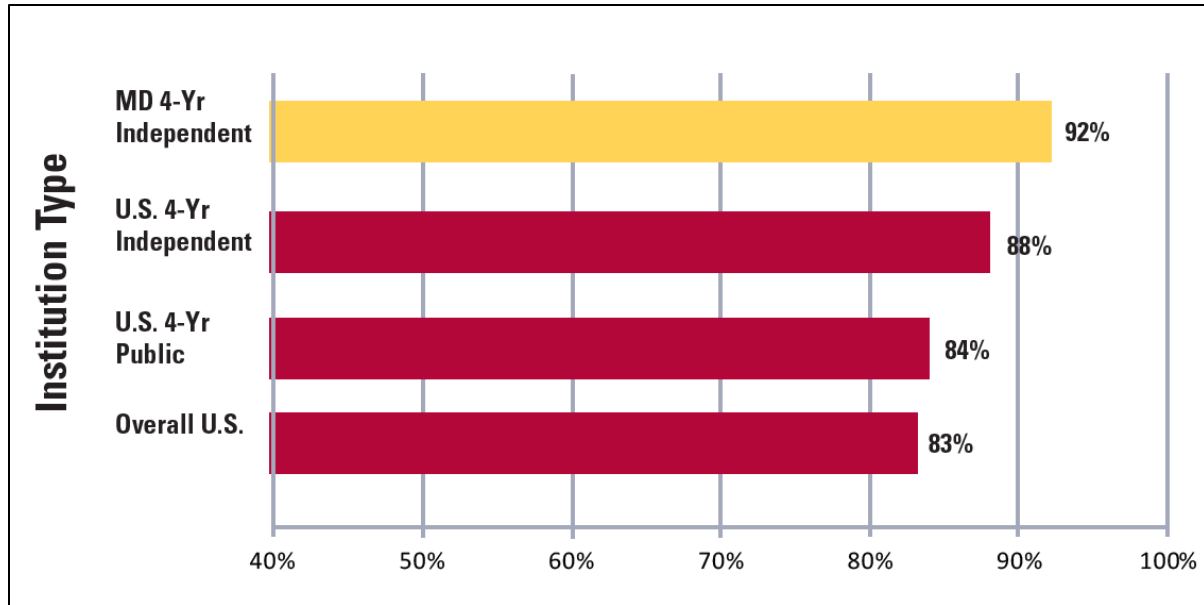
We agree that in order to reach the State goal of 55% degree attainment by 2025 there needs to be effective recruitment of first-generation, underrepresented and low-income students. To this end, we are proud to report that undergraduate enrollment of underrepresented minority students (African-American, Hispanic, and Native American) grew by 77% from 2008 to 2018. Several of our campuses include both on and off-campus programming to target these populations. For example, Goucher College specifically connects with the SEED School of Baltimore and Bard Early College High School to identify underrepresented students, and partners with community-based organizations such as the Baltimore Urban League to do the same. St. John's College hosts an annual fully-funded summer program coordinated with UNCF and AEU to provide underrepresented minority students with leadership and critical thinking programs. To improve retention, McDaniel College assigns peer mentors to every new student and trains these emissaries in the unique needs of diverse populations. At Mount St. Mary's University, the Mount Cares Committee assigns a contact person to all students who are identified as "at-risk" and at Notre Dame of Maryland University, the Trailblazers Program supports first generation college students via personalized meetings, workshops, collaborations with other on-campus services and departments, and guest speakers.

We continue to prioritize the financial aid that we award and we are proud of the efforts that we have made to ensure that low-income students are able to access and afford higher education. In particular, it is worth noting that one in four of our students is a Pell Grant recipient, and 82% of the need-based financial aid that MICUA students receive is institution-based. Further, as part of the Guaranteed Access Partnership Program (GAPP), we match 100% of the State-awarded Guaranteed Access Grant so that these low-income high-achieving students may receive up to \$38,200 per year towards their pursuit of higher education at our institutions.

The *Higher Education Fiscal 2020 Budget Overview* also requests that MICUA comment on programs or initiatives to re-enroll and ensure successful outcomes of students who have completed some college but not attained a degree. While MICUA retention and completion rates

are among the highest in the nation, we will continue efforts to improve them, particularly among identified groups.

Six-Year Graduation Rates for First-Time, Full-Time Degree Seeking Students



Note: Totals include completion at transfer institution.

Source: National Student Clearinghouse, 2019.

Students re-enrolling in MICUA member institutions were not eligible for the Near Completers Grant Program launched by the Maryland Higher Education Commission (MHEC) in fiscal 2020. These tuition grants were only available to near completers at Maryland public two-year and four-year institutions. One MICUA member institution (Maryland Institute College of Art) signed on to participate in MHEC’s Near Completers Matching Program in 2019, while other MICUA institutions reported to MHEC on their existing initiatives to reach, re-engage, and re-enroll near completers. For example, Stevenson University reported on its new bachelor’s degree in Professional Studies. This program is designed as a flexible interdisciplinary pathway to degree completion for returning adult students, allowing them to maximize prior undergraduate credit earned from Stevenson or other institutions. The degree is offered fully online featuring eight-week courses, six starts per year, and a complement of online support services.

Since fiscal 2013, three MICUA member institutions have launched formal near completer programs through the State’s institutional “One Step Away” grant program: Goucher College, Notre Dame of Maryland University, and Washington Adventist University. Grant funding has been used for activities and initiatives such as outreach to former students, tuition and fees grants, vouchers for books and supplies, tutoring and academic support services, and near-completer events. Campuses have developed new systems for transcript analysis for near completers through prior learning credit and transfer credit. They have also invested in support staff to serve as “navigators” to work with cohorts of near completers and coordinate aspects of their re-entry into the institution, including orientation, academic and social support, advising, financial aid, and the removal of potential institutional barriers that could prevent degree completion.



Thursday, January 24, 2020
Higher Education Overview
University System of Maryland FY 2021 Budget Testimony
Chancellor's Comments Requested

Page 20 - The Chancellor should comment on factors contributing to the decline in enrollment. Further, with the projected decline in high school graduates, they should also comment on efforts that will be taken to stabilize/grow enrollment.

In the past year, the decline in enrollment occurred for a variety of different reasons. Some of our institutions with high demand intentionally admitted fewer new students after record enrollment the year before. Last year, the USM granted 27,000 baccalaureate degrees, and with the improved student success and decreasing time-to-degree, more students exited successfully. The USM also faces some enrollment challenges caused by lower demand and increased competition. When the economy is going well and unemployment is at record lows, more people delay entry or pause their college career. USM applications are still strong and the institutions continue to position themselves to be the best choice. Enrollment is still strong and includes increasing numbers of non-degree-seeking students enrolling to meet other educational goals.

While USM is aware that the number of high school graduates per year are expected to decrease nationally in 2025, we believe Maryland and its institutions are in a better position than most states. The projected number of Maryland high school graduates in ten years is approximately equal to 60,000-65,000 we have had for the last few years. Based on the trends and data as presented in the Higher Education overview, by the Department of Education, and by the Maryland Longitudinal Data System, we know that about 45,000 enroll in college. There are more than enough high school graduates for all of Maryland's institutions--public and private. We believe we have high quality, affordable institutions in Maryland that meet the needs of Maryland students. The key strategy is for USM to work to decrease the number of students leaving by offering the customer service that will help a student find the best fit within USM rather than risk losing a student to a higher-cost option out of state.

USM institutions remain first-choice institutions by:

- Redesigning academic programs to ensure competitiveness
- Developing the right program mix with popular programs
- Increasing early admission offers with competitive financial aid packages

Our institutions are also developing better relationships with prospective students that will decrease the "melt" from students deciding to end the college career in the summer before it begins in the fall.

Decreasing the "melt" includes:

- More summer bridge programs that engage students and help prepare them for immediate college credit bearing courses
- Piloting adaptive learning techniques in on-line courses to better prepare and engage students
- Promote early completion of the FAFSA for those in financial need so students have quicker decisions on financial aid

More students staying in Maryland is better for the student because of a lower-cost pathway and it is better for the state because the educated adult stays local and stays in our workforce.

The other strategy to increase enrollment is retaining the students we already have enrolled. USM retention rates have been improving and we want to move higher from 87% to 90%.

The USM increased retention rates and continues to increase rates by:

- Expanding intrusive advising, and basing needs assessments on predictive analytics
- Expanding successful academic innovations including flipped classrooms, more experiential learning engagements, and exploring additional support systems using online and other technologies
- Improving transparent transfer pathways from 2 to 4-year institutions
- Expanding the use of open educational resources to keep costs to students down (over \$6M already saved) and decreasing financial stop-outs
- Increasing the types of credentials earned in current course content recognized by employers
- Focusing more financial aid on transfer and advanced students to decrease the financial burden and increase completion

USM continues to work with high schools to develop interventions to academically prepare students for college. It is in everyone's interest to decrease remediation because we know these students are more likely to dropout and it increases the time-to-degree for the successful students.

Strategies to reduce remediation:

- Working with community colleges to build alternative math pathways (First in the World grant and MMRI [Maryland Math Reform Initiative]), accelerating students out of developmental math courses and into statistics courses that align with their majors
- Using multiple measures for more appropriate placement, recognizing what students already know, thereby reducing "over remediating" and extra non-credit coursework.
- Working with MSDE on the new Maryland Math Alignment project, better aligning high school math courses with college admissions and success expectations
- BPower initiative that has prepared several hundred students in Baltimore City Public Schools with a College Readiness Course and provided introductory math and English courses via dual enrollment. While the college going rate for BCPS graduates is 43%, the BPower cohorts are enrolling at a rate of 68% in cohorts now in 23 high schools
- ACES program with the Montgomery County Public Schools, Montgomery College and the Universities at Shady Grove. Thousands of students identified early in their high school career are prepared to go to college and ultimately earn a college degree.

Finally, USM is positioned to attract working adults especially through our regional center programs, online at UMGC, or at institutions like the University of Baltimore and Coppin State University. It is critical that working adults complete their credentials. In the future, the USM also expects more working adults will return to the University to retool to meet industry needs.

The USM strategies for working adults are:

- Expanding programs that recruit near completers back to programs
- Increasing online and hybrid offerings that fit into a working student's schedule
- Making course scheduling more flexible and accessible
- Expanding the portfolio of credentials including badges and certificates

This again underscores the importance of developing positive relationships with our prospective students. From the very beginning we want them to find the best fit now and because of this positive experience, they will find the best fit in the future. More is being done. More can be done. We want Marylanders to stay in Maryland and to enroll in USM when they need additional education and certifications.

Page 26 - The Chancellor should comment on programs or initiatives to re-enroll and ensure successful outcomes of those students with SCND (Some College, No Degree).

Students that leave with some college and without a degree are the very students USM wants to retain and represent a strategy for stabilizing enrollment. Based on the analysis presented by the National Student Clearinghouse as presented in the Higher Education Overview, the USM identified about 40,000 students since FY 2014 that exited the university with two years of college completed. About half of these are our adult-learner population at UMGC. As mentioned, the various strategies for these students involve course scheduling and expanding the earned credentials in course work, so that they can be successful as they progress.

The USM also found that about 30% of the 40,000 exited with a cumulative GPA below 2.00 and we suspect that many in the NSC analyses are also students with lower outcomes. While not insurmountable, the options are limited for these students. With the right advising, our institutions can work with students to find pathways to credentials and badges based on the credits earned.

On a positive note, almost 25% of this group (nearly 9,000) earned a degree outside of USM. Although we would prefer to be their first choice, they clearly found success and the right fit elsewhere. This rate was much higher rate than cited in the article. In the future, we hope their experience was positive and they return for an advanced degree or additional credentials.

Of the remaining 30,000 students without a credential, thousands (some with lower GPA) continued to re-enroll outside of the USM and Maryland. This gives USM a more narrowed focus point. Our outreach to these students includes:

- Expanding industry-relevant programs that recruit near-completers
- Advertising online and hybrid courses and programs that fit into the working student's schedule
- Offering courses in more locations and at better times
- Expanding the credentials including badges and certificates earned that includes completed course work



formerly College Savings Plans of Maryland

Maryland 529
Fiscal Year 2021 Operating Budget
Response to Department of Legislative Services Budget Analysis

Senate Budget & Taxation Committee
Senate Education, Business and Administration Subcommittee
Senator Zucker
January 23, 2020

House Appropriations Committee
Delegate McIntosh
January 24, 2020

Good afternoon, Chairman and Subcommittee members. I am Erin Layton and as the Executive Director for Maryland 529 (MD529), it is my pleasure to be here this afternoon to discuss MD 529's FY 2021 budget. I would like to thank Ian Klein for his analysis of the State Contribution Program. Since the Agency's inception in 1998 our goal has been to help make saving for higher educational possible for Maryland families. We have made many significant strides toward that goal through the Senator Edward J. Kasemeyer Maryland College Investment Plan (MCIP) and the Senator Edward J. Kasemeyer Maryland Prepaid College Trust (MPCT). In 2016, we were excited to take on the added mission of helping people save for disability-related expenses with the Maryland ABLE Program (ABLE). At present we have approximately \$8 billion in assets under management.

In 2017, MD529 launched the Save for College State Contribution Program which was the result of the College Affordability Act of 2016. This program established a State contribution into the MCIP accounts of income-eligible families who opened new accounts, filed an application and made a minimum contribution. During its first year of launch, almost 2,000 families were able to take advantage of this program and began saving for future college expenses with the State-funded \$250 contribution into their MCIP account. At the end of 2017, federal tax reform

expanded the allowed expenses under 529 programs and MCIP account holders can now use their funds for K-12 tuition, up to a \$10,000 annual limit. Then, during the 2018 General Assembly session, the State match was changed to be either \$250 or \$500 based on the income levels of applicants.

The Program saw a dramatic increase in participation its second year; most likely the result of a combination of factors including increased marketing, increased State contribution from \$250 to \$500 for certain applicants, and the growth of the applicant pool. The State contribution is only available for new accounts opened after December 31, 2016. The first application period (in 2017) for the Program reflected six months of new accounts, while the 2018 application period included new accounts from an 18-month window.

In 2019, the program's third year, it continued to experience tremendous growth and trends were beginning to emerge. Participants were continuing to contribute to their accounts even after receiving the match and they were doing so in large quantities. They were also reapplying the next year as they continued to save. As of September 30, 2019, we note that the first program applicants from 2017 received state contributions of \$473,000. Those same applicants contributed an additional \$3.3 million dollars into their MCIP savings accounts over and above the required amount of \$182,000. The 2018 applicant pool saw similar results also as of September 30, 2019. The 2018 cohort received \$6.3 million in contributions and they added \$9.7 million to their MCIP accounts over and above the \$1.2 million required. I believe that we can confidently say the program is accomplishing its mission and that is to encourage people to save for educational expenses.

Analyst's Recommended Action: The executive director should comment on whether the agency has correctly interpreted the State funding match law by allowing a single beneficiary to potentially receive multiple funding matches if several accounts are opened for that individual beneficiary.

Agency Response: Maryland 529 has received advice from its Assistant Attorney's General as to its interpretation of Section 18-19A-04.1 of the Education Article. On advice of counsel, the

agency's understanding is that a single beneficiary is able to receive multiple contributions from the State.

As the statute is currently written, the program describes circumstances under which a State contribution will be applied to an investment account. Each investment account with the MCIP has one account holder and one beneficiary. While the contribution itself is linked to an investment account, the criteria for qualifying for the State contribution, outside of its opening date, fall on the account holder or beneficiary. There are five qualifying criteria:

1. The MCIP account must have been opened after December 31, 2016. Md. Code Ann., Educ. § 18-19A-04.1(a)
2. The beneficiary must be a Maryland resident. Md. Code Ann., Educ. § 18-19A-04.1(a)(1)
3. The account holder must submit an application between January 1 and June 1 of each year. Md. Code Ann., Educ. § 18-19A-04.1(a)(2)
4. The MCIP account holder must meet certain taxable income requirements (that can be verified by the Comptroller's Office). Md. Code Ann., Educ. § 18-19A-04.1(a)(3)
5. The account holder must make the minimum contribution amount to their account, based on their income level, no later than November 1st. Md. Code Ann., Educ. § 18-19A-04.1(c)(1-3)

Subsection (c) of the program's enabling legislation explains the contribution required for each account holder, based on their income level, and explains how much funding the State will provide in return. For example, the statute provides that

(c)(1) For an account holder with Maryland taxable income of less than \$50,000 for an individual or \$75,000 for a married couple filing a joint return who contributes at least \$25 per beneficiary during the contribution period in subsection (e) of this section, the State shall provide an additional \$500 per beneficiary. Md. Code Ann., Educ. § 18-19A-04.1(c)(1) (emphasis added).

The State contribution is limited to one State contribution per account holder-beneficiary combination. There is no limitation on the number of people who can open an MCIP account for a single beneficiary. Thus, there is no limit, currently, in the State Contribution Program for a

beneficiary to receive only one contribution. For example, mom, dad, grandma and grandpapa can all open an account for Suzy (as the beneficiary), and that would be within the MCIP and State Contribution Program statutory criteria.

Neither the MCIP nor the State Contribution Program restricts eligibility on the basis of age of a beneficiary, number of contributions received by an account holder or a beneficiary (only per combination thereof), familial tie between account holder and beneficiary, residency of the account holder, or usage of funds (although certain federal and State tax penalties are applicable if distributions are not used for qualified higher education expenses).

Looking backwards for potential impact to the Program, we can see from the chart below what the state contribution amounts would have been if the one-contribution-per-beneficiary “rule” had been applicable.

	Actual MD Contribution	If 1- Beneficiary Rule had Applied	Difference
2017	\$473,000	\$441,750	\$31,250
2018	\$6,326,000	\$4,325,500	\$2,000,500
2019	\$10,067,500	\$6,234,000	\$3,833,500
Program-to-Date Total	\$16,866,500	\$11,001,250	\$5,865,250

MD529 stands ready to implement any and all changes that the Legislators think are necessary to the State Contribution Program.

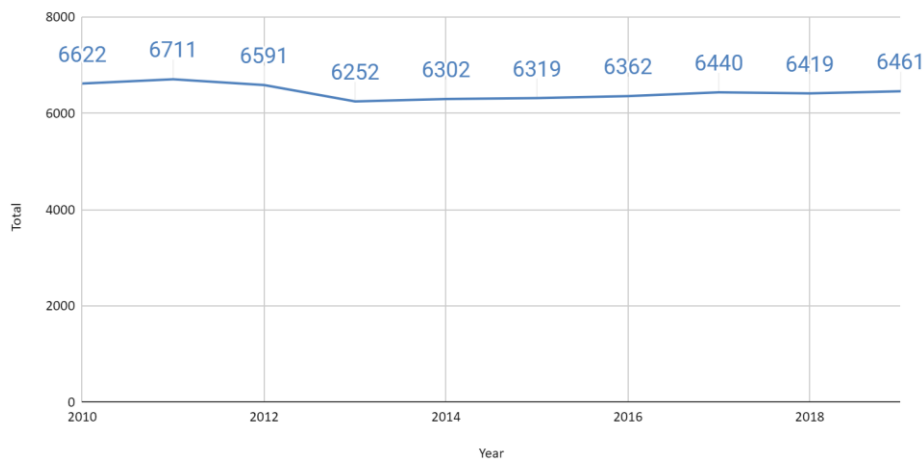


ISSUES

Comment 1 (Page 20): *The Chancellor, presidents of SMCM and MSU, MICUA, and the Maryland Association of Community Colleges (MACC) should comment on factors contributing to the decline in enrollment. Further, with the projected decline in high school graduates, they should also comment on efforts that will be taken to stabilize/grow enrollment.*

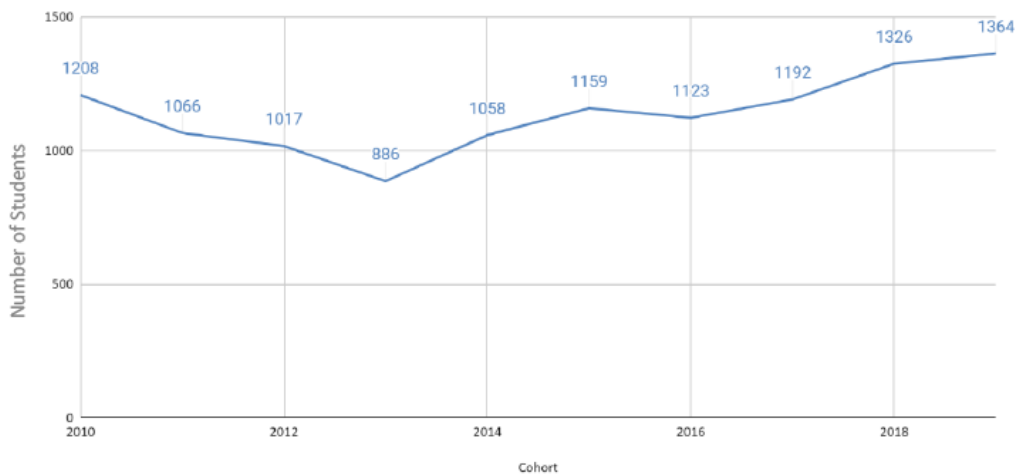
Response: Morgan State University's headcount enrollment has been stable over the past few years. While headcount undergraduate enrollment has declined 3.7% from its height in 2011 (6711), enrollment has rebounded and stabilized from the significant decline in 2013 (6252), which was caused by a tightening of Parent Plus loan criteria and reduction in the time students could receive Pell grants. Fall 2019 headcount enrollment is up .65% over Fall 2018, and up .32% over Fall 2017.

Total Undergraduate Headcount Enrollment by Year



Morgan's first-time, full-time freshman numbers have similarly rebounded and stabilized since the 2013 downturn. Fall 2019 new freshman numbers increased by 2.9% over Fall 2018 and are 14% higher than Fall 2017 numbers.

Headcount Enrollment of First-Time, Full-time Freshmen



Headcount enrollment has not necessarily grown proportionate with the new freshman increases because the University’s graduation rate has been increasing as well. For example, our 2013 freshman cohort has 886 students. Their five-year graduation rate as of FY 2018 was 38% versus 30% for the 2012 cohort, an additional 70 students who graduated in four or five years, many of whom would have otherwise returned to the University in FY 19 to continue working on their degree. To account for these increases in student success rates and to account for the general enrollment challenges experienced by all sectors of higher education across the country, the University is continually enhancing and diversifying its efforts to bring in new students as well as our efforts to reclaim stopped-out students.

Challenges the University faces in continuing to grow enrollment include demographic realities outlined in current and past reports by DLS, MHEC, Western Interstate Commission for Higher Education (WICHE) and others, including sluggish growth of high school completers in the state, projected decreases in the size of high school graduating classes in the next few years, a decline in the number of high school completers who go directly to college, and changes in the demographics of public high school graduates. Other challenges include the national discourse questioning the value of higher education, the ever-increasing cost of attending college, and skyrocketing student loan debt.

Morgan has taken numerous efforts to stabilize and grow enrollment in the face of these challenges. The University completed its 2019-2025 Strategic Enrollment Management Plan (EM Plan) in spring 2019. The EM Plan lays out five focus areas (competitive financial aid packages; attractive academic programs; strategic recruitment initiatives; enhancing student life and student support; and increasing retention and graduation rates). Within each of the five focus areas are multiple strategies that will be deployed to accomplish the enrollment goals. The enrollment goals are 1) to grow headcount enrollment from 7712 in Fall 2018 to 10,000 in Fall 2025 (30% increase); 2) to increase the first-to-second year retention rate from 72% to 80% by Fall 2025 (2024 cohort); and 3) to increase the six-year graduation rate from 39% to 50% by Spring 2025 (2019 cohort). The Enrollment Management Plan Working Group meets monthly, and is responsible for liaising with those responsible for implementing the strategies identified, tracking and reporting on progress to goals, revising the plan as needed, and advocating for the resources necessary to accomplish the goals of the 2019-2025 Strategic Enrollment Management Plan. The University has also developed a robust enrollment projection model that will allow us to track progress on all enrollment metrics, including, but not

limited to admits and enrollment by program and accounting for attrition and graduation, and to more readily adjust goals and strategies based on admit, yield, retention and graduation data.

New initiatives to expand in-person enrollment include the implementation of a financial aid optimization model for the fall 2020 entering class; engaging the academic Schools and departments more closely in recruitment; and the recent implementation of a parent portal that will facilitate communication with parents for recruitment and retention purposes.

Over the past few years, the University has strategically added several new divisions to ensure that we diversify our recruitment base and student population. The Division of Enrollment Management and Student Success provides strategic leadership, vision, direction and guidance for the University’s recruitment, retention, degree completion and student success efforts. The Division of Academic Outreach and Engagement is charged with developing a robust online, and an Evening and Weekend Division, both of which will cater primarily to non-traditional and adult students, including near completers. The Division of International Affairs leads the University’s global engagement initiatives, including international recruitment and partnerships. The University’s international and domestic out-of-state recruitment have been critical to its stable enrollment over the past few years.

Enrollment Trend of Maryland and Non-Maryland First-time Full-time Degree-seeking Undergraduate Students at Morgan State University Fall 2010 to 2019

Cohort	Maryland	Non-Maryland	% Maryland
2010	821	387	68%
2011	738	328	69%
2012	722	295	71%
2013	588	298	66%
2014	749	309	71%
2015	758	401	65%
2016	670	453	60%
2017	765	427	64%
2018	850	476	64%
2019	800	564	59%

Comment 2 (Page 27): *The Chancellor, presidents of SMCM and MSU, MICUA, and MACC should comment on programs or initiatives to re-enroll and ensure successful outcomes of those students with SCND.*

Response: Morgan State University is a front-runner in terms of Near Completer programs in the state. Morgan’s Reclamation Initiative was started in 2011, targeting stopped-out students who had entered the University as first-time, full-time students, had earned 90 or more credits with a minimum cumulative GPA of 2.0, and were still within their six-year graduation window. Fifty thousand dollars a year is allocated to assist those with financial need. In its first year, the program helped the University increase its six-year graduation rate by more than a percentage point. By identifying students who are in good academic standing but are no longer enrolled, Morgan increased

the 2005 cohort graduation rate of 28.9% to 30.2% for the 2006 cohort. During the program's nine years, more than 185 students have met the criteria and have been invited to return; more than 95 of them have re-enrolled. The University is a two-time recipient of the MHEC One Step Away Grant for near completers, and used the funds to expand the financial resources to students and to implement degree-planning software to assist students and advisors in knowing what courses they still needed to complete to graduate. The University also sent a list of 688 eligible students to MHEC in June 2019 as part of MHEC's Near Completer outreach program.

Additionally, the University has also engaged a vendor, ReUp, to conduct outreach and coaching to stopped-out students. ReUp has emailed and/or texted over 1500 former Morgan students and displayed over 9,000 ad impressions on social media since our partnership began in October 2018. As of November 2019, 228 students had expressed interest and 32 students had actually re-enrolled as a result.

As a result of the recent National Student Clearinghouse Research Center report, President Wilson began a discussion with his Cabinet about a new initiative to support the state's 55% college completion goal. At the President's Cabinet meeting on January 14, 2020, the Cabinet committed to developing a new program named "Morgan Completes You." The Provost, Vice President for Academic Outreach and Engagement and the Vice President for Enrollment Management and Student Success are leading the planning of the program, which will take an innovative, highly student-centric approach to facilitating degree completion among the more than half-million students whose last enrollment was at a Maryland institution. "Morgan Completes You" will be a centerpiece of the University's new Evening and Weekend Division, which is anticipated to launch in the next academic year. Catering to the needs of adult and non-traditional students, the Evening and Weekend Division will target students with some college credits under their belt by offering flexible degree programs to facilitate the efficient degree completion of adult and non-traditional students. The University's Applied Liberal Studies (ALS) program that was approved by MHEC in Spring 2017, is one example of the type of flexible degree programs anticipated being offered by Morgan. The ALS program has shown impressive results; as of Spring 2019, 86 students have been awarded degrees in ALS and as of Fall 2019, 161 students are enrolled in the program.

Recommendation 1 (Page 39): Adopt narrative requesting a report on faculty workload.

Response: The University agrees to provide the requested report.