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MHEC
Creating a state of achievement

Maryland Higher Education Commission
Fiscal 2022 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 18, 2021

Operating Budget Recommended Actions

1. 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 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 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, 2021

MHEC response: MHEC concurs with the Recommended Action.

2. 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 2020 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, 2021

MHEC response: MHEC concurs with this recommended action.

3. Adopt the following narrative

Report on Validity of Remedial Assessment Tools: In its research to determine what impact remediation had on the success of students attending Maryland's public institutions, the Maryland Higher Education Commission (MHEC) found a quarter of those at the four-year institutions and nearly a fifth of the community college students assessed as needing remedial work did not take a developmental course. Rather, these students went straight into, and successfully completed, a credit bearing course. This raises questions of how many students who were assessed as needing remedial work unnecessarily took a developmental course, which does not count towards a degree, resulting in increasing the time and cost of a degree. The budget committees are concerned that the tests used to assess students may not provide an accurate indication of a student's ability to succeed in a credit bearing course and requests MHEC, in collaboration with the Maryland Association of Community Colleges, the University System of Maryland, and Morgan State University, examine the validity of the remedial assessment tools used by the institutions and evaluate other methods or tools that more accurately assess a student's readiness to take and succeed in entry-level credit bearing courses. The report should be submitted by December 15, 2021.

Information Request	**Author**	**Due Date**
Report on validity of remedial assessment tools	MHEC	December 15, 2021

MHEC Response: MHEC respectfully disagrees with this recommendation.

Requiring MHEC to conduct a validity study of the remedial assessment tools used by the institutions would require extensive resources and time, and MHEC would need to consider additional variables not otherwise collected. For example, MHEC would need to know the assessment tool used (e.g., Accuplacer, SAT scores, GPA, etc.) and the raw score on that assessment; MHEC does not currently collect this level of information. It would take at least 12 to 24 months to begin collecting that data regularly as part of a standard existing collection. If MHEC were to collect these data as a one-off collection for the purposes of studying remedial assessments specifically, it would still take at least 6 to 12 months to both fully implement a collection plan (layout, definitions, FAQs, etc.) and receive the data from the institutions.

Additionally, there are confounds to a validation study that would need to be addressed; if not addressed, they risk diluting the impact of the study. Examples of these confounding variables include remedial courses that are offered as co-requisite (as opposed to a pre-requisite), any variability in curriculum or assessment in the applicable credit-bearing course (within an institution and between institutions), availability of less formal resources such as tutoring or peer supports, or the age of the student (i.e., recent high school graduate v. returning adult).

Last, distinguishing between community colleges – as open access institutions – and public 4-years will be important. Not all public 4-year institutions implement official remedial courses (in the way an open-access institution might) but instead may identify students needing additional supports in a different way and provide those supports accordingly. At these institutions, these students needing additional support are not currently distinguished in the data, so there could be no analysis completed on the interventions targets to these students.

Alternatively, MHEC is aware that some (if not all) campuses have conducted their own internal validity studies to identify assessment tools most effective in identifying students needing remediation. MHEC could collect relevant information related to those campus-based validity studies, along with other empirical reviews of remediation assessments, and provide a summative report.

The following are research questions MHEC already anticipates studying:

1. What are the first year outcomes (GPA, credit accumulation) for the three student groups of Part 4 of the cited remediation study (i.e., college ready, those who needed remedial courses and took them, and those who required remedial courses and did not take them)? This would be Part 5 and would be completed in 2021.

2. What are the long-term effects of remediation on year to year persistence and completion? How do these outcomes differ compared to those students from a cohort considered "college ready?" This is expected to be part 6 of the series; due to the cohort year (2017), MHEC would have to wait until at least 2022 or beyond to begin to capture completion and completion-related outcomes.

The following are similar questions that MHEC may be able to study:

1. What are the short-term college outcomes of recent high school graduates? Are there differences in outcomes in those students considered "college ready" versus those identified as needing remediation? To answer these questions, MHEC would need to coordinate with MLDS.

2. Do students are identified as needing remediation "catch up" to their college ready peers in course taking, course completion, persistence and graduation?

3. What are the effects of completing gateway courses on time to degree of remedial students?

MHEC is working to expand the relevant remedial data variables (pilot implementation in FY 2021 with full implementation in FY 2022). These improvements will give MHEC visibility into students who enroll in and complete (or not) co-requisite remedial courses and prerequisite remedial courses. With these improvements, MHEC could study the following question:

1. Are there differences in short- and long-term outcomes for remedial students who enrolled in and completed co-requisite remedial courses and those who took prerequisite remedial courses? What are the causal effects of placement into co-requisite remediation courses compared to those students placed into prerequisite remedial courses?

Some of these questions would require sophisticated research methods such as regression discontinuity and difference-in-regression-discontinuity designs and could take 12 to 16 months to complete due to rigor of analysis.

Maryland529

formerly College Savings Plans of Maryland

Testimony of Erin Layton, Executive Director

Before the

House Education and Economic Development Subcommittee
Senate Education, Business, and Administration Subcommittee

February 18, 2021

Good afternoon, Mr. Chairman and Subcommittee members. As the Executive Director for Maryland 529 (MD529), it is my pleasure to be here this afternoon to discuss MD 529's FY 2022 budget. I would like to thank Ian Klein for his partnership and analysis of our budget and the issues surrounding it. Since our inception in 1998 with the launch of the Maryland Prepaid College Trust ("MPCT"), our goal has been to help make college more affordable for Maryland families. We have made many significant strides toward that goal through our two college savings programs, the Maryland College Investment Plan ("MCIP") and the Prepaid College Trust. In 2017 we added a disability savings program, Maryland ABLE, which allows individuals with disabilities to save money and pay for qualified disability-related expenses without jeopardizing State or federal means-tested benefits such as SSI or Medicaid. At present we have over $9 billion in assets under management across all three programs.

This past year MD529, like everyone else, had to pivot its operations; the pandemic has tested us in ways that were unimaginable. Despite these challenging times, we have continued with our planned improvements and enhancements such as a hiring a new Program Manager for the MPCT and improving the account holder experience to allow for electronic distributions (to be rolled out later this year) across all three Programs. We take feedback from account holders very seriously and are constantly evaluating our programs, our offerings and operations and then establishing timelines to make improvements. The foundation and driver for all of our changes has been to modernize the account holder experience from beginning to end.

2020 was a banner year for the Agency where we reached all-time asset highs in every program. The Save4College State Contribution Program ("the Program"), which encourages new MCIP account holders, who are low- and middle-income Marylanders, by contributing funds to their account after they make a minimum contribution amount themselves. Since its beginning in 2017, the Program has seen dramatic increases in participation every year and 2020 resulted in the largest applicant pool yet.

Analyst's Recommended Action: The executive director should comment on the impact that these proposed legislative actions would have on the State award matching program.

Agency Response: The Save4College program has been extremely successful. The Program has encouraged more low- and middle-income Marylanders to open accounts and has produced impressive results where people begin to save and then continue to add to those accounts above the initial required contribution amount. Unfortunately, a few people have used this Program, and its generous contributions, in a shocking manner. The Program and its funding became the topic of discussion for the Financial Education and Capability Commission work group in 2019 and 2020. The largest impact to the Program, passed by the General Assembly last year and effective in this calendar year, limits a beneficiary to receiving two contributions per year. Adding to that change, this year SB779 and HB 1238 look to include additional requirements for an account holder to be eligible for the State Contribution, including (1) requiring Maryland residency for both the account holder and the beneficiary (previously it was just the beneficiary), (2) requiring the beneficiary to be under the age of 26 (previously there was no limit), (3) creating a lifetime max of $9,000 that an account holder may receive (previously there was no limit), and (4) using an account holder's adjusted gross income to determine eligibility (previously it was their Maryland taxable income).

We used the 2020 application period as a proxy and overlaid these new requirements to estimate the impact to the funding request. Limiting the age of a beneficiary to 26 or younger would have the largest potential impact with an approximate $1.5 million reduction, followed by the account holder lifetime max with an impact of a $1.2 million reduction and finally the Maryland residency requirement of just over a $300,000 reduction. We were not able to quantify the impact of changing to adjusted gross income from net income at this time. These four new requirements, we estimate, could reduce the total funding request by approximately $3 million dollars.

One of the biggest barriers to opening a college savings account within the lower income population is establishing trust. Trust in the program, trust in the operations, trust in the intent of the Program, and trust in the longevity of money being available to those who participate. While we believe the proposed changes, combined with the two contributions per year, per beneficiary limit, will significantly reduce the request for Program funding, we also believe they will protect the intent of the Program and allow the Agency to continue to focus on low- and middle-income savers.

The Program is unique and its success stands out among others across the country. Maryland 529 is proud to support the administration and growth of the Save4College State Contribution Program.