

MARYLAND HIGHER EDUCATION COMMISSION

MEETING BOOKLET

Time: 10:00 AM – 1:00 PM
Wednesday, October 23, 2024

Place: Video Teleconference

Maryland Higher Education Commission

Catherine J. “Cassie” Motz, Chair

Chike Aguh, Vice Chair

Kathleen Bands, Ph.D.

Mickey L. Burnim, Ph.D.

Charlene Mickens Dukes, Ed.D.

Barbara Kerr Howe

Ray Serrano, Ph.D.

Rebecca Taber Staehelin

Sheila D. Thompson, Ph.D.

Craig A. Williams, Ph.D.

Janet E. Wormack, Ed.D.

Praise Alayode, Student Commissioner

Sanjay Rai, Ph.D.
Secretary

Wes Moore
Governor

Aruna Miller
Lt. Governor



Wes Moore
Governor

Aruna Miller
Lt. Governor

Cassie Motz
Chair

Sanjay Rai, Ph.D.
Secretary

Maryland Higher Education Commission Meeting Agenda

TIME: 10:00 a.m.
Wednesday
October 23, 2024

PLACE: Virtual
(via Google Meet video teleconference)

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• August 28, 2024		
• September 18, 2024		
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Office of Finance Policy – Mr. Geoffrey Newman		
• FY 2026 Higher Education State Operating Budget Recommendations – Mr. Geoffrey Newman.....	10	*
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Adjournment

**The next Commission meeting will be on Wednesday, November 20, 2024 @ 10 a.m.*

Maryland Higher Education Commission
Meeting Minutes

August 28, 2024
10:00 a.m.

The Maryland Higher Education Commission (MHEC) met on Wednesday, August 28, 2024 in the 7th floor boardroom in the Nancy S. Grasmick State Education Building (200 West Baltimore Street, Baltimore, MD 21201). The meeting was also livestreamed (and recorded), and some Commissioners joined virtually.

Commission members present:

Catherine J. “Cassie” Motz, Chair	Ray Serrano, Ph.D.
Chike Aguh, Vice Chair	Rebecca Taber Staehelin
Kathleen Bands, Ph.D.	Sheila D. Thompson, Ph.D.
Mickey L. Burnim, Ph.D.	Craig A. Williams, Ph.D.
Charlene Mickens Dukes, Ed.D.	Janet E. Wormack, Ed.D.
Barbara Kerr Howe	Praise Alayode, Student Commissioner

Staff members present:

Sanjay Rai, Ph.D.	Emily A. A. Dow, Ph.D.
Geoffrey Newman	Soma Kedia
Anthony Reiner	Kimberly Smith Ward
Derrick Coley	Everette Jackson
Trish Gordon McCown	Deborah Ing
Alexandra Chaillou, Ph.D.	Donita Moore
Lyndsay Silva, D.P.A.	Al Dorsett

Call to Order

The meeting was called to order by **Chair Motz** at approximately 10:00 a.m. A meeting quorum was established with eight (8) out of twelve (12) members present. The remaining four (4) Commissioners joined later in the meeting.

Chair’s Remarks

Chair Motz welcomed and thanked everyone for attending today’s meeting. She noted that today’s agenda was very full.

Secretary’s Remarks

Secretary Rai welcomed Student Commissioner Praise Alayode to her first in-person Commission meeting. He then gave an overview of the meeting agenda and shared about some

of the accomplishments of MHEC over the past year. From May 2023 through July 2024, 172 new academic programs were approved. Additionally, the Office of Student Financial Assistance has awarded \$112 million to 14,465 students. There have been many partnerships formed as well with prominent national organizations, like Lumina Foundation and ESG (Education Strategy Group). Notably, MHEC is currently developing new 2030 completion goals, which will be announced at our Student Success Summit in November.

Public Comments

There were no public comments.

Commission Meeting Minutes Approval

Vice Chair Aguh made a motion to approve the meeting minutes of May 22, 2024, and **Commissioner Wormack** seconded the motion. The motion was approved unanimously.

Vice Chair Aguh made a motion to approve the meeting minutes of June 26, 2024, and **Commissioner Alayode** seconded the motion. The motion was approved unanimously.

Department of Academic Affairs – FY 2024 Biannual Report on VA Education Benefits: MD SAA Actions for October 1, 2023 – March 31, 2024 – Information Item

Chair Motz recognized Dr. Emily Dow, Assistant Secretary for Academic Affairs, who asked Ms. Trish Gordon McCown, Director of Academic Affairs, and Mr. Everette Jackson, Associate Director of Veterans Affairs/State Approving Agency, to present this item. Ms. McCown and Mr. Jackson provided an overview of the Maryland State Approving Agency's actions concerning program actions, other actions, risk-based surveys, supervisory visits, inspection visits, technical assistance activities, and liaison activities.

Department of Academic Affairs – Biannual Report on Private Career Schools: Actions for January 1, 2024 – June 30, 2024 – Information Item

Ms. McCown and Mrs. Donita Moore, Interim Associate Director of Career and Workforce Education, provided an overview of actions concerning five (5) new schools, five (5) new programs, approvals of change of location, an approval of name change, approvals of change of ownership, an approval of change of director, other business approval, certificate renewals, and training provider questionnaires.

Department of Academic Affairs – Report on Institutions of Higher Education Institution Review: Secretary Actions for January 1, 2024 – June 30, 2024 – Information Item

Ms. McCown and Dr. Alexandra Chaillou, Associate Director of Institution Review, provided an overview of actions concerning an in-state institution action, out-of-state institution actions, out-of-state online registration actions, NC-SARA actions, religious exempt actions, collegiate complaints, a Title IX reimbursement, and institutional site visits.

Department of Academic Affairs – Report on Institutions of Higher Education Program Review: Secretary Actions for January 1, 2024 – June 30, 2024 – Information Item

Ms. McCown and Dr. Lyndsay Silva, Associate Director of Program Review, provided an overview of actions concerning new degree programs, new certificate programs, new areas of concentration, substantial modifications to existing programs, non-substantial modifications to existing programs, withdrawn proposals, and institutional program partnerships.

Department of Academic Affairs – Proposed Regulatory Amendments – COMAR 13B.02.03: Academic Program Review – Standards for Substantial Modification – Action Item

Chair Motz recognized Dr. Dow to present this item. At the July 24, 2024 Commission meeting, Commissioners were presented with a draft of changes to the standard for substantial modification under the academic program review process. The proposed regulatory amendments would:

- Increase the threshold from 33 percent to 50 percent (change to an existing program’s course work;
- Except from review any changes required by accreditors, licensing boards, or other state or national entity that governs academic program elements required to enter into a particular field or industry;
- Eliminate the requirement to submit the same information required in a new program proposal as a proposal for a substantial change; and
- Remove text that was outdated or confusing.

The second item represents the only change to the draft presented to the Commission on July 24, 2024. There was some discussion by the Commissioners and questions asked about Dr. Dow’s presentation.

Dr. Dow recommended that the Commission:

- (1) Approves for publication in the Maryland Register the proposed regulatory amendments for the substantial modification standard within academic program review; and
- (2) Authorizes its Assistant Attorney General to make non-substantive edits to the proposed regulations to conform to the stylistic and formatting requirements of AELR (Joint Committee on Administrative, Executive, and Legislative Review) and DSD (Division of State Documents).

Vice Chair Aguh motioned to approve the first recommendation and **Commissioner Burnim** seconded the motion. The motion was approved unanimously. **Vice Chair Aguh** motioned to approve the second recommendation and **Commissioner Dukes** seconded the motion. The motion was approved unanimously.

Department of Academic Affairs – Draft Appendix on Statewide Needs Analysis for Commissioner Review – Information Item

Chair Motz recognized Dr. Dow to present this item. Dr. Dow introduced Mr. Michael Siers, Chief Economist with the Maryland Department of Labor, who will offer his expertise on the subject matter. In the 2024 legislative session, the General Assembly passed HB 1244, which requires the Maryland Department of Labor, the Maryland Department of Commerce, and MHEC to collectively define, identify, and compile data regarding the workforce needs in the State.

As a result of this collaboration, MHEC is expected to publish an annual appendix to the Higher Education State Plan that identifies (a) the current and emerging state and regional workforce needs and (b) any specific academic programs institutions could develop to fulfill or support the identified needs. MHEC, Labor, and Commerce have had initial discussions to develop this work.

Representatives from the 3 agencies will continue to collaborate to develop four lists for inclusion in the appendix to the Higher Education State Plan:

- a. A list of state and regional workforce needs;
- b. A list of academic programs that would address the state and regional workforce need;
- c. A list of emerging workforce needs; and
- d. A list of “emerging workforce need programs.”

It is hoped that draft lists will be available for the Commission’s review and approval at the September meeting, so that it can then be circulated to the larger higher education community and other relevant partners (e.g., licensing boards) for review and feedback. These organizations will be given an opportunity to provide supplemental data to inform inclusion or exclusion on the final list.

Once we have feedback from various partners on the workforce needs list, we will review with Labor and Commerce and propose any final changes at a future Commission meeting. The Commission will need to approve the 4 lists for submission to the Legislative Policy Committee for review and feedback prior final adoption of the lists as an appendix to the Higher Education State Plan.

The Commissioners discussed and asked questions about the presentation.

Department of Academic Affairs – Preview of Unreasonable Duplication Definition – Information Item

Chair Motz recognized Dr. Dow to present this item. In the 2024 legislative session, the General Assembly passed HB 1244, which requires MHEC to adopt regulations with procedures that clearly identify all the specific criteria and factors (e.g., standards) for the analysis of unreasonable duplication and unnecessary duplication.

Currently, MHEC is envisioning a two-step analysis for unreasonable duplication, broken into two broad questions. First, is the academic content between the two programs duplicative? To answer this question, MHEC would use a combination of basic indicators and an analysis of the

curriculum to determine if the proposed program is duplicative to existing programs. If content is determined to be substantially different, then the proposed program is not duplicative and objection analysis stops (i.e., no need to consider reasonableness or harm). If the content is determined to be duplicative, the analysis would move on to the second question: is it unreasonable duplication that would cause harm to the State or students?

Unnecessary duplication standards are being developed in conjunction with the Assistant Attorney General, who is conducting legal research on the relevant standards in order to operationalize them into a step-by-step analysis in the same manner as the unreasonable duplication analysis. MHEC staff expects to present additional updates and draft regulations for the Commission's consideration at future meetings.

The Commissioners discussed and asked questions about the presentation.

Department of Academic Affairs – General Updates – Information Item

Chair Motz recognized Dr. Dow to present this item. Dr. Dow presented updates on the following topics:

- Blueprint Implementation Plan – MHEC submitted its Blueprint Implementation Plan for FY 24-27 on August 15, 2024. MSDE (Maryland State Department of Education) and MHEC also submitted their Joint Implementation Plan to support teacher preparation programs.
- Post-2025 Completion Goals – MHEC has been working with HCM Strategists to identify Maryland's post-2025 goals. A draft will be shared with the Education Policy Committee first, before sharing with the full Commission. There will be an attainment goal, one centered on completion and equity, and one related to research.
- Aspen Transfer Initiative – Dr. Dow reported that a steering committee has been convened of college presidents for the purpose of energizing leadership to prioritize transfer on their campuses. The next step will be to set transfer goals.
- Student Success Summit – MHEC has been talking to several national organizations, many of whom have agreed to speak at the Student Success Summit. At this time, there are 50 registrants from 15 institutions.

Adjournment

Vice Chair Aguh made a motion to adjourn, and **Commissioner Alayode** seconded the motion. The motion was approved unanimously. The meeting adjourned at approximately 12:45 p.m.

Maryland Higher Education Commission
Meeting Minutes

September 18, 2024
10:00 a.m.

The Maryland Higher Education Commission (MHEC) met on Wednesday, September 18, 2024 in the 7th floor boardroom at the Nancy S. Grasmick State Education Building (200 West Baltimore Street, Baltimore, MD 21201). The meeting was also livestreamed (and recorded), and some meeting participants (Commissioners and others with speaking roles) joined virtually.

Commission members present:

Catherine J. “Cassie” Motz, Chair	Ray Serrano, Ph.D.
Chike Aguh, Vice Chair	Sheila D. Thompson, Ph.D.
Kathleen Bands, Ph.D.	Craig A. Williams, Ph.D.
Mickey L. Burnim, Ph.D.	Janet E. Wormack, Ed.D.
Charlene Mickens Dukes, Ed.D.	Praise Alayode, Student Commissioner
Barbara Kerr Howe	

Commission member absent:

Rebecca Taber Staehelin	
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Staff members present:

Sanjay Rai, Ph.D.	Emily A. A. Dow, Ph.D.
Geoffrey Newman	Soma Kedia
Anthony Reiner	Kimberly Smith Ward
Derrick Coley	Al Dorsett
Daniel Schuster	Deborah Ing
Samuel Durai Pandian	Trish Gordon McCown

Call to Order

The meeting was called to order by **Chair Motz** at approximately 10:02 a.m. A meeting quorum was established with eleven (11) out of twelve (12) members present.

Chair’s Remarks

Chair Motz thanked everyone, particularly guests, for attending today’s meeting.

Secretary’s Remarks

Secretary Rai welcomed everyone to the meeting and gave an overview of the agenda.

Public Comments

There were no public comments.

Commission Meeting Minutes Approval

Commissioner Howe made a motion to approve the meeting minutes of July 24, 2024, and **Commissioner Thompson** seconded the motion. The motion was approved unanimously.

Department of Finance and Administration – Operating and Capital Budget Presentations – Information Items

Chair Motz recognized Mr. Geoffrey Newman, Assistant Secretary for Finance and Administration, to introduce this segment of the meeting. He welcomed all the representatives from the various segments of higher education who are here today to present their budget plans for fiscal year 2026. The Commission has a responsibility to review the budgets of all higher education segments. Institutions will also explain how their priorities and budgets align with the State Plan, as well as answer any questions submitted ahead of time by the Commissioners.

Baltimore City Community College

Dr. Debra McCurdy, President, Mr. Aubrey Bascombe, Vice President for Finance and Administration, Mr. Michael Thomas, Vice President for Workforce and Continuing Education, and Ms. Becky Burrell, Vice President for Institutional Effectiveness, presented the Baltimore City Community College Operating and Capital Budget to the Commission. The presentation is available for review.

University System of Maryland

Ms. Ellen Herbst, Senior Vice Chancellor for Administration and Finance, and Dr. Alison Wrynn, Senior Vice Chancellor for Academic and Student Affairs, presented the USM Operating and Capital Budget to the Commission. The presentation is available for review.

St. Mary's College of Maryland

Dr. Katherine Gantz, Vice President for Academic Affairs and Dean of Faculty, Dr. Amir Mohammadi, Interim Vice President for Business & Chief Financial Officer, and Mr. Brandon Engle, Director of Government Affairs, presented the St. Mary's College of Maryland Operating and Capital Budget to the Commission. The presentation is available for review.

Break 12:00 – 12:15 p.m.

Morgan State University

Dr. David Wilson, President, presented the Morgan State University Operating and Capital Budget to the Commission. The presentation is available for review.

Maryland Association of Community Colleges

Dr. Brad Phillips, Executive Director, presented the Maryland Association of Community Colleges Operating and Capital Budget to the Commission. The presentation is available for review.

Break 1:30 – 2:00 p.m.

Maryland Independent College and University Association

Mr. Matthew Power, President, presented the Maryland Independent College and University Association Operating and Capital Budget to the Commission. The presentation is available for review.

Regional Higher Education Centers

Mr. Newman, along with the Center Directors, presented the Regional Higher Education Centers' Operating and Capital Budget to the Commission. The Directors present were Mr. Justin Sayre of the Universities of La Plata and Ms. Marcella Leach of the Eastern Shore Higher Education Center. The presentation is available for review.

Department of Academic Affairs – Update on Workforce Needs Analysis – Information Item

Chair Motz recognized Dr. Emily Dow, MHEC's Assistant Secretary for Academic Affairs, to present this item. In the 2024 legislative session, the General Assembly passed HB 1244, which requires the Maryland Department of Labor, the Maryland Department of Commerce, and MHEC to collectively define, identify, and compile data regarding the workforce needs in the State.

As a result of this collaboration, MHEC is expected to publish an annual appendix to the Higher Education State Plan that identifies (a) the current and emerging state and regional workforce needs and (b) any specific academic programs institutions could develop to fulfill or support the identified needs. MHEC, Labor, and Commerce have had initial discussions to develop this work.

Representatives from the 3 agencies will continue to collaborate to develop four lists for inclusion in the appendix to the Higher Education State Plan:

- a. A list of state and regional workforce needs;
- b. A list of academic programs that would address the workforce need;
- c. A list of emerging workforce needs; and
- d. A list of "emerging workforce need programs."

Next steps include finalizing an initial draft of the 4 lists, circulating the draft lists to relevant community partners for comment, convening the Advisory Council on Workforce Shortage for their input, collecting feedback and revising the lists in collaboration with Labor and Commerce, presenting the revised lists no later than the November Commission meeting for submission to the Legislative Policy Committee, and collecting relevant feedback from the Legislative Policy Committee, revising accordingly, and presenting the final draft of the 2025 Appendix for adoption.

The Commissioners discussed and asked questions about Dr. Dow’s presentation.

Department of Academic Affairs – Update on Mission Statement Review Timeline – Information Item

Chair Motz recognized Dr. Dow to present this item. During the 2024 legislative session, the General Assembly passed HB 1244, which requires the Commission to:

- Develop detailed criteria for the robust review of mission statements of public institutions of higher education, including ensuring the mission of each institution is reflective of the institution’s statutory distinction and clearly defined and distinct from other public institutions.
- Review the mission statement to determine whether the mission statement is consistent with the State Plan for Higher Education.

On July 1, 2026, the 2026 State Plan for Higher Education is to be released. The mission statement reviews are to be completed in the year immediately following the release of the State Plan.

Adjournment

With the agenda completed in its totality, the meeting was adjourned at 3:11 p.m.

Approved by the Commission:

Catherine J. “Cassie” Motz, Chair



Wes Moore
Governor

Aruna Miller
Lt. Governor

Cassie Motz
Chair

Sanjay Rai
Secretary

MEMORANDUM

DATE: October 23, 2024

TO: Maryland Higher Education Commission

FROM: Geoffrey Newman, Assistant Secretary for Finance and Administration
Al Dorsett, Director, Office for Student Financial Assistance
Samuel Durai Pandian, Director, Budget and Administration

SUBJECT: FY 2026 Higher Education State Operating Budget Recommendations

The Maryland Higher Education Commission is charged with submitting to the Governor and the General Assembly a consolidated operating budget for higher education. The consolidated budget is to include a recommendation regarding the appropriate level of funding for higher education in order to achieve the goals established in the Maryland State Plan for Postsecondary Education. According to Section 11-105(i) of the Annotated Code, the Commission may comment only on the funding priority of an institution as a whole and may not recommend against a budget item approved by the University System of Maryland Board of Regents and the Morgan State University Board of Regents unless the item is clearly inconsistent with the Maryland State Plan for Higher Education.

2022 Maryland State Plan for Higher Education

The 2022 Maryland State Plan for Higher Education contains three goals:

1. Student Access - Ensure equitable access to affordable and high-quality postsecondary education for all Maryland residents;
2. Student Success - Promote and implement practices and policies that will ensure student success; and
3. Innovation - Foster innovation in all aspects of Maryland higher education to improve access and student success.

State Higher Education Funding for Fiscal 2025

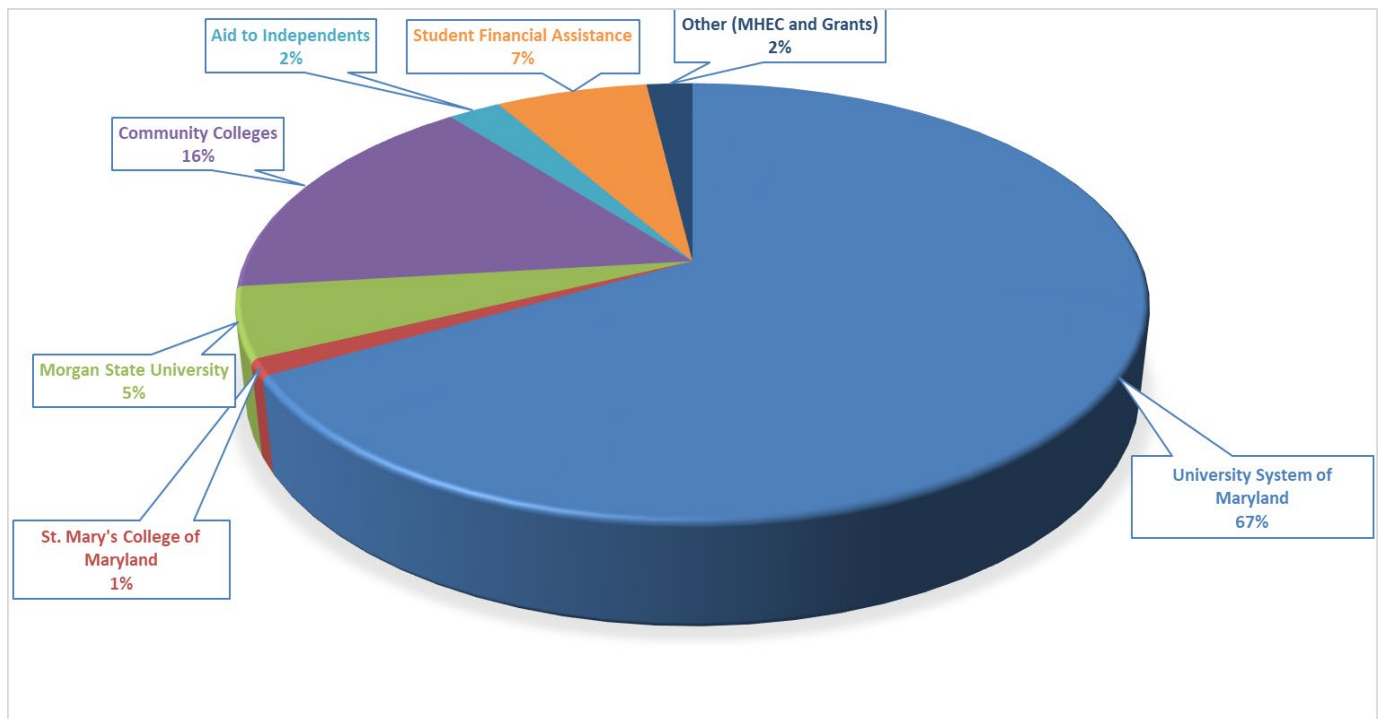
The State provided over \$3.2 billion in State funds to higher education in fiscal 2025. Table 1 provides the level of State funding to each segment as well as a chart showing the allocation of State funds appropriated to each segment. Funding to the public four-year institutions represents 73.2 percent of the funds provided to higher education. Funding to community colleges is 16.2 percent, while funding to nonprofit independent higher education institutions in the Seller program represents 2.2 percent.

State funding for programs of student financial assistance administered by the Office of Student Financial Assistance at MHEC is 6.5 percent of total funding for higher education, while funding for State grants, pass-thru funding, and the administration of the Higher Education Commission is the remaining 2.0 percent of the total.

Table 1:

Maryland Higher Education State Funds - FY 2025		
Segment	State Funds	% of Total
University System of Maryland	\$ 2,159,370,938	66.7%
St. Mary's College of Maryland	39,401,505	1.2%
Morgan State University	167,995,046	5.2%
Community Colleges	523,776,108	16.2%
Aid to Independents	72,594,105	2.2%
Student Financial Assistance	208,942,562	6.5%
Other (MHEC and Grants)	62,991,395	1.9%
Higher Education Total	\$ 3,235,071,659	100.0%

Allocation of State Funds: FY 2024



State Fund Allocations

The University System of Maryland's and Morgan State University's operating budget requests are provided through budget requests from and budget discussions from the fall through December of each year. As shown in Table 1, the University System of Maryland received \$2.2 billion in State funds in FY 2025, and Morgan State University received \$168 million.

State funding to St. Mary's College, community colleges and independent institutions is provided in formulas designated for each segment. In fiscal 2025, St. Mary's College of Maryland received an appropriation of \$39.4 million. The local community colleges received \$475.5 million through Cade Aid, additional grants and retirement funding. Baltimore City Community College received \$48.3 million in support through the State budget. The non-public institutions received \$72.6 million through the Sellinger program.

Financial Aid

The Commission received over \$189 million in general fund and special fund support for student financial assistance in fiscal 2025.

Financial aid applications for Maryland students who completed a Free Application for Federal Student Aid (FAFSA) or Maryland State Financial Aid Application (MSFAA) by the State deadline of March 1 totaled 193,245 in fiscal 2025, a decrease of 7.5% percent (15,737) from fiscal year 2024. However, MHEC continues to receive FAFSA records from the U.S. Department of Education. Due to the passage of Chapter 634 of the 2023 Laws of Maryland (HB923), eligibility requirements for the Guaranteed Access Grant were changed, expanding access to the grant. Additionally, due to several issues related to the 2024-2025 Free Application for Federal Student Aid (FAFSA), MHEC expanded the final deadline to submit the FAFSA to be considered for a Howard P. Rawlings Educational Excellence Award to June 1, 2024.

For fiscal 2025,

- Approximately 20,339 applicants have been awarded a Howard P. Rawlings Educational Excellence Award (EEA) for a total of \$184 million.
- Of the 20,339 applicants awarded, 8,939 have been awarded an Educational Assistance Grant for a total of \$23 million, 11,400 have been awarded the Guaranteed Access Grant for a total of \$161 million.
 - MHEC initially overawards funds based upon projections of percent of declines/cancellations from past three years.
- As of October 8, 2024 –
 - 601 Educational Assistance Grant awards have been declined/cancelled for a total of \$1,060,350 and 2,917 Guaranteed Access Grant award have been declined/cancelled for a total of \$41,183,050.
 - 8,338 renewal students have an active Educational Assistance Grant award for a total of \$21 million and 8,483 students have an active Guaranteed Access Grant award (4,980 initials and 3,503 renewals) for a total amount of \$120 million.

Due to the increased number of applicants eligible for the Guaranteed Access Grant, MHEC worked with the Department of Budget Management and the Governor's Office to transfer \$35 million from the Need Based Student Financial Assistance Fund (NBSFAF) to the Howard P. Rawlings Educational Excellence Awards Program. For fiscal 2025, \$145,240,000 has been budgeted for the Howard P. Rawlings Educational Excellence Awards Program.

As of October 8, 2024 –

- MHEC has awarded all funds.
- MHEC is currently monitoring award data on a weekly basis to identify award declines/cancellations and awarding additional students as funds become available.
- There are 22 GA renewal students and 254 GA initial students on the waitlist ready to be awarded for a total amount of \$5.5 million.
- There are 1,011 EA renewal applicants on the waitlist ready to be awarded for a total amount of \$2.5 million
- No EA initial applicants have been awarded

Promise Scholarship

The Promise Scholarship is a last-dollar scholarship program, awarded to students enrolled at a community college in: a credit-bearing vocational certificate/certificate/associate degree program; a sequence of credit or non-credit courses that leads to licensure or certification; or a registered apprenticeship program; and have unmet tuition after all Federal and State financial aid has been applied. Per legislative changes in Chapter 634 of the 2023 Laws of Maryland (HB923), for fiscal 2025, awarding of the Promise Scholarship has been transitioned directly to Maryland community colleges.

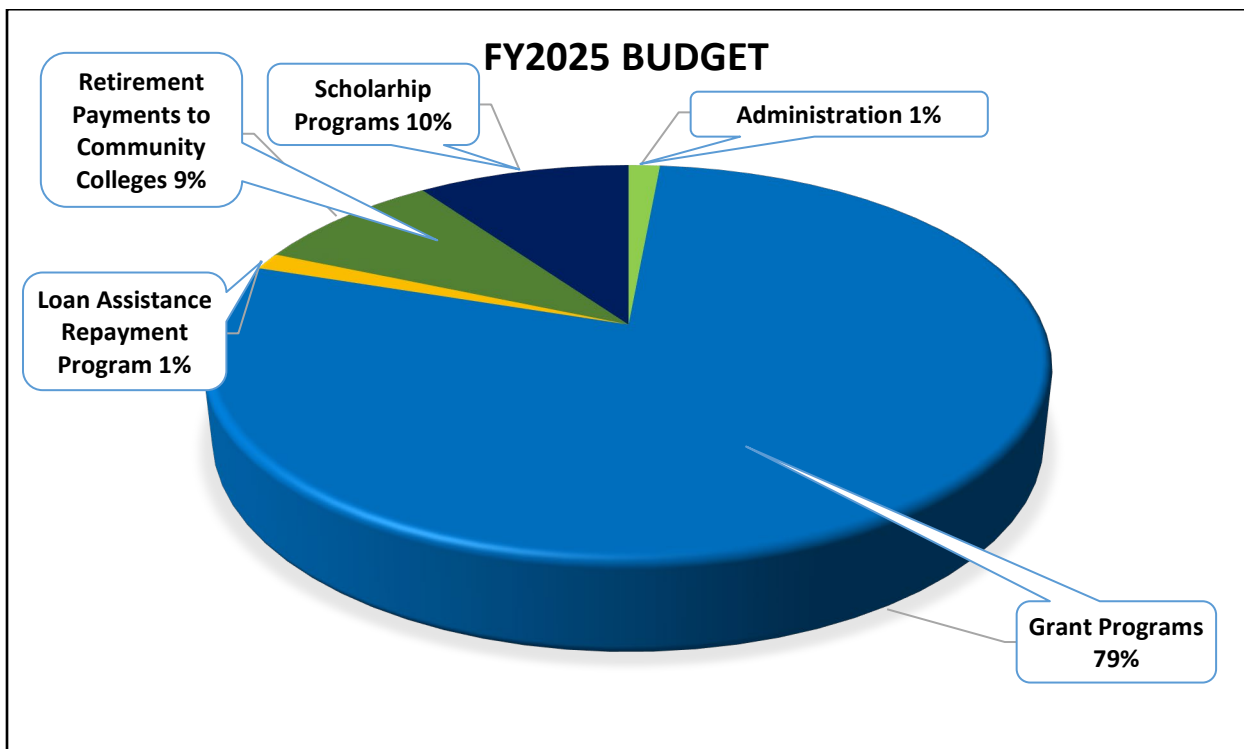
For fiscal 2025, the Commission received 15 million in General Funds for the Maryland Community College Promise Scholarship. Per legislative provisions, funds were allocated to each Maryland community college based upon the percentage of enrolled students who received a Federal Pell Grant. MHEC used Fall 2022 enrollment data and 2023 Federal Pell data to calculate the percentage for each institution. Funds will be provided in two installments, half in the beginning of the year and the remaining half in January. As required by statute, each institution will have the ability to transfer unused funds to another institution. Each institution is required to report expenditure of funds in November and will have the opportunity to decrease the amount of their remaining allocation if needed or request additional funding if it is available. This will allow MHEC to identify which institutions have available funding to transfer and which institutions are requesting additional funds. All institutions are required to submit a final disbursement/payment report at the end of the academic year. Any institution that has not used 100 percent of their annual allocation will be required to return funds to MHEC.

Maryland Higher Education Commission

The Maryland Higher Education Commission (MHEC) received an appropriation of \$7.9 million for its general administration budget in FY 2025. This marks an 8.6 percent decrease from the previous year, necessitated by statewide budget reductions. The majority of the cutbacks impacted formula grant programs, including the Cade Funding Formula for community colleges, the Sellinger Formula for aid to non-public higher education institutions, and various educational grant programs.

Table 2:

Maryland Higher Education Commission's Operating Budget FY2025		
Segment	FY2025 budget	% of total
Administration	11,469,683.00	1%
Grant Programs	626,954,565.00	79%
Loan Assistance Repayment Program	11,095,000.00	1%
Retirement Payments to Community Colleges	69,709,932.00	9%
Scholarship Programs	77,589,929.00	10%
Total FY2025	796,819,109.00	100.00%



The largest share of our budget, about 79 percent, is dedicated to supporting public community colleges and non-public institutions. This includes funding through the Cade Funding Formula, the Sellinger Formula for non-public institutions, and various educational grant programs. These funds aim to enhance academic programs, upgrade campus facilities, and support research initiatives.

Approximately 10 percent of the budget is allocated to student support through scholarship programs, such as Delegate Scholarships, Senatorial Scholarships, Conroy Memorial Scholarships, Cryor Memorial Scholarships, and Promise Scholarships. Additionally, 9 percent of the budget is earmarked for eligible teacher retirement payments and reimbursements for optional retirement costs, while 1 percent is

allocated to Loan Assistance Repayment programs. The remaining 1 percent covers various operational costs, including salaries and benefits for our dedicated staff, technology upgrades, and other administrative expenses.

We recognize that these are challenging economic times, and we are committed to using our resources wisely. We have implemented cost-saving measures across all areas and strive to maintain a lean and efficient operation.

MHEC, like all state agencies, continues to adjust its operations as it incorporates components of the teleworking arrangements that are provided to State employees. When the agency moves to its new offices, MHEC staff continue to work in a hybrid mode – teleworking some days and working in the office on others. MHEC will continue with the MHEC “hoteling” policy, whereby two employees will share one cubicle and alternate days in which they will be in the office and the days that they will telework.

RECOMMENDATION: It is recommended that the Maryland Higher Education Commission adopt that the following funding priorities be used in targeting funding for higher education for Fiscal Year 2026:

- **Funding to support of the Maryland Higher Education Commission General Administration budget as it continues to implement new programs, add new staff, modify existing programs, and examine its operations to increase automation of application and management programs.**
- **Funding to support new and existing programs of student financial assistance and changes to existing programs brought forward by the Governor and General Assembly as well as to support the development of a new financial aid system.**
- **Continued support to formula-funded institutions and segments in line with the appropriations provided to the public four-year colleges and universities in accordance with the calculation methodologies provided in statute to the extent possible.**
- **To the extent possible, provide even funding to each segment of higher education.**

**Maryland Higher Education
State Funds: FY 2022 - 2025**

Program	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Appropriation	% Change FY 2024 - 2025
Bowie State University	50,797,784	62,183,055	63,246,152	66,904,929	5.8%
Coppin State University	47,982,333	56,985,239	59,015,278	60,018,365	4.0%
Frostburg State University	45,259,664	55,047,296	57,922,964	60,739,871	4.9%
Salisbury University	63,903,645	78,645,174	87,163,319	91,869,567	5.4%
Towson University	147,389,273	179,883,214	192,850,951	209,634,345	8.7%
University of Baltimore	45,265,584	60,781,236	58,914,507	59,590,038	1.1%
UM, Baltimore	260,199,753	324,361,990	348,812,911	351,520,487	0.8%
UM Baltimore County	160,916,933	190,913,456	200,728,771	206,930,511	3.1%
UM Center for Environmental Science	22,824,297	26,581,720	27,513,201	28,512,192	3.6%
UM, College Park	596,144,164	735,413,097	785,139,283	815,683,241	3.9%
UM Eastern Shore	47,440,459	57,917,012	63,170,318	71,328,649	12.9%
UM Global Campus	45,611,682	57,317,002	61,929,412	63,104,659	1.9%
USM Office	20,243,991	24,824,089	25,522,481	47,969,325	87.9%
Universities at Shady Grove	22,404,831	29,776,089	30,132,450	25,564,759	-15.2%
USM Total	\$ 1,576,384,393	\$ 1,940,629,669	\$ 2,062,061,998	\$ 2,159,370,938	4.7%
St. Mary's College of Maryland	30,357,032	34,055,611	39,284,840	39,401,515	0.3%
Morgan State University	116,846,437	140,369,790	158,118,880	167,995,046	6.2%
Baltimore City Community College	41,153,753	44,734,265	45,824,713	48,280,224	5.4%
Public Total	\$ 1,764,741,615	\$ 2,159,789,335	\$ 2,305,290,431	\$ 2,415,047,723	4.8%
Maryland Higher Education Commission					
Administration	6,565,279	29,850,104	8,501,023	9,437,936	11.0%
Grants	40,437,122	46,034,879	\$ 62,684,664	\$53,553,459	-14.6%
Student Financial Assistance	137,292,196	167,742,484	183,413,331	208,942,562	13.9%
Aid to Community Colleges	371,522,083	435,344,298	476,347,929	475,495,884	-0.2%
Aid to Independents	88,810,065	118,598,457	137,094,789	72,594,105	-47.0%
MHEC Total	\$ 644,626,745	\$ 797,570,222	\$ 868,041,736	\$ 820,023,946	-5.5%
Higher Education Total	\$ 2,409,368,360	\$ 2,957,359,557	\$ 3,173,332,167	\$ 3,235,071,669	1.9%

Notes:

Appropriations include Higher Education Investment Funds

Fiscal 2025 Budget Bill; Department of Budget and Management; Department of Legislative Services

**Table 2. Joseph A. Sellinger Program of State Aid to Non-Public Institutions
FY 2022 - 2025**

	FY 2022		FY 2023		FY 2024		FY 2025	
Eligible Institutions	Fall 2020 FTES	Legislative Appropriation	Fall 2021 FTES	Legislative Appropriation	Fall 2022 FTES	Legislative Appropriation	Fall 2023 UG FTES	Legislative Appropriation
Capitol Technology University	468.47	\$ 958,991	462.6	\$ 1,195,048	459.07	\$ 1,405,186	239.80	\$ 749,959
Goucher College	1439.23	2,946,205	1383.53	3,574,115	1,258.40	3,851,887	986.87	3,086,371
Hood College	1440.03	2,947,842	1445.23	3,733,506	1,441.17	4,411,335	1,168.17	3,653,375
Johns Hopkins University	22363.8	45,780,264	25014.52	64,620,760	24,546.87	75,136,496	6,310.60	19,735,989
Loyola University Maryland	4636.03	9,490,278	4512.33	11,656,837	4,694.70	14,370,195	4,086.93	12,781,606
Maryland Institute College of of Art	1676.23	3,431,360	1939.4	5,010,110	1,779.57	5,447,157	1,316.53	4,117,361
McDaniel College	2440.23	4,995,322	2453.73	6,338,794	2,439.87	7,468,296	1,915.23	5,989,757
Mount St. Mary's University	2142.73	4,386,318	2117	5,468,910	1,992.27	6,098,219	1,775.87	5,553,917
Notre Dame of Maryland University	1289.57	2,639,840	1288.4	3,328,362	1,024.57	3,136,147	597.70	1,869,268
St. John's College	513	1,050,147	630.33	1,628,350	618.80	1,894,110	544.73	1,703,607
Stevenson University	3097.47	6,340,738	3009.47	7,774,454	3,052.50	9,343,519	2,829.13	8,847,919
Washington Adventist University	692.6	1,417,801	550.13	1,421,167	480.80	1,471,700	478.60	1,496,790
Washington College	1184.6	2,424,959	1102.47	2,848,044	999.87	3,060,542	961.87	3,008,186
TOTAL	43,383.99	\$ 88,810,065	45,909.14	\$ 118,598,457	44,788.46	\$ 137,094,789	23,212.03	\$ 72,594,105
GRANT PER FTE		\$ 2,047		\$ 2,583		\$ 3,061		\$ 3,127

Notes:

Appropriations include Higher Education Investment Funds

Fiscal 2025 Budget Bill; Department of Budget and Management; Department of Legislative Services

**Table 3. Maryland Higher Education Commission
Aid to Community Colleges: FY 2022 - 2025**

	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Allowance
<i>Formula Aid:</i>				
Allegany College	\$ 6,273,564	\$ 7,288,256	\$ 7,840,829	\$ 8,174,206
Anne Arundel Community College	33,836,363	40,788,521	43,763,073	42,926,055
Community College of Baltimore County	48,795,281	61,614,534	71,703,077	68,948,700
Carroll Community College	8,829,669	11,112,191	12,418,047	11,928,011
Cecil Community College	6,185,956	7,336,220	8,114,572	7,242,087
College of Southern Maryland	15,790,365	19,741,934	21,416,280	20,629,234
Chesapeake College	7,037,525	8,072,487	9,735,020	9,004,793
Frederick Community College	13,283,579	16,429,151	18,548,628	20,743,431
Garrett College	3,206,618	3,835,348	4,324,485	3,506,158
Hagerstown Community College	10,400,303	12,742,336	14,747,044	14,414,261
Harford Community College	13,887,341	16,841,913	18,477,775	18,046,557
Howard Community College	23,830,978	29,624,948	33,574,567	33,050,277
Montgomery College	52,506,449	66,059,823	71,092,972	69,889,139
Prince George's Community College	37,072,503	42,695,054	45,246,966	45,054,348
Wor-Wic Community College	9,155,721	10,878,721	12,278,064	11,201,923
Total Cade Funding Formula Aid	\$ 290,092,215	\$ 355,061,437	\$ 393,281,399	\$ 384,759,180
<i>Grants:</i>				
Small Community College/Appalachian Grants	\$ 7,300,589	\$ 9,121,807	\$ 10,665,104	\$ 10,665,104
Statewide and Health Manpower	6,000,000	6,000,000	6,000,000	6,000,000
Garrett/WVa Reciprocity Grant	89,998	104,874	124,946	114,612
ESOL Grants	4,578,289	3,026,333	3,163,628	3,891,473
Somerset Grant	607,719	355,583	355,583	355,583
Keeping Maryland Community Colleges Affordable				
Total Grants	\$ 18,576,595	\$ 18,608,597	\$ 20,309,261	\$ 21,026,772
Subtotal Cade and Grants	\$ 308,668,810	\$ 373,670,034	\$ 413,590,660	\$ 405,785,952
<i>Fringe Benefits:</i>				
Optional Retirement	16,900,000	16,700,000	16,700,000	
Teachers Retirement	45,953,993	44,974,264	46,057,269	
Total Fringe Benefits	\$ 62,853,993	\$ 61,674,264	\$ 62,757,269	\$ 69,709,932
Total State Aid	\$ 371,522,803	\$ 435,344,298	\$ 476,347,929	\$ 475,495,884

Notes:

Fiscal 2025 Budget Bill; Department of Budget and Management; Department of Legislative Services

Table 4. Maryland Higher Education Commission
Educational Grants - All Funds: FY 2021 - 2025

		FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Program	Program Description	Legislative Appropriation	Legislative Appropriation	Legislative Appropriation	Legislative Appropriation	Legislative Appropriation
10007	<i>Educational Grants</i>					
	Complete College Maryland	\$ 168,950	\$ 222,647	\$ 250,000	\$ 250,000	\$ 250,000
	Complete College America Grant					
	Credit When It's Due					
	Improving Teacher Quality					
	Henry C. Welcome Grants					
	Diversity Grants					
	HBCU Enhancement Fund					
	Doctoral Scholars Program					
	Washington Center for Internships & Academic Seminars	350,000	350,000	350,000	350,000	400,000
	Interstate Educational Compacts in Optometry					
	Regional Higher Education Centers	1,409,861	1,409,861	1,409,861	1,409,861	1,409,861
	UMBL, Maryland - Israeli Partnership					
	Higher Education Heritage Action Committee (IMPART)					
	UMB - Wellmobile	285,000	285,000	1,285,000	785,000	785,000
	Aging Studies at UMBC					
	Academy of Leadership					
	Maryland <i>Go for It!</i> Outreach					
	First-Year Experience Program					
	Community College Learning Disabilities Initiative					
	Maryland Industrial Partnerships					
	Professional Development Schools					
	Harry Hughes Center for Agro-Ecology					
	Higher Education Investment Fund Workforce Initiatives					
	College Access Challenge Grant Program					
	John R. Justice Grant	37,977	22,732	38,826	-	-
	Miscellaneous Adjustment					
	St. Mary's College of Maryland Grant					
	Frederick CREST Center					
	Cyber Warrior Diversity Program	2,061,028	1,487,416	2,500,000	2,500,000	2,500,000
	Achieving a Better Life Experience (ABLE) Program	300,000	300,000	344,157	300,000	-
	Maryland 529 Plan Match	12,465,250	10,970,500	10,979,500	10,979,500	-
	Maryland 529 Plan Match Administrative					
	Maryland 529 Achieving a Better Life Experience					
	VaxU Scholarship					
	Montgomery College					
	Inmate Training and Job Pilot Program			300,000	330,000	363,000
	Hunger-Free Campus Grant Program			150,000	150,000	150,000
	Teacher Quality and Diversity Grant Program			1,000,000	1,000,000	1,000,000
	Near Completers Grant	7,990	11,357	375,000	375,000	-
	DeSousa-Brent Scholars Program					-
	GearUp Scholarship	485,553	265,422	1,094,523	1,096,150	1,055,183
	Governors Emergency Education Relief Fund	20,000,000	-	-	-	-
	Washington College Endowment		1,000,000	-	-	-
	Workforce Readiness Grant Program		1,902,805	-	-	-
	Nontraditional Pathways		-		5,000,000	-
	Higher Education Security Enhancement Funding					25,000,000
	Program 7 Total	37,571,609	18,227,740	20,076,867	24,525,511	32,913,044
10007	General Funds	\$ 17,048,079	\$ 19,398,946	17,943,518	22,429,361	\$30,857,861
10007	Special Funds	-	-	1,000,000	1,000,000	\$1,000,000
10007	Federal Funds	37,977	1,022,732	38,826	-	-
10007	Reimbursable Funds	20,485,553	265,422	1,094,523	1,096,150	\$1,055,183
	Program 7 Total	\$ 37,571,609	\$ 20,687,100	\$ 20,076,867	\$ 24,525,511	\$32,913,044
	<i>Other</i>					
10002	Early Intervention/College Preparation Grants	749,996	738,230	750,000	750,000	750,000
10038	Nurse Support Program II	17,558,707	17,989,060	18,156,012	19,122,153	19,190,415
10039	Health Personnel Shortage Incentive Grant Program	-	1,022,732	-	-	-
10043	Maryland Higher Education Outreach and College Access Pilot Program	-	-	700,000	700,000	700,000
10047	Community College Facilities Renewal Grant Program	6,791,000	-	6,352,000	17,587,000	-
	Programs 2, 38, 39, 43 and 44 Total	\$25,099,703	\$19,750,022	\$25,958,012	\$38,159,153	\$20,640,415
All	General Funds	\$ 17,798,075	\$ 20,137,176	\$ 22,745,518	\$ 26,466,361	\$32,307,861
All	Special Funds	24,349,707	17,989,060	22,156,012	35,122,153	20,190,415
All	Federal Funds	\$37,977	2,045,464	38,826	-	-
All	Reimbursable Funds		265,422	1,094,523	1,096,150	1,055,183
	All Total	\$ 42,185,759	\$ 40,437,122	\$ 46,034,879	\$ 62,684,664	\$53,553,459

Notes:
Fiscal 2025 Budget Bill; Department of Budget and Management; Department of Legislative Services

Table 5. Maryland Higher Education Commission
Student Financial Assistance - All Funds: FY 2022 - 2025

Program Number	Scholarship Program	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
		Legislative Appropriation	Legislative Appropriation	Legislative Appropriation	Legislative Appropriation	Legislative Appropriation
I0009	2+2 Transfer Scholarship	\$ 277,000	\$ 259,000	\$ 2,300,000	\$ 2,300,000	2,300,000
I0010	Educational Excellence Awards *	82,435,519	90,220,367	100,000,000	112,000,000	112,240,000
I0012	Senatorial	6,748,034	6,882,995	7,020,655	7,161,068	7,304,289
I0014	Edward T. Conroy	3,536,242	3,500,000	3,000,000	4,000,000	7,000,000
I0015	Delegate	6,862,478	6,999,728	7,139,723	7,282,157	7,428,167
I0016	Charles W. Riley Fire Rescue Tuition Reimbursement	358,000	358,000	358,000	358,000	358,000
I0017	Graduate and Professional Scholarship	1,174,473	1,174,473	1,174,473	1,174,473	1,174,473
I0018	Dual Enrollment Grant	-	-	-	-	-
I0020	Distinguished Scholar	-	-	-	-	-
I0021	Tolbert Memorial Grant	200,000	200,000	200,000	200,000	200,000
I0023	HOPE Scholarships ¹	-	-	-	-	-
I0024	Distinguished Scholar Teacher ²	-	-	-	-	-
I0026	Janet L. Hoffman Loan Assistance Repayment Pgm ¹	1,370,000	1,370,000	1,370,000	1,370,000	6,370,000
	MLARP for Foster Care Recipients	2,777	100,000	100,000	100,000	100,000
I0028	MLARP for Physicians and Physician Assistants	1,190,000	-	-	-	-
I0031	Child Care Providers ²	-	-	-	-	-
I0032	Developmental Disabilities and Mental Health ²	-	-	-	-	-
I0033	Part-Time Grants	5,087,780	5,087,780	5,087,780	5,087,780	5,087,780
I0035	William Donald Schaefer Scholarship ²	-	-	-	-	-
I0036	Workforce Shortage Assistance Grants	1,229,853	1,229,853	1,229,853	1,229,853	1,229,853
I0037	Veterans of the Afghanistan and Iraq Conflicts	750,000	750,000	750,000	750,000	750,000
I0044	Somerset Economic Impact Scholarship	1,759	-	12,000	-	-
I0045	Workforce Development Sequence Scholarship	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
I0046	Cybersecurity Public Service	108,000	160,000	1,000,000	1,000,000	1,000,000
I0048	Maryland Community College Promise Scholarship	6,329,598	15,000,000	15,000,000	15,000,000	15,000,000
I0049	Teaching Fellows for Maryland	1,795,582	2,000,000	8,000,000	12,000,000	18,000,000
I0051	Richard W. Collins Scholarship	587,602	1,000,000	1,000,000	1,000,000	1,000,000
I0052	MLARP for Police Officers	-	1,500,000	1,500,000	1,500,000	5,000,000
I0053	Maryland Police Officers Scholarship Program	-	-	8,500,000	8,500,000	5,000,000
I0055	James Proctor Scholarship	-	-	2,000,000	400,000	400,000
I0056	Teacher Development and Retention Program	-	-	-	-	10,000,000
I0057	Human Career Services Scholarship	-	-	-	-	1,000,000
	General Funds	\$ 116,222,873	\$ 128,419,498	\$ 159,019,484	\$ 183,413,331	\$ 208,219,562
	Special Funds	4,421,824	8,872,698	8,723,000	-	723,000
	Federal Funds	400,000	-	-	-	-
	Reimbursable Funds	-	-	-	-	-
	Funds Total	\$ 121,044,697	\$ 137,292,196	\$ 167,742,484	183,413,331	208,942,562

Notes:

Fiscal 2025 Budget Bill; Department of Budget and Management; Department of Legislative Services



Wes Moore
Governor

Aruna Miller
Lt. Governor

Cassie Motz
Chair

Sanjay Rai, Ph.D.
Secretary

MEMORANDUM

DATE: October 23, 2024

TO: Maryland Higher Education Commission

FROM: Geoffrey F. Newman **STAFF:** Daniel D. Schuster

SUBJECT: FY 2026 Consolidated Capital Budget Recommendations

Segments of the Consolidated Capital Budget for Higher Education

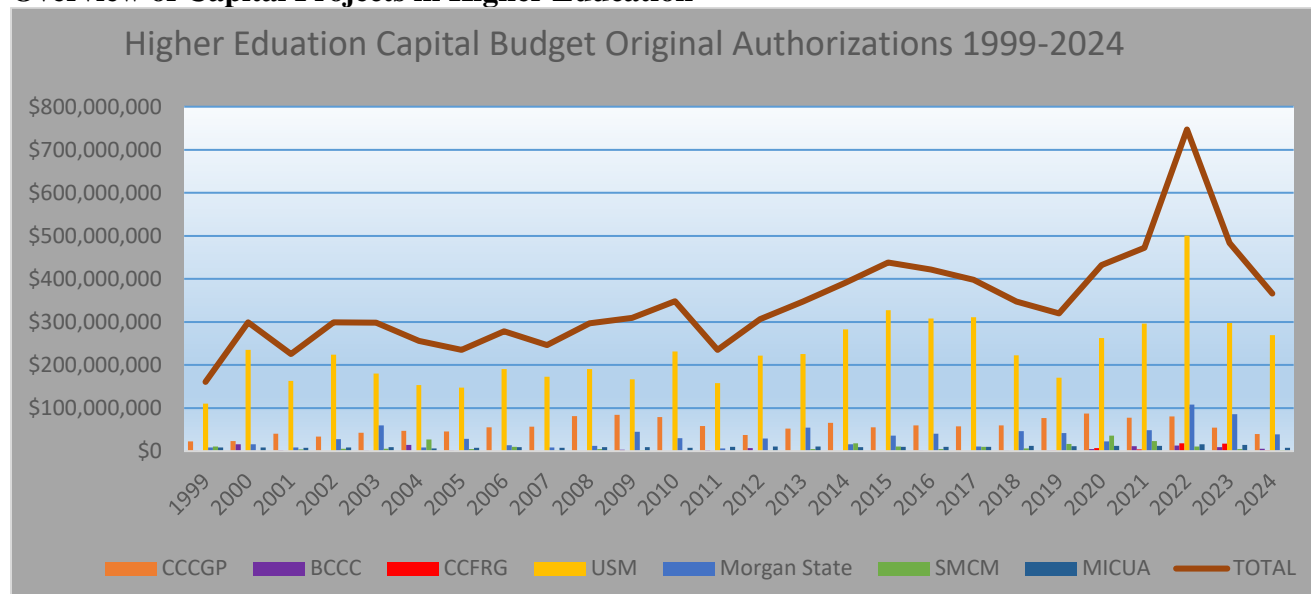
- I. Community College Construction Grant Program (CCCGP)
- II. Community College Facilities Renewal Grant Program (CCFRG)
- III. Baltimore City Community College (BCCC)
- IV. University System of Maryland (USM)
- V. Morgan State University (MSU)
- VI. Saint Mary's College of Maryland (SMCM)
- VII. Maryland Independent College & University Association (MICUA)

These seven segments submit their capital funding requests separately to the Department of Management and Budget (DBM) through the Capital Budget Information System (CBIS). The Fiscal Year 2026 requests for the seven segments totaled \$605,103,098 and are detailed in the sections below, with additional information on each of the projects included in the appendix for reference. Staff recommended actions for the Commission are as follows:

RECOMMENDATION: It is recommended that the Maryland Higher Education Commission make the following recommendation for the Fiscal Year 2026 Capital Budget:

- *Approval of the \$70,000,000 planned in the CIP for the Community College Construction Grant Program.*
- *Approval of the Community College Facilities Renewal Grant funding request of \$3,500,000, consistent with statutory formula.*
- *Approval of FY 2026 funding for projects planned in the CIP for Baltimore City Community College, the University System of Maryland, Morgan State University, and St. Mary's College of Maryland.*
- *Approval of the \$8,000,000 planned in the CIP for the MICUA FY 2025 capital budget.*

Overview of Capital Projects in Higher Education



As seen, nearly \$366 million was authorized for capital projects in higher education in 2024. Spending continues to normalize following budget surpluses that existed at the end of fiscal years 2021 and 2022 when the Assembly chose to apply many of these surplus funds to capital projects - adding new projects not planned in the Capital Improvement Plan (CIP) and accelerating others.

Structural operating budget deficits are projected for FY 2026 in general. This will put a strain on the capital budget also, as cash will not be as available to supplement planned borrowing. The first priority is always to ensure that funds are available to complete ongoing projects. Thus, it will be particularly difficult to advance projects in the CIP or to fund anything that has not been planned.

MHEC staff recommendations are thus based mostly on providing funds necessary to complete ongoing projects and to maintain the schedule planned in the CIP. The sections below compare the current CIP to the requests and provide MHEC staff recommendation for each segment.

I. Community College Construction Grant Program

Program Description

The Community College Construction Grant Program (CCCGP) assists counties in improving the facilities and infrastructure of locally operated community colleges. The grant funds construction of major new facilities, renovation of existing facilities, and improvements to campus infrastructure. The Maryland Higher Education Commission (MHEC) oversees the cost-sharing formula for counties, which is based on the current expense formula used by the Maryland State Department of Education (MSDE). Projects carry their assigned State share, without change, through the life of the project. These percentages are based on county wealth and total enrollments of certain student populations. Based on this formula, the State will contribute 50% to 75% of the eligible costs of a project. Colleges must provide a guarantee that local funding is in place for a project before it is included in the capital budget.

Budget Overview

Per previous direction from the Legislature and the Governor, this program is budgeted at \$70 million in FY 2026 and \$80 million per year in the remaining out-years of the Capital Improvement Program (CIP). In July, colleges submitted requests for projects totaling \$87,763,000. Schedule adjustments and cash flow needs will likely enable some of this request to be authorized in future years rather than in FY 2026 without delaying projects. This plus the availability of over \$5 million in program fund balance means that the \$70 million planned in the CIP should be sufficient to adequately fund all requested projects.

Prioritization

The Maryland Association of Community Colleges (MACC) was established as an advocate for Maryland's public community colleges and as a resource for its member institutions. In addition to other roles, but specifically related to the CCCGP, MACC works with the General Assembly, the Office of the Governor, MHEC, and other stakeholders to obtain adequate appropriations for community college operations and capital projects. MACC is the unified voice for Maryland's sixteen (16) community colleges.

MACC participates in the capital budget process by prioritizing capital project requests. The MACC Capital Project Prioritization List is approved by the Presidents' Council of MACC and represents the preferred funding order for the capital projects requested by the colleges. This is especially important in years when funding requests exceed the CIP amount. Under current guidelines, ongoing projects that have funding pre-authorized by the General Assembly are listed first. After these, priority projects are those that incorporate certain project types (renovation versus new construction), phase (design, construction, etc.) and facility categories. Additional factors include inventory status, age of facilities, funding history, and overall college priority. Ongoing projects are given a priority over new ones.

Summary of Request

The request included fourteen (14) projects from ten (10) different colleges. These projects included three (3) pre-authorized projects, one (1) project that is nearly completion but requires additional funding due to cost overruns, six (6) projects that received design funding in previous years and are requesting to complete design and/or begin construction, and four (4) new projects requesting initial funding. All are summarized in the table below, which lists projects in the priority order established by MACC. Details for each project can be found in the appendix.

MACC Priority	Community College	Project Name	Project Phase	Request
1	Anne Arundel Community College	Florestano Renovation (Floors 1 - 3)	CE	\$ 8,020,000
2	Howard Community College	Workforce Development and Trades Center	C	\$11,916,000
3	Community College of Baltimore County	Catonsville Student Services Ctr Renovation/Expansion/Sitework	CE	\$12,179,000
4	Allegany College of Maryland	Advanced Technology Center Renovation	P	\$ 543,000
5	Chesapeake College	Queen Anne's Technical Building (Phase I)	P	\$ 2,858,000
6	Hagerstown Community College	Advanced Technology Center	CE	\$ 8,311,000
7	Montgomery College	Rockville Library Renovation	CE	\$11,171,000
8	Wor-Wic Community College	Maintenance Building Expansion	PC	\$ 1,650,000
9	College of Southern Maryland	La Plata Student Services Center	C	\$ 150,000
10	Anne Arundel Community College	Dragun Building Renovation	PC	\$ 6,987,000
11	Prince George's Community College	Dukes Student Center	C	\$15,288,000
12	Community College of Baltimore County	Essex Primary Switchgear & Distribution Replacement	PC	\$ 1,768,000
13	College of Southern Maryland	Leonardtown Building A Renovation	P	\$ 764,000
14	Montgomery College	Germantown Student Services Center	PC	\$ 6,158,000
N/A	Statewide	Use of Program Balance/Surplus	N/A	\$ (5,150,000)
			TOTAL	\$82,613,000

Commission staff recommends approval of the \$70,000,000 planned in the CIP for the Community College Construction Grant Program.

II. Community College Facilities Renewal Grant Program

The Community College Facilities Renewal Grant Program (CCFRGP) was established by Chapter 688 of the Acts of Maryland 2018 (SB 595) under the administration of the Maryland Higher Education Commission to provide grants for eligible improvements, repairs, and deferred maintenance projects at the sixteen (16) Maryland community colleges, including Baltimore City Community College. Grants provided are in addition to, and may not supplant, funds provided by the CCCGP. The CCFRGP appropriation must be equal to 5% of the CCCGP appropriation in the same fiscal year. Eligible projects include improvements, repairs, and deferred maintenance projects with a total estimated cost equal to or less than \$1,000,000 that have been submitted to MHEC as part of an annual or ten-year master plan. MHEC may make up to eight grants in each fiscal year, and a community college may not receive grants in consecutive years. Consequently, funds appropriated for the program are awarded equally to eight (8) colleges each year. No matching funds are required. No college may receive more than \$500,000 in any one year. The FY 2026 budget request for CCFRG is \$3,500,000, which is the required 5% of the \$70,000,000 in the CIP for CCCGP. The eight community colleges scheduled to receive funding in FY 2026 are:

1. Allegany College of Maryland
2. Anne Arundel Community College
3. Community College of Baltimore County
4. Cecil College
5. College of Southern Maryland
6. Montgomery College
7. Prince George's Community College
8. Wor-Wic Community College

In September of each year, the sixteen (16) community colleges submit a list of deferred maintenance/facilities renewal projects to MHEC, which is used to show the ongoing need for this program. This year, the colleges identified a total of 599 projects totaling nearly \$200

million. The eight (8) schools scheduled to receive funding in FY 2026 are in the process of identifying a few of their projects on this list that could potentially be funded with FRG money in FY 2026. Details on potential projects to be funded with this program in FY 2026 can be found in the appendix.

The Commission staff recommends approval of the Community College Facilities Renewal Grant funding request of \$3,500,000, consistent with statutory formula.

III. Baltimore City Community College

As a State public two-year college, Baltimore City Community College (BCCC) receives State funding for capital projects directly. Therefore, the College does not receive funding through the Maryland Community College Construction Grant. The table below summarizes the requested projects in relation to the CIP. Details for each of the projects can be found in the appendix.

<u>Project</u>	<u>FY26 \$ in CIP</u>	<u>Request</u>
Learning Commons Renovation and Addition	\$ 6,543,000	\$ 8,954,750
Nursing Building Renovation and Addition	\$ 1,575,000	\$ 1,575,000
Center for Innovation at the Harbor	\$ -	\$ 8,623,333
North Pavilion Demolition	\$ -	\$ 156,015
Acquisition of Properties	\$ -	\$ 8,548,000
New Wellness Center	\$ -	\$ 4,060,000
Deferred Systems Maintenance	\$ 4,000,000	\$ 33,012,000
TOTALS	\$ 12,118,000	\$ 64,929,098

Constraints on budget capacity will make it difficult to fund new projects until the out years of the CIP. Regarding deferred maintenance, even if additional funds were authorized, staffing constraints and material and labor availability will likely prevent additional funds from being spent in a timely manner.

It is acknowledged that deferred maintenance needs at BCCC remain high relative to many other schools. It should be noted that the CIP acknowledges and plans to address some of this. This is why, for example, the CIP plans \$4M annually for deferred maintenance projects at BCCC in addition to the approximately \$500K the school is scheduled to receive every other year through the CCCFRG. Also, whereas BCCC received only about 1% of the capital authorizations for higher education between 1999 and 2024, in the current CIP, BCCC is scheduled to receive approximately 7% of the planned capital funding for higher education between FY 2026 and FY 2029, including nearly 11% in FY 2028 and over 9% in FY 2029. Therefore, authorizing funding consistent with the CIP will begin to address these needs. Should additional funds become available elsewhere in the budget, staff recommends redirecting additional funds to deferred maintenance needs as BCCC and other schools.

The Commission staff recommends approval of FY 2026 funding for projects planned in the CIP for Baltimore City Community College.

IV. University System of Maryland

The University System of Maryland (USM) submitted request totals \$310,615,000 in funding for fifteen (15) projects. This includes a base request of projects planned in the CIP plus a supplemental request to add and/or accelerate certain projects if funding becomes available. The table below summarizes the requested projects in relation to the CIP. Details for each of the projects can be found in the appendix.

<u>School</u>	<u>Project</u>	<u>FY26 \$ in CIP</u>	<u>Request</u>	<u>Difference</u>
Bowie State University	Thurgood Marshall Library and Athletic Commons	\$ -	\$ 5,989,000	\$ 5,989,000
Salisbury University	Blackwell Hall Renovation	\$ 29,930,000	\$ 29,930,000	\$ -
Towson University	Visual & ComTech (Smith Hall Renovation)	\$ 71,159,000	\$ 71,159,000	\$ -
Towson University	Electrical Substation Expansion and Improvements	\$ -	\$ 2,718,000	\$ 2,718,000
University of Baltimore	101 W Mt Royal Ave, Baltimore Property Acquisition	\$ -	\$ 7,600,000	\$ 7,600,000
University of Maryland, Baltimore	Central Electric Substation and Electrical Infrastructure Upgrades	\$ -	\$ -	\$ -
University of Maryland, Baltimore	New Dental Ambulatory Surgery Center	\$ 862,000	\$ 862,000	\$ -
University of Maryland, Baltimore	New School of Social Work Building	\$ 37,089,000	\$ 42,924,000	\$ 5,835,000
University of Maryland, Baltimore Co.	Sherman Hall Renovation	\$ 28,211,000	\$ 28,211,000	\$ -
University of Maryland, Baltimore Co.	New Student Services Building	\$ -	\$ 5,903,000	\$ 5,903,000
University of Maryland, College Park	Campuswide Bldg Systems & Infrastructure Improvements	\$ 12,500,000	\$ 12,500,000	\$ -
University of Maryland, College Park	Graduate Student Housing Subsidy	\$ 5,000,000	\$ 5,000,000	\$ -
University of Maryland, College Park	Health and Human Sciences Complex	\$ -	\$ 9,020,000	\$ 9,020,000
University of Maryland, College Park	Interdisciplinary Engineering Building (Zupnik Hall)	\$ 52,200,000	\$ 58,700,000	\$ 6,500,000
University System of Maryland Office	Colwell Center Deferred Maintenance	\$ 5,099,000	\$ 5,099,000	\$ -
University System of Maryland Office	Systemwide Facilities Renewal	\$ 25,000,000	\$ 25,000,000	\$ -
TOTALS		\$ 267,050,000	\$ 310,615,000	\$ 43,565,000

The Commission staff recommends approval of FY 2026 funding for projects planned in the CIP for the University System of Maryland.

V. Morgan State University

Morgan State University (MSU) submitted a request totaling \$113,007,000 to fund seven (7) projects. The table below summarizes the requested projects in relation to the CIP. This request includes the acceleration of two projects not scheduled to begin until FY 2028.

<u>Project</u>	<u>FY26 \$ in CIP</u>	<u>Request</u>
Deferred Maintenance	\$ 5,000,000	\$ 10,000,000
New Science Center, Phase II (Construct New Center)	\$ 60,252,000	\$ 72,286,000
Lake Clifton Campus Expansion, Phase I (LC High School Demo)	\$ 4,171,000	\$ 6,084,000
Carter-Grant-Wilson Building Renovation	\$ 17,182,000	\$ 17,182,000
Campus Renovations - Truth Hall	\$ -	\$ 998,000
Campus Renovations - Holmes Hall Exterior	\$ -	\$ 998,000
Campus Wide Electric Infrastructure Upgrades	\$ 5,459,000	\$ 5,459,000
TOTALS	\$ 92,064,000	\$ 113,007,000

The Commission staff recommends approval of FY 2026 funding for projects planned in the CIP for the Morgan State University.

VI. St. Mary's College of Maryland

St. Mary's College of Maryland (SMCM) submitted a request totaling \$5,743,000 to fund two (2) projects. The table below summarizes the requested projects in relation to the CIP.

<u>Project</u>	<u>FY26 \$ in CIP</u>	<u>Request</u>
Campus Infrastructure Improvements	\$ 2,000,000	\$ 2,000,000
Montgomery Hall Renovation	\$ 16,706,000	\$ 16,506,000
TOTALS	\$ 18,706,000	\$ 18,506,000

The Commission staff recommends approval of FY 2026 funding for projects planned in the CIP for the St. Mary's College of Maryland.

VII. Maryland Independent College and University Association (MICUA)

Each year, the Maryland Independent College and University Association (MICUA) Capital Projects Committee reviews capital budget requests proposed by its member institutions to determine project readiness, the institution's ability to meet the State's matching requirement, and overall compliance with State and MICUA rules. The Committee recommended that the MICUA Board of Trustees endorse three capital project requests in FY 2026 totaling \$11.96 million. These projects are summarized in the chart below.

<u>School</u>	<u>Project</u>	<u>State Request</u>	<u>Total Project Cost</u>
Hood College	Hodson Science Expansion	\$ 4,000,000	\$ 16,647,000
McDaniel College	Merritt Hall Health Expansion	\$ 2,960,000	\$ 5,920,000
Stevenson University	Music and Performing Arts Stage	\$ 5,000,000	\$ 12,216,000
TOTALS		\$ 11,960,000	\$ 34,783,000

The CIP plans \$8 million for the MICUA program in FY 2026. Given the anticipated budget constraints in FY 2026 that will likely limit state-sponsored schools to planned funding amounts, it follows that the independent schools will likely also be limited to planned amount.

The Commission staff recommends approval of the \$8,000,000 planned in the CIP for the MICUA FY 2026 capital budget.

RECOMMENDATION: It is recommended that the Maryland Higher Education Commission make the following recommendation for the Fiscal Year 2026 Capital Budget:

- ***Approval of the \$70,000,000 planned in the CIP for the Community College Construction Grant Program.***
- ***Approval of the Community College Facilities Renewal Grant funding request of \$3,500,000, consistent with statutory formula.***
- ***Approval of FY 2026 funding for projects planned in the CIP for Baltimore City Community College, the University System of Maryland, Morgan State University, and St. Mary's College of Maryland.***
- ***Approval of the \$8,000,000 planned in the CIP for the MICUA FY 2025 capital budget.***

APPENDIX: PROJECT DETAILS

I. Community College Construction Grant Program Project Requests

Pre-authorized Projects (3)

As has been the case in most recent years, much of the request includes projects that the General Assembly determined in the prior fiscal year would receive pre-authorized funds. Those projects, a total of four, account for approximately \$32,115,000 or 37% of the total request. (Note: the pre-authorized amount for these projects was \$25,608,000 with the difference mainly being equipment requests to complete these projects as well as some cost increases). The three projects in progress which were pre-authorized by the 2024 General Assembly include (listed in order of MACC priority):

- **ANNE ARUNDEL COMMUNITY COLLEGE**

- Florestano Building Renovation (Floors 1-3): \$8,020,000 (CE)***

- Renovate the first three floors of the Florestano Building - totaling 23,979 NASF/41,400 GSF - to repurpose the facility into a "one-stop" student services center at the Anne Arundel Community College Arnold campus . The building was constructed in 1993 and housed the School of Health Sciences until 2021. The building has not been updated since its opening over thirty years ago. During that time, trends in the delivery of student services have significantly evolved in favor of spatial consolidation in order to facilitate increased navigability and accessibility for students. The renovated facility will house the Departments of Enrollment Services, Student Success, and Student Development, as well as conference and lounge space. The FY 2026 budget request includes funding to construct and furnish the project. (Note: A total of \$6,515,000 was pre-authorized for this project by the General Assembly for FY 2026.)

- **HOWARD COMMUNITY COLLEGE**

- Workforce Development and Trades Center: \$11,916,000 (C)***

- Construct a new Workforce Development and Trades Center of approximately 29,999 net assignable square feet (NASF) and 49,998 gross square feet (GSF) to provide educational spaces for the "skilled trade" occupations of: automotive technology, welding, electrical, HVAC, plumbing, additive manufacturing, mechatronics, and logistics, green technology, cybersecurity, and heavy equipment operation. These programs require specialized lab facilities that cannot be housed in existing space. These programs are both credit and non-credit and are supported through Howard Community College's (HCC) Workforce, Career and Community Education division. The facility will provide classroom, laboratory, office, lounge, and support spaces. This project will address existing facilities deficits and space inadequacies to support current enrollment and projected growth in the skilled trades programs. It will also address local and statewide workforce labor shortages for skilled trade occupations, bridge adjacencies between departments and programs, pull together student and faculty learning resource functions, and establish the necessary spaces to serve

the community. The construction phase was funded over two fiscal years. The FY 2026 budget request includes the second year of construction funds. **(Note: A total of \$11,916,000 was pre-authorized for this project by the General Assembly for FY 2026.)**

- **COMMUNITY COLLEGE OF BALTIMORE COUNTY (CCBC)**

Student Services Center Reno/Expansion (Catonsville Campus): \$12,179,000 (CE)

Renovate and construct an addition to the Student Services Center at the Community College of Baltimore County Catonsville campus. The College has recently used local funds to renovate discrete portions of the facility. The remainder of this facility will be renovated and an addition will be constructed. This project will replace systemic infrastructure, reconfigure spaces, correct code deficiencies, enhance energy efficiency, and address life-safety issues. The FY 2026 budget request includes funding to continue construction and begin to equip the project **(Note: A total of \$7,177,000 was pre-authorized for this project by the General Assembly for FY 2026. An additional \$3,851,000 was pre-authorized for FY 2027.)**

Additional Projects (11)

A total of eleven (11) projects, totaling \$55,648,000, were submitted that were not on the pre-authorization list for FY 2026. Of these, one (1) is a project that received all its planned funds previously but now requires additional funding to fully complete due to cost overruns, six (6) are projects that received design funding in previous years and are requesting to complete design and/or begin construction, and four (4) are new projects requesting initial funding. These are listed in order of MACC priority.

- **ALLEGANY COLLEGE OF MARYLAND**

Workforce Development and Training Center Renovation: \$543,000 (P)

Renovate the existing Workforce Development and Training center to bring the interior up to date and increase effective utilization of the space. The GSF and NSF after completion of the project should be roughly 20,271 sqft and 15,200 sqft respectively. Additionally, there could be a minor addition of a main entrance vestibule which will be included in the project. If this new vestibule would be included in this project it should be roughly 300 sqft. There will also be some work done on the area surrounding the building to bring it into ADA compliance. This project is currently planned to take place in two phases: a design phase and a construction phase. The intended purpose of this project is to update a well built but aged facility to increase the longevity of the building, and increase its usefulness to the college and the communities served. The FY 2026 budget request includes funds to begin Design of the project. **(Note: This request is for initial State funding for project.)**

- **CHESAPEAKE COLLEGE**

- Queen Anne's Technical Building Phase I: \$2,858,000 (P)***

- The existing Q.A. Tech. building, built in 1976, is 48 years old. It has not had a major renovation. The building systems are well past useful life. The building no longer offers appropriate space for the college's Skilled Trades Programs, nor appropriately supports the number of skilled trades classes. The Mid-Shore region needs an updated facility to draw students and prepare them for workforce roles the community desperately needs. The college has reviewed several options for an updated facility and concluded that the best solution is to build a new structure, which would comply with current regulations for workforce labs and also support learning opportunities that will inspire new generations of workforce professionals. This option will support the college's mission by providing students, and by creating a regional hub for workforce partnerships. Architecturally, the existing Queen Anne's Technical Building falls short in many ways. The building is in poor condition and needs electrical, mechanical, and plumbing systems replaced. The building currently has several code compliance infractions. In addition, there are several limitations in order to obtain the square footage and space necessary for a skilled trades teaching and learning environment. Therefore, the best solution for this project is to build a new structure at a new location that will be designed to comply with current regulations needed in Skilled Trades teaching and learning environments. The college is proposing to build a Phase I ±63,000 gross square foot / ±36,000 net assignable square foot new Technical Building in the Wye Mills campus. The FY 2026 budget request includes funding to design the project. **(Note: This request is for initial State funding for project.)**

- **HAGERSTOWN COMMUNITY COLLEGE**

- Advanced Technology Center Renovation: \$8,311,000 (CE)***

- Renovate the Advanced Technology Center at Hagerstown Community College. This project will encompass a complete building renovation that will include updated laboratories, classrooms, offices, building systems and a new roof. The project will address outdated and inadequate spaces for the academic programs in the Technology and Computer Studies division, life safety systems, and ADA compliance. The FY 2026 budget request includes funding to complete construction and equip the project. **(Note: Previously, funds were authorized to design and begin construction of this project.)**

- **MONTGOMERY COLLEGE**

- Library Renovation Project (Rockville Campus): \$11,171,000 (CE)***

- Renovate the first three floors, totaling 31,069 NASF / 62,282 GSF, of the Montgomery College Rockville Campus Macklin Tower which houses the campus library. The project will address current facility problems and the programmatic needs of the Rockville Library. The project will include a complete interior renovation and reconfiguration of each floor including modernization and upgrades to building systems and equipment serving these

floors. The project will be phased in a way to keep the Library operational in its current location during construction. The FY 2026 budget request includes funding to complete construction and equip the project. (**Note: Previously, funds were authorized to design and begin construction of this project.**)

- **WOR-WIC COMMUNITY COLLEGE**

Maintenance Building Expansion: \$1,650,000 (PC)

Expand the existing Maintenance Building at Wor-Wic Community College. The size of the existing Maintenance Building is 4,857 NASF and 6,032 GSF. The proposed addition is 4,865 NASF and 6,656 GSF. The Maintenance Building is located at the corner of Longridge Road and Horsebridge Drive. There are not any college facilities that are directly adjacent to the building. The existing building was constructed in 2005 and consists of four offices, a mail room, vehicle bays, a breakroom, and a warehouse for receiving and storage. The main use of the building is office and meeting spaces for facilities management personnel. The building is also used by technicians to complete paperwork for assigned tasks, time sheets, and check emails as well as warehouse storage for campus supplies and receiving. The renovation and expansion of the maintenance building will accommodate technicians who are currently working out of a trailer (separate from the maintenance building) that has exceeded its lifespan. Creating additional office and storage spaces will give “all” facilities management personnel adequate space to fulfill its functions for the college under one building. The additional storage space included in this expansion will alleviate the reliance on storage containers that are sprawled on the grounds surrounding the existing building. The maintenance equipment, stored furniture, and golf carts that are being stored in these containers and tents will be in a climatized building afterwards. The FY 2026 budget request includes funds to design and begin to construct the project. (**Note: This request is for initial State funding for project.**)

- **COLLEGE OF SOUTHERN MARYLAND**

Student Resource Center (La Plata Campus): \$150,000 (C)

Renovate the Health Technology Building at the College of Southern Maryland's La Plata campus to create a contemporary 11,691 NASF/18,300 GSF Student Resource Center (SRC). The SRC will house Admissions offices; Advising offices, Advising lab, and Advising conference room; Career Center office and conference area; Testing Center offices; Testing labs; and the Welcome Center and lounge. One representative each from the Financial Assistance, Bursar, Student Affairs, and Registrar departments will also have offices in the new facility. When complete, the new facility will serve as an informational focal point for students and campus visitors, and will house facilities and operational space necessary for coordinating and disseminating student services functions. This project will resolve the facility problems of insufficient space and fragmented functions. This project was fully funded as of FY 2023. The FY 2026 budget includes funding for construction

cost overruns. **(Note: All planned funding was previously authorized for this project. This request is for additional funds to cover cost overruns.)**

- **ANNE ARUNDEL COMMUNITY COLLEGE**

Dragun Building Renovation: \$6,987,000 (PC)

Renovate the two-story Dragun Science Building at the Anne Arundel Community College Arnold campus. The facility was constructed in 1967 and expanded in 1996 with an office and laboratory addition on the building's second floor. The building houses the Astronomy, Chemistry, Physics, and Physical Science departments and is largely comprised of laboratory space, in addition to classrooms and offices. The facility is outdated and suffers from a lack of space to accommodate growing demand for science courses . Laboratories and classrooms do not meet modern educational standards or safety standards in the case of the building's laboratories. The project will address overcrowding and functionally inadequate space by renovating the Dragun Science Building with an improved layout, updated technology, and increased spaces for collaboration. The FY 2026 budget request includes funding to complete the design and begin the construction of the project. **(Note: Previously, funds were authorized to begin design of this project.)**

- **PRINCE GEORGE'S COMMUNITY COLLEGE**

Charlene Mickens Dukes Student Center: \$15,288,000 (C)

The project involves the complete demolition of the existing Largo Student Center (51,287 NASF/69,116 GSF) and construction of a new building structure to house the new Dr. Charlene Mickens Dukes Student Center (75,970 NASF/105,876 GSF from the Schematic Design Phase) and surrounding site improvements. A primary purpose of the project is to expand and transform the services of a traditional student center into a facility with greater educational support space for student engagement with optimal services opportunities for students and the College community. The total area of the new Dr. Charlene Mickens Dukes Student Center after construction will included collaborative classrooms to support teaching, learning, and student success, student study spaces to support learning outside the classroom, administrative and staff offices to support the offices of Student Success and Engagement, Auxiliary Services and Events, and Environmental Services. Additionally, more appropriate large occupancy meeting and banquet type spaces with supporting back of house services shall be included along with a newly designed Rennie Forum to support student and College community needs. This project will also address State energy efficiency and sustainability requirements. The FY 2026 request includes funding to continue construction. **(Note: Previously, funds were authorized to design and begin construction of this project.)**

- **COMMUNITY COLLEGE OF BALTIMORE COUNTY (CCBC)**

Primary Switchgear and Distribution Replacement (Essex Campus): \$1,768,000 (PC)

Replace the primary electric switchgear lineup and significant portions of the electrical distribution infrastructure at the Community College of Baltimore County Essex campus. The existing switchgear lineup has a projected remaining useful life of two to four years and shows visual evidence of age and wear. The electrical distribution infrastructure to be replaced includes aging transformers and medium voltage conductors in campus duct banks. Additionally, the project will include installation of additional duct banks, restoration of collapsed conduits, relocation of utilities, construction of improvements to the manhole system, and replacement of service entry panels. The FY 2026 budget request includes funding to complete design and begin construction. **(Note: Previously, funds were authorized to begin design of this project.)**

- **COLLEGE OF SOUTHERN MARYLAND**

Building A Renovation (Leonardtwn Campus): \$764,000 (P)

Renovate the A Building on our Leonardtown Campus. The A Building (e.g., the Administration Building): 14,382 NASF/25,111 GSF and proposed Renovation 15,849 NASF/26,578 GSF. This project will transform the building into a new Library and Learning Commons into a collaborative space where students can work together in small groups, a transparent space where learning can be seen through the windows, a more barrier-free space, and an innovative space where the design can reflect the innovations that are going on at our college. Building A, originally constructed in 1936 and renovated in 1996, has significant mechanical and structural deficiencies due to the building's age. The building requires major work to restore and modernize most or all of the building's systems to be effectively utilized and to comply with current code requirements. The FY 2026 budget request includes funds to design the project. **(Note: This request is for initial State funding for project.)**

- **MONTGOMERY COLLEGE**

New Student Services Center (Germantown Campus): \$6,158,000 (PC)

Construct a new Student Services Center at the Montgomery College Germantown campus. The proposed facility will house classroom and laboratory space and the offices of Student Affairs, the Library, the Office of Public Safety, the Campus Store, and related support functions. These offices are currently dispersed across four separate buildings at the Germantown campus. Consolidating these offices and departments will provide students with a single location for academic advising, course registration, financial aid, placement testing, and career services. The project will address projected 2032 space deficits of classroom and class laboratory space. The FY 2026 budget request includes funding to complete design and begin construction. **(Note: Previously, funds were authorized to begin design of this project.)**

Use of Program Surplus

When projects are closed out, any unused, previously authorized and encumbered funds revert to the program fund balance. These funds can be available for Contingency use if ongoing projects exceed budgeted amounts. Funds can also be used for new projects rather than authorizing new program funding. For FY 2026, MHEC recommends that \$5,150,000 from program fund balance can be used to reduce the need for new funding by that amount.

II. Community College Facilities Renewal Grant Program Projects

The eight (8) schools scheduled to receive FRG funding in FY 2026 are in the process of identifying which projects from their master list may be potentially be completed with FRG funds. Below are listed some of the projects identified from the eight (8) schools.

1. Allegany College of Maryland:

- Library Ground Source Ceiling Heat Pumps Replacement
- College Center HVAC Equipment Update Phase I (Chiller Replacement)
- Science Building Roof Restoration

2. Anne Arundel Community College

- Arundel Mills Building Air Handling Unit #1 Replacement
- Arundel Mills Building Air Handling Unit #2 Replacement
- Arundel Mills Building Air Handling Unit #3 Replacement
- Arundel Mills Building Air Handling Unit #4 Replacement
- Center for Applied and Learning Technology Air Handling Unit #1 Replacement
- Center for Applied and Learning Technology Air Handling Unit #2 Replacement
- Center for Applied and Learning Technology Air Handling Unit #3 Replacement
- Center for Applied and Learning Technology Exhaust Fan Replacement
- Center for Applied and Learning Technology Make-up Air Unit Replacement

3. Community College of Baltimore County

- Replace Several HVAC units Serving Wellness & Athletics Center (Dundalk)

4. Cecil College

- Building D Air Handler Unit Replacement
- Quad Walkway Pavers Replacement

5. College of Southern Maryland

- La Plata Campus Roadway and Parking Lot Rehabilitation
- La Plata Campus PE Entrance Concrete Replacement

6. Montgomery College
 - Rockville Central Distribution Systems – Phase 4 Piping Replacement
7. Prince George’s Community College
 - Replace Built-In Chemical Fume Hoods in Chesapeake Hall
8. Wor-Wic Community College
 - Jordan Center HVAC Improvements
 - Guerrieri Hall VAV Box Replacement
 - Henson Hall VAV Box Replacement
 - Hazel Center Canopy Replacement
 - Guerrieri Hall Canopy Replacement
 - Hazel Center Digital Controls Replacement
 - Brunkhorst Hall Canopy Replacement

III. Baltimore City Community College Projects

The seven (7) requested projects are:

- ***Center for Innovation at the Harbor: \$8,623,333 (P)***
 Baltimore City Community College (BCCC) is in the process of demolishing the former Bard Building in downtown Baltimore and plans to redevelop the site for a new Center for Innovation at the Harbor that consolidators leased space into one facility owned and operated by the College, allowing for more efficient operations, potential growth, and expansion. The project will house classroom and lab space presently dispersed at the Bio Park and leased space downtown. The facility will house expanded workforce development and professional preparation programs as well as innovative programs in culinary instruction, engineering, public safety, and behavioral health. The new facility will be constructed on the eastern portion of the site previously occupied by the Bard Building with an overall square footage of 150,000 GSF. BCCC is requesting funding in FY 2026 to begin design of the project. **(Note: This project is not included in the current 5-year CIP.)**
- ***Deferred Systems Maintenance: \$33,012,000 (PC)***
 Construct various deferred maintenance projects including HVAC, Energy and Sustainability, and Electrical Upgrades as well as other campus-wide improvements. BCCC is requesting Design and/or Construction funding in FY 2026 to complete the following projects: Replace Life Science Building Air Handling Units and Controls (\$13,000,000), Replace Air Handlers and Hot Water Heaters at the West Pavilion (\$1,650,000), Replace Hot Water Boilers and Water Heaters at Fine Arts (\$1,100,000), Replace Air Handler and Controls at the South Pavilion (\$2,600,000), Electrical Grid

Upgrade Phase I (\$2,500,000), Emergency Generator Upgrade (\$4,872,000), Campus Sub-metering and Lighting (\$5,740,000), Replace Windows at the Main Building (\$1,000,000), and Campus Wayfinding Signage (\$550,000). **(Note: Current CIP included only \$4,000,000 in FY 2026 for deferred maintenance projects.)**

- ***Learning Commons Renovation and Addition: \$8,954,750 (PCE)***

Renovate and expand the 23,405 NASF/30,134 GSF Bard Library to create a 30,493 NASF/46,044 GSF Learning Commons building that will contain flexible space for study, group work, reference, socialization, and an information center. When complete, the facility will function as the core common space on the main campus where students can prepare for classes, work on assignments, and access electronic media and means of digital expression. The Bard Library is 58 years old and functionally obsolete. It retains an attractive location and is structurally suitable for renovation and expansion; however, its systems and envelope are significantly beyond their useful lives and require replacement. The building's function as a library to hold physical reference materials does not meet modern needs of libraries, which require less stack space and more flexible space for technology, study, and collaboration. BCCC is requesting funding in FY 2026 to complete design and begin construction of the project. **(Note: Current CIP planned for \$6,543,000 in FY 2026 but project costs have increased.)**

- ***Nursing Building Renovation and Addition: \$1,575,000 (P)***

Renovate and construct an addition to the Nursing Building at the BCCC Liberty Heights campus. The current facility was constructed in 1977. All of the major building systems will be replaced, including HVAC, electrical, lighting, plumbing, building envelope, and fire alarm. The existing facility has insufficient space to meet enrollment demand and is not configured for a modern nursing education curriculum. The building systems are original to the facility. They are beyond their useful lives and show signs of failure. The new facility will provide nursing simulation suites that meet current hospital and accreditation standards, as well as classroom, laboratory, office, and other support spaces. This project will incorporate dedicated and specialized facilities to accommodate the programs that will occupy the new facility, including Nursing, Dental Hygiene, Respiratory Care, Surgical Technology, Physical Therapist Assistant, Radiology Technician, and Occupational Therapy. BCCC is requesting funding in FY 2026 to continue design of the project. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

- ***New Wellness Center: \$4,060,000 (P)***

Construct a Wellness Center as an adjacent addition to the Physical Education Center to expand the recreation, health, and physical therapy spaces for students, staff, and community partners to include basketball, racquetball, physical therapy space, fitness

space, and a running track. The current Physical Education Center is not sufficient to support all health and wellness programs, extracurriculars, a sufficient fitness gym for the physical therapy program, and recreational needs to the students, staff, and community partners. The project will include a full renovation of the current building pending a building assessment during the Programming phase of the new Wellness Center. BCCC is requesting design funding in FY2026 and construction funds beginning in FY2027. **(Note: This project is not included in the current 5-year CIP.)**

- ***North Pavilion Demolition: \$156,015 (P)***

Demolish the vacant North Pavilion located on the North Campus. The facility was constructed in 1996 as a mental health and drug treatment center, and its layout is specialized for this usage. It is not usable as academic space without a major renovation. The building is in poor condition and has been deemed unsafe for occupants. It has been closed since 2015. Following demolition, the site will be converted to a parking lot for students. BCCC is requesting Design funds in FY 2026. **(Note: The current 5-year CIP plans initial design funding for this project in FY 2027.)**

- ***Acquisition of Properties: \$8,548,000 (AC)***

BCCC is requesting \$8,000,000 to acquire the adjacent property to expand the Liberty campus for student parking, student programming opportunities, and community outreach/essential services. BCCC is also requesting \$548,000 for property maintenance because the parking lot is also in need of paving and general maintenance. The Liberty Campus is currently planned to maximize the available space and the campus is limited in its capacity to add parking, expand programs for students, or provide additional services for the community. **(Note: This project is not included in the current 5-year CIP.)**

IV. University System of Maryland Projects

The fifteen (15) requested projects are:

- **BOWIE STATE UNIVERSITY**

- ***Thurgood Marshall Library and Academic Commons: \$5,989,000 (P)***

Construct a new BSU Academic Commons building to replace the existing Thurgood Marshall Library, which is not cost effective to renovate. The existing library is 47 years old and has never had a major renovation. Its mechanical and electrical systems have exceeded their useful lives, and the building has experienced water intrusion. In addition, it is not ADA compliant and is too small for the University's current enrollment. The new building will have a larger seating capacity, better natural lighting, and include individual and group study space. The estimated cost of this project totals \$245,880,000. The FY 2026 budget request includes funding to begin design. **(Note: The current CIP plan to begin the project in FY**

2027. The college is requesting to accelerate the project to FY 2026 due to pre-authorization of funds by the General Assembly.)

- **SALISBURY UNIVERSITY**

Blackwell Hall Renovation: \$29,930,000 (CE)

Renovate the 33,191 NASF/67,196 GSF former library and construct a 2,139 NASF/2,773 GSF addition to Blackwell Hall on the campus of Salisbury University. The former library will be renovated to become a Student Services Center. Registrar, Financial Aid, Academic Advising, Career Services, Bursar, Admissions, Counseling Center, and Disabilities Resource Center services will be combined into one building to create a one-stop shop for student services. This will provide for better service while simultaneously freeing up space in other buildings that can be reallocated for much needed classroom, lab, and study space. The project will also replace the outdated mechanical, plumbing, and electrical systems to bring the building up to current code; and the building will feature new elevators and restrooms. The FY 2026 budget includes funding to continue construction of this project. The FY 2026 budget request includes funding to continue construction and begin to equip the project. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

- **TOWSON UNIVERSITY**

Smith Hall Renovation: \$71,159,000 (PCE)

Renovate the 62,793 NASF/117,814 GSF west wing and demolish and reconstruct a new 43,511 NASF/83,319 GSF east wing of Smith Hall for the College of Fine Arts and Communication. Smith Hall, the former science building, was vacated after its occupants relocated to the new science facility in January 2021. Sixty percent of Smith Hall contains obsolete science labs that are not usable for other purposes. The project will consolidate the three departments within the College of Fine Arts and Communication (Mass Communications, Communication Studies, and Electronic Media and Film) into one building. These departments have been dispersed among multiple buildings and struggle with space shortages, functionally inadequate space, and poorly configured space. The project will provide modern active learning, and teaching spaces for classes, study areas, and media production that meet today's instructional standards. The project will also provide additional instructional, study, and office space to relieve campuswide shortages. In addition, the project will replace inadequate building systems such as HVAC, electrical, plumbing, and fire suppression systems. During the design development phase of Smith Hall an extensive review from our project team determined that the use of a geothermal system, of approximately 120 wells that could accommodate 85-90% of the heating and cooling loads of the Smith Hall building. This system would provide extensive annual operational savings and it was also determined that the geothermal system could be eligible for Inflation Reduction Act credits, close to the cost of the geothermal system itself. TU has modified our funding

request to include this geothermal scope of work. Including this geothermal green premium will help align this building with the State's mandates to reduce emissions. The FY 2026 budget request includes funding to complete design and continue construction. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

- **TOWSON UNIVERSITY**

Electrical Substation Expansion and Improvements: \$2,718,000 (P)

Construct a new electrical substation and improve the current electrical substation to serve the existing and projected future growth of the campus. Approximately 80 percent of the campus is served by the Towson University distribution system, which is supplied from the Central Plant located within the core of the main campus. The remaining energy is supplied by Baltimore Gas and Electric. With the anticipated completion of the College of Health Professions Building in May 2024, the firm capacity of the existing electrical system will be exhausted. This project will reduce the electrical load on the Central Plant providing power to the western portion of the main campus and the entire south campus. The project is included in Towson University's 2020 Campus Master Plan. The FY 2026 budget request includes funding to begin design. **(Note: The current CIP plan to begin the project in FY 2028. The college is requesting to accelerate the project to FY 2026.)**

- **UNIVERSITY OF BALTIMORE**

101 West Mt. Royal Avenue Property Acquisition: \$7,600,000 (A)

Acquire an existing property located at 101 West Mt. Royal Avenue which is strategically located within the University of Baltimore's (UBalt) core campus. The property is adjacent to the UBalt Student Center and has a complementary appearance and size; it is located diagonally across from UBalt's Gordon Plaza, the outdoor heart of campus. The office building will become the University's Welcome Center and will house key university departments currently located in UBalt's Academic Center, including externally facing departments for enrollment management, admissions, financial aid, advancement and external relations, marketing, public relations, government relations, and UBalt's senior management team. In addition to securing a strategic core campus property and providing a space to co-locate key University administrative functions, this acquisition will result in a cost savings in the Academic Center project that far exceeds the acquisition cost of this property. The acquisition, if approved, will enable an 18,000 NASF reduction in the Academic Center Replacement project, which is currently scheduled for initial funding in FY 2029 in the Governor's CIP. The result of not approving this acquisition request necessitates adding back 18,000 NASF to the Academic Center Replacement project. The property will become available for purchase in the fall of 2024. The University expects to initially lease the property with an option to purchase, subject to funding and approval. UBalt requests acquisition funding of \$7.6M in the earliest possible year of FY 2026. **(Note: The project is**

not included in the current CIP as the property only recently became available for purchase.)

- **UNIVERSITY OF MARYLAND, BALTIMORE**

New Dental Ambulatory Surgery Center: \$862,000 (C)

Construct a new Dental Ambulatory Surgery Center at the University of Maryland, Baltimore Dental School . The project includes the interior demolition and substantial conversion of an existing first floor office suite into a new clinical space. This project will help to address a shortage of dental ambulatory surgery space in Maryland, which often results in emergency dental care occurring in hospital operating rooms that are not adequately equipped to treat dental patients. Additionally, the proposed Dental Ambulatory Center is expected to reduce wait times for children and adults; and mitigate oral health disparities and inequities that persist among children and adults requiring administration of sedation or anesthesia for dental care. The FY 2026 budget request includes funding to complete construction. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

- **UNIVERSITY OF MARYLAND, BALTIMORE**

New School of Social Work Building: \$42,924,000 (C)

Construct a new 73,651 NASF/129,213 GSF School of Social Work building on the north side of the University of Maryland, Baltimore (UMB) campus. This new building will replace the School of Social Work East and West Buildings, which were constructed in 1932 and 1983, respectively. Due to their age, these buildings have several facility problems including failing mechanical and plumbing systems. Additionally, there are frequent issues with the load capacity of the buildings' electrical systems. The new building will replace the inadequate facilities while addressing an existing space deficit that currently requires UMB to lease space off campus. The project includes new office, research, and academic space. The FY 2026 budget request includes funding to continue construction. **(Note: The request exceeds the \$37,089,000 planned for FY 2026 in the current CIP because the institution is requesting to accelerate the construction schedule.)**

- **UNIVERSITY OF MARYLAND, BALTIMORE COUNTY**

Sherman Hall Renovation: \$28,211,000 (CE)

Renovate the 44-year-old 61,649 NASF/122,012 GSF Sherman Hall which provides office, classroom, and teaching lab space in support of eight academic programs which include the Sherman Scholars Programs, the Meyerhoff Scholars Program, and the Department of Education. The project scope includes a 1,490 NASF/2,910 GSF addition to provide lobby space. With its large lecture hall and numerous classrooms, Sherman Hall hosts classes for all students. The scope includes the restoration of the building envelope, corrections of barriers to ADA accessibility, and replacement and upgrade of mechanical, electrical, plumbing, and life safety systems. Renovations will be implemented in phases while the building remains

fully occupied. The FY 2026 budget request includes funding to continue construction and begin equipping of the project. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

- **UNIVERSITY OF MARYLAND, BALTIMORE COUNTY**

New Student Services Building: \$5,903,000 (P)

Construct a one-stop student services building to consolidate student support offices administered by various divisions. Existing student services units are in eight different buildings scattered across campus. These dispersed service areas include: admissions, orientation, enrollment management, financial aid and scholarships, campus card ID, transcripts, student business services, student disability services and accommodation, international student support, basic needs support, career opportunities, and other academic success services. It is difficult for students to navigate the full range of services and resources UMBC makes available to them: The present service locations are generally not convenient to complementary services, student housing, or vehicular access. This minimizes their visibility and constitutes a significant barrier to access for the critical services our students rely on to support their success. The new building will be the hub of UMBC's "student success district." Located opposite the Albin O. Kuhn Library, adjacent to The Commons student life building, nearby the Center for Well-Being and student housing. SSB will be a welcoming building where students find seamless access to support and spend time throughout their day. The building will also be a place of arrival where alumni, visitors, prospective students and their families engage with campus. The collection of these qualities into one building will enhance the student experience at UMBC, be impactful for academic and post-graduate success, as well as recruitment, retention, and engagement. The estimated cost of this project totals \$167,968,000. The FY 2026 budget request includes funding to begin design. **(Note: The current CIP plan to begin the project in FY 2029. The college is requesting to accelerate the project to FY 2026 due to pre-authorization of funds by the General Assembly.)**

- **UNIVERSITY OF MARYLAND, COLLEGE PARK**

Campus-wide Building Systems and Infrastructure Improvements: \$12,500,000 (C)

Upgrade failing building systems and exterior infrastructure to address the most critical needs arising from an estimated facilities renewal need of about \$1.3 billion. This program includes, but is not limited to: the installation or upgrade of fire alarm systems, fire sprinkler systems, and fire pump controllers; replacement of electrical gear; replacement of underground heating and cooling piping, domestic water piping, foundation drain piping, and sanitary piping; replacement of emergency generators and emergency power circuits; replacement of HVAC equipment; upgrades of exterior security lighting, exterior security cameras, and telephones; repairs to various campus roads and bridges; and repair of campus storm drain outfalls, storm drain ponds, and the foundations of buildings. This program will

prevent major service interruptions, improve life safety systems, and reduce ongoing maintenance costs. The FY 2026 budget includes funding for five projects. This is an ongoing program that will continue beyond FY 2030. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

- **UNIVERSITY OF MARYLAND, COLLEGE PARK**

New Interdisciplinary Engineering Building (Zupnik Hall): \$58,700,000 (CE)

Construct an 86,248 NASF/163,692 GSF state-of-the-art Interdisciplinary Engineering Building for the A. James Clark School of Engineering. The building will house elements of the Department of Civil and Environmental Engineering and elements of other departments in the Clark School. It will also include space for collaboration with institutional and industrial partners, including the Center for Advanced Transportation Technology; as well as spaces for identity-based student organizations including the Society of Hispanic Professional Engineers, Society of Women Engineers, and Black Engineers Society. Based on the University's enrollment projections, there is insufficient capacity within existing facilities to accommodate projected growth in the School's engineering programs. Also, current spaces do not meet contemporary functional requirements to educate today's engineering students. The building will enhance the Clark School's ability to meet its strategic goals for growth, secure sponsored research opportunities, and contribute to the economic growth of the State and region. It will also enable the University to recruit and retain world-class faculty, as well as foster collaboration between disciplines and with institutional and business partners. The FY 2026 budget includes funding to continue construction and equipping of the building. **(Note: The request is a slight increase from the \$52,200,000 included for FY 2025 in the current CIP due to general cost increases for the project Also, in addition to State funds, private funds are contributing to the project.)**

- **UNIVERSITY OF MARYLAND, COLLEGE PARK**

Graduate Housing Subsidy: \$5,000,000 (CE)

Develop a 10.75-acre site in the east campus to make it more financially feasible for a developer to build new below-market rate graduate student housing. In addition, acquire/refurbish existing housing for graduate students. A recent housing study of the College Park area identified there was unmet demand for graduate rental housing. This project will help to address a shortage of affordable, dedicated graduate student housing at UMD. The FY 2026 funds will complete the site development work. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

- **UNIVERSITY OF MARYLAND, COLLEGE PARK**

Health and Human Sciences Complex: \$9,020,000 (C)

This project will fit out 77,932 NASF/149,304 GSF of shell space in New Cole Field House and renovate 11,850 NASF/19,427 GSF of the original Cole Field House South Wing to create 89,782 NASF of modern research and educational space for the research focused units of the School of Public Health (the Maryland Institute for Applied Environmental Health, the Department of Kinesiology, the Center for Healthy Families, and the Department of Epidemiology and Biostatistics) and the Academy of Innovation and Entrepreneurship . The existing School of Public Health Building was originally constructed in 1973 as a recreational and physical education facility. The existing building is functionally inadequate and lacks space for growth. The constraints of the existing structure and building systems limit the ability to create modern public health research and educational space in the building. The new Complex will enhance UMD's ability to respond to current and future public health needs, secure sponsored research funding, and produce more well-trained public health professionals. The FY 2026 budget request includes funding for construction. **(Note: Additional construction funds were not planned until FY 2027 in the current CIP, but the institution is requesting funds FY 2026 funds in order accelerate the project schedule.)**

- **UNIVERSITY SYSTEM OF MARYLAND, SYSTEM-WIDE**

Capital Facilities Renewal: \$25,000,000 (PCE)

Construct improvements to various facilities at the System's institutions that are in need of renewal. This is an annual request to respond to the capital maintenance needs of University System of Maryland facilities . Eligible projects must have a life expectancy of at least 15 years. The FY 2026 budget includes funding for 25 projects at all 15 campuses and centers; and an appropriation for the University System of Maryland Office that will be used to support unanticipated renewal efforts and other emerging needs. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

- **UNIVERSITY SYSTEM OF MARYLAND OFFICE**

Colwell Center Deferred Maintenance: \$5,099,000 (C)

Construct deferred maintenance improvements at the University System of Maryland Colwell Center (formerly the Columbus Center) in Baltimore City, including replacement of the aging tent roof and HVAC upgrades. The building was completed in 1995, and the components to be addressed are original to the building and past their useful lives. A 2022 inspection confirmed that the 30-year-old roof is deteriorating, and any failure could cause significant interior damage, jeopardizing the Center's operations and potentially harming aquatic life. The building's 30-year-old Central Plant is not energy efficient and replacement parts are difficult to obtain when required for repairs. The proposed deferred maintenance work will be completed in two separate phases. Phase I will replace the tension fabric roof while Phase II will upgrade the mechanical system. The FY 2026 budget request includes

funding to complete Phase 2. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

V. Morgan State University Projects

The seven (7) requested projects are:

- ***Deferred Maintenance and Site Improvements: \$10,000,000 (PCE)***

Construct site improvements as well as renovate, repair, replace, and upgrade building systems and infrastructure at Morgan State University to reduce the deferred maintenance backlog. The backlog is estimated to be between \$150,000,000 and \$200,000,000. This program will address the University's aging infrastructure and building systems that are inoperable or in poor condition. The University is augmenting the State's investment in its campus facilities through the operating budget, federal Historically Black Colleges and Universities Capital Financing Program loan funding, Energy Performance Contracts, and two grants from the National Park Service for repairs to the University Memorial Chapel. The University will also be reducing its backlog through a series of State-funded demolitions and renovations of buildings throughout campus. The FY 2026 budget includes: the remaining construction funding for: Murphy Fine Arts Roof and Exterior Door Replacements, Fire Alarm Upgrades, Phase 3, Boiler Renovations, replacement of Chiller Plant and UPS System at the Communications Building, upgrades to the chilled water plant at the Student Center Garage, connecting the Engineering Complex to the Central Heating Plant and replacement of the Health Center Roof and 2 roof top HVAC Units. This is an ongoing program that will continue beyond FY 2030. **(Note: Current CIP included only \$5,000,000 in FY 2026 for deferred maintenance projects.)**

- ***New Science Center, Phase II (Construct New Center): \$72,286,000 (PCE)***

Construct a 135,539 NASF/246,435 GSF New Science Center to house the biology and chemistry departments and the Dean's Office of the School of Computer, Mathematical, and Natural Sciences on the site of the existing Washington Service Center. The existing Science Complex comprises four buildings: Carnegie, Calloway, Spencer, and Key Halls. The oldest of these buildings (Carnegie Hall) was constructed in 1919 and the newest (Key Hall) in 1964. Spencer Hall was renovated in 1989, and the three other buildings were last renovated in 1992. The renovations were poorly done and created substandard spaces that do not meet modern-day building codes. The mechanical, electrical, and plumbing systems in the buildings are obsolete and need to be replaced. There is insufficient space in the Science Complex to appropriately serve the biology and chemistry departments due to growth in the science disciplines. In addition, the configuration of the building does not lend itself to the type of instructional and research spaces required to support the University's science programs. The FY 2026 budget includes funding to continue design,

construction, and for the initial purchase of equipment of the New Science Center. **(Note: The request is an increase from the \$60,252,000 included for FY 2026 in the CIP due to increased cost estimates of the project.)**

- ***Campus Expansion, Phase I (Lake Clifton High School Demolition): \$6,084,000 (PC)***
Demolish approximately 475,000 GSF of the old Lake Clifton High School and associated buildings on the Lake Clifton Campus in the Clifton Park neighborhood of Baltimore City. Morgan State University acquired the vacant high school building, originally built in 1971, from the City of Baltimore in 2022. The project will demolish the existing school building and outdoor storage facility, as well as remove /preserve historic public artwork and stabilize an historic valve house. The University will create a plan for the redevelopment of the site to meet the University's needs. The FY 2026 budget request includes funding to continue design, demolition, removal of art work, and stabilization of the valve house. **(Note: The request is an increase from the \$4,171,000 included for FY 2026 in the CIP due to increased cost estimates of the project.)**
- ***Carter-Grant-Wilson Building Renovation: \$17,182,000 (PC)***
Renovate the 14,350 NASF/26,079 GSF Carter-Grant-Wilson Building for the School of Graduate Studies and the Division of International Affairs. The building is located at the intersection of Cold Spring Lane and Hillen Road in Baltimore City. This renovation is a part of the University's 2015-2025 Facilities Master Plan. Previously, the building housed Human Resources, Information Technology, Internal Audit, and the Counseling Center. The majority of these departments have permanently relocated to the new Student Services Support Building (Tyler Hall), which opened in fall 2020. The remaining building occupants have been temporarily relocated due to closure of the building for health and safety reasons. The Counseling Center will move into the new Health & Human Services Center when it opens in the fall. The renovation will address two major issues: insufficient amount and poor quality of space to support the services that will relocate into the building; and inoperable and failing building systems. The FY 2026 budget includes funding to complete design and continue construction. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**
- ***Campus Wide Electric Upgrades: \$5,459,000 (P)***
Construct a new electrical substation as a single point of service (SPS) for the Morgan State University campus from BGE utility company. The project will provide new feeders and underground duct banks from BGE's Clifton Park substation to serve the new SPS, as well as connect the University's two existing electrical substations, Cold Spring and Montebello, to the new substation. Upgrades will be made at the Cold Spring and Montebello substations to increase power capacity. This project is required to support any buildings constructed after the completion of the New Health and Human Services Building, Phase

II. The new substation will create a dedicated power source, providing the dependability, resiliency, and redundancy required for the campus to have uninterrupted power. The proposed site for the new substation is behind the Student Center Garage. The FY 2026 request is to begin design. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

- ***Campus Renovations (Truth Hall): \$998,000 (P)***

Complete a series of renovation projects across Morgan State University's (MSU) campus to address significant needs that have surpassed the DBM definition of deferred maintenance and will reduce the over \$150,000,000 backlog of deferred maintenance projects as defined by MSU. Most projects included in the backlog have been deferred so long that they have compounded into larger-scale renovation projects. Truth Hall falls into this category. Exterior renovations include: replacement of the roof system (including the slate, underlayment, gutters, downspouts, snow guards, etc.), windows, caulking, grout/stone repointing/repairs/cleaning, doors, security systems (electronic access at entries, updated ADA buttons, cameras, lighting), repaint, and other related systems. Several roofing companies have advised the entire slate roof requires replacement. The roof will be replaced either with slate (to match the existing) or possibly with solar shingles if allowed/approved by the MHT. We will attempt to restore the exterior paint colors to their original pallet. Interior renovations are also required and would include replacement of the MEP/HVAC systems, elevator upgrades/replacement, stone pointing, security and IT systems, fire/sprinkler systems, walls, ceilings, lighting, flooring, painting, restroom rebuild, security systems, hazardous material removal, etc. The entire building will need to be brought up to current codes including but not limited to MEP/HVAC, the elevator, the restrooms and ADA improvements. The restrooms, though they have accessible stalls do not have accessible entries which will result in the loss of space. The FY 2026 request is to begin design. **(Note: The “campus renovation” category of projects was not scheduled to begin receiving funding until FY 2028 in the current CIP.)**

- ***Campus Renovations (Holmes Hall Exterior): \$998,000 (P)***

Complete a series of renovation projects across Morgan State University's (MSU) campus to address the significant need that has surpassed the DBM definition of deferred maintenance, but will reduce the over \$150,000,000 backlog of deferred maintenance projects as defined by MSU. Most projects included in the backlog have been deferred so long that they that their issues have compounded and no longer meet the definition of deferred maintenance. Holmes Hall falls into this category. This project is for exterior renovations only and will not impact the interior. Holmes Hall was constructed in 1952 and last renovated in 1993 (31 years ago). Holmes Hall was previously submitted as several exterior deferred maintenance projects. Due to unexpected depth of the steam improvements, the exterior renovations to Holmes were deferred. This project only focuses

on exterior renovations as the future long-term use of Holmes will be determined in the upcoming Master Plan. The Holmes Hall exterior work includes roof replacement, cupola restoration, window replacement, door replacement, wood door restoration, water infiltration, reconstruction of the HC ramp and stairs, handrail replacement, stone repointing (as needed), exterior repainting, re-waterproofing the lower level, replacing drainage systems, and the addition of security electronic locks. The roof continues to deteriorate, becoming more unsafe. The windows are not airtight, energy-efficient, and do not properly operate. The exterior doors are not easily operated or secured, and the stairs and ramp are becoming a safety concern and must be rebuilt. The FY 2026 request is to begin design. **(Note: The “campus renovation” category of projects was not scheduled to begin receiving funding until FY 2028 in the current CIP.)**

VI. Saint Mary’s College of Maryland Projects

The two (2) requested projects are:

- ***Montgomery Hall Renovation: \$16,506,000 (PC)***

Renovate Montgomery Hall, an academic building which remains essentially unchanged since its opening in 1979. The building currently houses the Departments of Art, Performing Arts, and English. The facility does not adequately support the College's current and anticipated programmatic needs. The Music Department vacated the building upon the completion of the New Academic and Auditorium Building in 2022. This has opened up space in Montgomery Hall to renovate and expand programmatic space for the remaining occupants. The renovation will also construct additional floor space, replace aged HVAC and electrical infrastructure, improve energy efficiency, and bring the building up to current ADA and code requirements. The Green Building Premium goal for this project has been changed from a LEED Silver to a Net Zero Energy Building. This change to the building’s design will support the Moore-Miller Administration 2024 State Plan to cut carbon, invest in clean energy technology, reduce energy consumption and build a more sustainable future. The FY 2026 request includes funding to complete design and begin construction. **(Note: The request to make the project net zero has increased overall estimated costs from approximately \$44M to approximately \$69M. However, the FY 2026 request is actually a \$200,000 from the amount planned for FY 2026 in the current CIP due to changes in project schedule.)**

- ***Campus Infrastructure Improvements: \$2,000,000 (PC)***

Construct various infrastructure improvements on the St. Mary’s College of Maryland campus. Projects include a wide range of renewal projects throughout the campus. The College has an estimated \$10 million of planned campus infrastructure improvements. The projects, organized in phases, will upgrade aging and obsolete building systems, improve energy efficiency, and improve campus infrastructure to address safety, environmental, and

quality-of-life concerns. The FY 2026 budget includes funding for design and construction of projects within Schaefer Hall to include fume hood removal and replacement, air handling unit replacements, and control upgrades. **(Note: The request equals the amount included for the project in FY 2026 of the current CIP.)**

VII. Maryland Independent College & University Association Projects

The three (3) requested projects are:

- **HOOD COLLEGE**

Hodson Science and Technology Center Renovation and Expansion: \$4,000,000 (PCE)

This project will renovate and expand the Hodson Science and Technology Center to accommodate growth in STEM programs. The current project will repurpose the Hodson Annex, the original Central Heating Plant and Laundry, and convert the interior space to teaching, research, and training laboratories and associated support spaces. Programs housed in the Hodson Annex will include the Biomedical Research and Training Center (BRTC), a Nuclear Magnetic Resonance (NMR) lab, and cybersecurity labs. The estimated total cost of the project is \$16.6 million.

- **MCDANIEL COLLEGE**

Merritt Hall Health Science Expansion: \$2,960,000 (PCE)

This project will make alterations to an existing building, Merritt Hall, in the center of McDaniel's campus to create larger and more flexible active learning classrooms, clinical labs, treatment and simulation areas, and a neuroscience research lab. The renovated space will be designed to best meet the specialized pedagogical, space and equipment needs required to deliver four new academic programs including a Bachelor of Art in Early Childhood Education, a Neuroscience Minor in Psychology, a Master of Science in Occupational Therapy, and a Master of Science in Speech Language Pathology. The estimated total cost of the project is \$5.92 million.

- **STEVENSON UNIVERSITY**

Music and Performing Arts Stage: \$5,000,000 (PC)

This project will construct an additional wing onto the Berman Center for Performing Arts building on Stevenson's Owings Mills campus. Over the last decade, Stevenson has been consolidating its traditional undergraduate programs on the Owings Mills campus. The North part of the Owings Mills campus has emerged as the academic hub for these programs. Construction of a Music Performance Stage wing onto the Black Box Theater will create a comprehensive Stevenson Performing Arts Center that will serve the University's students and the surrounding local community. The estimated total cost of the project is \$12 million.



Wes Moore
Governor

Aruna Miller
Lt. Governor

Cassie Motz
Chair

Sanjay Rai, Ph.D.
Secretary

MEMORANDUM

DATE: October 23, 2024

TO: Maryland Higher Education Commission

FROM: Dr. Sanjay Rai, Secretary

SUBJECT: Draft Statewide Goals for Higher Education

Executive Summary

The Maryland Higher Education Commission (MHEC) is proposing the following draft goals for higher education.

It is the goal of the State that...

- Postsecondary completion gaps are eliminated.
- At least 65% of Marylanders aged 25-64 will have a certificate or degree by 2030.
- MHEC establish an annual goal for the number of students completing a credential of value.
- Institutions of higher education establish research and innovation goals that are aligned with Maryland's economic strengths, strategic vision, and workforce sectors (e.g., Start-up businesses, university-based patents, and research funding).

The State Plan for Higher Education¹ must identify “the long-range and short-range objectives and priorities for postsecondary education...” The proposed draft goals will be the foundation for the next iteration of the State Plan for Higher Education as the specific long-range and short-range objectives and priorities for postsecondary education (due to the General Assembly July 1, 2026).

¹ In consultation with the governing boards and agencies concerned with postsecondary education in the State, the Commission shall develop and periodically update an overall plan consistent with the Charter, known as the State Plan for Higher Education, that shall identify: 1. The present and future needs for postsecondary education and research throughout the State, including current and emerging State and regional workforce needs in accordance with subparagraph (iv) of this paragraph; 2. The present and future capabilities of the different institutions and segments of postsecondary education in the State, and any specific academic programs institutions could develop to fulfill or support identified current State and regional workforce needs and any emerging workforce need programs; and 3. The long-range and short-range objectives and priorities for postsecondary education and methods and guidelines for achieving and maintaining them. ([Education Article §11-105\(a\)\(2\)](#))

The draft goals presented above identify where Maryland needs to go to ensure no one in Maryland is left behind and that we advance Maryland's economic competitiveness. More work will need to be done to define the draft goals and identify data sources for ongoing measurement. The following sections provide (a) background information, (b) where Maryland is with the existing goal, (c) justification for the draft goals, and (d) an overview of the process and an outline of next steps.

Background

Currently, Maryland law establishes the following degree attainment goal:

It is the goal of the State that at least 55% of Maryland's adults age 25 to 64 will hold at least an associate's degree by the year 2025 (Education Article [§10-205\(a\)](#)).

The Maryland goal was established on the heels of President Obama's and US Department of Education's goal that 60% of 25- to 34-year-olds complete at least an associate degree by 2020. Maryland was one of the first states to establish a state-specific attainment goal and many other states followed suit.²

Where is Maryland today?

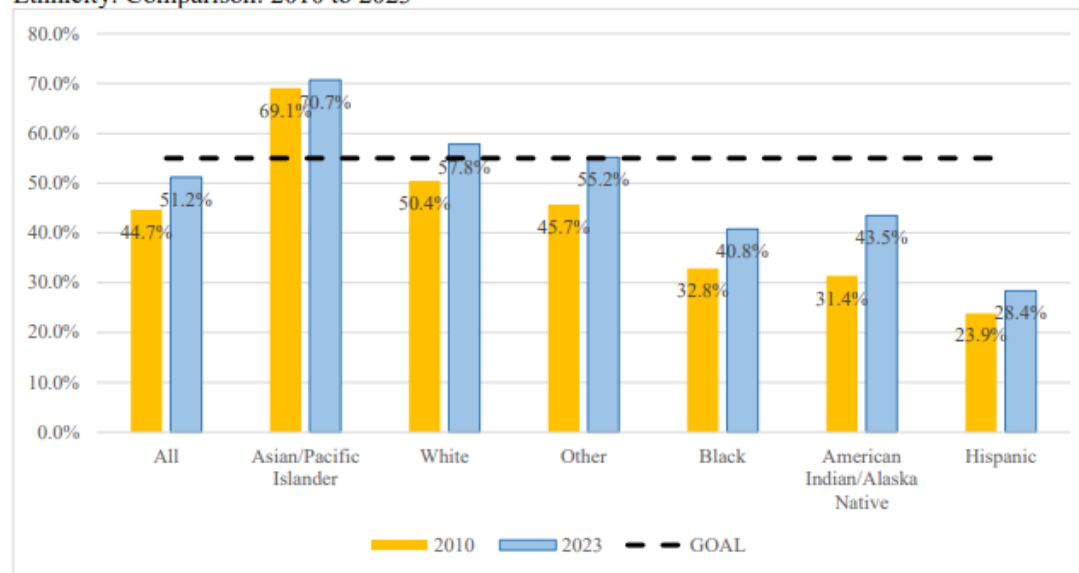
Please see the [2023 Annual Progress Report](#) and the [2023 Supplemental Report](#) for more information.

The overall, cumulative degree production by Maryland institutions shows a sustained trend of exceeding the targets of the model. In other words, Maryland's colleges and universities have met their targets of graduating students to meet the "55 X 2025" goal. However, Maryland will likely fall short of meeting the 55% goal in 2025 because degree production by institutions is not the sole contributor to overall degree attainment rates in the state. Degree attainment is also affected by such factors as in-migration, out-migration, employment requirements, and other dynamics that are tied to educating, attracting, and maintaining a talented workforce.

Despite the important contributions of Maryland's colleges and universities, there are persistent inequities regarding college attainment, particularly among racial and ethnic groups: [Lumina's analysis](#) indicates that while 59% of White Marylanders have an associate degree or higher, 43% of Black Marylanders and 30% Hispanic Marylanders have an associate degree or higher.

² A 2024 list of states with similar goals can be found here: https://www.luminafoundation.org/stronger-nation/report/static/States_with_Higher_Education_Attainment_Goals.pdf

Figure 4: Degree Attainment Rates among Maryland Adults Ages 25 to 64 by Race and Ethnicity: Comparison: 2010 to 2023



Source: Lumina Foundation Stronger Nation (<https://www.luminafoundation.org/stronger-nation/report/#!/progress/state/MD>)

Note: The aggregation of degree attainment data by race and ethnicity is obtained from the Lumina Foundation's Stronger Nation report. The Stronger Nation report relies on Census data, among other sources, to report on attainment levels across several factors.

In addition to addressing racial inequities, there is a need to focus on additional credentials that are non-credit or non-degree that have meaningful workforce outcomes. Finally, colleges and universities play a critical role in research and innovation. The current “55 X 2025” goal for Maryland does not address these inequities, does not include non-degree meaningful postsecondary credentials, and does not recognize the dual role that public colleges and universities have to supporting and advancing Maryland’s economy.

Justification for the Draft Goals

Addressing Inequities in Completion

Several other states have developed equity goals (e.g., [Massachusetts](#), [Colorado](#)). For Maryland, it’s crucial to recognize and specifically address the populations that have been left behind. Maryland currently faces significant attainment gaps across gender, race and ethnicity, and institutional sector, all of which must be targeted to ensure equitable progress. To that end, MHEC is proposing to set a goal that **Maryland is committed to eliminating postsecondary completion gaps.**

As Stronger Nation³ reports, 59.3% of White Maryland residents have a degree compared to 42.5% of Black Maryland residents, a nearly 17 percentage point difference. There are even

³ Stronger Nation (Lumina Nation): <https://www.luminafoundation.org/stronger-nation/report/#!/progress>

wider gaps when considering other racial and ethnic breakouts.

Aligning the draft goals with Governor Moore’s priority of “leaving no one behind” is essential.⁴ To do this, we need to identify specific populations (e.g., racial, ethnic, gender, age, geographic, veterans, incarcerated individuals, individuals with disabilities, undocumented individuals, etc.) in which postsecondary completion is below a specific threshold (e.g., statewide proportions).

Revised Attainment Goal

MHEC is proposing three changes to the existing "55 X 2025" goal: (a) including certificates in the calculation, (b) increasing the goal to 65% of Marylanders (aged 25-64 years old), and (c) extending the goal to 2030. The proposed revised goal would read:

It is the goal of the State that at Least 65% of Marylanders aged 25-64 will have a certificate or degree by 2030.

(a) The current goal focuses on associate's degrees or higher. Since 2013, the economy has changed in such a way that there are many other types of postsecondary credentials that lead to meaningful outcomes, both for the individual and for the larger economic workforce. Therefore, other states have moved to incorporate certificates and other postsecondary educational opportunities in their goal (e.g., [Kentucky](#), [Michigan](#)). Lumina's Stronger Nation Report includes certificates (including industry-recognized certificates) in their calculation. According to their analysis, Maryland has surpassed the 55% goal with a current attainment rate of 58.4% (using data from 2022).

MHEC is proposing to include certificates in the revised calculation and lean on the Stronger Nation Report analysis to evaluate Maryland's progress moving forward.

(b) MHEC is committed to having an aggressive, yet attainable revised population goal. With recent statewide initiatives underway to expand access to postsecondary education (e.g., implementation of Blueprint, revisions to state scholarship eligibility, expansion of non-degree certificates, targeted CTE and apprenticeship goals, expansion of Pell Grants to incarcerated individuals, etc.) Grants to incarcerated individuals, and a current attainment rate of 58.4% (based on 2022 data), it seems reasonable to set a new target for 65%. In recent years, Maryland has moved approximately one percentage point each year.

(c) To help keep the momentum, MHEC proposes setting this revised goal to be reached by 2030. Again, with various initiatives underway to expand access to quality and targeted postsecondary education, 2030 seems a reasonable target time market.

Many other states (e.g., [Virginia](#), [Colorado](#), [Minnesota](#)) have leveraged data from the Stronger Nation report to inform and measure progress towards their state goals.

Production of Credentials of Value

⁴ Moore-Miller Administration 2024 State Plan:

<https://governor.maryland.gov/priorities/Documents/2024%20State%20Plan.pdf>

Currently, Maryland's "55 X 2025" goal is considered a population-based attainment goal. Some states also have production goals (e.g., [Texas](#), [North Carolina](#)), meaning the state is focused on producing a certain number of graduates.

MHEC is interested in also setting a production goal. However, MHEC is proposing an intentional production goal - one in which value is asserted. Some states have specific initiatives to address workforce shortages, high-demand professions, and emerging fields and industries (e.g., [California](#), [Colorado](#), [Massachusetts](#)).

Credentials from Maryland's postsecondary institutions must improve earnings opportunities and align with high-demand jobs offered by regional employers. Therefore, **MHEC is committed to setting a targeted annual goal to measure students completing a credential of value.**

To do this, MHEC staff will need to have further discussions to define "credential of value." There are many ways to define credentials of value, such as (the list below are examples and not exhaustive):

- the credential leads to a living wage upon completion the credential is one step in a larger educational or career pathway; i.e., the credential leads to a living wage upon further education and provides economic mobility
- the credential is either a license recognized by the State or national professional organization, or is a certificate or degree granted by a postsecondary institution
- the credential is of strategic importance to the State

Once a definition is agreed upon, MHEC can propose an evidence-based production goal for credentials of value.

Research and Innovation

In addition to supporting Maryland students, Maryland must be at the forefront of research and innovation to improve outcomes, foster collaboration, and remain adaptable to change.

Therefore, **Maryland institutions shall develop research and innovation goals that are aligned with Maryland's economic strengths, strategic vision, and workforce sectors.**

Elements for a research goal will include:

- Start-up businesses that are developed using college resources (e.g., campus-based incubators)
- The development of university-based patents and intellectual property
- Research funding awarded from the federal government and private entities to support research activities, with a specific emphasis on sponsored research initiatives from private businesses/organizations

Process and Next Steps

There is support for the draft goals from the higher education community. We have reviewed similar goals set by other states. An initial survey was circulated last spring asking for general input on a number of priorities that would help inform new goals and revisions to existing goals. Similarly, we have discussed potential revisions with various stakeholders, such as the Segmental Advisory Council, campus presidents and campus leadership, leadership from other state agencies (e.g., Department of Commerce and Department of Labor), and national organizations that have helped other states develop statewide goals (e.g., HCM Strategists). Finally, the draft goals have been discussed at recent Commission meetings, including meetings of the Education Policy Committee.

More recently, MHEC staff circulated a Fall Survey among college presidents for feedback on the proposed goals presented in the executive summary. Again, there is general support conceptually for the proposed goals.

The Student Success Summit – Harnessing Maryland’s Potential, will be the kick-off meeting that introduces the draft goals and will provide an opportunity for campus leadership to reflect on the draft goals and their own institutional priorities.

Detailed definitions and specific methods for measuring progress towards the draft goals will be finalized in 2025 through the development of the revised State Plan for Higher Education, which will begin revisions in 2025. A revised State Plan for Higher Education is due to the General Assembly no later than July 1, 2026. A proposed outline of relevant meetings with campus leadership and relevant community partners for 2025 and meeting topics is provided below. These meetings will be open to the public.

Month	Meeting Topic
April	State Plan Kickoff Meeting: Overview, statutory expectations, draft template, timeline
May	Define credentials of value
May/June	Determine populations of interest to eliminate completion gaps
June	Refine definition of credentials of value Refine populations of interest to eliminate completion gaps
June	Identify specific research-relevant metrics
July	Review outline of State Plan
August	Agree on data sources for measuring credentials of value and populations of interest
September	Summative discussion: review goals, definitions, and data sources for completion equity, credentials of value, and research
October	Review draft of State Plan; Evaluate progress and determine if completion by January 2026 is reasonable; adjust remaining schedule as necessary
November	Review draft of State Plan
December	Review draft of State Plan

Again, the draft goals will be the foundation for the next iteration of the State Plan for Higher Education as the specific long-range and short-range objectives and priorities for postsecondary education (due to the General Assembly July 1, 2026).

As a reminder, "...the Commission shall develop and periodically update an overall plan consistent with the Charter, known as the State Plan for Higher Education, that shall identify:

1. The present and future needs for postsecondary education and research throughout the State, including current and emerging State and regional workforce needs...;
2. The present and future capabilities of the different institutions and segments of postsecondary education in the State...; and
3. The long-range and short-range objectives and priorities for postsecondary education and methods and guidelines for achieving and maintaining them..."⁵

Parallel convenings will occur to draft the sections relevant to (a) present and future needs for postsecondary education and research and (b) present and future capabilities of the different institutions and segments of postsecondary education.

⁵ [Education Article §11–105\(a\)\(2\)](#)



Wes Moore
Governor

Aruna Miller
Lt. Governor

Cassie Motz
Chair

Sanjay Rai, Ph.D.
Secretary

MEMORANDUM

DATE: October 23, 2024

TO: Maryland Higher Education Commissioners

FROM: Soma Kedia, Assistant Attorney General

SUBJECT: Final Adoption of Regulations and Regulatory Amendments –
New Regulations for Promise Scholarship Program (COMAR 13B.08.21)
Amendments to Regulations for Student Loan Debt Relief Tax Credit Program
(COMAR 13B.08.17)
Amendments to Regulation for Academic Program Review – Review Meeting
Process (COMAR 13B.02.03.28)

In order for proposed regulations to have legal effect, after initial publication in the Maryland Register and a public comment period, a State entity must formally adopt the regulations and publish notice of the adoption in the Maryland Register. The following proposed regulations are ready for final adoption.

New Regulations for Promise Scholarship Program (COMAR 13B.08.21)

On July 24, 2024, the Commission approved for publication the (1) repeal of the current regulations for the Maryland Community College Promise Scholarship Program and (2) new regulations to replace the current ones. The purpose of the new regulations is implement the changes needed to decentralize the program, as required under Chapter 634 of the Acts of 2023 (HB 923). Now, instead of making scholarship awards directly to students, the Commission's Office of Student Financial Assistance is responsible for allocating appropriated funds to the State's 16 community colleges, who are to award each scholarship.

The proposed regulations were published in the Maryland Register on September 6, 2024 (enclosed). The public comment period for the regulations ended on October 7, 2024, and no public comments were received. The regulations became eligible for final adoption on October 22, 2024.

The new regulations will become effective 10 days after notice of the final adoption is published in the Maryland Register.

RECOMMENDATION ONE: It is recommended that the Commission approves for final adoption the enclosed regulatory proposal for repeal of the current regulations and replacement with new regulations for the Maryland Community College Promise Scholarship Program.

Amendments to Regulations for Student Loan Debt Relief Tax Credit Program (COMAR 13B.08.17)

On June 28, 2023, the Commission approved for publication amendments to the regulations for the Student Loan Debt Relief Tax Credit Program. The purpose of the amendments is to implement changes required under Chapter 738 of the Acts of 2023 (HB 680) and to make language changes that clarify certain existing provisions. The primary purposes of the referenced legislation were to double the available funds for the program from \$9,000,000 to \$18,000,000 and to add new eligibility categories.

The proposed regulatory amendments were published in the Maryland Register on August 9, 2024 (enclosed). The public comment period for the amendments ended on September 9, 2024, and no public comments were received. The regulatory amendments became eligible for final adoption on September 24, 2024.

The regulatory amendments will become effective 10 days after notice of the final adoption is published in the Maryland Register.

RECOMMENDATION TWO: It is recommended that the Commission approves for final adoption the enclosed regulatory proposal for amendments to the regulations for the Student Loan Debt Relief Tax Credit Program.

Amendments to Regulation for Academic Program Review – Review Meeting Process (COMAR 13B.02.03.28)

On July 24, 2024, the Commission approved for publication amendments to the academic program review regulation governing the Review Meeting process. The purpose of the amendments is to integrate certain requirements required by Chapter 963 of the Acts of 2024 (HB 1244), such as allowing each institution to have at least 10 minutes, without interruption, to present to the Commission and to conduct any discussion and formal action in open session.

Additionally, the amendments make changes intended to simplify the process, such as alterations to the timeline of the process, removing “rebuttal” presentations, and providing for all institutions to have equal speaking time.

The proposed regulatory amendments were published in the Maryland Register on September 6, 2024 (enclosed). The public comment period for the amendments ended on October 7, 2024, and no public comments were received. The regulatory amendments became eligible for final adoption on October 22, 2024.

By default, regulations are effective 10 days after notice of the final adoption is published in the Maryland Register, a later effective date may be requested. To simplify communications with institutions regarding when the new Review Meeting process will be in effect, the Assistant Secretary for Academic Affairs has recommended an effective date for these regulatory amendments of December 1, 2024.

RECOMMENDATION THREE: It is recommended that the Commission approves for final adoption the enclosed regulatory proposal for amendments to the regulation for the Review Meeting Process for academic program review, with an effective date of December 1, 2024.

Subtitle 08 FINANCIAL AID

13B.08.21 Maryland Community College Promise [Scholarships] *Scholarship Program*

Authority: Education Article, [§§11-105(u) and 18-204(c) and Subtitle 36, Title 18,] §§11-105 and 18-204 and Title 18, Subtitle 36, Annotated Code of Maryland

Notice of Proposed Action

[24-102-P]

The Maryland Higher Education Commission proposes to repeal existing Regulations .01—.22 and adopt new Regulations .01—.09 under **COMAR 13B.08.21 Maryland Community College Promise Scholarship Program**. This action was considered at an open meeting of the Commission held on July 24, 2024.

Statement of Purpose

The purpose of this action is to replace the existing Promise Scholarship Program regulations with new regulations reflecting the requirements of Ch. 634, Acts of 2023, and other amendments to Education Article, Title 18, Subtitle 36, Annotated Code of Maryland, made in 2020, 2021, and 2024. The new regulations reflect the legislature's decentralization of the program, wherein the Maryland Higher Education Commission, rather than making scholarship awards directly to students, allocates funds to the State's 16 community colleges, who are now responsible for making awards to students.

The new regulations:

- (1) Delineate the division of responsibilities between the Commission and the community colleges in administration of the scholarship;
- (2) Clarify student eligibility requirements, including the types of programs or courses in which students may be enrolled;
- (3) Differentiate between eligibility requirements for students in credit-bearing programs and courses and students in noncredit programs and registered apprenticeships;
- (4) As required by the authorizing legislation, set forth income eligibility verification procedures for community colleges;
- (5) Set forth procedures for the Commission to annually allocate funds to each community college; and
- (6) Include reporting, reconciliation, and audit requirements.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Geoff Newman, Assistant Secretary of Higher Education, Maryland Higher Education Commission, 6 N. Liberty St., 10th Fl., Baltimore, MD 20201, or call 410-767-3049, or email to geoff.newman@maryland.gov. Comments will be accepted through October 7, 2024. A public hearing has not been scheduled.

.01 Purpose.

A. *The purpose of the Maryland Community College Promise Scholarship Program is to provide tuition assistance to students enrolling part-time or full-time in a community college who are seeking:*

- (1) *An associate's degree;*
- (2) *A lower division certificate;*
- (3) *A noncredit vocational certificate or completion of a noncredit vocational program;*
- (4) *Completion of a sequence of credit or noncredit courses leading to licensure or certification; or*
- (5) *Completion of a Registered Apprenticeship in the State.*

B. *The purpose of these regulations is to set forth policies and procedures for the administration of the Maryland Community College Promise Scholarship Program under Education Article, Title 18, Subtitle 36, Annotated Code of Maryland.*

.02 Definitions.

A. *In this chapter, the following terms have the meanings indicated.*

B. *Terms Defined.*

(1) *"Annual adjusted gross income" means the total of the combined adjusted gross income, as reported on the federal or State income tax return for the most recent tax year, of:*

- (a) *The applicant, if the applicant is independent;*
- (b) *The applicant and the applicant's parents, if the applicant is a dependent; or*
- (c) *The applicant and the applicant's spouse, if the applicant is married.*

(2) *"Commission" means the Maryland Higher Education Commission.*

(3) *"County" means a county of the State or Baltimore City.*

(4) *Extenuating Circumstances.*

(a) *"Extenuating circumstances" mean a documented, extraordinary event or condition that prevents a recipient from fulfilling a Scholarship requirement.*

(b) *"Extenuating circumstances" includes, but is not limited to, the following events or conditions, to the extent that the event or condition prevents the recipient from fulfilling a Scholarship requirement:*

- (i) *Disability;*
- (ii) *Serious illness of the student;*
- (iii) *Pregnancy or adoption;*

- (iv) *Extreme financial hardship of the student or student's immediate family;*
- (v) *Fulfillment of military service; or*
- (vi) *Serious illness or death of an immediate family member.*
- (5) *"FAFSA" means the Free Application for Federal Student Aid.*
- (6) *"Federal verification" means the process prescribed by the U.S. Department of Education to verify that information provided on the FAFSA is accurate.*
- (7) *"GPA" means cumulative grade point average.*
- (8) *"Institutional Student Information Report" or "ISIR" means an electronic record produced by the Central Processing System of the U.S. Department of Education that provides institutions with processed application and correction information.*
- (9) *"MDCAPS" means the Maryland College Aid Processing System maintained by the Commission.*
- (10) *"Most recent tax year" means the tax year 2 years prior to the beginning of the State fiscal year in which the award will be made.*
- (11) *"Non-loan aid" means any student financial aid scholarships or grants applied to the student's tuition and fee charges, excluding Title IV federal work-study.*
- (12) *"Registered apprenticeship" means an apprenticeship program meeting the standards of and registered with the Maryland Department of Labor.*
- (13) *"Satisfactory academic progress" means the academic standards established by the community college to determine whether a student may continue to receive student financial aid.*
- (14) *"Tuition" has the meaning stated in Education Article, §18-3601, Annotated Code of Maryland.*

.03 Program Administration.

- A. *The Scholarship Program shall be jointly administered by the Commission and each community college in the State.*
- B. *Responsibilities of Commission. The Commission shall:*
 - (1) *Annually allocate funding for the Scholarship Program to each community college in the State in accordance with Education Article, Title 18, Subtitle 36, Annotated Code of Maryland, and this chapter;*
 - (2) *Identify students who are potentially eligible for the Scholarship based on information from the FAFSA or MHEC OneApp and provide a list of potentially eligible students to the community colleges through MDCAPS;*
 - (3) *Review audit reports to ensure that each community college has verified eligibility and awarded funds as set forth in Education Article, Title 18, Subtitle 36, Annotated Code of Maryland, and this chapter;*
 - (4) *Collect payments from community colleges that have made awards in error and transfer the collected funds to the Need-based Student Financial Assistance Fund under Education Article, §18-107, Annotated Code of Maryland;*
 - (5) *Annually reconcile allocated funds, collect unused funds from community colleges, and transfer the collected funds to the Need-based Student Financial Assistance Fund under Education Article, §18-107, Annotated Code of Maryland;*
 - (6) *Publicize the Scholarship Program throughout Maryland, including, but not limited to, posting information about the Scholarship on the Commission website and providing information to high school counselors; and*
 - (7) *Annually report information regarding the Scholarship to the General Assembly as set forth in Education Article, Title 18, Subtitle 36, Annotated Code of Maryland.*
- C. *Responsibilities of Community Colleges. Each community college in the State shall:*
 - (1) *Publicize the Scholarship Program in a readily accessible location on the community college's website;*
 - (2) *Create, prominently post, and provide to initial and renewal applicants a clear and easily understandable step-by-step application process, including all required forms and documentation;*
 - (3) *Verify eligibility of initial applicants as set forth in Education Article, §18-3603(b)—(c), Annotated Code of Maryland, and this chapter;*
 - (4) *Select and award eligible initial applicants using the priority criteria in Education Article, §18-3604(b), Annotated Code of Maryland;*
 - (5) *Maintain a wait list of eligible initial applicants that are not offered an award;*
 - (6) *Verify eligibility of renewal applicants under the criteria in Education Article, §18-3604(c) and award eligible renewal applicants;*
 - (7) *Timely notify initial and renewal applicants of their award status in writing;*
 - (8) *Calculate award amounts as set forth in Education Article, §18-3604(a)—(b), Annotated Code of Maryland, and disburse awards to student accounts from the community college's allocated funds;*
 - (9) *Work with the Commission to annually reconcile the allocated funds;*
 - (10) *Return to the Commission any unused funds and any funds for awards that were erroneously awarded;*
 - (11) *Maintain student records received or created for the Scholarship for a period of at least 5 years after the student's final award date;*
 - (12) *Make all financial books, records, and documents pertaining to the Scholarship Program available for inspection by the Commission, or an authorized representative of the Commission, at any time;*
 - (13) *Annually obtain and submit to the Commission an independent audit of the community college's administration of the Program in accordance with this chapter; and*
 - (14) *Provide reports and information to the Commission as set forth in this chapter and at the request of the Commission.*

.04 Student Eligibility for Initial Applications.

- A. *To be eligible for the Scholarship, an applicant shall be enrolled in or plan to enroll at the community college serving the county in which the applicant lives or a community college in the State that has an on-campus residential facility for students.*
- B. *Applicants Enrolling in Credit-Bearing Courses or Programs. An applicant enrolling in credit-bearing courses is eligible for a Scholarship if the applicant:*
 - (1) *Is eligible for in-State tuition, as determined by the community college in accordance with Education Article, Title 15, Annotated Code of Maryland;*
 - (2) *Has graduated from a high school or successfully completed a GED in the State;*
 - (3) *Has not previously earned an associate's or bachelor's degree;*
 - (4) *Is enrolled in or plans to enroll in a community college in:*

- (a) An associate's degree program;
- (b) A lower division certificate program; or
- (c) A sequence of credit-bearing courses that leads to licensure or certification in a particular occupation;
- (5) If the applicant graduated from high school in the State less than 5 years before the date of application and is not currently enrolled in a community college in the State, or if the applicant will graduate from a high school in the State prior to enrolling in the community college, earned an unweighted high school GPA of at least 2.3 on a 4.0 scale or its equivalent;
- (6) If the applicant has already enrolled in a community college in the State, earned a GPA of at least 2.5 on a 4.0 scale;
- (7) If enrolled or enrolling in an associate's degree program or a lower division certification program, enrolls in at least 6 credits per semester at the community college while receiving the Scholarship;
- (8) If required by the institution, timely submits an institutional application form and supporting documentation;
- (9) If eligible to submit a FAFSA, timely submits a FAFSA and any other applications for State or federal non-loan aid for which the applicant may qualify;
- (10) If ineligible to submit a FAFSA, timely submits the MHEC OneApp;
- (11) For the most recent tax year, had an annual adjusted gross income of not more than:
 - (a) \$100,000 if the applicant is single or resides in a single-parent household; or
 - (b) \$150,000 if the applicant is married or resides in a two-parent household; and
- (12) Has not been awarded other non-loan aid that, in total, covers the applicant's full cost of attendance at the community college.

C. Applicants Enrolling in Noncredit Courses or Participating in Registered Apprenticeships. An applicant enrolling in noncredit courses or courses required to complete a Registered Apprenticeship in the State is eligible for a Scholarship if the applicant:

- (1) Is eligible for in-State tuition, as determined by the community college in accordance with Education Article, Title 15, Annotated Code of Maryland;
- (2) If required by the program in which the student plans to enroll, has graduated from a high school or successfully completed a GED in the State;
- (3) Has not previously earned an associate's or bachelor's degree;
- (4) Plans to enroll in a community college in:
 - (a) A noncredit vocational certificate program;
 - (b) A sequence of noncredit courses that leads to licensure or certification in a particular occupation; or
 - (c) Credit or noncredit courses required for the completion of a Registered Apprenticeship in the State.
- (5) If required by the community college, submits an institutional application form and supporting documentation;
- (6) If enrolling in a noncredit program for which a federal Pell Grant may be used and is eligible to submit a FAFSA, timely submits a FAFSA;
- (7) For the most recent tax year, had an annual adjusted gross income of not more than:
 - (a) \$100,000 if the applicant is single or resides in a single-parent household; or
 - (b) \$150,000 if the applicant is married or resides in a two-parent household; and
- (8) Has not been awarded other non-loan aid that, in total, covers the applicant's full cost of attendance at the community college.

.05 Student Eligibility for Renewal Applications.

A. Subject to the State budget and a community college's annual allocation for the Scholarship Program, an applicant shall be eligible to renew a Scholarship for a subsequent year if the applicant:

- (1) If required by the community college, completes any institutional application form and supporting documentation;
- (2) Timely submits a FAFSA or MHEC OneApp, as applicable, and any other applications for State and federal non-loan aid, if the applicant was required to submit them with their initial application;
- (3) Continues to meet the income requirements for the Scholarship Program under Education Article, §18-3603, Annotated Code of Maryland, and this chapter;
- (4) If applicable under Regulation .04 of this chapter, continues to enroll and complete at least 6 credits per semester;
- (5) If enrolled in credit-bearing courses, maintains a cumulative grade point average of at least 2.5 on a 4.0 scale or its equivalent for the award period, unless, upon submission of satisfactory evidence, the community college finds that extenuating circumstances, as defined in this chapter, exist;
- (6) Makes satisfactory progress, as determined by the community college, toward the student's eligible program of study under Regulation .04 of this chapter; and
- (7) Continues to be eligible for in-State tuition.

B. A recipient may receive a Scholarship only for the shorter of:

- (1) A total of 3 years, unless the community college, upon submission of satisfactory evidence, finds that extenuating circumstances, as defined in this chapter, exist that justify an interruption of study and prevent the recipient from continuous enrollment; or
- (2) The date that the individual is awarded an associate degree.

.06 Verification of Eligibility.

A. A community college shall verify the eligibility of each applicant for a Scholarship in accordance with Education Article, §§18-3603 and 18-3603.1, Annotated Code of Maryland, and Regulations .04 and .05 of this chapter.

B. Income eligibility of applications shall be verified as described in this regulation.

C. Applicants Eligible for Federal Aid.

- (1) A community college shall verify the income eligibility of an applicant federally selected for verification under the standards set by the U.S. Department of Education.
- (2) The Commission will identify all Scholarship recipients who are federally selected for verification under the V1 and V5 verification groups and transmit the information to the community colleges on a roster through MDCAPS.
- (3) The federal verification performed by the community for a student who has filed a federal tax return shall include verification of:
 - (a) Adjusted gross income;
 - (b) Federal income tax paid;

- (c) *Untaxed portions of IRA distributions;*
- (d) *Untaxed portions of pensions;*
- (e) *IRA deductions and payments;*
- (f) *Tax-exempt interest income;*
- (g) *Education credits;*
- (h) *Number of household members;*
- (i) *Number of household members enrolled in an institution of higher education; and*
- (j) *Transaction number of the Institutional Student Information Report used.*

(4) *The federal verification performed by the community college for a student who has not filed a federal income tax return, but who has filed a FAFSA, shall include verification of:*

- (a) *Income earned from work;*
- (b) *Number of household members; and*
- (c) *Number of household members enrolled in an institution of higher education.*

(5) *The community colleges shall promptly update recipient records in MDCAPS using information verified under this section.*

D. Applicants Ineligible for Federal Aid.

(1) *A community college shall select and verify the adjusted gross income levels and demonstrated need of a representative sample of applicants who:*

- (a) *Are ineligible to receive federal aid;*
- (b) *Submitted the MHEC OneApp; and*
- (c) *Filed a State or federal tax return for the appropriate year.*

(2) *For an applicant selected by the community college for verification under §D(1) of this regulation, the community college shall verify the following:*

- (a) *Adjusted gross income;*
- (b) *Income tax paid;*
- (c) *Untaxed portions of IRA distributions;*
- (d) *IRA deductions and payments;*
- (e) *Tax-exempt interest income;*
- (f) *Education credits;*
- (g) *Number of household members; and*
- (h) *Number of household members enrolled in an institution of higher education.*

.07 Institutional Allocation.

A. At the beginning of each State fiscal year, and no later than August 15, the Commission shall notify each community college of the total dollar amount of funds allocated to the institution for initial and renewal awards.

B. The Commission shall annually allocate the funds appropriated for the Scholarship Program in the State budget based on a community college's pro rata share of the total number of students who attended community colleges in the State who were eligible for the federal Pell Grant during the State fiscal year 2 years prior to the fiscal year in which the funds are being allocated.

C. Except as set forth in §E of this regulation, on a date established by the Commission, each community college shall be initially disbursed half of the amount of the annual allocation.

D. Except as set forth in §E of this regulation, the amount of total funds remaining after the initial disbursement shall be disbursed as follows.

(1) *A community college that has awarded at least 66 percent of their initial disbursement by December 31 shall receive the remaining half of the amount calculated under §B of this regulation in a second disbursement on a date established by the Commission.*

(2) *A community college that has awarded 95 percent of their initial disbursement prior to December 31 shall notify the Commission and the Commission may, at its discretion, provide the second disbursement to the community college at an earlier date.*

(3) *If a community college has awarded less than 66 percent of their initial disbursement by December 31, the community college shall consult with the Commission. If the community college determines, after consultation with the Commission, that the community college is unlikely to need the entirety of the remaining 50 percent of the amount calculated under §B of this regulation, the community college may authorize the Commission to retain all or part of the remaining 50 percent of their annual allocation for reallocation to community colleges that have awarded a higher percent of their initial disbursement.*

(4) *The Commission shall calculate the reallocation of the funds retained under §D(3) of this regulation to community colleges based on a community college's pro rata share of the amount of funds from the initial disbursement awarded to students by each community college by December 31.*

(5) *The Commission shall notify the community colleges of the amount of any reallocated funds they will receive no later than January 21.*

E. If all 16 community colleges in the State enter into an agreement with the Commission to receive disbursements from their total allocation via an alternate method set forth in the agreement, the Commission shall substitute the disbursement procedures in §§C and D of this regulation with those in the agreement.

.08 Reconciliation, Audit, and Return of Funds.

A. The Commission and the community colleges shall annually reconcile the allocated funds in a form and manner prescribed by the Commission.

B. All Scholarship Program funds that were not awarded by a community college by the end of the State fiscal year shall be returned to the Commission by a date established by the Commission.

C. A community college shall annually provide to the Commission by June 1 an independent audit of their administration of the Scholarship Program during the prior State fiscal year.

D. The audit:

(1) *Shall be conducted in accordance with the standards of the American Institute of Certified Public Accountants and in compliance with generally accepted auditing standards;*

(2) *Shall determine whether and to what extent the institution has complied with the statutory and regulatory requirements of the Scholarship Program;*

(3) *Shall assess:*

- (a) *Accuracy of award eligibility determination performed by the institution for both initial and renewal awards;*
- (b) *Compliance with federal regulations and guidelines relating to income verification;*
- (c) *Adequacy of reporting by the institution to the Commission in the ISIR; and*
- (d) *Accuracy of award amount calculations and disbursements to student accounts; and*

(4) *Shall include a management letter from the auditor to the institution containing a list of all material weaknesses in the institution's system of internal controls and the institution's response to each item set forth in the management letter.*

E. An institution's independent auditor may include results of multiple State financial assistance program audits in one report.

F. If the Commission finds, through the audit or another method, that the community college made an award to an ineligible student or the award amount was calculated incorrectly, the community college shall remit the amount of that award to the Commission, and may not require repayment of the amount from the student or from any third party on behalf of the student.

G. If a community college does not timely return or remit funds as required by this regulation or fails to comply with an auditor's recommendations prior to the next audit, the Commission may:

- (1) *Delay a subsequent year's disbursement until the unreturned or unremitted funds have been paid to the Commission; or*
- (2) *Suspend participation by the institution in the Scholarship Program until the funds have been remitted or the institution has come into compliance, as applicable.*

.09 Reporting.

A. Each community college shall annually submit the following information to the Commission by the date identified.

B. No later than December 15, a community college shall submit a completed Promise Certification and Repayment Roster form provided by the Commission that identifies all awardees who received awards for the fall semester.

C. No later than June 15, a community college shall submit a completed Promise Certification and Repayment Roster form provided by the Commission that identifies all awardees who received awards for the spring semester.

D. By October 15, a community college shall submit a final, end-of-year report that identifies all awardees who received awards during the prior State fiscal year.

SANJAY RAI, Ph.D.
Secretary of Higher Education

Title 13B

MARYLAND HIGHER EDUCATION COMMISSION

Subtitle 08 FINANCIAL AID

13B.08.17 Student Loan Debt Relief Tax Credit

Authority: Education Article, §11-105(u); Tax-General Article, §10-740; Annotated Code of Maryland

Notice of Proposed Action

[24-085-P]

The Maryland Higher Education Commission proposes to amend Regulations .02—.05 under **COMAR 13B.08.17 Student Loan Debt Relief Tax Credit**. This action was considered at an open meeting of the Commission held on June 28, 2023.

Statement of Purpose

The purpose of this action is to change the eligibility categories for the Tax Credit pursuant to Ch. 738, Acts of 2023, and to clarify some existing language.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Geoff Newman, Assistant Secretary for Finance and Administration, Maryland Higher Education Commission, 6 N. Liberty St., 10th Fl., Baltimore, MD 20201, or call 410-767-3085, or email to geoff.newman@maryland.gov. Comments will be accepted through September 9, 2024. A public hearing has not been scheduled.

.02 Definitions.

A.—D. (text unchanged)

[E. “Income” means the adjusted gross income reported by a qualified taxpayer on their federal tax return in the tax year immediately preceding the year the taxpayer applies for the Student Loan Debt Relief Tax Credit.]

[F.] E.—[I.] H. (text unchanged)

[J.] I. “Qualified taxpayer” means an individual who has:

(1) (text unchanged)

(2) At least \$5,000 in outstanding student loan debt [when submitting] *as of the submission date of* an application under Regulation .04 of this chapter.

[K. “Undergraduate or graduate education” means credit-bearing coursework towards an associate’s degree, a bachelor’s degree, or a degree or certificate above the bachelor’s level, including but not limited to a master’s degree and a doctorate degree.]

.03 Tax Credit.

A.—C. (text unchanged)

D. The total amount of a Student Loan Debt Relief Tax Credit claimed under a qualified taxpayer’s income tax return and approved by the Comptroller pursuant to §F of this regulation shall be recaptured if the qualified taxpayer does not use an approved credit for the repayment of the qualified taxpayer’s student loan debt within [2] 3 years from the close of the taxable year in which the credit is awarded. The qualified taxpayer who claimed the approved tax credit shall pay the total amount of the credit claimed as taxes payable to the State of Maryland for the taxable year in which the event requiring recapture of the credit occurs.

E.—F. (text unchanged)

.04 Applying to the Commission for Certification of a Tax Credit.

A.—B. (text unchanged)

C. The Student Loan Debt Relief Tax Credit application shall require a qualified taxpayer to submit, in a form prescribed by the Secretary, information required by the Secretary to determine the taxpayer’s eligibility for certification, including but not limited to:

(1) The qualified taxpayer’s full legal name, date of birth, [gender,] residency address, email address, phone number, and social security number;

(2) The name of the institution or institutions attended, *date the qualified taxpayer’s degree or degrees were awarded*, and dates of attendance attributable to the qualified taxpayer’s student loan debt;

(3) (text unchanged)

(4) For each student loan debt that contributes to the amount of student loan debt attested to pursuant to §C(3) of this regulation, the:

(a)—(c) (text unchanged)

(d) Original amount of the student loan debt *disbursed to the qualified taxpayer; and*

[e] Total amount of debt that the qualified taxpayer has incurred under the student loan debt; and]

[f)] (e) Total amount of the student loan debt currently outstanding at the time the Student Loan Debt Relief Tax Credit application is submitted;

(5) (text unchanged)

(6) Information that the Secretary deems necessary in order to allow the Commission to determine the qualified taxpayer's *adjusted gross income*;

(7)—(8) (text unchanged)

(9) A signed statement of assurance by the qualified taxpayer that the individual shall use any credit approved by the Commission and accepted by the Comptroller for the repayment of the individual's student loan debt as soon as practicable and not later than [2] 3 years after the taxable year in which the credit is claimed.

D. (text unchanged)

.05 Commission Action on an Application.

A.—C. (text unchanged)

D. The Commission shall prioritize tax credit recipients and amounts credited to each recipient in the following order:

[(1) Qualified taxpayers who did not receive a tax credit in the prior year and who were eligible for in-State tuition;

(2) Qualified taxpayers who did not receive a tax credit in the prior year and who graduated from an institution of higher education located in the State;

(3) Qualified taxpayers who did receive a tax credit in the prior year and who were eligible for in-State tuition;

(4) Qualified taxpayers who did receive a tax credit in the prior year and who graduated from an institution of higher education located in the State; and

(5) Qualified taxpayers who have higher debt-burden-to-income ratios.]

(1) *Qualified taxpayers who are State employees and graduated from institutions of higher education in the State where at least 40 percent of the attendees are eligible to receive federal Pell Grants;*

(2) *Qualified taxpayers who are State employees and are not described under §D(1) of this regulation;*

(3) *Qualified taxpayers who are not State employees and graduated from institutions of higher education in the State where at least 40 percent of the attendees are eligible to receive federal Pell Grants; and*

(4) *All other qualified taxpayers, who may be prioritized based on one or more of the following categories:*

(a) *Those who did not receive a tax credit in the prior year;*

(b) *Those who graduated from an institution of higher education located in the State;*

(c) *Those who were eligible for in-State tuition; and*

(d) *Those who have higher debt-burden-to-income ratios.*

[E. In certifying amounts to qualified taxpayers, the Commission shall consider allocations that maximize the number of qualified taxpayers that receive a certification.]

[F.] E. (text unchanged)

SANJAY RAI
Secretary of Higher Education

Title 13B

MARYLAND HIGHER EDUCATION COMMISSION

Subtitle 02 ACADEMIC REGULATIONS

13B.02.03 Academic Programs—Degree-Granting Institutions

Authority: Education Article, Title 11, Subtitle 2, Annotated Code of Maryland

Notice of Proposed Action

[24-103-P]

The Maryland Higher Education Commission proposes to amend Regulation .28 under **COMAR 13B.02.03 Academic Programs — Degree-Granting Institutions**. This action was considered at an open meeting of the Commission held on July 24, 2024.

Statement of Purpose

The purpose of this action is to modify the process of Commission review of decisions of the Secretary of Higher Education regarding academic program proposals. This action implements all review meeting related requirements contained in Ch. 963, Acts of 2024, namely that review meetings must:

- (1) Be conducted in open session, including discussions and any formal action taken by the Commission;
- (2) Allow each institution to have at least 10 minutes to present to the Commission, without interruption; and
- (3) Require that any Commission decision resulting from the review meeting be approved by a majority of the members then serving on the Commission.

This action also makes additional changes to the review meeting process, including:

- (1) Making alterations to the timeline of the review meeting process to allow easier scheduling, to get materials to Commissioners earlier, and to give the institutions equal time to submit written materials;
- (2) Simplifying the meeting presentations by changing the role of the Secretary from presenting to providing necessary information, providing for all involved institutions to have equal speaking time of 15 minutes each, and removing “rebuttal” presentations;
- (3) Requiring that the president of the institution present the institution’s position to the Commission, with assistance from the provost if desired;
- (4) Requiring that presentations focus on the key points of the institution’s position as set forth in the written materials submitted and refer to the relevant COMAR provisions in making their arguments; and
- (5) Adding decision-making procedures for the Commissioners to ensure clarity and transparency.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Emily A. A. Dow, Assistant Secretary for Academic Affairs, Maryland Higher Education Commission, 6 N. Liberty St., 10th Fl., Baltimore, MD 21201, or call 410-767-3041, or email to emily.dow@maryland.gov. Comments will be accepted through October 7, 2024. A public hearing has not been scheduled.

.28 Review by The Commission.

- A. (text unchanged)
- B. Prerequisites to Review.

- (1) (text unchanged)

(2) Within 10 days of the issuance of the Secretary’s decision, a president seeking the Commission’s review of that decision shall send [a letter] *notification* to the Secretary [and the Commission chairperson notifying the Commission] of its request for a review, *and the Secretary shall immediately transmit the notification to the Commission chairperson.*

[(3) Within 30 days of the issuance of the Secretary’s decision, a president seeking review shall submit to the Secretary and the Commission chairperson its full rationale in support of its position, including any relevant supporting data.]

[(4)] (3) Unless the Commission finds that an exigent circumstance prevented a president from meeting the requirements of this section, the Commission may not accept a request for review of a decision of the Secretary on a program proposal if the requirements of this section are not met.

- C. [Secretary and Staff Responsibility] *Notification to Involved Institutions.*

(1) Within [20] *3 business* days of receipt of [notice of the] *a* request for review *from a proposing institution*, the Secretary [or Commission staff] shall [submit to the Commission chairperson its rationale in support of the decision, including any relevant supporting data] *notify any objecting institutions.*

(2) [A copy of the materials provided to the Commission shall be made available to any president seeking review] *Within 3 business days of receipt of a request for review from an objecting institution, the Secretary shall notify the proposing institution and any other objecting institutions.*

- D. Scheduling of Review Meeting.

(1) The Commission chairperson shall schedule a meeting to review the decision of the Secretary [within 60 days of the issuance of the Secretary’s decision] *no less than 6 weeks after the Secretary’s receipt of the request for review.*

(2) [If the Commission chairperson determines that there is sufficient time for the Commission to review the materials submitted under §§B and C of this regulation prior to the next regularly scheduled meeting, the review shall occur at that meeting] *The Commission chairperson may not schedule the meeting to review the decision more than 10 weeks after receipt of the request for review without the consent of the presidents of the proposing and objecting institutions.*

(3) [If the next regularly scheduled Commission meeting is scheduled more than 60 days after the issuance of the Secretary's decision or if the Commission chairperson determines that there is insufficient time for the Commission to review the materials prior to the next regularly scheduled Commission meeting, the Commission chairperson shall convene a special meeting at an appropriate time within the 60-day time period] *If the Commission chairperson is unable to schedule the meeting to review the decision of the Secretary at a regularly scheduled Commission meeting within the time period specified in this section, the Commission chairperson shall convene a special meeting at an appropriate date and time within the time period.*

(4) [With the consent of the Secretary and the president seeking review, the Commission chairperson may schedule the review meeting outside of the 60-day time period] *The meeting may be held in person or virtually, at the discretion of the Commission chairperson.*

E. Submission of Materials to Commission.

(1) *Within 10 business days of the receipt of a request for review, the Secretary shall compile and transmit to the Commissioners, the president of the proposing institution, and the presidents of any objecting institutions the following materials:*

- (a) The proposal;*
- (b) Any objections to the proposal;*
- (c) Any responses to any objections to the proposal;*
- (d) The Secretary's decision letter;*
- (e) Any materials the Secretary received during the course of negotiation with the involved institutions;*
- (f) Any other materials the Secretary reviewed in order to make a determination regarding the proposal;*
- (g) A memorandum describing all attempts by the Secretary to promote collaboration or arbitrate between the relevant institutions, including any negotiation meetings with one or more of the involved institutions; and*
- (h) Any other materials the Secretary deems relevant to the request for review.*

(2) *No less than 3 weeks prior to the scheduled meeting, the president of the proposing institution and the presidents of any objecting institutions shall submit to the Commission, in care of the Secretary, with copies to all involved institutions, a memorandum containing a detailed rationale for the institution's position based on the relevant COMAR provisions in this chapter. The memorandum may reference any of the materials transmitted by the Secretary under §E(1) of this regulation and may not include any additional materials.*

(3) *The chancellor of the University System of Maryland, the president of the Maryland Independent College and University Association, or the president of the Maryland Association of Community Colleges may provide written comment regarding the review by submitting it to the Commission, in care of the Secretary, with copies to all involved institutions, no less than 3 weeks prior to the scheduled meeting.*

(4) *All materials received by the Secretary under this section shall immediately be forwarded to the Commissioners.*

[E.] F. Conduct of the Review Meeting.

(1) *The Commission chairperson, vice chair, or [the chairpersons'] designee shall preside over the meeting, which shall be held in open session.*

(2) *Each president shall have 15 minutes, without interruption, to present to the Commissioners. The president may delegate a portion of the presentation to the chief academic officer. No other individuals may speak on behalf of an institution without prior permission of the Commission chairperson. Permission shall be requested no later than 2 weeks prior to the scheduled review meeting by sending a request to the Commission chairperson, in care of the Secretary. The Commission chairperson shall approve or deny the request within 3 business days of receipt.*

[2] (3) *Not later than [3 working days] 1 week before the [Commission] review meeting, the [Secretary and any] president [who wishes to make a presentation in support of or in opposition to the Secretary's decision] of the proposing institution and the presidents of any objecting institutions shall inform the Commission chairperson, in care of the Secretary, of the name and title of each individual who will be speaking with or for them and any additional staff or individuals who will be present to answer questions from the Commissioners.*

[3] (4) *The presentations shall [include information, data, facts, and materials that clarify material contained in the original proposal or objection, and relate to the basis on which the program was approved or disapproved, or recommended or not recommended] focus on the key points of the institution's rationale for their position, based on the relevant COMAR provisions, and clarification or rebuttal of any of the materials submitted by the Secretary, an institution, or a segment leader.*

[4] *The Secretary or president may provide the Commission with a written summary of the presentation and relevant documents.]*

(5) *The Commission chairperson, vice-chair, or Commissioner presiding over the meeting shall determine the appropriate order of the presentations and notify the Secretary no later than 3 business days before the review meeting. The Secretary shall immediately transmit the presentation order to the presidents of the involved institutions.*

(6) *If a quorum cannot be established prior to the start of the review meeting, the review meeting shall be postponed to the next regular meeting of the Commission.*

[5] (7) *[Any] Upon recognition by the Commission chairperson, vice-chair, or Commissioner presiding over the meeting, after each presentation, Commission [member] members may ask questions [during the presentations] of the Secretary or Commission staff, or any representative of an institution that has already presented. All institutional representatives must be recognized by the chairperson, vice-chair, or Commissioner presiding over the meeting prior to speaking.*

[6] *If the number or length of the questions unreasonably consumes the time allotted in §§F and G of this regulation for any presentation, the Commission chairperson may grant a request for additional time if the chairperson deems it appropriate or necessary.]*

[F. Conduct of the Meeting When a Proposing Institution Has Sought Review.

(1) *When a President of a proposing institution has requested the review of the Secretary's disapproval or non-recommendation of a program, the presentations shall follow the order and the time limits set forth in this section.*

(2) *The Secretary shall make the first presentation and explain the Secretary's decision, including relevant supporting data. The Secretary may make the presentation alone or in combination with one or more others as determined by the Secretary.*

(3) *The president of the proposing institution shall explain the institution's objections to the decision, including relevant supporting data. The president may make the presentation alone or in combination with one or more others as determined by the president.*

(4) The Secretary and designees as determined by the Secretary may respond to the institution's presentation.

(5) The president and designees as determined by the president may respond to the Secretary's presentations.

(6) The Secretary shall have a total of 30 minutes for the Secretary's presentation, and may divide the time between the initial and responsive presentations as the Secretary deems appropriate.

(7) The president shall have a total of 30 minutes for the proposing institution's presentation, and may divide the time between the initial and responsive presentations as the president deems appropriate.

(8) The president of a proposing institution may select a chief executive officer of a segment as one of the presenter's during the president's 30 minute presentation.

(9) Presentation by Objecting Institution.

(a) Subject to the requirements of §E(2) of this regulation, a president of an institution that objected to the proposed program prior to the Secretary's decision within the time frames established by this chapter may make a presentation to the Commission.

(b) The presentation shall be limited to 10 minutes, and shall be made after the proposing institution's second presentation.

(c) The presentation shall be made by one or more individuals designated by the president, and may include the president and a chief executive officer of a segment.

(d) If more than one objecting institution is eligible to make a presentation, the Commission chairperson shall determine the order of the presentations and whether it would be helpful to the Commission to allow more than 10 minutes for all of the presentations.

G. Conduct of Meeting When an Objecting Institution Has Sought Review.

(1) When a president of an objecting institution has requested the review of the Secretary's approval or recommendation of a program, the presentations shall follow the order and the time limits set forth in this section.

(2) The Secretary shall make the first presentation and explain the Secretary's decision, including relevant supporting data. The Secretary may make the presentation alone or in combination with one or more others as determined by the Secretary.

(3) The president of the objecting institution shall explain the institution's objections to the decision, including relevant supporting data. The president may make the presentation alone or in combination with one or more others as determined by the president.

(4) The Secretary and designees as determined by the Secretary may respond to the institution's presentation.

(5) The president and designees as determined by the president may respond to the Secretary's presentations.

(6) The Secretary shall have a total of 30 minutes for the Secretary's presentation, and may divide the time between the initial and responsive presentations as the Secretary deems appropriate.

(7) The president shall have a total of 30 minutes for the presentation, and may divide the time between the initial and responsive presentations as the president deems appropriate.

(8) The president of an objecting institution may select a chief executive officer of a segment as one of the presenters during the president's 30 minute presentation.

(9) When there is more than one objecting institution, the Commission chairperson shall decide the order of the presentations and whether it would be helpful to the Commission to allow more than 30 minutes for all of the presentations.

(10) Presentation by Proposing Institution.

(a) Subject to the requirements of §E(2) of this regulation, the president of the proposing institution may make a presentation to the Commission.

(b) The presentation shall be limited to 10 minutes, and shall be made after each objecting institution's second presentation.

(c) The presentation shall be made by one or more individuals designated by the president, and may include the president and a chief executive officer of a segment.

H. Conduct of Meeting When Both the Proposing and an Objecting Institution Have Sought Review.

(1) If the Secretary disapproves or does not recommend a program and both the proposing and an objecting institution seek review, and objecting institution that has complied with the provisions of §§B and E(2) of this regulation may follow the procedures for the proposing institution set forth in §F of this regulation.

(2) The objecting institution's presentations shall follow the proposing institution's first and second presentations as set forth in §F(3) and (5) of this regulation.

(3) If more than one objecting institution has sought review, the Commission chairperson shall determine the order of the presentations.]

[I.] G. Commission's Decision.

[1] The Commission shall follow the procedures in this section in making its decision.

(2) Upon completion of the presentations, the Commission may adjourn to executive session as allowed by law to discuss the presentations and any relevant documentation submitted by the presenters.]

[3] (1) The Commission shall render a decision that is consistent with the requirements of this chapter *and any other applicable State and federal law.*

(2) *Upon completion of the presentations, the Commission shall discuss the presentations and materials. All discussions and deliberations shall occur in open session.*

(3) *After all Commissioners have been heard, the chairperson, vice-chair, or Commissioner presiding over the meeting shall, in open session, introduce a motion to:*

(a) *Approve or recommend for implementation the proposed program, as submitted;*

(b) *Approve or recommend for implementation the proposed program, with conditions; or*

(c) *Deny or not recommend for implementation the proposed program.*

(4) *In order to pass, any motion shall be approved by a majority of the members then serving on the Commission.*

(5) *After the motion has been seconded, a roll call vote on the motion shall be held in open session.*

(6) *If the motion does not pass, any Commissioner may introduce a different motion and, if the motion is seconded, the chairperson, vice-chair, or Commissioner presiding over the meeting shall hold a roll call vote on that motion in open session.*

(7) *If no motion is introduced that is approved by a majority of the members then serving on the Commission, the decision of the Secretary shall stand.*

[(4)] (8) [After consideration, but not] *Not* later than [10 working] *5 business* days after the review meeting, the [Commission] *Secretary* shall send a [final written decision to the president with a copy] *letter* to all presenting institutions, [segments, and the Secretary] *documenting the outcome of the review meeting, including any conditions that may have been approved by the Commission.*

[(5)] (9) The decision of the Commission, *or, if the Commission was not able to come to a decision, the decision of the Secretary*, is final, and is not subject to reconsideration by the Commission or review by any administrative or judicial body.

SANJAY RAI, Ph.D.
Secretary of Higher Education



Wes Moore
Governor

Aruna Miller
Lt. Governor

Cassie Motz
Chair

Sanjay Rai, Ph.D.
Secretary

Maryland Higher Education Commission 2024 Meeting Dates

The Maryland Higher Education Commission (MHEC) is Maryland's higher education coordinating board responsible for the management of statewide financial aid programs and the establishment of statewide policies for public and private colleges and career schools to support students' postsecondary pursuits.

Commission meetings are held on the 4th Wednesday of each month from 10:00 a.m. to 1:00 p.m., with certain exceptions, as noted below. Meetings in 2024 will be in-person in the 7th Floor Boardroom at the Nancy S. Grasmick State Education Building, 200 West Baltimore Street, Baltimore, MD 21201. Meetings will also be livestreamed.

Scheduled Meeting Dates for 2024

January 24, 2024

February 28, 2024

March 20, 2024
(3rd Wednesday)

April 24, 2024

May 22, 2024

June 26, 2024

July 24, 2024

August 28, 2024

September 18, 2024
(3rd Wednesday)

10:00 a.m. to 4:00 p.m.

October 23, 2024

November 20, 2024
(3rd Wednesday)

December 11, 2024
(2nd Wednesday)

Dates, times, and locations are subject to change.

Please check this website for livestream links and the most up-to-date information:

<http://www.mhec.maryland.gov/About/Pages/Meetings.aspx>

MARYLAND HIGHER EDUCATION COMMISSION

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