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Maryland Higher Education Commission Higher Education Fiscal 2017 Budget Overview

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

January 28, 2016

Issues

- 1. The Secretary should comment on how other public institutions will fit into the changing enrollment landscape when UMUC appears to be taking the majority of student growth. - Pg. 25**

For the foreseeable future, there will continue to be demand for “traditional” classes and programs at public colleges and universities. Although the enrollment environment is changing, there remains a large percentage of college-bound students seeking full- or part-time enrollment in classes and programs with in-person, interactive instruction.

In addition, demand for online education is strong, allowing all public four-year institutions the ability to develop and deliver this type of education to both Maryland students and other students across the country. MHEC’s recent entry into the State Authorization Reciprocity Agreement (SARA) will allow all Maryland public colleges and universities the forum to provide online education to other participating states through a streamlined manner.

Maryland’s public colleges and universities should continue the progress made in raising the quality of their programs, their institutional reputations, and work to assure greater degree completion so that they will be campuses where both Maryland and out-of-state students will want to attend, either traditionally, or through online or distance education.

The decline in the number of recent high school graduates enrolling as first-time, full-time students in college appears to be a problem affecting all Maryland high schoolers, not just Maryland colleges and universities. The Digest of Education Statistics reports every two years on the number of recent high school graduates who are enrolled in any state. In Fall 2012 (the most recent year available), the number of Maryland high school graduates enrolling in Maryland declined by 2,480 as compared to Fall 2010. But the number of Maryland high school graduates enrolling anywhere in the nation declined by 2,697 – just slightly more than in Maryland colleges and universities. In other words, although the number of Maryland high school

completers has been fairly stable, the students who are not enrolling at Maryland colleges are not attending colleges in other states; they are not attending college anywhere, at least not as full-time students.

It is true that MSDE reports a fairly consistent college-going rate for high school completers, based on National Student Clearinghouse data. However, the Clearinghouse reports college-going over a longer period after high school completion, and apparently includes part-time students as well. This may conceal an increase in the number of high school completers who are delaying entry into college and/or who are enrolling on a part-time basis. MHEC will conduct further analysis on student enrollment and reach out to MSDE to attempt to discern more information about this broader trend.

2. Further, given the slower than envisioned production of analysis and reports from MLDS, and the absence of guidance from the P-20 Council in coordinating research interests with MLDS, the Executive Director of the MLDS Center, Chair of the P-20 Council, Secretary, State Superintendent of Schools, Chancellor, and representatives of the community colleges and independent institutions should comment on how MLDS and the P-20 Council can be held accountable over the next year for P-20 coordination and producing timely, incisive data analytics (snapshots, dashboards, reports, etc.) for policymakers and the public. Benchmarks and output metrics should be suggested so that the General Assembly can determine the value derived from the operating funds directly and indirectly tied to MLDS and the P-20 Council. - Pg. 29

MHEC believes that the production schedule of the MLDS Center is not constrained by its research agenda. The existing MLDS research agenda has been vetted on multiple occasions by the P-20 Council and the MLDS Governing Board, and it calls on the MLDS Center to answer the most pressing questions about how individuals move among K-12 education, higher education, and the workforce. A new agenda is unlikely to differ substantially from the existing agenda. Moreover, a new agenda might actually extend the delays in production, because one of the purposes of the existing agenda was to focus the MLDS Center's development efforts on those questions that are most relevant for policymakers and the public; a new emphasis on different questions may cause additional delays.

MHEC believes that the MLDS Center is hampered by the fact that the specialized nature of many technical positions means that certain tasks can only be performed by one employee of the MLDS Center. We recommend that the MLDS Center enhance training and cross-training to ensure that more individuals can work on preparing data products, and we have discussed this matter with the MLDS Center Executive Director.

Moreover, the MLDS Center has been extremely cautious with respect to data quality. As the DLS analysis notes, the MLDS Center has substantially improved its data match rates. It was entirely appropriate that the Center devoted considerable resources to this important task during calendar 2015. Now, however, the match rates are such that data production should accelerate.

MHEC's Student Outcome and Achievement Report (SOAR) was redesigned to be more useful for schools and school districts, but the new design depends on delivery of data from MLDS Center to MHEC, and these data have not been delivered. This process should be accelerated. While there are still ways to improve data quality, the MLDS Center should not, as the saying goes, allow the perfect to be the enemy of the good; the MLDS Center should release more information to the public and to education and employment officials in order to provide a starting point for review and action.

In addition, the Center has spent substantial time in 2015 laying the groundwork for the production of long-term research projects, including the development of its outside research board and the creation of structures under which outside researchers may use MLDS data. Moreover, as noted in the DLS analysis, Maryland has received a \$2.6 million federal grant under which the Center will be developing synthetic data sets. This project, while worthy, is also not designed to accelerate the production of short-term data projects. In short, the Center often operates more like a scholarly research center at a university and less like a government agency charged with public reporting. While it is appropriate that the Center work to ensure the viability and visibility of its long-term projects, the Center should channel more resources to producing the short-term products of interest to policymakers and the public.

MHEC encourages the MLDS Governing Board to hold the MLDS Center accountable for increased production by establishing a series of specific deliverables and deadlines, while also granting the MLDS Center sufficient flexibility to make operational choices based on available data and other resources. For example, the Governing Board might establish a number of periodic benchmarks for the production of dashboards and other reports – for example, X number of dashboards or reports by June 1, Y number by September 1, Z number by December 1; these dates are suggested because they align with MLDS Governing Board meetings. Obviously any accountability framework should be designed through consultation among the MLDS Center, the Governing Board, and the P-20 Council.

3. Given concerns over different levels of access to NSC data between MHEC and MLDS, DLS recommends that MHEC, MLDS, and MSDE work together to determine the best way to share resources and data access to ensure that the best available data metrics are used to inform policymakers and also the public. - Pg. 31

MHEC will work with the MLDS and MSDE collaboratively and concurs with the recommended action addressing this issue presented later in the analysis.

4. The Secretary, Chancellor, and President of Morgan State University should comment on the best metric(s) and data sources for reporting education outcomes across Maryland's diverse institutions and students, and for making comparisons between Maryland institutions and those in competitor states. - Pg. 32

The principal measurable educational outcome of higher education for the State is degrees awarded. This is why MHEC reports on degrees awarded, graduation rates for full-time students, and transfer and post-transfer completion rates for community college students. It is also why MHEC plans to introduce a report on degrees per 100 FTE, as noted in the DLS analysis.

Degrees are a relatively long-term outcome, of course, and so interim measures of degree progress are also important. Second-year retention rates for first-time, full-time students and the Degree Progress Analysis measure for community college students are two examples of interim outcomes that are currently reported. To expand interim measures of degree progress, MHEC is preparing to devote significant analytical efforts to course completion. Students complete degrees by earning credits for courses, and since fiscal 2014, colleges have submitted an increasing number of data elements related to courses and credits. MHEC will work to report and analyze more information about course completion – for example, earned credits as a percentage of attempted credits, course bottlenecks, and the number of students in good standing who are eligible to continue studies (which may also serve as an indirect measure of the effect of financial and personal obstacles to degree progress). These reports and analyses can then be used to promote improved outcomes for students such as increased graduation rates, improved time-to-degree measures, and reduced student loan default rates.

The degrees-per-100 FTE metric is available through the Integrated Postsecondary Educational Data System (IPEDS) of the National Center on Education Statistics (NCES) and so it is possible to use for comparisons with competitor states and peer institutions. Unfortunately, there are no other data that provide reliable comparisons across state lines. Third-party efforts tend to fall into one or more of three main traps: they are voluntary agreements that do not require universal participation and therefore allow appropriate comparison; they do not account for variations in policies among states; or they do not make collected data publicly available for analysis. The Project on Student Debt, for example, suffers from the first two problems, and Complete College America suffers from all three. NCES data are the only available data that allow comparisons between Maryland institutions and groups and national or out-of-state parties.

- 5. The Secretary should comment on the utility of posting degree plans and/or pathways on the recently redesigned MDGo4It website, or any other places deemed useful for prospective or returning students, such as the State's transfer student website, the Articulation System for Maryland Colleges and University (ARTSYS). The Chancellor and Executive Director of Maryland Association of Community Colleges should comment on implementation of degree plans and pathways, particularly the incorporation of any required developmental courses. - Pg. 35**

MHEC is currently making strides to expand on the current degree pathway information that exists on the newly redesigned MDgo4it website through the use of an online planner that will not only project a student's completion time, but will also estimate the amount of aid that will be needed in future semesters. The proposed planner is in the planning/development phase of this component. We believe that posting degree plans for Maryland's postsecondary institutions on the MDgo4it website would be a perfect fit as well as an immense benefit to our students. I am confident that our agency can find ways to collaborate with other sites in order to maximize its utilization and avoid duplication.

- 6. DLS recommends MHEC issue a final One Step Away report to include institutions that did not previously submit data to MHEC. - Pg. 37**

MHEC concurs with this recommendation and will work with the institutions to include data that was not previously reported.

- 7. The MLDS Director should comment on whether the amount of college credit savings students build up can be tracked through either dual enrollment or other methods, such as high school advanced placement credit, so that this may be compared to other forms of financial assistance. The Secretary and State Superintendent should comment on efforts to address the challenges discussed above as well as efforts to increase dual enrollment and make students aware of dual enrollment opportunities. - Pg. 40**

MHEC is proud of our close relationship with MSDE and we have partnered to obtain the federal GEAR UP grant that targets a cohort of seventh grade students with support services that will follow them for six years. We are also proud to have collaborated with MSDE at a number of college preparatory workshops to encourage students that the option of dual enrollment does offer educational opportunities as well as present long term financial benefits. Also, MHEC has begun planning efforts to increase dual enrollment in the state which will include the use of social media, our newly designed website, inter-agency collaboration, in addition to the incorporation of the information in MHEC's outreach efforts at events throughout the State.

There are inherent difficulties in tracking actual college credit savings realized through dual enrollment. To do so, the State would have to be able to identify whether the student enrolls in a

degree-seeking program at a college or university, whether in Maryland or out of state; then identify whether the student received credit for a dual enrollment course and also how much credit the student has received; then map that amount of credit to a tuition figure which will change from year to year and institution to institution. Few states or organizations collect these data, and any attempt to do so would require enormous expenditure of resources. Moreover, selected national research suggests that dual enrollment is not a savings strategy employed by cost-conscious students but an admissions strategy employed by students who are already on a fast track to college, and that interpretation could be supported by previous dual enrollment reports by the MLDS Center. For these reasons, the best way to identify the effective payoff for dual enrollment is to calculate the number of credits awarded by the college in which the student is dually enrolled. This will also parallel the calculations used to measure Advanced Placement, which focuses on the outcome of the AP exam rather than attempting to determine how many credits are actually awarded to students by colleges as a result of AP.

8. The State Superintendent and the Secretary should comment on how MSDE and MHEC can communicate coming FAFSA changes effectively to high school students through financial literacy classes or other means, such as MHEC's recently redesigned website. - Pg. 42

In an ongoing effort to increase the number of high school seniors in Maryland that complete the FAFSA application, MHEC has begun implementation of the Free Application for Federal Student Aid (FAFSA) Completion Initiative, working with a pilot group for the 2016-2017 FAFSA application. The FAFSA Completion Initiative allows states to provide schools, school districts, and certain designated entities information on students' progress on completing the FAFSA. High schools/school districts and designated entities will be able to take the information and inform students of their FAFSA status and also identify how many students still need to complete the FAFSA. The primary goal of the FAFSA Initiative is to align with the US Department of Education's goal to increase the number of individuals who are aware of and able to complete the FAFSA in recognition of the importance of completing the FAFSA in receiving federal and state financial aid. This initiative will be beneficial with the impending federal changes to the FAFSA application that will allow students the opportunity to complete the FAFSA three months earlier in October.

For the first year, 2016-2017, MHEC will be partnering with six designated entities, including College Bound and five high schools/school districts. MHEC, through various outreach efforts, will continue to reach out to high school/school districts and select designated entities to increase participation with an anticipated goal of 100 percent participation by 2017-2018. MHEC plans to officially kick off the FAFSA Completion Initiative with a workshop for all designated entities in March 2016.

Additionally, beginning April 2016 MHEC will utilize the newly redesigned website along with social media and various outreach materials such as brochures, post cards, posters, letters, etc. to spread the word of the federal changes that will occur with the 2017-2018 FAFSA application.

MHEC will also collaborate with MSDE to increase outreach efforts and provide necessary materials to high schools/districts.

MHEC's Office of Student Financial Assistance and Outreach Division are developing a strategy to coincide with the official rollout from the United States Department of Education in mid-April.

The soon-to-be-released MDgo4it website is a perfect venue for FAFSA related information. The new changes to FAFSA will be posted on this website as well as MHEC's home site.

9. The Secretary should comment on progress toward meeting the deadline for a statewide transfer agreement and who will be involved in setting credit transfer policies for prior learning and competency based courses. - Pg. 42

MHEC is working on the development of statewide transfer and reverse agreements, and has consulted with the Student Transfer Advisory Committee (STAC) and the Intersegmental Chief Academic Officers (ICAO). STAC is composed of seven intersegmental representatives, a representative from the Maryland Department of Labor, Licensing and Regulation (DLLR), a representative from the Maryland State Department of Education (MSDE), two MHEC Commissioners, a representative from the MHEC Student Advisory Council, and the Director and Assistant Secretary of Academic Affairs. ICAO includes academic administrator representatives from all two-year and four-year institutions in the State, both public and independent.

Maryland's public institutions have recently revised general education requirements, implemented standard credit hour requirements for associate's and bachelor's degrees, and developed degree pathways, all of which greatly support transfer and articulation between community colleges and four-year institutions. MHEC, in collaboration with the higher education segments, has been reviewing Code of Maryland Regulations (COMAR) for student transfer, among other areas of COMAR. The revisions to COMAR will not only support a transfer agreement but also the requirements for reverse transfer, the process whereby students can earn an associate's degree if they transferred from a community college prior to acquiring one.

Improving the transfer process continues to be an important objective for MHEC. The percentage of community college graduates who reported no loss of credit upon transferring to a four-year college or university has increased substantially, from 16.4% for 2000 graduates to 45.5% for 2014 graduates. MHEC hopes that a statewide transfer agreement can lead to similar improvements in outcomes for transfer students.

MHEC currently has vacancies in both the Assistant Secretary of Academic Affairs and Director of Academic Affairs positions, which are essential for this work. MHEC is actively recruiting for these positions, as the development and implementation of these agreements is a top priority for the Commission this spring.

10. The Secretary should comment on whether average debt at graduation at four-year campuses is a metric transfer students should be informed about and how more students can be made aware of the new 2+2 Transfer Scholarship. - Pg. 43

Student debt is a significant public policy concern. The College Board reported that approximately 66% of students graduating from public four-year colleges and universities in FY 2012 had debt, and the median amount of debt among borrowers was just under \$25,000. The Project on Student Debt reported that 58% of students graduating from public four-year colleges and universities in Maryland in FY 2014 had debt, below the national median, but the average amount of debt among borrowers was \$27,457, slightly above that median.

Currently, there are considerable challenges to finding reliable national and state data on student debt. The figures in the previous paragraph illustrate this problem. The data available through the Project on Student Debt rely on self-reported data from institutions and are not audited for accuracy. In addition, the sample only contains approximately half of the higher education institutions in the US, with a greater representation of four-year public and private institutions. The College Board's Trends in Student Aid provides national data on borrowers but does not provide institution-level analysis.

Students should be thoroughly informed about the financial aspects of investing in education. Average debt at graduation is certainly one useful piece of information. However, it does little to help students understand how debt may apply to their own personal circumstances. Average debt does not take into consideration those who graduate with no debt, and holds more meaning within the context of student outcomes (e.g., completion, time to completion, wages upon graduation). In addition, student borrowing is profoundly influenced by student family income and the length of time the student takes to complete the degree. These factors are often more important than the relatively minor differences in debt at the institution level.

MHEC is developing reports that can provide the following information, which could be made available to all students, including transfer students.

- The average annual amount of debt total and at each public four year institution by students' family income, cost of attendance or expected family contribution;
- The average annual amount of debt per borrower and per student;
- The average annual amount of debt of Pell recipients;
- The average annual amount of debt students accumulate based on the number of years enrolled;
- The proportion of degree-earners and non-earners with debt by income;
- The proportion of undergraduate students at each campus who borrow.

The 2+2 Transfer Scholarship is a new State scholarship that students can apply for once they have earned their Associates' Degree and plan to transfer to a four year institution; and receive up to \$2,000 for a maximum of three years. In fiscal 2016, MHEC received 618 completed applications but only 137 (22%) awards were granted. This is a low number of awards granted given the number of transfer students that attend four year institutions, however one of the

contributing factors is a modest number of awards is proper follow up from students to submit all required documentation. MHEC will continue to explore other forms of communication in an attempt to increase the number of completed applications.

For fiscal 2016, MHEC has increased its outreach efforts to make students more aware of the scholarship by directly notifying all community college presidents and financial aid officers when the application is available as well as notifying four year institutions that can personally identify eligible students. MHEC will utilize the newly redesigned website, MDgo4it, and social media to continue publicizing the scholarship in an attempt to make students aware of the program. Through increased outreach efforts by MHEC and other entities the number of applicants and awards should increase in subsequent years and be an added resource to students and assist in reducing loan debt for transfer students.

The 2 + 2 Transfer Scholarship program is in its second year. We learned in the first year that we need to increase the visibility of this financial aid program to increase the number of applications and awards. That is why we intend to increase awareness of this program by creating an outreach plan to focus on the community colleges since this is a graduation based award for that target population and expand to high school students from there. We believe that by executing a focused outreach strategy, we will increase the number of applicants and awards for the upcoming academic year.

Recommended Actions

1. Adopt the following narrative: - Pg. 47

Institutional Aid, Pell, and Loan Data by Expected Family Contribution Category: In order to more fully understand all types of aid available to students, the committees request that data be submitted for each community college, public four-year institution, and independent institution on institutional aid, Pell grants, and student loans. Data should include, by expected family contribution (EFC), the number of loans and average loan size of federal subsidized and unsubsidized loans, and loans from private sources as reported to the Maryland Higher Education Commission (MHEC). Additionally, data should be provided on Pell grants, including the number and average award size by EFC. Finally, data should include the number of institutional aid awards and average award size by EFC for institutional grants, institutional athletic scholarships, and other institutional scholarships. The data in the response should differentiate between need-based aid and merit scholarships. Data should also include the number of institutional aid awards and average award size by EFC for tuition waivers/remissions of fees to employees and dependents and students. Waiver information for students should be reported by each type of waiver in State law. This report should cover fiscal 2015 and fiscal 2016 data received by MHEC from State institutions and is to be submitted in an electronic format (Excel file).

Information Request	Author	Due Date
Report on fiscal 2015 financial aid categories by EFC	MHEC	July 1, 2016
Report on fiscal 2016 financial aid categories by EFC	MHEC	June 30, 2017

MHEC concurs with this recommended action.

2. Adopt the following narrative: - Pg. 47

Education Data Availability and Access: The Maryland Higher Education Commission (MHEC) and the Maryland Longitudinal Data System (MLDS) both report on critical educational outcomes for the State. However, it appears that there is a misalignment in data availability in that MLDS, which is limited to cross-segment analyses, may access data from the National Student Clearinghouse (NSC), while MHEC may not. This denies MHEC access to otherwise invaluable data for its annual reports which deal with higher education alone. The committees are interesting in determining how MHEC and MLDS can better share access to the proprietary NSC data warehouse and what contractual issues may need to be resolved for that to work, with the goal of developing and annually reporting data metrics that provide a fuller picture of the diversity in student progress and success. MHEC and MLDS should work with the Maryland State Department of Education (MSDE), Maryland’s designated education agency for NSC, and should also consider speaking with the University System of Maryland Office, which coordinates NSC data reporting and access across its member institutions.

Information Request	Authors	Due Date
Report on education data availability and access	MHEC MLDS MSDE	December 15, 2016

MHEC concurs with this recommended action.