

Maryland Higher Education Commission

Office of Student Financial Assistance

Report

Of the

**Workgroup on the Consolidation of
Career/Occupational State Financial
Assistance Programs**

December 2005

**Workgroup on the Consolidation of Career/Occupational
State Financial Assistance Programs**

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**Workgroup on the Consolidation of Career/Occupational
State Financial Assistance Programs**

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Background

The Student Financial Assistance Reform Act of 2005 (Chapter 429, Acts of 2005) required the Maryland Higher Education Commission (MHEC) to establish a workgroup to study the consolidation of economic development student assistance grants and work-based shortage grants into a single financial assistance program. The language in the bill stated that the grant program should, to the extent practicable, establish uniform criteria for grant eligibility, award amounts, and service obligation requirements and that the new program should include a methodology for prioritizing work-based shortage grants. A report with findings and recommendations is to be provided to the Governor and General Assembly prior to the 2006 General Assembly session.

This is not the first time the issue of consolidation has been raised. However, it is the first time it has been as a legislative directive. Two different studies of State financial aid programs, one performed by the Department of Budget and Management (DBM) and the other by the American Institutes for Research (AIR), have recommended the consolidation of State financial aid programs, specifically the career/occupational programs. The DBM study stated the following:

The number and complexity of scholarship programs is confusing to students, parents and those interested in scholarship information. Additionally, the existence of 24 separate scholarship programs with differing requirements is difficult and cumbersome to administer. Consolidating the multiple scholarship programs into fewer scholarship programs would allow for improved administrative efficiency. This change would require legislative action and support.

While MHEC has had preliminary discussions with legislators on consolidation, the argument for consolidation would be strengthened if MHEC could articulate the benefits for students, parents and State resources. To further advance the concept of consolidation, MHEC should complete a detailed analysis of the consolidation it believes would produce the best results for students, parents, and OSFA. The analysis should identify necessary legislative changes and include a justification for the consolidation that clearly identifies positive benefits and efficiencies, and where possible, quantifies those benefits and efficiencies. If the benefits prove to be significant, it would present a more compelling justification for discussions with the Legislature.

AIR made two recommendations concerning the consolidation of State financial assistance programs:

- Consolidate current state scholarship programs—at least as far as establishing consistent requirements, deadlines, and administration—into five categories: need-based grants; merit-based scholarships; assistance contingent on service commitments; assistance for unique populations; and legislative scholarships; and

- Administer programs that address workforce shortage areas as a single program and review them on a biennial basis to ensure that Maryland has identified the occupations where shortfalls are anticipated.

MHEC has considered these recommendations and has grouped State financial aid programs into the 5 categories recommended above which has eliminated some confusion; however, it has not been able to successfully consolidate the workforce programs to provide more uniform direction and administration.

Workgroup Activities

The workgroup was appointed in July 2005 and is comprised of 14 members representing the following organizations:

- Senate of Maryland;
- Maryland House of Delegates;
- Department of Legislative Services;
- University System of Maryland;
- Morgan State University;
- St. Mary's College of Maryland;
- Maryland Independent College and University Association;
- Maryland Association of Community Colleges; and,
- Governor's Workforce Investment Board.

A series of 5 meetings were held beginning in August 2005. At the first meeting a charge and a work plan were approved by the group. Both can be found in Appendix I and II. In addition, an overview was provided of the State's current career/occupational financial aid programs and those of other states. Summary documents for both discussions are in Appendix III, IV and V of this document.

Currently, MHEC administers 11 financial assistance programs designed to attract individuals to certain employment fields in the State. The budget for these programs is approximately \$8.9 million for FY 2006 and it is estimated that 2,761 students will be awarded. These programs require students to major in certain academic programs while in college and then perform a service obligation, or work in the related career field one year for each year the scholarship was received. Each program is very rigid in that it only addresses one employment area such as childcare or nursing, and each program has different eligibility requirements and award amounts. The purpose of the workgroup is to develop a proposal for the consolidation of these programs into one with uniform criteria for eligibility, award amounts, and service obligations. MHEC staff provided the workgroup with an analysis of workforce programs in other states (See Appendix V). A review of programs did not identify any with criteria similar to the workgroup charge.

Many questions were asked regarding the effectiveness of programs with service obligations in providing an incentive for students to enter certain occupations and remain

employed. Two studies, one on the State Nursing Scholarship and the other on State teacher scholarship programs, were provided to the workgroup. Both studies found that these programs had a small impact on career decisions, however individuals who received a scholarship and were working in these fields were planning to continue working in these fields as a career. Therefore, the programs do have a positive impact on the retention rate of nurses and teachers.

During the second meeting, service obligation statistics for each program were distributed, as well as an overview of the process. This information can be found in Appendix VI, VII, and VIII. Out of the 9,977 individuals who have received a scholarship with a service obligation, 5,249 have either completed the service obligation or are in the process of completing it, the service obligation has been deferred for 2,481 students because they have continued their education or for another extenuating reason, and 1,887 are repaying the scholarship because they failed to perform the service obligation. The remainder of the meeting focused on awarding criteria for the new program.

At the third meeting, the workgroup began discussing the model to identify workforce shortage areas or occupations to be included in the consolidated scholarship program. A representative from the Department of Labor, Licensing and Regulation presented on current techniques used for labor market projections and analysis and a representative of the Governor's Workforce Investment Board that serves on the workgroup presented on the "Demand Driven Model." These were considered by the workgroup as possible techniques to be used for identifying workforce shortage occupations to be included in the scholarship program.

The last two meetings were spent finalizing the workgroup's recommendation. A representative from the Department of Labor, Licensing and Regulation presented information on current demand occupations and different ways occupations can be sorted, such as educational level. An overview was also provided of a job vacancy survey that could enhance the data on demand occupations and workforce shortages.

Workgroup Recommendation

Each aspect of the new program was reviewed and discussed by the workgroup. This included a model for identifying workforce shortage occupations, the transitioning from current programs to the newly developed program, the new program eligibility and awarding criteria, private sector scholarship donations, and an implementation schedule. The programs to be incorporated into the newly consolidated program include:

- Child Care Provider Scholarship;
- Developmental Disabilities, Mental Health, Child Welfare, and Juvenile Justice Workforce Tuition Assistance Program;
- Distinguished Scholar Teacher Education;
- Tuition Reimbursement of Firefighters and Rescue Squad Members;
- Sharon Christa McAuliffe Memorial Teacher Scholarship;

- State Nursing Scholarship and Living Expenses Grant;
- Physical and Occupational Therapists and Assistants Scholarship; and,
- William Donald Schaefer Scholarship.

The HOPE Scholarship programs are not included in the workgroup recommendation because they are already being phased out. The William Donald Schaefer Scholarship is included in the recommendation, however the Advisory Council appointed by the Secretary of Higher Education will remain intact to select award recipients using specified criteria.

I. Identification of Workforce Shortage Areas

This recommended model provides initial guidance for the identification of workforce shortage areas in Maryland. It is envisioned that as new tools become available the model will be adapted to incorporate new techniques. For example, a model is being developed to determine demand occupations by region of the State. The Governor's Workforce Investment Board (GWIB), through its Industry Initiatives process, is convening industry, education and government stakeholders to address workforce issues in the industries that are significant to the economy of Maryland. Once refined, these may be techniques to consider incorporating into the model. If resources allow, a job vacancy survey is also a technique that could be considered to provide a better measure of supply/demand within the existing workforce.

Recommended Model

The Department of Labor, Licensing and Regulation (DLLR), working in collaboration with MHEC, will be responsible for identifying workforce shortage areas in the State on a biennial basis. DLLR will use semi-annual employer surveys and industry and occupational projections to identify demand occupations. The identified occupations will be sorted by training codes to ensure occupations require some level of postsecondary education. MHEC enrollment and graduation data will be used to determine the supply of workers in the pipeline to meet occupational demand.

To identify priority demand occupations to be included in the scholarship program, an Advisory Council will be appointed by the Secretary of Higher Education. DLLR will provide assistance to ensure appropriate representation on the Advisory Council. The Advisory Council will be comprised of the following members:

- The Secretary of Higher Education or designee;
- The Secretary of Labor, Licensing and Regulation or designee;
- One representative from the Governor's Workforce Investment Board;
- The Secretary of Business and Economic Development or designee;
- The Secretary Health and Mental Hygiene or designee;
- The State Superintendent of Schools or designee;
- One representative of the Senate of Maryland, appointed by the President of the Senate;

- One representative of the Maryland House of Delegates, appointed by the Speaker of the House;
- Two representatives from the University System of Maryland, the Chancellor or designee, and an individual representing the Universities;
- The President of Morgan State University or designee; and
- The President of St. Mary's College of Maryland or designee.

The following organizations will nominate representatives to be appointed by the Secretary of Higher Education:

- One representative from the Maryland Chamber of Commerce;
- One representative from the Washington Board of Trade;
- One representative from the Greater Baltimore Committee;
- Two representatives from the Maryland Independent College and University Association, one representing the association and an individual representing an independent institution;
- Two representatives from Maryland Association of Community Colleges, one representing the association and an individual representing a community college;
- The Maryland Association of Nonprofit Associations; and
- One representative from the Financial Assistance Advisory Council representing a financial aid office.

Using the occupational demand data, the Advisory Council will establish thresholds for defining a critical shortage. The Advisory Council will also have the ability to look at additional information that may not be presented in the data to determine critical shortage occupations for the scholarship program. For example, the data may not show a critical need for teachers, however education experts may know that there is a shortage of teachers working in Title 1 schools, therefore an argument can be made to include teachers working in Title 1 schools in the program. Similar arguments can be made by public interest professions.

Once demand occupations are identified by the Advisory Council, SOC codes will be matched with CIP codes, which then will be matched to HEGIS codes to determine the specific Maryland programs students must enroll in to be eligible for scholarship aid. Enrollment and graduation data will then be used to determine how many students are in the pipeline. The Advisory Council must then determine what level of enrollment is adequate to meet occupational need. For example, if enrollments meet 50% of the workforce need is the occupation considered to be a critical workforce shortage area? The Advisory Council must also take into consideration that current enrollment is just one factor when determining workforce supply. Another factor is existing workers. Once this threshold is established, it will be applied to the list of agreed upon demand fields to determine eligible programs for which students may enroll and occupations that students may work in to fulfill the service obligation associated with the program.

The Advisory Council shall meet as necessary to make recommendations on the occupations to be included in the scholarship program. At a minimum, the Advisory Council will make recommendations every two years in September to MHEC on the occupations to be included. The recommendations will include a list of priority demand occupations not to exceed a number as specified in program guidelines. When establishing the priority list, the Advisory Council shall take into consideration whether the occupation provides a public good or benefit to the citizens of Maryland. The recommendations will also contain a plan for the inclusion or phasing out of certain occupations if they are found to be in greater or lesser demand. Recommendations will be submitted to MHEC for approval and will then be included in the program guidelines. DLLR and GWIB will provide data and analysis on demand occupations and supply to be used by the council to make recommendations for shortage occupations. MHEC and DLLR will staff the Advisory Council. The allocation of funds for each specific demand occupation within the program will be determined by MHEC based on the level of critical need. Renewals will also be considered when determining allocations.

II. Transitioning From Current Programs To Newly Developed Program

When the new program is implemented, all majors and occupations currently covered by existing programs will be included in the new program in the statute. These fields will remain in the program until data is provided that determines that the occupation is no longer experiencing a shortage. As data becomes available, the Advisory Council will determine if these occupations are still critical shortage fields. Language will be included in statute to give MHEC the authority through guidelines to remove these occupations from the critical shortage list as appropriate.

Awards made under the new program will be made to the students in all fields covered under the current programs, however the awards to these students will be made under the new program criteria. At the time the new program takes effect, students receiving awards in any existing program will continue to be awarded under the terms of the old program. Funding will be continued in these programs at a level to support renewal awards. The existing programs will sunset in 2012 after all renewals are complete.

As analysis is performed by DLLR to predict workforce shortage areas, new majors and occupations will be incorporated in the new program and those no longer in critical shortage will be phased out. For those occupations and programs being phased out, a determination will be made by the Advisory Council if no new awards will be made in that occupation or program area, or if the number of awards made will be revised downward until there is no longer a need in that occupation or program area. Students currently receiving awards in the occupation or program areas to be phased out will continue to do so as long as they meet all eligibility requirements. These students will be notified that their field of study is no longer considered a workforce shortage area.

III. New Program Eligibility and Awarding Criteria

Full-time and Part-time Enrollment

Both full-time and part-time enrollment will be allowed, however students can hold the scholarship for a total of 6 years. This will allow for some flexibility for students in their level of enrollment while still meeting an immediate or future workforce need.

Undergraduate and Graduate Enrollment

Students may enroll as undergraduate or graduate students, however the eligible enrollment level will be tied to the designated shortage field and skill level required. If the shortage occupation only requires a student to have a bachelor's degree, only undergraduate students will be eligible to apply. If the shortage area requires a master's degree, both undergraduate and graduate level students will be eligible to apply.

Merit and/or Need-based criteria

Both merit and need-based criteria will be used when making awards. Applicants will be ranked by GPA and then by need within each occupational field. Those students with the greatest need within each GPA range will be awarded first.

Merit Ranking

To determine a student's merit ranking, transcripts will be required. However, a minimum GPA will not be required to determine a student's eligibility because the appropriate GPA level could vary by major. As long as the student is accepted for admission to the college or university or into the specified program or major (i.e. nursing), students will be eligible to receive an award.

To determine the GPA ranking of students, a cumulative, unweighted GPA will be used. This means that OSFA will recalculate all GPAs to be considered on a standardized 4.0 scale. Transcripts will be required to determine a student's GPA ranking. High school transcripts will be used to calculate GPAs for entering freshman and students that have completed less than 12 college credits. College transcripts will be used for students who have completed more than 12 college credits as an undergraduate student and less than 12 college credits as a graduate student. Graduate level transcripts will be used for students who have completed more than 12 graduate level credits.

Need Ranking

To determine a student's need ranking, a Free Application for Federal Student Aid (FAFSA) must be filed by the applicant, however it will not be mandatory

that students complete a FAFSA to be eligible to receive an award. When determining the order of awarding, students within each GPA range with the greatest need will be given highest priority. If a student chooses not to file a FAFSA, it will be assumed that the student has no need, and therefore will be placed at the bottom of each GPA range to be considered for an award.

Service Obligation

Students will be required to begin fulfilling their service obligation within one year of completing their degree. Students who work full-time will fulfill the obligation at a rate of one-year for each year they received the scholarship, even if they were enrolled on a part-time basis for some of the semesters. Students who work part-time will fulfill the service obligation at a rate of two-years for each year the scholarship was received, even if the student was enrolled on a part-time basis. Full-time employment is considered to be at least 35 hours per week and part-time is at least 20 hours per week.

If an occupation is considered to be in extreme critical need by the Advisory Council, MHEC will have the authority to adopt guidelines to increase the rate at which a student fulfills the service obligation to provide more of an incentive for a student to go into that field.

Should the data be available to do so, the service obligation will be structured in such a way to address statewide and regional needs, and specific subsets of occupational fields. These subsets could include occupational areas that assist low-income and disadvantaged populations. For example, teachers working in Title 1 schools may be a critical need area. To address this need the service obligation will require teaching applicants to fulfill their service obligation working in a Title 1 school.

Criteria will be established through MHEC guidelines to waive or defer the service obligation requirement. This occurs now in limited situations.

Other Criteria

Award Renewal – Awards will continue to be renewed up to the maximum of 6 years as long as the student meets satisfactory academic progress standards as determined by the school.

Number of Awards Made in Each Workforce Area – Information on the demand occupations and the magnitude of the shortage will be determined bi-annually using DLLR's model. The number of awards made in each demand occupation will be proportional to the magnitude of the need. The funding level for each demand occupation will then be determined. Priority will be given to those in greatest need.

Holding Multiple State Grants and Scholarships – A student may hold any State grant or scholarship awarded by OSFA as long as: 1) all eligibility requirements are met for each scholarship and grant received; and 2) the total of all scholarships and grants does not exceed:

- a. the student’s total cost of attendance (COA) as certified by the institution where the student is enrolled; and
- b. the full-time cost of attendance (COA) for a resident undergraduate at the 4-year public institution of higher education within the University System of Maryland, other than the University of Maryland University College and the University of Maryland, Baltimore, with the highest annual expenses for a full-time resident undergraduate as determined by MHEC.

Award Amount

A minimum and maximum award amount will be established in statute as provided below. The maximum award amount will be equal to 50% of the full-time COA for a resident undergraduate student at the 4-year public institution of higher education within the University System of Maryland, other than the University of Maryland University College and University of Maryland, Baltimore, with the highest annual expense for a full-time resident undergraduate as determined by MHEC. The COA for academic year 2005-2006 is \$17,800. The actual award amount each year will be established through MHEC guidelines and will be determined once program funding and the number of demand occupations to be incorporated into the program are known. When making this determination, MHEC will strive to maintain consistency in award amounts and the number of students served through the program.

<u>Enrollment</u>	<u>Community College Award Range</u>	<u>4-Year Institution Award Range</u>
Full-time	\$2,000 to 25% of COA	\$4,000 to 50% of COA
Part-Time	\$1,000 to 12.5% of COA	\$2,000 to 25% of COA

Application Process

Students must file a program application by June 1 of each year. For need to be taken into consideration when making awards, students must file a FAFSA by March 1 of each year. The FAFSA is not a required application for this program, however it will be used to determine the order in which students will be awarded.

IV. Private Sector Scholarship Donations

MHEC will be authorized to accept any gift or grant from any organization, business or private party to be used to provide scholarships in designated shortage occupations. Funds shall supplement, but not supplant State scholarship funds. Private funds will be held in a separate account and will not revert to the General Fund at the end of the fiscal year.

V. Implementation

It is anticipated that awards will be made under the new program structure beginning in FY 2008, or for the 2007-2008 academic year. At this time awards will only be made for programs and occupational areas covered by existing programs. Once information is provided that identifies workforce shortage occupations, it is anticipated that new occupations could be incorporated into the program beginning in the 2008-2009 academic year, or FY 2009. A more detailed timeline is below.

July 2006	Legislation takes effect
Aug/Sept 2006	Advisory Council Appointed Guidelines developed to begin new program with existing occupational areas
Oct 2006	Guidelines approved by MHEC Finance Policy Committee for initial implementation of program with existing occupational areas Advisory Council begins meeting – discusses specifics of the model; reviews occupational supply and demand data; establishes thresholds; discusses program guideline changes to incorporate new occupational fields; recommends occupational shortage areas to be included in the program
Nov 2006	Guidelines approved by MHEC for initial implementation of program with existing occupational areas
Jan 2007	Program information and applications available for existing occupational areas
March 1, 2007	FAFSA deadline for students to be considered by need
June 1, 2007	Application deadline for students to be considered for an award

July 2007	Awards are made for existing occupational areas and students/institutions are notified
Sept 2007	Advisory Council completes its work and reports its recommendations to MHEC for approval and inclusion in program guidelines. Recommendations will include identified critical shortage occupations to be included in or removed from the scholarship program and any necessary guideline changes to administer the program.
Oct 2007	Finance Policy Committee to discuss and approve new guideline changes based on the Advisory Council's recommendations.
Nov 2007	MHEC to discuss and approve new guidelines that incorporate new critical shortage occupations.
Jan 2008	Program information and applications available incorporating new occupational areas identified by the Advisory Council and approved by MHEC.
March 1, 2008	FAFSA deadline for students to be considered by need
June 1, 2008	Application deadline for students to be considered for an award
July 2008	Awards are made in new occupational areas.

APPENDIX

Appendix I	Workgroup Charge
Appendix II	Work Plan
Appendix III	State Career and Occupational Program Statistics
Appendix IV	State Career and Occupational Program Overview
Appendix V	Other State's Workforce Financial Aid Programs
Appendix VI	Service Obligation Statistics
Appendix VII	Service Obligation Repayment Details
Appendix VIII	Service Obligation Staff Assessment

Appendix I

Workgroup on the Consolidation of Career/Occupational State Financial Assistance Programs

Workgroup Charge

The Maryland Higher Education Commission's Office of Student Financial Assistance (OSFA) currently administers 11 career/occupational financial aid programs designed to encourage and provide an incentive to students to major in areas of great economic need to the State and become employed in these areas upon graduation. Four of these programs comprise the HOPE Scholarship programs, which are in the process of being phased out. Each career/occupational program requires the aid recipient to work in the specified career field for each year the aid was received. Career fields encompassed by these programs include nursing, teaching, science and technology, childcare, fire rescue, physical and occupational therapy, and direct care workers. These programs are very confusing to students, parents, and constituents, and cumbersome to administer because each career field has a separate program with different award amounts, selection criteria, and GPA requirements. Some career fields identified by these programs have a clear documented critical workforce need, while others do not.

Two different studies of State financial aid programs, one performed by the Department of Budget and Management and the other by the American Institutes for Research, have recommended the consolidation of state financial programs, specifically the career/occupational programs. This would eliminate the confusing nature of the programs for students and parents and make them less cumbersome to administer. In addition, it was recommended that a biennial review process be established to ensure that Maryland has identified the occupations where shortfalls are anticipated.

Charge

Study the feasibility of consolidating of economic development student assistance grants and work-based shortage grants into a single grant program. The grant program should, to the extent practicable, establish uniform criteria for grant eligibility, award amounts, and service obligation requirements. The new program should include a methodology for prioritizing work-based shortage grants on an annual basis.

A report with findings and recommendations shall be provided to the Governor and General Assembly by November 15, 2005.

Appendix II

Workgroup on the Consolidation of Career/Occupational State Financial Assistance Programs

Work Plan

1. Review of current State student aid workforce programs
 - Review comparative chart on current programs
 - Review awarding statistics
2. Review of model programs in other states
3. Development of criteria for awarding under a new consolidated program
 - Full-time/part-time
 - Undergraduate/graduate
 - Merit criteria
 - Service obligation
 - Other criteria
 - Award amount
 - Timing of Awards
4. Identification of State workforce shortage areas
 - Current shortage areas compared to current programs
 - Process for ongoing identification of shortage areas
 - Process for modifying consolidated program to target aid to shortage areas
 - Discussion of the Demand Driven Model
 - Accommodation of changes in shortage areas and impact on scholarship recipients
5. Development of recommendations for new workforce shortage program
 - Impact of new Program on Existing Programs
 - Loan Assistance Repayment Programs vs. Scholarships

Appendix III

Maryland Office of Student Financial Assistance Career and Occupational Programs

	FY 2004 Actual			FY 2005 Working Appropriation			FY 2006 Allowance		
	Funding	Recipients	Avg. Award	Funding	Recipients	Avg. Award	Funding	Recipients	Avg. Award
Child Care Providers	\$ 73,500	65	\$ 1,131	\$ 95,250	85	\$ 1,125	\$ 83,250	74	\$ 1,128
Developmental Disabilities and Mental Health	758,469	443	1,712	937,500	524	1,788	832,500	475	1,753
Fire and Rescue Tuition Reimbursement	222,141	127	1,749	344,311	147	2,335	344,311	161	2,143
HOPE Scholarship - General ¹	1,905,000	685	2,781	1,455,090	545	2,670	902,160	333	2,708
HOPE Science and Technology ¹	2,818,500	980	2,876	1,728,560	614	2,815	846,240	298	2,836
HOPE Teacher ¹	10,727,500	2,401	4,468	7,623,625	1,709	4,461	4,296,750	963	4,464
HOPE Transfer ¹	223,500	82	2,726	9,750	4	2,438	-	-	-
McAuliffe Memorial Teacher Scholarship	511,829	64	7,997	584,852	67	8,669	574,027	70	8,195
Nursing Scholarship	1,066,371	400	2,666	1,802,138	675	2,668	979,294	367	2,668
Physical & Occupational Therapist	16,000	9	1,778	50,500	28	1,800	18,500	10	1,859
William Donald Schaefer Scholarship	-	-	-	-	-	-	60,000	10	6,000

¹ All HOPE Scholarships are being phased out.

Source: Maryland State FY 2006 Operating Budget Book and MOSFA Annual Report

Appendix IV

Maryland Office of Student Financial Assistance Career and Occupational Programs

	Undergrad/ Graduate	Full or Part-Time	Maximum Award		GPA Requirement	Application Method	Application Deadline	Eligible Majors	Service Requirements
			Comm. College	4-Year					
Child Care Providers	Undergrad	Both	\$1,000	\$2,000	Cumulative 2.0	OSFA	15-Jun	Child Development or Early Childhood Education	Begin service obligation within 6 months of graduating.
Developmental Disabilities and Mental Health	Both	Both	\$2,000	\$3,000	Cumulative 2.0	OSFA	1-Jul	Human Services Major	Begin service obligation within 6 months of graduating. Employment while in school may count towards obligation.
Fire and Rescue Tuition Reimbursement	Both	Both	Reimbursement up to \$6,130		requires students to pass only	OSFA	1-Jul	Fire Service or emergency medical technology	Must work (volunteer or career) as a firefighter or ambulance and rescue squad member while taking college courses and continue to serve 1 year after completed courses.
HOPE Scholarship - General ¹	Undergrad	Full-Time	\$1,000	\$3,000	Cumulative 3.0	FAFSA and OSFA	1-Mar	Includes agricultural, natural resources, business, and social sciences	Begin service obligation within 12 months of graduation.
HOPE Science and Technology ¹	Undergrad	Full-Time	\$1,000	\$3,000	Cumulative 3.0	OSFA	1-Mar	Includes science and tech. Related majors	Begin service obligation within 12 months of graduation.
HOPE Teacher ¹	Both	Both	Full-Time: \$2,000 Part-Time \$1,000	Full-Time: \$5,000 Part-Time \$2,500	Cumulative 3.0	OSFA	1-Mar	Teacher Education	Begin service obligation within 12 months of graduation.
HOPE Community College Transfer ¹	Undergrad	Full-Time	-	\$3,000	Cumulative 3.0	FAFSA and OSFA	1-Mar	All majors are eligible	Begin service obligation within 12 months of graduation.
McAuliffe Memorial Teacher Scholarship	Both	Both	May not exceed \$17,000		Cumulative 3.0	OSFA	31-Dec	Teacher Education - Shortage Areas	Begin service obligation within 12 months of graduation.
Nursing Scholarship	Both	Both	\$3,000	\$3,000	Cumulative 3.0	FAFSA and OSFA	30-Jun	Nursing	Begin service obligation within 6 months of graduation.
Physical & Occupational Therapist	Both	Full-Time	\$2,000	\$2,000	Cumulative 2.0	OSFA	1-Jul	Physical & Occupational Therapist/Assistant	Begin service obligation within 6 months of graduation.
William Donald Schaefer Scholarship ²	Both	Both	\$8,550	\$8,550	Cumulative 2.0	FAFSA and OSFA	1-Jul	All majors are eligible	Begin service obligation within 12 months of graduation.

¹ All HOPE Scholarships are being phased out.

² The William Donald Schaefer Scholarship also requires a 1,000 word essay on why the applicant wishes to work in public service, and 3 letters of recommendation.

State Workforce Financial Aid Programs

State	Types of Programs	Program Descriptions
Alabama	The Technology Scholarship Program for Alabama Teachers	Teach 3 Years after receiving Master's degree, doesn't exceed education expenses.
	Alabama Nursing Program	Agree to be a Nurse for 1 year.
	Mathematics and Science Scholarship Program for Alabama Teachers	Must agree to teach for 5 years. Award amount is \$4,000.
Alaska	Alaska Teacher Education Loan Forgiveness	Nominated by qualified school districts, allows for 100% loan forgiveness to qualified borrowers.
	A.W. "Winn" Brindle Memorial Education Loan for fishery related fields	Up to 50% forgiveness benefits to qualifying borrowers. Funded by private donations and contributions from fisheries businesses in exchange for state tax credits.
California	Assumption Program of Loans for Education (APLE)	Up to \$19,000 in outstanding educational loan balances in return for four consecutive years teaching service.
	Child Development Grant Program	Up to \$6,000 for a need-based grant program requiring recipients to serve 1 year for each year the grant is received.
Delaware	Christa McAuliffe Scholarship Loan Delaware Teacher Corp	Doesn't exceed cost of tuition, fees, and other educational expenses. Must work in the state one year for each year the award is received.
	Delaware Nursing Incentive Program	Doesn't exceed cost of tuition, fees, and other educational expenses. Must work in the state one year for each year the award is received.
	Critical Need Scholarship	Must be full-time employees of a Delaware school district or charter school who teach on a valid Emergency Certificate in a critical need area. Districts may reimburse teachers for all or part of tuition and fees paid for up to three credits/terms of coursework that enables them to achieve Standard Certification.
	Speech/Language Pathologist Incentive Loan	Loan not to exceed cost of tuition, fees, and other direct educational expenses. Renewable for one additional year. Loan forgiveness provision at a rate of two years of employment as a licensed speech pathologist in a Delaware public school or by a Delaware Division of Management Services contracted provider of a program serving infants and toddlers.
	Professional Librarian and Archivist Incentive Program	Loan not to exceed cost of tuition, fees, and other direct educational expenses. Renewable for one additional year. Loan forgiveness provision at a rate of two years of employment as a librarian or archivist in a public library, public school library, or state agency.
	Optometry Scholarship Loan	Loan not to exceed cost of tuition, fees, and other direct educational expenses. Renewable for one additional year. Loan forgiveness provisions at a rate of one year of employment as an optometrist for one year of loan.

Appendix V

State	Types of Programs	Program Descriptions
Kansas	Kansas Teacher Service Scholarship	\$5,000 each academic year. Must work as a teacher in critical shortage areas in Kansas for each year the award is received.
	Nursing Service Scholarship	\$2,500 to \$3,500 (depending on nursing degree) each academic year. Recipients work for the sponsor, who provided a portion of the funds for each year the award is received.
	Kansas Osteopathy Medical Service Scholarship	KOMSS recipients receive \$15,000 per year to study at nationally accredited schools and return one year of practice for each year of award.
	Kansas Optometry Service Scholarship	Optometry pays the difference between out-of-state and in-state tuition for one year of service.
Kentucky	Early Childhood Development Scholarship	Early Childhood Development Award can not exceed \$1,400 and has service obligation.
	Osteopathic Medicine Scholarship	Osteopathic Award pays the difference between out-of-state and in-state tuition for one year of service.
Maine	Educators for Maine Loan Forgiveness	Merit-based forgivable loan program for Maine residents pursuing careers in education. Loans based on academic achievement, activities, community service, and essay. Preference is given to applicants who are planning to teach a shortage subject. Undergraduate recipients are eligible for up to \$3,000 per year.
	The Maine Access to Medical Education Program	Pays a fee of \$5,000 per student, per year to provide access to students who are likely to practice primary care in underserved areas of Maine. The \$5,000 fee is retained by the medical school to cover the costs of the program and to assure that Maine applicants will receive preferred access. It does not reduce your tuition or provide a financial benefit directly to you. Matriculating Maine students in the Access Program have priority for need-based loans ranging from \$5,000 to \$20,000 annually.
	Health Professions Loan Program	Maine postgraduate health profession students are eligible to borrow forgivable loans from FAME. Ninety percent of the funds available are set-aside for medical students; up to 10% of the funds may be awarded to other health professions students. Maine students who gain entry to medical school as a preferred Access Program participant will have priority for need-based loans ranging from \$5,000 to \$20,000 per year. The maximum loan amount for students not participating in the Access Program is \$10,000. All loans will be awarded on the basis of need.
	Maine Access to Veterinary Education Program	The Finance Authority of Maine has entered into a contract with Tufts University School of Veterinary Medicine to provide a preferred Access seat for a Maine resident each year. FAME pays a capitation fee of \$12,000 to provide access to a student who expresses a serious interest in practicing large animal veterinary care in an area of the State determined to be underserved. The \$12,000 capitation fee is used to reduce tuition and is treated as a loan to the student that is eligible for forgiveness if the student returns and practices large animal veterinary medicine in a designated underserved area in Maine.

Appendix V

State	Types of Programs	Program Descriptions
Massachusetts	Tomorrow's Teachers Scholarship	Offers scholarships to academically talented high school students who wish to pursue a teaching career. These renewable four year scholarships will be awarded to qualifying students who plan to attend Massachusetts colleges or universities, and who agree to teach for four years in Massachusetts public schools, upon graduation from college.
Michigan	Michigan State Nursing Scholarship	A non-need based award available to Michigan residents enrolled at least half time at an eligible institution in a program leading to a Licensed Practical Nurse certification, Associate Degree in Nursing, or Bachelor of Science in Nursing. Students will be selected for scholarship awards by their college or university financial aid office. Scholarship awards are for \$4,000 per academic year for full time students. Students receiving a full time scholarship award have to agree to work as a direct care nurse in Michigan one year for each year of assistance.
Mississippi	Counseling and School Administration Loan/Scholarship	Upon completion of program, recipient agrees to render service as a counselor or school administrator in an accredited Mississippi public school (K-12) for one FULL academic year following degree completion.
	State Dental Education Loan/Scholarship	The loan to service obligation must be rendered in a critical need area of Mississippi for a period of, not less than, one year's service for one year of scholarship received. Service is defined as the practice of family dentistry.
	Graduate Teacher Loan/Scholarship	One year service as a full-time certified classroom teacher in an accredited Mississippi public school (K-12). Service will be concurrent with receipt of the scholarship and for one FULL academic year following degree completion.
	Nursing Education Loan Scholarship Program	Participants who are pursuing an advanced degree in nursing and who contractually agree that upon degree completion will teach at an accredited school of nursing in the State of Mississippi.
	Veterinary Medicine Minority Loan Scholarship	The loan to service obligation must be rendered for a period of, not less than, one year's service for one year of scholarship received, but shall never be less than 12 consecutive months. The amount and length of the award is \$6,000 each year, not to exceed 4 years.
	Critical Needs Alternative Route Teacher Loan/Scholarship Program	The loan to service obligation is discharged on the basis of one year's service for one year of loan received.
	Family Medical Education Loan/Scholarship	The loan to service obligation must be rendered in an area of Mississippi that is a critical needs area for primary care (family medicine) for a period of not less than six (6) years.
	Health Care Professions Loan/Scholarship	The loan to service obligation can be discharged on the basis of one year's service for one year's loan received. Service must be rendered at a state-operated health institution.
	Southern Regional Education Board Loan/Scholarship	Service obligation must be rendered in Mississippi for a period of, not less than, one year's service for one year of scholarship received. Service is defined as the practice of medicine (patient care) in the specialty area for which the scholarship was received.

Appendix V

State	Types of Programs	Program Descriptions
Mississippi Continued	William Winter Alternative Route Teacher Scholar Loan	The loan to service obligation can be discharged on the basis of one year's service for one year of loan received. Teaching service is defined as being employed as a full-time classroom teacher in a Mississippi public school.
	Critical Needs Teacher Loan/Scholarship Program	The loan to service obligation is discharged on the basis of one year's service for one year of loan received. Teaching service is defined as being employed as a full-time classroom teacher in a Mississippi public school located in a critical teacher shortage area or in a subject shortage area.
	Graduate and Professional Degree Loan/Scholarship	The loan to service obligation must be rendered in Mississippi for a period of, not less than, one year's service for one year of scholarship received.
	State Medical Education Loan/Scholarship	The loan to service obligation must be rendered in a critical need area of Mississippi for a period of, not less than, one year's service for one year of scholarship received. Service is defined as the practice of medicine (patient care) in the specialty area for which the scholarship was received.
	William Winter Teacher Scholar Loan	The loan to service obligation can be discharged on the basis of one year's service for one year of loan received. Teaching service is defined as being employed as a full-time classroom teacher in a Mississippi public school.
New Mexico	Allied Health Student Loan-For-Service	The award is dependent upon the financial need of the student, but may not exceed \$12,000 per year. As a condition of the loan, a student must declare their intent to practice as an allied health professional in a designated health professional shortage area in New Mexico.
	Southeastern New Mexico Teachers' Loan-For-Service	student must declare their intent to provide teaching service for a specified period of time at a public preschool, elementary or secondary school in a designated county in New Mexico. The award is dependent upon the financial need of the student, but may not exceed \$4,000 per year.
	Western Interstate Commission on Higher Education (WICHE) Loan-for-Service Program	Makes educational loans available to New Mexico students wishing to enroll at selected out-of-state graduate or professional programs, which are not offered at a New Mexico public university. As a condition of the loan, the student must declare his or her intent to return to New Mexico upon degree completion and practice in their licensed or chosen field.
New Hampshire	Workforce Incentive Program	The Workforce Incentive Program links higher education with critical workforce needs. There are two components to the program: an incentive for students to study in particular areas (forgivable loan) and assistance for employees in critical workforce shortage areas (loan repayment). The program includes loan repayment for current students enrolled in Nursing, Special Education, World Languages, Mathematics, Chemistry, General Science, Physical Science, and Physics programs and loan forgiveness for those employed in the same fields.

Appendix V

State	Types of Programs	Program Descriptions
Pennsylvania	New Economy Technology Scholarships:	
	SciTech Scholarship	Provides up to \$3,000 per year based on total educational costs to students enrolled full-time, for a maximum of three years. Begin employment in the state within one year after completion of studies, one year for each year that the scholarship was awarded.
	Technology Scholarship	Provides up to \$1,000 per year based on total educational costs to high school graduates who don't seek a four-year education but do want to succeed in a technology-based economy. Begin employment in the state within one year after completion of studies, one year for each year that the scholarship was awarded.
Virginia	Advantage Virginia Incentive Program	The purpose is to provide training in occupational areas where there is high demand for workers designated by the Virginia Workforce Council. Occupational shortage areas include occupations in localities and planning districts that have annual average unemployment rates that are 50% higher than the final statewide average unemployment rate for the most recent year or are within planning districts that have annual average unemployment rates for the most recent year that are at least one percent greater than the final annual statewide average for the most recent year. Eligible students can receive up to \$3,000 per academic year and are required to work in an occupational shortage area within one year.
	Future Teachers Conditional Scholarship and Loan Repayment	Future Teachers: \$2,445 for community colleges and up to \$4,446 to 4-year publics. Plan to teach in state.
Washington	Alternative Routes to Teacher Certification Conditional Loan Scholarship	The Alternative Conditional Loan Scholarship was created to help school districts recruit teachers in subjects and geographic areas with teacher shortages.
	Health Professional Loan Repayment and Scholarship	Participants agree to provide primary care health service in rural or underserved urban areas with designated shortages. Up to \$25,000 per year for the first three years and up to \$35,000 per year in the fourth and fifth years.
	Underwood-Smith Teacher Scholarship Program	Not to exceed \$5,000. Work in West Virginia one year for every year award is received.

Appendix VI

Service Obligation Statistics - July 2005

Program	Completed Service	In Service	Repayment	Deferred	Paid in Full	Deceased	Service Forgiven	Totals
Child Care Providers	32	11	45	5	1	-	-	94
Developmental Disabilities and Mental Health	261	574	33	45	-	-	-	913
Distinguished Scholar Teacher ¹	199	42	47	20	42	-	-	350
HOPE Scholarship - General ²	2	83	105	391	8	-	-	589
HOPE Science and Technology ²	6	465	660	1,218	106	2	-	2,457
HOPE Teacher ²	1,211	1,124	809	618	139	5	17	3,923
HOPE Community College Transfer ²	5	101	32	78	-	-	-	216
McAuliffe Memorial Teacher Scholarship	203	61	51	24	7	-	-	346
Nursing Scholarship	459	390	86	75	33	-	-	1,043
Physical & Occupational Therapists	18	2	19	7	-	-	-	46
William Donald Schaefer Scholarship	-	-	-	-	-	-	-	-
Totals	2,396	2,853	1,887	2,481	336	7	17	9,977

¹ May be considered for consolidation.

² All HOPE Scholarships are being phased out.

Appendix VII

REPAYMENT DETAILS

<u>Program</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Going into repayment shortly</u>	<u>Overall number in Access</u>
CCT	6	3	25	22	32
HOPE GEN	24	18	58	52	105
MDT	178	125	419	367	809
S&T	124	100	318	294	660
CCP	3	1	na		45
DEV DIS	13	13	na		33
DSTE	1	0	17	17	47
NRN	3	2	1		28
SNS	41	10	na		86
PTOT	4	2	2		19
SCM	3	1	10	10	51
Totals	400	275	850	762	1915

Appendix VIII

Service Obligation – Staff Assessment

Process

- MHEC administers 11 financial aid programs that requires students to work in the State in return for receiving the scholarship.
- Staff from the Office of Student Financial Assistance (OSFA) and Administrative Services monitor the statutory obligation of students receiving these awards.
- With OSFA, five program staff members are responsible for the following as it pertains to their program:
 - track recipients while in college sending a survey once a year;
 - after graduation or leaving college, determine if recipients are working in an eligible field in Maryland by sending survey once a year;
 - track recipients annually to verify employment and ensure they have worked the required number of years in the required field;
 - update information in SAFERS and ACCESS database; and
 - review and process special appeals, such as deferments for illness.
- Within Administrative Services, one staff member is responsible for the following:
 - enter recipients identified for repayment into the Peachtree Accounting System;
 - send monthly statements to recipients in repay specifying the amount to be paid;
 - post payments for recipients that are repaying their scholarship awards once a month; and
 - send a notice to each recipient stating that if he/she does not begin repaying funds, he/she will be sent to the Central Collections Unit.
- Service Obligation repayments can extend for a period of up to 6 years.

Assessment of Staff Time

- Office of Student Financial Assistance
 - estimated staff time per promissory note per year is 37 minutes
 - staff currently working with 5,334 active files
 - approximately 3,289 hours throughout the year are spent working on the tracking of service obligations
 - this is spread across 5 staff members; hours per staff member vary by size of program
- Administrative Services
 - estimated staff time per promissory note per year is 50 minutes for those individuals who are repaying the award and 10 minutes for those individuals who have been sent to CCU
 - there are currently 1,887 active files in repayment, 1,687 repaying the obligation and 200 in CCU
 - approximately 1,439 hours throughout the year are spent on the repayment of service obligations
 - this is approximately 70% of the workload for the one Administrative Services staff member.