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James D. Fielder, Jr., Ph. D. Secretary

# Maryland Higher Education Commission

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

**Fiscal 2019 Budget** 

February 21 & 22, 2018

Issues

1. It should be noted that the amount to be transferred in the budget bill does not include the \$28,353 increase in funding for SMHEC in fiscal 2019. Therefore, DLS recommends authorizing MHEC to transfer those funds to USMO, contingent on enactment of SB 903 or HB 1143. – Pg. 19

MHEC Response: MHEC concurs with the recommendation.

2. As previously mentioned and discussed in the Maryland 529 budget analysis, enrollment in the State 529 Contribution Program was undersubscribed, resulting in the reversion of \$4.5 million in fiscal 2018, and the BRFA of 2018 reduces mandated funding beginning in fiscal 2019 from \$7 million to \$2 million. Conversely, the tax credit program has proven to be popular, and as such, eligible recipients only received less than a quarter of the maximum \$5,000 credit. Therefore, DLS recommends that \$4 million budgeted for the State 529 Contribution Program in fiscal 2019 (leaving \$3 million rather than \$2 million proposed in the BRFA of 2018) be reduced and used instead for the student loan tax credit program. This action requires amendment to the budget and the BRFA of 2018 (to reduce \$4 million for the State 529 Contribution) and other legislation (to raise the cap of tax credit). – Pgs. 22 & 23

MHEC Response: MHEC concurs with the Governor's Allowance.

3. DLS recommends that MHEC submit a report summarizing the use of both A&S and OCR funding by the institutions and lessons learned. – Pg. 24

**MHEC Response:** MHEC concurs with the recommendation.

4. The Secretary should comment on the delay in submitting the plan to the Governor and the General Assembly. – Pg. 25

**MHEC Response:** The State Plan was made available to the public on the Maryland Higher Education Commission website in January 2018, as it was approved by the Commission at its December 13, 2017 meeting. The development of this four year state plan consisted of a

writing/input group of approximately 100 individuals representing all segments of Maryland higher education in addition to four separate State departments; the Maryland State Department of Education (MSDE), the Department of Labor, Licensing, and Regulation (DLLR), the Department of Commerce (DOC), and the Maryland Higher Education Commission (MHEC). The segments and four departments had multiple opportunities for submittal and review of the content. The plan presents data is an easily understood format that will establish metrics to be tracked for improvements in higher education.

#### **Recommended Actions**

#### 1. Add the following language to the general fund appropriation: - Pg. 29

, provided that \$28,353 made for the purpose of the Southern Maryland Higher Education Center may be transferred by budget amendment to the University System of Maryland Office (R30B36.04) contingent on enactment of SB 903 or HB 1143.

**Explanation:** This language authorizes the transfer of funds related to the funding of the Southern Maryland Higher Education Center to the University System of Maryland Office contingent on enactment of SB 903 or HB 1143.

MHEC Response: MHEC concurs with the recommended action.

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### 2. Reduce funding for State 529 Contribution Program. \$4,000,000 GF

**MHEC Response:** MHEC concurs with the Governor's Allowance.

## 3. Adopt the following narrative: - Pg. 29

**Report on Best Practices and Annual Progress Toward the 55% Completion Goal:** The committees understand that in order to meet the State's goal to have at least 55% of Maryland's residents age 25 to 64 holding at least one degree credential by 2025, accurate and timely information on degree progression and best practices is needed to ensure that the State is on track to meet the goal. The committees request that the Maryland Higher Education Commission (MHEC) annually collect and analyze student- and transcript-level data on progression, graduation, and other relevant metrics from each public institution of higher education, including community colleges and regional higher education centers. MHEC should submit a report by December 15 each year that analyzes the data and shows each institution's progress toward the State and institutional goals in 2025. The report should also include a summary of best practices and findings on the effectiveness of institutions' programs, as well as any concerns regarding lack of progress or best practices that are not being implemented by institutions.

In addition, the committees request that MHEC, in collaboration with the Governor's Prekindergarten-20 Council, convene a biennial Summit on Completion that provides a forum for representatives of all segments of education (including K-12), economic and workforce development, and other stakeholders to share best practices on college completion that are underway in Maryland and hear from experts on best practices in other states that may be replicated in Maryland. A summary of the summit should be included in the annual report on best practices and progress toward the 55% goal.

Information Request	Author	Due Date
Report on best practices and progress toward the 55% completion goal	MHEC	December 15, 2018, and annually thereafter

MHEC Response: MHEC concurs with the recommended action.

#### 4. Adopt the following narrative: - Pg. 30

**Final Report on Access and Success and Office for Civil Rights Enhance Funds:** As part of the State's agreement with the federal Office for Civil Rights (OCR), the State has provided annual funding known as Access and Success (A&S) funds to Maryland's Historically Black Colleges and Universities (HBCU) to improve retention and graduation rates. HBCU's also received OCR enhancement funds to support programs to enhance the campus and institution. Since fiscal 2007, A&S funds have been appropriated directly to HBCUs, and starting in fiscal 2017, OCR enhancement funds were included in the institution's base budget. Institutions were required to submit two separate reports to the Maryland Higher Education Commission (MHEC) on how A&S and OCR funds would be spent in the coming year. The annual reports should be discontinued due to the limitations of each in providing useful information. However, MHEC should submit a final report summarizing the use of A&S and OCR funds, the impact or outcomes from programs on projects supported with these funds, and lessons learned.

Information Request	Author	Due Date
Final report on the Access and Success and Office for Civil Rights funds	MHEC	October 15, 2018

MHEC Response: MHEC concurs with the recommended action.