

# **MARYLAND HIGHER EDUCATION COMMISSION**

## **MEETING BOOKLET**

Time: 1:00 PM  
October 24, 2018

Place: Maryland Higher Education Commission  
6 N. Liberty St, 7<sup>th</sup> Floor Board Room  
Baltimore, MD 21201

# **Maryland Higher Education Commission**

Anwer Hasan, Chairman

Sandra L. Jimenez, Vice-Chair

Vivian S. Boyd

John Holaday

Vera R. Jackson

Russell V. Kelley

Giavanna Tserkis, Student Commissioner

Ian MacFarlane

Donna M. Mitchell

Joel Packer

Rizwan A. Siddiqi

John W. Yaeger

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

**Lawrence J. Hogan, Jr.**  
**Governor**

**Boyd K. Rutherford**  
**Lt. Governor**



**Larry Hogan**  
Governor

**Boyd K. Rutherford**  
Lt. Governor

**Anwer Hasan**  
Chairperson

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

## Maryland Higher Education Commission Meeting Agenda

**TIME:** 1:00 p.m.  
Wednesday  
October 24, 2018

**PLACE:** Maryland Higher Education Commission  
6 N. Liberty Street, 7<sup>th</sup> FL BR  
Baltimore, MD 21201

### OPEN SESSION

	<b>Page</b>	<b>Action Item</b>
<b>Call to Order</b>		
<b>Commission Minutes Approval</b> .....	1	*
• September 26, 2018		
<b>Chairman’s and Secretary’s Remarks</b>		
<b>Commissioner Committee Updates</b>		
<b>Department of Finance and Administration</b>		
<b>Office of Finance Policy – Geoffrey Newman</b>		
FY 2020 Operating Budget Recommendations – Geoffrey Newman .....	7	*
FY 2020 Capital Budget Recommendations – Cynthia Tims and Geoffrey Newman .....	23	*
Proposed Regulations for Student Loan Debt Relief Tax Credit Regulations – Geoffrey Newman.....	51	*
<b>Office of Student Financial Assistance – Donna Thomas</b>		
Proposed Regulations for the Maryland Community College Promise Scholarship Program – Donna Thomas .....	55	*
Proposed amendments to Financial Aid Advisory Council Bylaws – Donna Thomas.....	65	*
<b>Department of Academic Affairs- Emily Dow</b>		
Proposed Regulations for Off-Campus Programs at Regional Higher Education Centers.....	73	*

Final Adoption of Regulations to Implement New Financial Guarantee Requirements for For-Profit Institutions of Higher Education.....	75	*
Review Meeting for University of Baltimore proposed Bachelor of Science in Accounting.		*

CLOSED SESSION

**Adjournment**

**Maryland Higher Education Commission**  
Meeting Minutes

September 26, 2018  
9:00 a.m.

The Maryland Higher Education Commission (MHEC) met on Wednesday, September 26, 2018 at 6 N. Liberty Street, 7th Floor Board Room, Baltimore, MD 21201.

**Commission members present:**

Anwer Hasan, Chairman	Vera Jackson
Sandra L. Jimenez, Vice-Chair	Ian D. MacFarlane
Vivian S. Boyd, Ph.D.	John Holaday
Donna M. Mitchell	Joel Packer
Givanna Tserkis	John W. Yaeger, Ed.D

**Commission members not present:**

Russell Kelley	Rizwan Siddiqui
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**Staff members present:**

Dr. James D. Fielder, Jr.	Dr. Emily Dow
Geoff Newman	Dr. Jon Enriquez
Christine Wellons	Parris Jackson
Lee Towers	Cynthia Tims
Vanessa Bennett	Alexia Van Orden
Glenda Abney	Bryson Barksdale
Barbara Schmertz	Sarahita Wyatt-Paige
Rhonda Wardlaw	Donna Thomas

**Call to Order**

The meeting was called to order by **Chairman Hasan** at approximately 9:14 a.m. A meeting quorum was established with ten out of the twelve members present.

**Secretary's Remarks**

**Chairman Hasan** recognized **Secretary Fielder**. **Secretary Fielder** recognized Dr. Barbara Schmertz, Associate Director of the Office of Research and Policy Analysis. Dr. Schmertz introduced and welcomed Ms. Sarahita Wyatt-Paige who has recently joined the department. **Secretary Fielder** recognized Dr. Emily Dow, Assistant Secretary for Academic Affairs. Dr. Dow introduced and welcomed Mr. Bryson Barksdale who has recently joined the department.

## **Chairman's Remarks**

**Chairman Hassan** welcomed the new student commissioner, Ms. Giavanna Tserkis.

## **Approval of Minutes – Action Item**

There was a motion by **Commissioner Yaeger** and a second by **Commissioner Jimenez** for approval of the June 27, 2018 meeting minutes. The motion was approved unanimously. There was a motion by **Commissioner Yaeger** and a second by **Commissioner MacFarlane** for the approval of the July 11, 2018 meeting minutes. The motion was approved unanimously. There was a motion by **Commissioner Yaeger** and a second by **Commissioner MacFarlane** for the approval of the August 27, 2018 meeting minutes. The motion was approved unanimously.

## **Office of the Secretary – Commission Committee Updates –Information Item**

**Outreach, Grants, and Financial Assistance: Commissioner Packer** reported that their committee had met yesterday and reported there has been a setback in the development of the mobile app. The contract that was going to be used was set to expire next year, so instead this app will be developed by a new vendor called Interclips that will replace MDCAPS as the agencies software vendor. This has set back the development of the mobile app, the committee's first goal. **Commissioner Packer** further noted that there was a now a U.S. Department of Education mobile app, that students will be able to use to complete the FAFSA. MHEC staff is informing students that this app exists. This app will help the committee meet its second goal of increasing FAFSA completion. **Commissioner Packer** reported that DACA students will now be able to apply for financial aid through a separate application other than the FAFSA as they are eligible for Promise scholarships and the educational-assistance grant. **Commissioner Packer** noted that MHEC has developed new financial aid training modules. It is hoped that commissioners and MHEC staff will learn these training modules and eventually attended training sessions. Commissioner Packer also shared a list of all the scheduled training sessions that MHEC offers and encourage commissioners to attend some of these sessions time permitting. Finally, **Commissioner Packer** noted the many other ways that MHEC has been undertaking outreach such as radio commercials, podcasts and other media.

**Program Review Committee: Commissioner Yaeger** reported the committees working on its program goals for next year. He reported that MHEC staff had made tremendous progress in meeting last year's goal of 100% for on time review of program review proposals. In 2016, only 13% were reviewed on time, this improved to 57% in 2017 and was 93% last year. He noted that it might be hard to ever get to 100%, but Secretary Fielder insisted that the agencies goal remains 100%. Commissioner Yaeger also noted another goal of correcting the academic program inventory.

**Finance and Operations Committee: Commissioner MacFarlane** noted that the committee met earlier this summer. They are asking all the segments to have today's presentations align with MHEC's State plan goals. They will also be working on eliminating audit findings and improving staff retention and hiring.

## **Office of Student Financial Assistance- Proposed Adoption on Regulations – Cybersecurity Public Service Scholarship Program**

**Chairman Hasan** recognized Ms. Donna Thomas. Ms. Thomas reported the proposed regulations for the Cybersecurity Public Service Scholarship Program. The general assembly enacted this legislation in 2018 and its reported purpose is to create a scholarship program to support students who are pursuing an education in programs that are directly relevant to Cybersecurity.

**Commissioner Jimenez** motioned that the Commission approve for publication and public comment the attached proposed regulations regarding the Cybersecurity Public Service Scholarship Program, and authorize MHEC's attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents. **Commissioner MacFarlane** seconded this motion. **Chairman Hasan** asked if this program was graduate or undergraduate program. Ms. Thomas answered that it was for undergraduate or certificate programs, but one of the eligibility criteria is that they must be within 2 years of graduation. She further noted that the appropriation for the current year is \$180,000 and MHEC will wait until they see the number of applicants, before deciding on award amounts. Ms. Wellons stated that community college students are actually eligible and that the security will identify which programs qualify and are relevant to cybersecurity. Secretary Fielder commented that there has been an increase in cybersecurity programs approved over the past year, the work of identifying which programs qualify has yet to be done and that the requirements and funding for this program will likely be revisited by the legislature and the governor in future years. The motion was approved.

## **Office of Student Financial Assistance- Proposed Adoption on Regulations – Howard P. Rawlings Educational Excellence Program**

**Chairman Hasan** recognized Ms. Donna Thomas. Ms. Thomas reported the proposed regulations for the Howard P. Rawlings Educational Excellence Program. In 2018, the General Assembly enacted legislation (2018, ch. 812) to make certain individuals eligible for the Howard P. Rawlings Educational Excellence Awards Program, if the individual is eligible for certain in-state tuition. The Commission approved these proposed regulations at the May 23<sup>rd</sup> meeting and these regulations have been further amended by MHEC staff to include recent 2018 legislative changes and other clarifying edits.

**Commissioner Jackson** moved that the Commission approve for publication in the Maryland Register the enclosed proposed regulations dated September 26, 2018 for the Delegate Howard P. Rawlings Program of Educational Excellence Awards; rescinds its prior approval, on May 23, 2018 of a set of proposed regulations, dated May 23, 2018, regarding the EEA program; and authorize MHEC's attorneys to approve non-substantive revisions as necessary to conform to the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents. **Commissioner Jimenez** seconded the motion. **Commissioner MacFarlane** questioned whether or not these were new regulations, and Ms. Thomas answered that they were. **Commissioner Jimenez** asked whether these changes were meant to include DACA and GED students. Ms. Thomas answered that there were a variety of changes to deadline dates, but that the majority of changes were related to the status of these students. Ms. Wellons added that the

substantive changes are highlighted in yellow on the document and that the primary changes relate to the GED and DACA students.

**Department of Fiancé and Administration- Operating and Capital Budget Presentations- Information Item**

**University System of Maryland**

Ms. Ellen Herbst presented the USM Operating and Capital Budget to the Commission. The presentation is available for review.

**St. Mary's College of Maryland**

Dr. Tuajuanda C. Jordan presented the St. Mary's College of Maryland Operating and Capital Budget to the Commission. The presentation is available for review.

**Morgan State University**

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

**Maryland Independent College and University Association**

Ms. Tina Bjarekull presented the Maryland Independent College and University Association Operating and Capital Budget to the Commission. The presentation is available for review.

**Maryland Association of Community Colleges**

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

**Baltimore City Community College**

Mr. Calvin Harris, Jr. presented the Baltimore City Community College Operating and Capital Budget to the Commission. The presentation is available for review.

**Regional Higher Education Centers**

Mr. Geoff Newman presented the Regional Higher Education Centers Operating and Capital Budget to the Commission. The presentation is available for review.

**Office of Research and Policy Analysis- 2018 Retention and Graduation Rates at Maryland Four-year Institutions - Information Item**

**Chairman Hasan** recognized Dr. Jon Enriquez. Dr. Enriquez recognized Alexia Van Orden. Ms. Van Orden provided the commission a report on the 2018 Retention and Graduation Rates at Maryland Four-year Institutions. This annual report presents the retention and graduation rates



of first-time, full-time undergraduate students entering Maryland's public four-year colleges and universities.

**Office of Research and Policy Analysis- 2018 Retention, Graduation and Transfer Rates at Maryland Community Colleges - Information Item**

**Chairman Hasan** recognized Ms. Alexia Van Orden. Ms. Van Orden provided the commission a report on the 2018 Retention, Graduation and Transfer Rates at Maryland Community Colleges. This report provides information on retention, graduation, and transfer rates for students entering Maryland community colleges as first-time, full-time students between 1995 and 2015. This edition of this report includes data about student outcomes two, three, and four years after matriculation.

**Adjournment**

The meeting adjourned at approximately 1:48 p.m.





Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** October 24, 2018  
**TO:** Maryland Higher Education Commission  
**FROM:** Geoffrey Newman, Assistant Secretary for Finance and Administration  
**SUBJECT:** FY 2020 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 State Plan.

### **Maryland State Plan for Postsecondary Education 2017-2021**

The Maryland State Plan for Postsecondary Education, *Increasing Student Success with Less Debt*, 2017 - 2021 contains three goals:

1. ACCESS - Ensure equitable access to affordable and quality postsecondary education for all Maryland residents;
2. 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 2019

The State provided over \$2 billion in State funds to higher education in fiscal 2019. 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 72.6 percent of the funds provided to higher education. Funding to community colleges is 17.4 percent, while funding to nonprofit independent higher education institutions in the Sellinger program represents 2.7 percent.

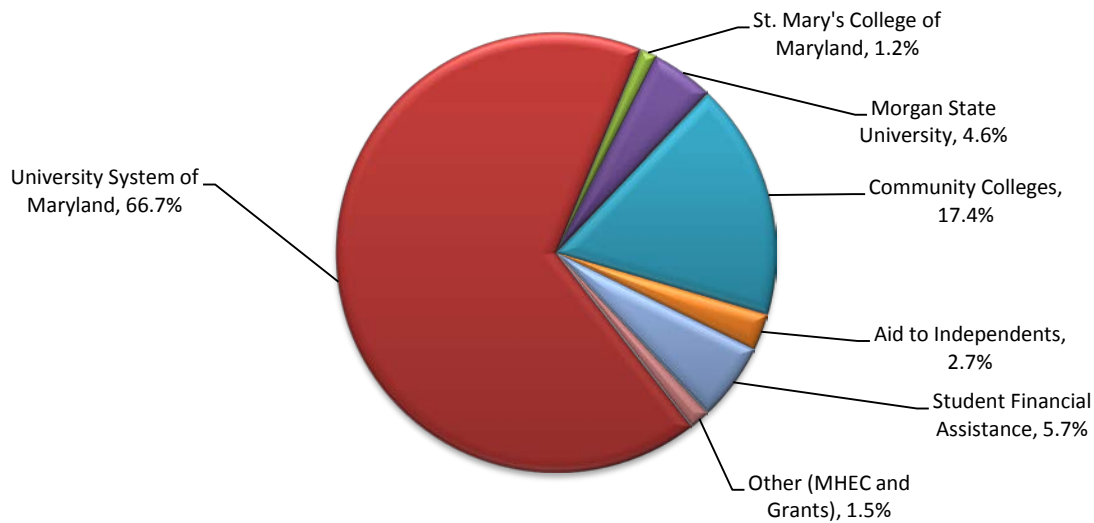
State funding for programs of student financial assistance administered by the Office of Student Financial Assistance at MHEC is 5.7 percent of total funding for higher education, while funding for State grants and pass-thru funding (1.2%) and the administration of the Higher Education Commission (0.3%) is the remaining 1.5 percent of the total.

**Table 1:**

### Maryland Higher Education State Funds FY 2019

<b>Segment</b>	<b>State Funds</b>	<b>Percent of Total</b>
University System of Maryland	\$ 1,390,304,352	66.7%
St. Mary's College of Maryland	25,888,368	1.2%
Morgan State University	96,652,819	4.6%
Community Colleges	363,038,520	17.4%
Aid to Independents	56,273,000	2.7%
Student Financial Assistance	119,714,082	5.7%
Other (MHEC and Grants)	31,572,451	1.5%
Higher Education Total	\$ 2,083,443,592	100.0%

## Allocation of State Funds: FY 2019



Funding for higher education in fiscal 2018 continued to provide quality higher education at all levels and in all sectors of higher education. The State has supported and maintained a balance among 13 public four-year colleges and universities, 16 public community colleges, 13 private nonprofit four-year colleges and universities and 8 regional higher education centers to which the State provides funds. In addition, the State has 22 private colleges and universities and 176 private career schools that do not receive direct State funding. The following table provides the name and Carnegie Classification for each institution receiving State funds.

### State Fund Allocations

The University System of Maryland's and Morgan State University's operating budget requests are compared in relation to the operating funding guidelines. Funding and performance of each Maryland institution is compared to a set of peer institutions from Competitor States (CA, MA, MN, NC, NJ, NY, OH, PA, VA, & WA) that have similar profiles as the Maryland institutions according to the Carnegie Classification system. The guidelines are used to inform the budget process with respect to funding levels and allocations and do not represent a request for an appropriation.

As shown below, budget decisions for fiscal 2019 resulted in overall funding guideline attainment of 68 percent. The attainment levels run from a low of 17 percent at the University of Maryland University College to a high of 126 percent for Coppin State University.

**Maryland Higher Education Commission**  
**FY 2019 Funding Guidelines**

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<b>Institution</b>	<b>FY 2019 Funding Guideline</b>	<b>FY 2019 Legislative Appropriation</b>	<b>Estimated Attainment</b>
Bowie State University	\$ 62,289,793	\$ 45,585,299	<b>73%</b>
Coppin State University	37,201,435	47,005,246	<b>126%</b>
Frostburg State University	60,981,854	41,999,361	<b>69%</b>
Salisbury University	82,895,591	54,519,319	<b>66%</b>
Towson University	194,425,404	118,940,341	<b>61%</b>
University of Baltimore	57,183,191	37,330,262	<b>65%</b>
UM, Baltimore	323,722,694	233,371,095	<b>72%</b>
UM Baltimore County	211,944,477	130,124,789	<b>61%</b>
UM Center for Env. Science	32,224,791	22,667,568	<b>70%</b>
UM, College Park	681,109,522	525,180,912	<b>77%</b>
UM Eastern Shore	55,432,378	43,700,050	<b>79%</b>
UM University College <sup>1</sup>	259,733,451	43,116,212	<b>17%</b>
USM Office		37,713,754	
<b>USM Total</b>	<b>2,059,144,581</b>	<b>1,381,254,208</b>	<b>67%</b>
Morgan State University	126,047,939	96,652,819	<b>77%</b>
<b>Total</b>	<b>\$ 2,185,192,520</b>	<b>\$ 1,477,907,027</b>	<b>68%</b>

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Notes:

1. University College FTE Enrollment reduced for NonMaryland Online Enrollments and tuition revenue reflects Statewide revenue only discounted by NonMaryland Online tuition.

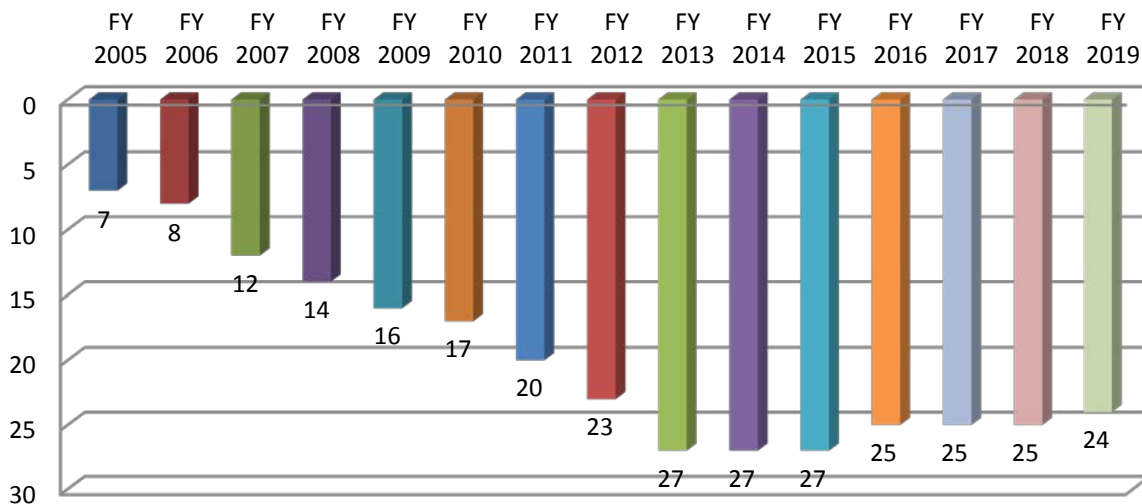
Sources: Maryland State Operating Budget Books, Maryland Higher Education Commission, University System of Maryland, NCES IPEDS Peer Analysis System, The Common Fund

## ACCESS

State funding to St. Mary’s College, community colleges and independent institutions is provided in formulas designated for each segment. In fiscal 2018, St. Mary’s College of Maryland received an appropriation of \$24.8 million. The local community colleges received \$319.3 million through Cade Aid, additional grants and retirement funding, an increase of \$4.9 million over the funding for fiscal 2017. The independent institutions received \$48.9 million through the Sellinger program, an increase of \$2.1 million over fiscal 2017.

For several years, Maryland has provided State fund support to public four-year institutions to control the increase in resident undergraduate tuition and make college more affordable for Maryland citizens. According to the annual report, *Trends in College Pricing*, from the College Board, since fiscal 2005, Maryland has moved from being the 7<sup>th</sup> most expensive state for resident undergraduate students, at \$6,770, to the 24<sup>th</sup> most expensive state, at \$9,900, in fiscal 2018

### Resident Undergraduate Tuition and Fees at Public Four-year Colleges and Universities Maryland National Ranking

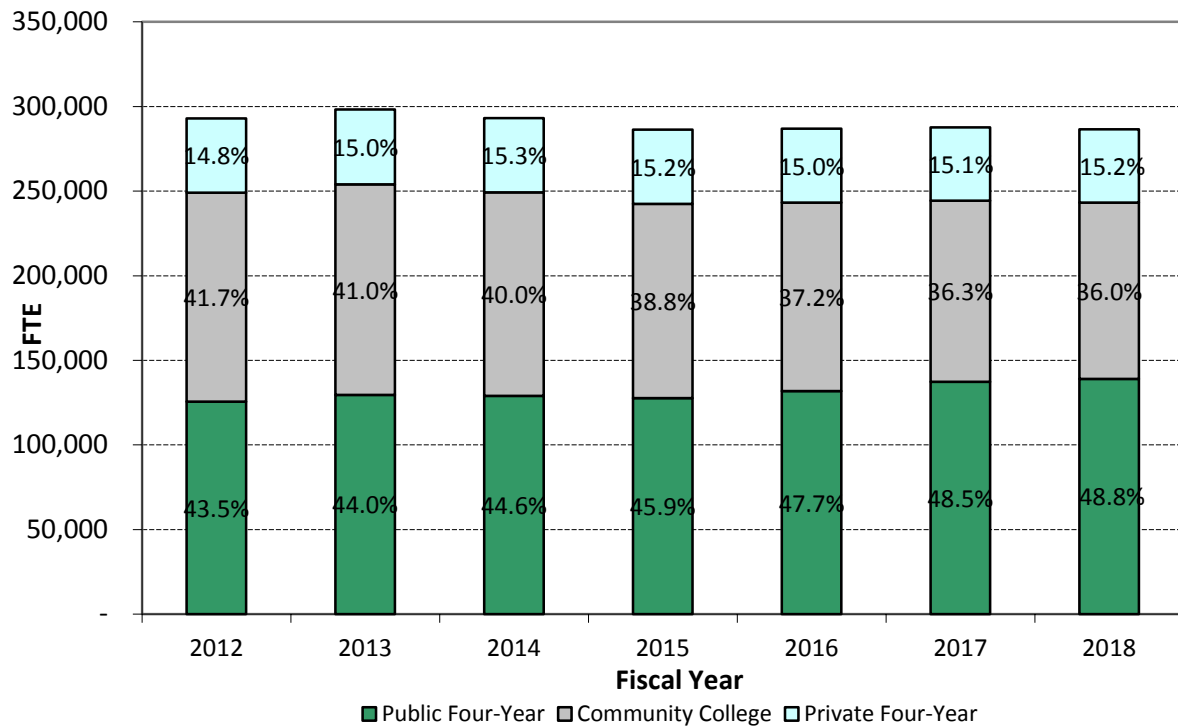


Between fiscal 2005 and 2015, Maryland community colleges moved from being the 8<sup>th</sup> most expensive colleges to 20<sup>th</sup> in fiscal 2015. The in-district tuition and fees for fiscal 2019 ranks Maryland at 19<sup>th</sup> nationally.

*Enrollment*

Total student enrollment peaked at 300,292 FTEs in 2013, since then we've seen reductions in enrollment, particularly at the community colleges, to a level of 288,810 in 2018. Of that total enrollment, the community college enrollment has moved from 41 percent of the total, or 154,447 in 2012, to only 36 percent of the total, or 103,349, a reduction of over 21,000 students, in 2018.

**Enrollment by Segment of Higher Education  
2012 - 2018**





## Financial Aid

The Commission received \$119.7 million in general fund and special fund support for student financial assistance in fiscal 2019. This was an increase of \$6.6 million, or 5.9 percent, from fiscal 2018.

While funding of State financial aid programs has reached an overall level of almost \$120 million, keeping up with the demand for need-based financial aid continues to pose a challenge for the agency

Educational Excellence Award Program	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	2011-2017 % Change
EEA Appropriations	75,933,546	75,124,624	82,896,170	90,963,593	80,008,868	80,009,603	81,117,525	83,996,924	6.8%
(Original) EEA Appropriation	75,121,000	75,125,000	72,335,000	80,963,593	79,832,243	78,345,525	80,011,525	83,046,555	6.5%
GA - Total Recipients	1,282	1,463	1,316	1,408	1,492	1,477	1,610	2,182	25.6%
GA - Total Award Amounts	12,626,990	15,225,450	14,936,100	16,324,978	18,157,050	19,226,750	21,520,592	30,159,986	70.4%
GA - Average Award Amount	9,849	10,407	11,350	11,594	12,216	13,017	13,367	13,822	35.7%
Campus-Based EAG Award Amounts	2,000,000	2,000,000	2,000,000	2,000,000	1,870,850	1,975,250	1,912,250	1,952,807	-4.4%
Remaining Funds for EA	61,306,556	57,899,174	65,960,070	72,638,615	59,980,968	58,807,603	57,684,683	51,884,131	-5.9%
EA - Total Applicants (On-time FAFSAs)	117,447	134,305	139,983	134,669	131,696	131,232	121,243	151,916	3.2%
EA - Total Recipients	25,581	25,420	25,697	33,860	28,526	24,377	23,236	23,550	-9.2%
EA - Total Award Amounts	54,977,449	52,408,175	54,203,850	72,351,900	61,096,800	53,952,240	51,422,539	51,622,000	-6.5%
EA - Average Award Amount	2,149	2,062	2,109	2,137	2,142	2,213	2,213	2,192	3.0%
Initial EFC Awarded (EA Only)	2,500	1,125	1,000	2,164	800	-	2,000	2,000	-20.0%
Final EFC Awarded (EA Only)**	5,516	1,500	3,750	10,709	2,610	2,000	2,900	2,815	-47.4%
Waitlist as of May 1 (EA Only)	18,504	31,000	35,795	26,718	27,595	21,440	22,149	28,467	19.7%
Waitlist as of End of Year (EA Only)	14,103	28,928	16,397	10,180	22,072	19,064	18,793	17,924	33.3%
Amount to Fund Initial Waitlist (EA Only)	\$ 39,767,903	\$ 63,912,409	\$ 75,504,020	\$ 57,090,906	\$ 59,102,790	\$ 46,627,450	\$ 46,505,650	\$ 44,025,900	

\* Fiscal 2018 figures are as of October 19, 2018

FAFSA: Free Application for Federal Student Aid  
GA: Guaranteed Access Grant  
EA: Educational Assistance Grant

Source: Maryland Higher Education Commission, Office of Student Financial Assistance

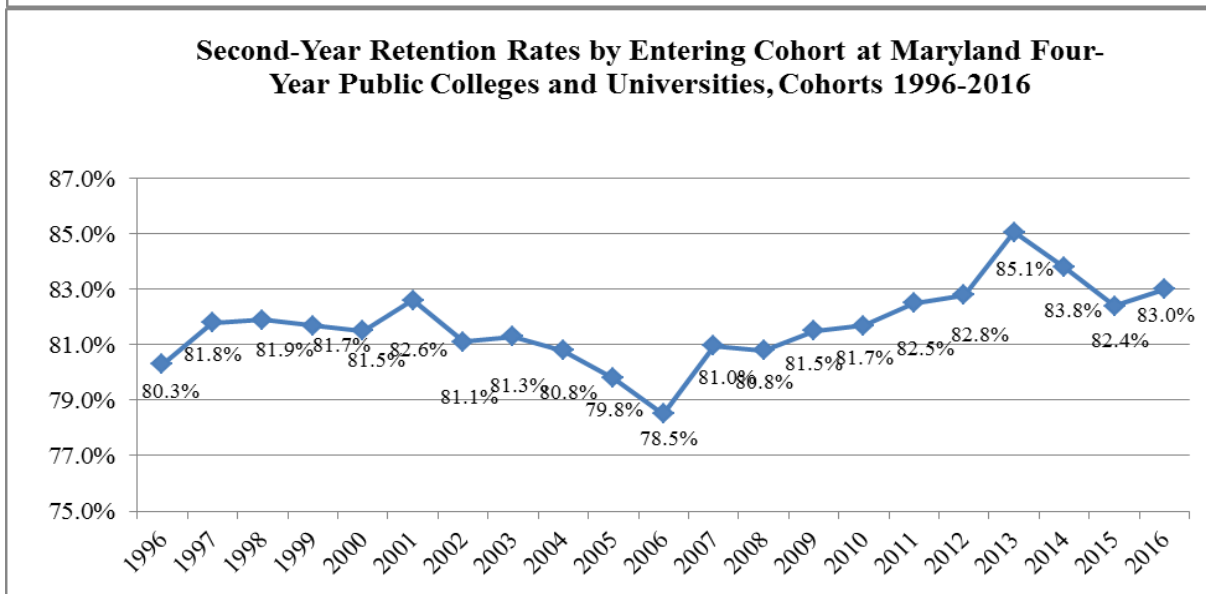
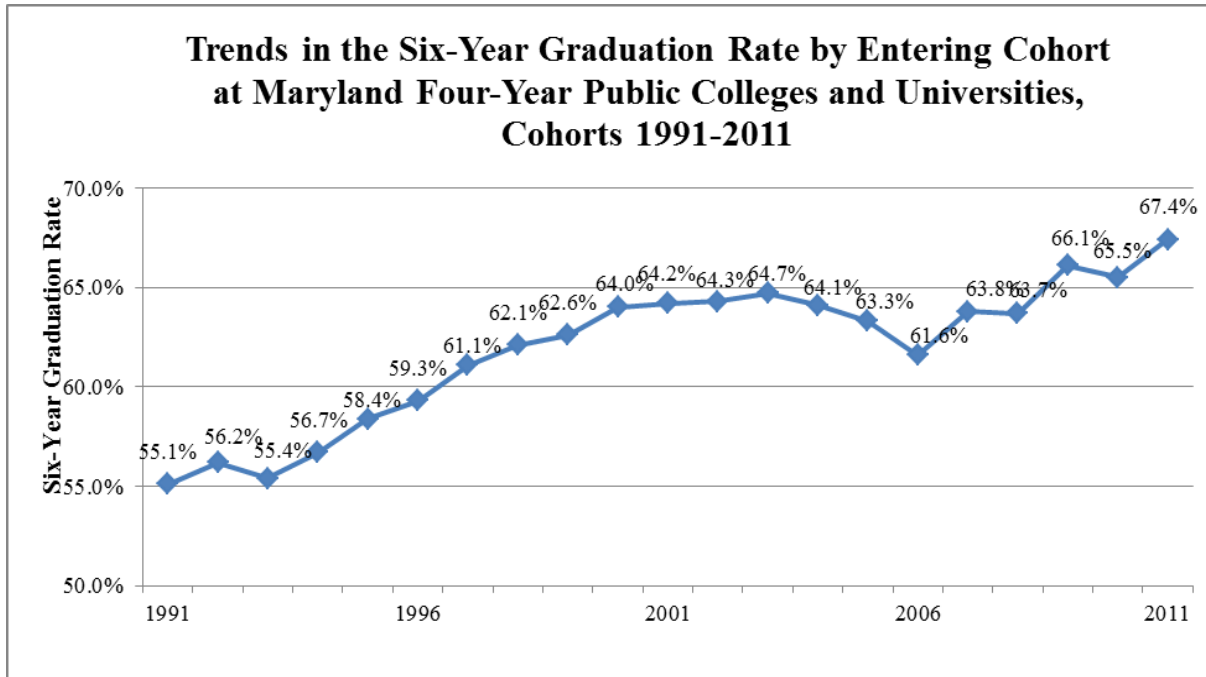
Financial aid applications for Maryland students totaled almost 152,000 in fiscal 2019. A comparable increase also occurred in the number of needy students having to be placed on the waitlist. Because of the increase in applications of needy students, the number eligible students being placed on the waitlist as of May 1 was 28,467 in fiscal 2018. The average award to those students receiving aid from the program has been improving from a low of \$2,192. At the same time, awards of assistance have been limited to students with Expected Family Contributions (EFC) of \$2,815 in fiscal 2018.

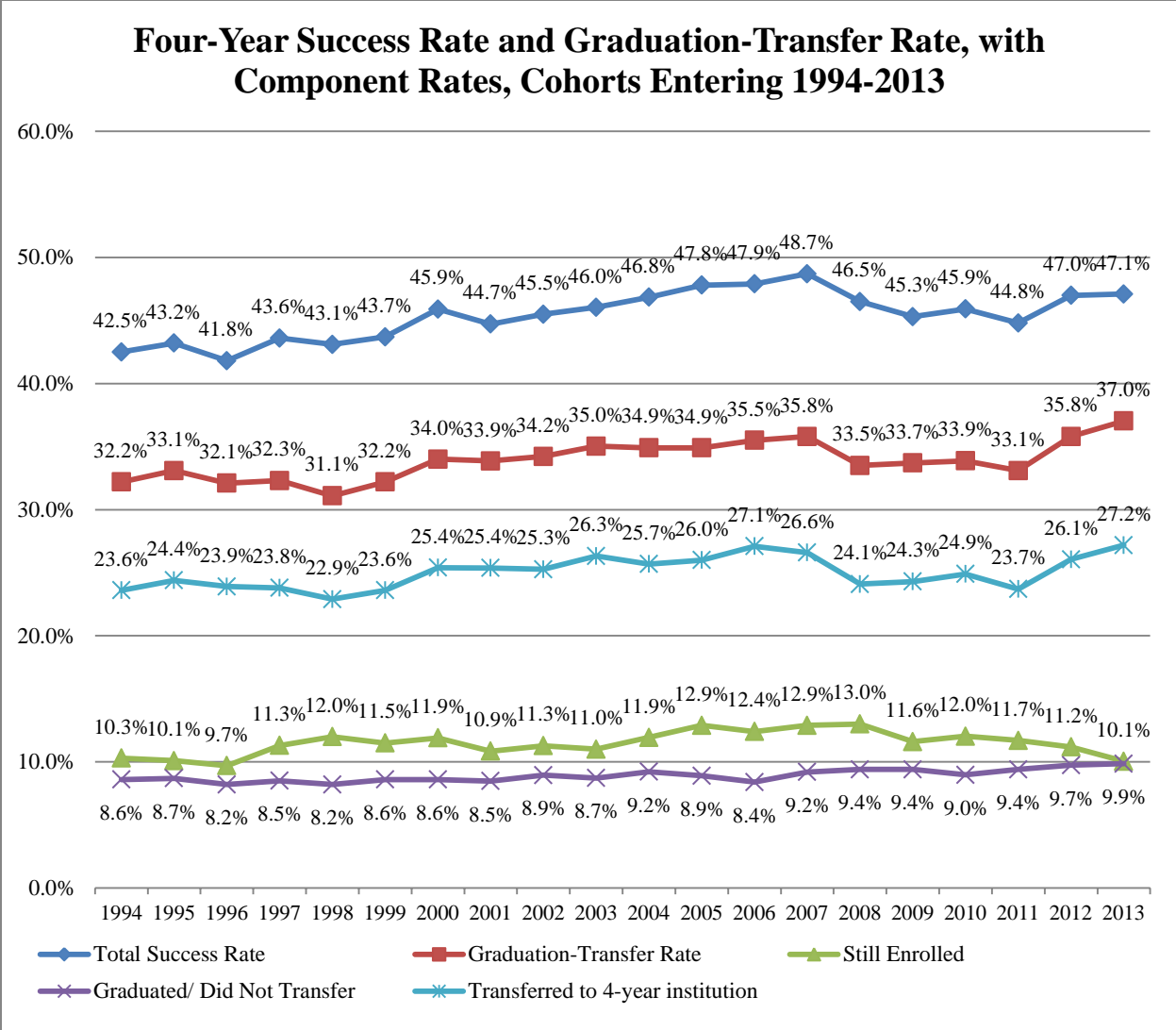
## SUCCESS

The 2017 Maryland State Plan for Postsecondary Education states that it remains a goal of Maryland to promote and implement practices and policies that will ensure student success.

To be successful, students must not only enroll in postsecondary institutions of higher education, but they must also persist and complete their programs and receive their postsecondary credentials. In the most recent reports on retention and graduation at Maryland four-year institutions and community colleges, the six year graduation rate for all students at the public four-year institutions is at an all-time high of 67.4 percent for the 2011 Cohort. This is the

highest 6-year graduation level recorded for Maryland public four-year institutions. The second-year retention rates at those same institutions is at 83 percent for the 2016 cohort. The four year transfer rate for all students at community colleges was 27.2 percent for the 2013 cohort, and the graduation rate was 9.9 percent. This made the combined graduation and transfer also reach a high of 37.0 percent, for an overall success rate also at an all-time high of 47.1 percent.





**INNOVATION**

**Maryland Higher Education Commission**

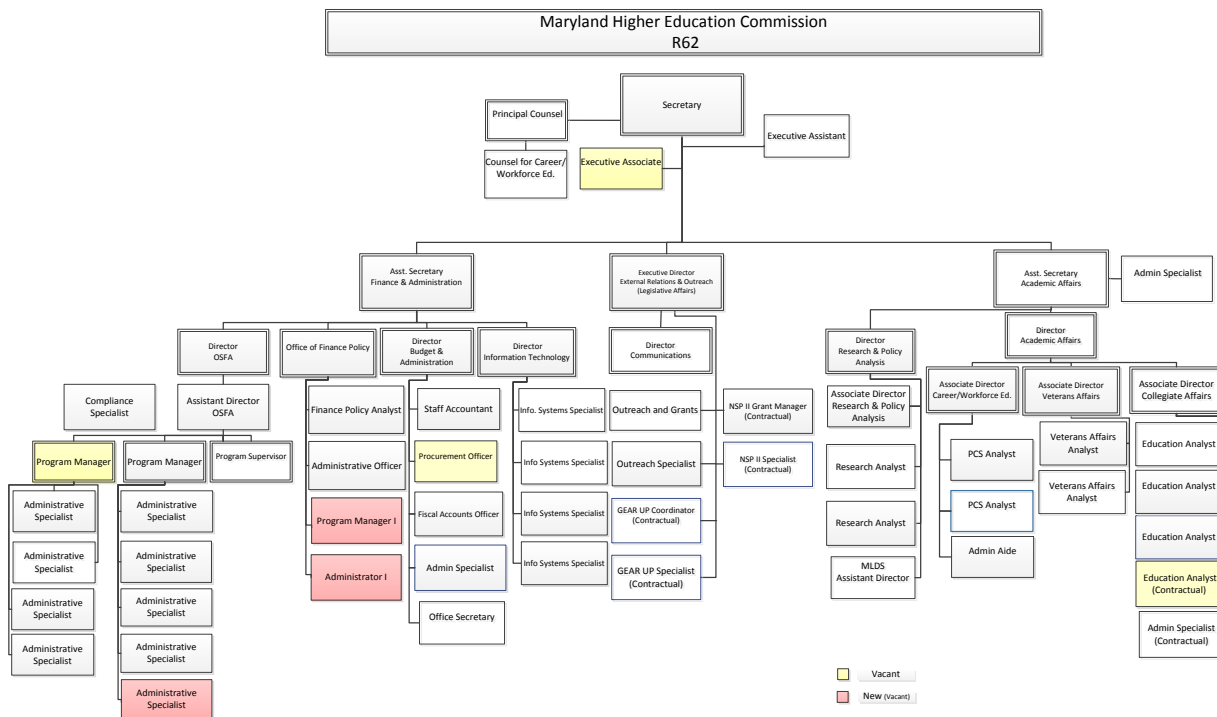
MHEC continues to look to make improvements in its processes and procedures with the ultimate goal of “doing more with less,” and maximizing efficiencies in processes and automation in order to continue to meet continually expanding needs placed on the agency while carefully analyzing the personnel and number of staff needed to perform agency functions.

In August 2018, the MHEC Offices of Student Financial Assistance and Information Technology entered into a contract with a new system and software contractor to make improvements to and support the Maryland College Aid Processing System (MDCAPS), the agency’s State student financial aid online system. The company is based in Annapolis and has been working very hard to prepare for the upcoming award season, to make modifications and to the system to implement the new programs that begin in 2019. In addition, MHEC has been looking at developing an Academic Program Review Inventory system and portal to assist institutions and students in

reviewing the programs offered at every colleges and university in Maryland. Finally, MHEC is also exploring how it can automate the Student Loan Debt Relief Tax Credit program, instead of having to collect over ten thousand paper applications and supporting packets annually.

MHEC has aggressively recruited for all of its vacancies with the objective of filling them and minimizing the vacancy rate of the agency In 2016,, MHEC had eight vacancies, or 15 percent of the total 54.6 regular positions. As of this report, MHEC has only 3 vacancies for existing regular positions, or only 5.5 percent of total positions. This includes turnover of about 4 positions over the past year.

The most recent organizational chart is provided below.



In September, MHEC was notified that it was receiving three (3) new full-time, regular positions to be added to the agency. These three positions are being provided in response to new programs that were created at MHEC over the past three years through legislation passed in each of the past three sessions of the Maryland General Assembly. Two of the positions are for the Student Loan Debt Relief Tax Credit program and the third is for the Office of Student Financial Assistance as an Administrative Specialist to support the Maryland Community College Promise and the Near Completer Scholarship programs..

The Student Loan Debt Relief Tax Credit Program is in its second full year. This program provides a tax credit of up to \$5,000 per eligible awardee for Maryland taxpayers who had incurred at least \$20,000 in undergraduate student loan debt and still have a balance of at least \$5,000 remaining. This year’s application period ran from July 1 through September 15, 2018 and to date, MHEC has received over 10,000 applications, or significantly over twice the number

received in 2017, that are now being prioritized for awards within the criteria set out in the enabling legislation.

The Commission received a State General fund appropriation of \$6.3 million in General and Special for agency operations in fiscal 2019. In addition, the agency now has 57.6 regular budgeted State positions and 8 contractual positions.

**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 2020:**

- **Funding for continued support of the Maryland Higher Education Commission as it continues to implement new programs and examine its operations to increase automation of application and management programs.**
- **Continued funding to support moderate increases in resident undergraduate tuition rates at public colleges and universities.**
- **Funding to support new programs of student financial assistance brought forward by the Governor and General Assembly.**
- **Continued support to formula-funded institutions and segments in accordance with the calculation methodologies provided in statute.**

**Table 1. Maryland Higher Education  
State Funds: FY 2017 - 2019**

<b>Program</b>	<b>FY 2017 Appropriation</b>	<b>FY 2018 Appropriation</b>	<b>FY 2019 Appropriation</b>
Bowie State University	\$ 43,931,255	\$ 43,978,022	\$ 45,585,299
Coppin State University	46,672,062	46,476,385	47,005,246
Frostburg State University	41,497,121	41,808,878	41,999,361
Salisbury University	51,857,269	54,718,727	54,519,319
Towson University	118,599,060	119,725,198	118,940,341
University of Baltimore	37,517,677	37,403,665	37,330,262
UM, Baltimore	227,354,952	233,037,515	233,371,095
UM Baltimore County	118,852,967	122,998,338	130,124,789
UM Center for Environmental Science	23,114,037	22,681,650	22,667,568
UM, College Park	521,030,633	511,307,706	534,231,056
UM Eastern Shore	40,636,604	40,429,254	43,700,050
UM University College	41,913,868	43,318,523	43,116,212
USM Office	31,129,479	26,747,649	37,713,754
<b>USM Total</b>	<b>\$ 1,344,106,984</b>	<b>\$ 1,344,631,510</b>	<b>\$ 1,390,304,352</b>
St. Mary's College of Maryland	\$ 25,159,549	24,826,954	25,888,368
Morgan State University	92,551,602	93,044,467	96,652,819
Baltimore City Community College	40,814,442	39,751,171	40,649,547
<b>Public Total</b>	<b>\$ 1,502,632,577</b>	<b>\$ 1,502,254,102</b>	<b>\$ 1,553,495,086</b>
Maryland Higher Education Commission			
Administration	\$ 5,375,779	\$ 5,572,435	\$ 6,281,289
Grants	29,378,183	34,565,471	25,291,162
Student Financial Assistance	105,008,282	113,076,184	119,714,082
Aid to Community Colleges	314,335,016	319,256,825	322,388,973
Aid to Independents	46,817,334	48,908,667	56,273,000
<b>MHEC Total</b>	<b>\$ 500,914,594</b>	<b>\$ 521,379,582</b>	<b>\$ 529,948,506</b>
<b>Higher Education Total</b>	<b>\$ 2,003,547,171</b>	<b>\$ 2,023,633,684</b>	<b>\$ 2,083,443,592</b>

Notes:

Appropriations include Higher Education Investment Funds  
Fiscal 2018 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 2017 - 2019**

Eligible Institutions	FY 2017		FY 2018		FY 2019	
	Fall 2015 FTES	Appropriation	Fall 2016 FTES	Appropriation	Fall 2016 FTES	Legislative Appropriation
Capitol Technology University	492.13	\$ 532,965	492.13	\$ 555,925	469.00	\$ 605,876
Goucher College	1,741.73	1,890,858	1,751.20	1,975,385	1,800.00	2,323,292
Hood College	1,552.67	1,726,825	1,470.20	1,728,101	1,403.00	1,811,200
Johns Hopkins University	20,184.13	21,530,502	20,551.60	22,852,528	21,106.00	27,238,056
Loyola University Maryland	5,104.60	5,555,109	5,145.17	5,803,650	4,908.00	6,333,555
Maryland Institute College of Art	2,154.33	2,375,213	2,066.97	2,403,280	2,086.00	2,691,873
McDaniel College	2,211.90	2,454,313	2,098.43	2,461,333	2,101.00	2,710,896
Mount St. Mary's University	1,916.97	2,082,082	1,832.10	2,118,577	1,929.00	2,489,347
Notre Dame of Maryland University	1,411.63	1,574,986	1,346.27	1,579,292	1,344.00	1,734,335
St. John's College	533.80	593,791	569.27	631,708	602.00	776,655
Stevenson University	3,691.83	4,053,449	3,603.67	4,146,197	3,452.00	4,455,336
Washington Adventist University	762.00	825,638	821.47	895,961	788.00	1,017,562
Washington College	1,427.00	1,621,603	1,608.33	1,756,730	1,616.00	2,085,017
<b>TOTAL</b>	<b>43,184.72</b>	<b>\$ 46,817,334</b>	<b>43,356.81</b>	<b>\$ 48,908,667</b>	<b>46,192.70</b>	<b>\$ 56,273,000</b>
<b>GRANT PER FTE</b>		<b>\$ 1,084</b>		<b>\$ 1,128</b>		<b>\$ 1,218</b>

Notes:

Appropriations include Higher Education Investment Funds

Fiscal 2019 Budget Bill; Department of Budget and Management; Department of Legislative Services

**Table 3. Maryland Higher Education Commission  
Aid to Community Colleges: FY 2017 - 2019**

	FY 2017	FY 2018	FY 2019
	Appropriation	Appropriation	Legislative Appropriation
<b>Formula Aid:</b>			
Allegany College	\$ 4,850,658	\$ 4,855,584	\$ 4,943,714
Anne Arundel Community College	28,800,003	28,800,003	28,834,252
Community College of Baltimore County	40,413,996	40,413,996	40,599,741
Carrall Community College	7,612,538	7,612,538	7,612,538
Cecil Community College	5,244,580	5,244,580	5,400,963
College of Southern Maryland	13,805,709	13,805,709	13,996,422
Chesapeake College	6,142,473	6,142,473	6,142,473
Frederick Community College	9,643,621	9,848,194	10,295,437
Garrett College	2,734,062	2,767,275	2,817,581
Hagerstown Community College	8,128,628	8,128,628	8,195,650
Harford Community College	11,475,320	11,475,320	11,884,995
Howard Community College	17,411,556	17,661,176	18,658,046
Montgomery College	42,264,375	42,511,578	43,926,845
Prince George's Community College	28,500,296	28,500,296	29,514,627
Wor-Wic Community College	7,347,395	7,387,391	7,624,026
<b>Total Cade Funding Formula Aid</b>	<b>\$ 234,375,190</b>	<b>\$ 235,154,741</b>	<b>\$ 240,447,310</b>
<b>Grants:</b>			
Small Community College/Appalachian Grants	\$ 4,678,377	\$ 4,705,898	\$ 6,559,100
Statewide and Health Manpower	6,000,000	6,000,000	6,000,000
Garrett/WVa Reciprocity Grant	56,945	48,909	54,919
ESOL Grants	5,523,778	5,500,075	5,548,723
Somerset Grant	369,053	355,583	383,750
Keeping Maryland Community Colleges Affordable	-	4,000,000	2,000,000
<b>Total Grants</b>	<b>\$ 16,628,153</b>	<b>\$ 20,610,465</b>	<b>\$ 20,546,492</b>
<b>Subtotal Cade and Grants</b>	<b>\$ 251,003,343</b>	<b>\$ 255,765,206</b>	<b>\$ 260,993,802</b>
<b>Fringe Benefits:</b>			
Optional Retirement	16,873,000	17,328,000	17,328,000
Teachers Retirement	46,458,673	46,163,619	44,067,171
<b>Total Fringe Benefits</b>	<b>\$ 63,331,673</b>	<b>\$ 63,491,619</b>	<b>\$ 61,395,171</b>
<b>Total State Aid</b>	<b>\$ 314,335,016</b>	<b>\$ 319,256,825</b>	<b>\$ 322,388,973</b>

Notes:

Appropriations include Higher Education Investment Funds

Fiscal 2018 Budget Bill; Department of Budget and Management; Department of Legislative Services



**Table 4. Maryland Higher Education Commission  
Educational Grants - All Funds: FY 2017 - 2019**

Program	Program Description	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Legislative Appropriation
10007	<i>Educational Grants</i>			
	Complete College Maryland	\$ 250,000	\$ 250,000	\$ 250,000
	Complete College America Grant	-	-	-
	Credit When It's Due	-	-	-
	Improving Teacher Quality	975,000	500,000	-
	Henry C. Welcome Grants	-	-	-
	Diversity Grants	-	-	-
	HBCU Enhancement Fund	4,900,000	4,900,000	-
	Doctoral Scholars Program	-	-	-
	Washington Center for Internships & Academic Seminars	175,000	175,000	175,000
	Interstate Educational Compacts in Optometry	-	-	-
	Regional Higher Education Centers	2,150,000	2,412,047	1,900,261
	UMBI, Maryland - Israeli Partnership	-	-	-
	Higher Education Heritage Action Committee (IMPART)	-	-	-
	UMB - Wellmobile	285,000	285,000	285,000
	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	1,000,000	500,000	-
	John R. Justice Grant	25,000	30,000	30,000
	Miscellaneous Adjustment	-	-	-
	St. Mary's College of Maryland Grant	1,133,000	-	-
	Frederick CREST Center	244,012	-	-
	Maryland 529 Plan Match	-	5,000,000	3,000,000
	Maryland 529 Plan Match Administrative	-	100,000	-
	Maryland 529 Achieving a Better Life Experience	-	194,500	-
	<b>Program 7 Total</b>	<b>\$ 11,137,012</b>	<b>\$ 14,346,547</b>	<b>\$ 5,640,261</b>
	General Funds	9,137,012	13,316,547	5,610,261
10007	Special Funds	-	-	-
10007	Federal Funds	2,000,000	1,030,000	30,000
10007	Reimbursable Funds	-	-	-
	<b>Program 7 Total</b>	<b>\$ 11,137,012</b>	<b>\$ 14,346,547</b>	<b>\$ 5,640,261</b>
	<i>Other</i>			
10002	Early Intervention/College Preparation Grants	750,000	750,000	750,000
10038	Nurse Support Program II	18,741,171	20,165,830	18,597,807
10039	Health Personnel Shortage Incentive Grant Program	750,000	750,000	-
10043	Maryland Higher Education Outreach and College Access Pilot Program	-	250,000	250,000
10044	Somerset Economic Impact Scholarship	-	-	-
	<b>Programs 2, 38, 39, 43 and 44 Total</b>	<b>\$ 20,241,171</b>	<b>\$ 21,915,830</b>	<b>\$ 19,597,807</b>
All	General Funds	9,887,012	14,479,426	6,697,920
All	Special Funds	19,491,171	20,086,045	18,593,242
All	Federal Funds	2,000,000	1,784,565	34,565
All	Reimbursable Funds	-	-	-
	<b>All Total</b>	<b>\$ 31,378,183</b>	<b>\$ 36,350,036</b>	<b>\$ 25,325,727</b>

Notes:  
 Appropriations include Higher Education Investment Funds  
 Fiscal 2018 Budget Bill; Department of Budget and Management; Department of Legislative Services

**Table 5. Maryland Higher Education Commission  
Student Financial Assistance - All Funds: FY 2017 - 2019**

Scholarship Program	FY 2017		FY 2018		FY 2018 Legislative	
	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation
2+2 Transfer Scholarship	\$	400,000	\$	200,000	\$	300,000
Educational Excellence Awards *		80,011,525		82,764,420		84,707,486
Senatorial		6,486,000		6,486,000		6,486,000
Edward T. Conroy		570,474		570,474		1,200,000
Delegate		6,319,000		6,466,865		6,596,000
Charles W. Riley Fire Rescue Tuition Reimbursement		358,000		358,000		358,000
Graduate and Professional Scholarship		1,174,473		1,174,473		1,174,473
Distinguished Scholar		-		771,000		-
Tolbert Memorial Grant		200,000		200,000		200,000
HOPE Scholarships <sup>1</sup>		-		-		-
Distinguished Scholar Teacher <sup>2</sup>		-		-		-
Janet L. Hoffman Loan Assistance Repayment Pgm <sup>1</sup>		1,388,895		1,380,000		1,504,089
MLARP for Foster Care Recipients		-		100,000		100,000
MLARP for Physicians and Physician Assistants		1,032,282		1,032,282		778,295
Child Care Providers <sup>2</sup>		-		-		-
Developmental Disabilities and Mental Health <sup>2</sup>		-		-		-
Part-Time Grants		5,087,780		6,753,062		10,175,560
William Donald Schaefer Scholarship <sup>2</sup>		-		-		-
Workforce Shortage Assistance Grants		1,229,853		1,229,853		2,459,706
Veterans of the Afghanistan and Iraq Conflicts		750,000		2,415,282		1,500,000
Workforce Development Sequence Sscholarship		-		-		1,000,000
<b>Programs Total</b>	<b>\$</b>	<b>105,008,282</b>	<b>\$</b>	<b>113,076,184</b>	<b>\$</b>	<b>119,714,082</b>
General Funds	\$	103,143,000	\$	108,080,338	\$	109,474,814
Special Funds		1,865,282		4,995,846		10,239,268
Federal Funds		-		-		-
Reimbursable Funds		-		-		-
<b>Funds Total</b>	<b>\$</b>	<b>105,008,282</b>	<b>\$</b>	<b>113,076,184</b>	<b>\$</b>	<b>119,714,082</b>

Notes:  
Appropriations include Higher Education Investment Funds  
Fiscal 2018 Budget Bill; Department of Budget and Management; Department of Legislative Services



### *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.

The MACC Capital Project Prioritization List (*Attachment 1*) represents the funding order for the fourteen (14) capital projects totaling \$123,463,194. Under current guidelines, priority projects are those that incorporate certain project types, and facility categories. Additional factors include inventory status, age of facilities, funding history, and overall college priority. Those aspects were considered in MACC's methodology to review the college's FY 2020 CIP submission. The finalized request represents a total FY 2020 Community College Construction Grant budget of \$122,463,194 after applying a \$1 million Program Savings. (*Attachment 2*)

Based on MACC's Prioritization Model, a total of seven (7) projects could be funded during FY 2020 in order to remain within the Governor's \$60 million CIP limit. Those seven prioritized projects total \$60,382,746, with three (3) projects preauthorized split funded projects from FY 2019.

### **Summary of Recommendation**

In May 2018, MHEC's Department of Finance and Administration issued instructions to the community colleges for the FY 2020 CIP, which includes a five-year projection for fiscal years 2020 through 2024. The colleges submitted the required material to MHEC June 30, 2018 and were also required to enter their requests into the Capital Budget Information System (CBIS). CBIS is an electronic process, managed by DBM's OCB that enables applicants for capital funding from State and non-State organizations to submit most of the required forms and attachments through the Internet.

After reviewing the material received, both hard copy and online, MHEC Finance Policy staff prepared the FY 2020 Capital Budget Recommendation for the CCCGP. As required, on August 15, 2018, MHEC Finance Policy staff submitted the FY 2020 Community College Construction Grant Program budget request in CBIS on behalf of the locally-governed community colleges. Hard copy binders were also prepared for key stakeholders. The request, endorsed by the Presidents' Council of the MACC, included the Capital Project Prioritization List and the FY 2020 capital funding requests of the eleven (11) participating community colleges.<sup>1</sup>

### **Consolidated Capital Budget Requests (FY 2020)**

The consolidated Capital Budget Request for FY 2020 totals \$410 million (\$410,474,299) and is provided in *Attachment 3* to this memorandum. A brief description of each project and staff

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<sup>1</sup> Four (4) Community Colleges (Cecil, Chesapeake, Garrett, and Wor-Wic) are not requesting funding in FY 2020.

recommendations are presented below.

**Split Funding and Pre-authorizations**

The Department of Budget and Management (DBM) is recommending that the practice of split funding construction phases of projects continues in fiscal year 2020. Project cash flows are reviewed by DBM budget analysts and that analysis determines when funds will be provided. Therefore, project funding may be divided over a number of fiscal years to provide funding only as needed to serve the construction contract for the project to stay on schedule. For FY 2020, three (3) projects included in the fiscal 2020 CCCGP capital budget request are split funded. (See Table 1 below) The remaining project requests are ranked in descending order according to MACC’s Project Prioritization Model (**Attachment 1**).

In FY 2019, six (6) projects were exempt from the prioritization formula for the year because they were preauthorized in FY 2018. Those pre-authorizations totaled \$40.154 million, more than forty percent of the total FY 2019 CIP funds requested. In FY 2020, that percentage has increased. Although only three (3) projects were pre-authorized, the recommended funding levels total \$50,844,000 or almost eight-five percent (84.74%) of the Governor’s recommended \$60 million CIP limit. Based on project schedules, one of the colleges will not require the total preauthorized amount in FY 2020. However, that savings only reduces the pre-authorized allocation to eighty-one percent (81.54%) of the recommended GO Bond limit.

**FISCAL YEAR 2020 CAPITAL PROJECTS – COMMUNITY COLLEGES**

**Table 1: Preauthorized Split Funded Projects for FY 2020**

<b>Community College</b>	<b>Project Name</b>	<b>Project Cost</b>
Anne Arundel Community	Health Sciences & Biology Building	\$27.500 M
College of Southern Maryland	Center for Health Sciences	\$8.062 M <sup>2</sup>
Community College of Baltimore County	Carol Diane Eustis Center for Health Professions	\$13.365 M <sup>3</sup>
<b>Total Preauthorized Amount FY 2019</b>		<b>\$48.927 M</b>

**A. Preauthorized Split Funded Projects from FY 2019 (3)**

- ANNE ARUNDEL COMMUNITY COLLEGE**

**Health Sciences & Biology Building** – Construction (\$27,500,000) The College received \$2.5 million in construction funds for this project in FY 2019 to continue site work and make room for the building footprint. The estimated total project cost is \$117.6 million with a FY 2020 capital budget request of \$27.5 million from the State to continue

<sup>2</sup> The 2018 General Assembly appropriated \$9,979,000 for this project in FY 2019. Due to project schedules, CSM's FY 2020 request is reduced by \$1,917,000.

<sup>3</sup> CCBC is requesting additional funding above the \$13.365 million pre-authorized in FY 2019. See section B. below.

construction. The purpose of building a new Health Sciences and Biology Building on the Arnold Campus is to replace outdated and under-sized existing facilities. The existing facilities cannot readily be adapted and expanded to provide right-sized laboratories to relieve overcrowding in existing undersized Health Sciences and Biology laboratories. The new building, which will house the School of Health Sciences, will be located to serve the anchor of a new Science Quad on the Arnold campus. Upon completion, the new facility will centralize 21 academic programs and the Department of Biology into one state-of-the-art health sciences and biology building with sufficient space to handle anticipated enrollment growth.

- **COLLEGE OF SOUTHERN MARYLAND**

***Health Sciences Center*** - Construction (\$8,062,000) The College's FY 2020 capital funding request is for pre-authorized construction funds totaling \$8,062,000. The 2018 General Assembly pre-authorized \$9,979,000 in the FY 2020 capital budget for construction funds. However, the project schedule allows for remaining construction funds to be split-funded between FY 2020 and FY 2021<sup>4</sup>, with the FY 2021 funding request to include FF&E. The new Health Science Center on the Hughesville Regional Campus of the College of Southern Maryland (CSM) will be centrally located to the three counties served by CSM and provide education for nursing and other health science professions. The new building will correct the poor location of the current program (in La Plata, which serves predominantly Charles County residents) and lack of space in the current building. CSM anticipates that the new building will allow for higher enrollments in nursing, a key job growth area.

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

***CCBC Essex – Carol Diane Eustis Center for Health Professions (Formerly the Health Careers & Technology Building)*** – Construction (\$13,365,000) In FY 2019, the college was awarded \$5 million (\$5,035,000) in construction funds to continue its work on the construction of the new facility. Design costs were split funded based on the project schedule over two years. The FY 2020 budget request includes \$13,365,000 of pre-authorized funding, \$559,287 of new funds for construction (MACC priority 13), and \$3,397,106 for FF&E (MACC priority 2). The college is requesting additional funds above the pre-authorized amount for construction because the final cost estimate provided more up to date costs based on market conditions. In addition, the original scope of this project was a renovation/addition. However, it was revised to new construction and there was an increase in design costs, which are locally funded.

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<sup>4</sup> Charles County is providing an additional \$1 million to construct the well and septic systems for this project. This amount is included in the total cost of the project, with no match by the State.

The new facility will house the School of Health Professions (SOH), the School of Applied and Information Technology (SAIT) and the Continuing Education & Economic Development (CEED) – Allied Health program. The new labs, lecture rooms, faculty offices and other spaces will be used by the SOPH which currently lacks functional career training laboratories and sufficient faculty offices. The completed facility will also enable the consolidation of the SOHP and CEED-Allied Health operations which are currently held in three separate locations.

**B. FY 2020 Continuation Capital Projects Requested (11) – Prioritized by MACC**

- **CARROLL COMMUNITY COLLEGE (MACC Priority 1)**  
*Systemic Renovations* – Completion (\$225,455) The FY 2020 budget request includes funding for additional construction costs. The replacement of heating and cooling systems campus-wide and envelop repairs to Building A, the Academic/Administration Building, will reduce on-going maintenance. In FY 2019, the college received \$2,753,000 in GO Bonds to design and construct campus-wide systems replacements.
  
- **COMMUNITY COLLEGE OF BALTIMORE COUNTY (MACC Priority 2)**  
*Carol Diane Eustis Center for Health Professions* – Completion (\$3,397,106) The College is requesting funding in addition to the pre-authorized funding (See A above). This portion of the request, totaling \$3,397,106 will cover FF&E costs as the building is completed. The estimated construction complete date is June 2020.
  
- **ALLEGANY COLLEGE OF MARYLAND (MACC Priority 3)**  
*Technologies Building Renovation, Phase 2* – Construction (\$1,790,000) Based on the MACC Prioritization Model, the college's FY 2020 request is separated by phases. This phase of the project, MACC Priority 3 after the FY 2019 preauthorized projects, includes \$1,790,000 for construction costs. This is the second phase of the renewal of the building and aims to create modern classroom and lab spaces. Academic departments will merge small programs into more comprehensive degrees, unite faculty, and relocate support staff into functional office areas.
  
- **HAGERSTOWN COMMUNITY COLLEGE (MACC Priority 4)**  
*Center for Business & Entrepreneurial Studies* – Construction (\$3,776,544) The College received \$278,000 in design funds for FY 2019. The FY 2020 budget request includes construction costs in addition to FF&E funds for completion (MACC priority 11, see below).

- **FREDERICK COMMUNITY COLLEGE (MACC Priority 5)**  
*Renovations to Building E* – Construction (\$2,265,641) The FY 2020 funding request is for construction and FF&E costs. In FY 2019, the College received \$300,000 in design funds to initiate the renovation of the building. The project seeks to recapture underutilized space and in doing so, consolidate as many main campus Continuing Education and Workforce Development (CEWD) programs in a single building as possible. Sweadner Hall, the only classroom on the main campus that can accommodate more than 30 students, will be also renovated so that it can be used as a general classroom space as well as a conference and community space.
  
- **MONTGOMERY COLLEGE (MACC Priority 6)**  
*Math & Science Center* – Construction (\$35,621,000)  
 The College received \$1,741,000 in design funds for this project in FY 2019 to construct a new 76,790 NASF/134,600 GSF Math and Science Center on the Takoma Park/Silver Spring campus. The FY 2020 budget request is for construction funds. This new facility will support the provision of general education classes required by all students and courses that directly support other programs such as Nursing. The name of the building was recently changed to the Catherine and Isiah Leggett Math and Science Building. Construction is expected to be completed in March 2022.
  
- **ALLEGANY COLLEGE OF MARYLAND (MACC Priority 9)**  
*Technologies Building Renovation, Phase 2* – Completion (\$346,000) This phase of the college’s project is identified as Priority 9 on MACC’s FY 2020 Prioritization List. The \$345,000 for FF&E costs will finalize the project after the estimated construction completion date of October 2021.
  
- **PRINCE GEORGE’S COMMUNITY COLLEGE (MACC Priority 10)**  
*Marlboro Hall Renovation & Addition* – Construction (\$17,733,000)  
 The College received \$2,065,000 in design funds for this project in FY 2019 to renovate 130,156 GSF of space in the Marlboro Hall building and includes an addition of 99,884 GSF. The FY 2020 budget request includes funding for the first year of construction for the project. The renovated and expanded facility will correct infrastructure and code deficiencies and expand Academic Affairs programs. Confusing lay-out within the building will be corrected and classrooms will be sized correctly in order to house the Liberal Arts, Social Sciences & Business, Mathematics and Learning Foundation curriculum courses.



- **HAGERSTOWN COMMUNITY COLLEGE (MACC Priority 11)**  
*Center for Business & Entrepreneurial Studies* – Completion (\$331,776)  
 The purpose of this portion of the College’s project, which falls below the MACC Prioritization line and the other phase of the project (MACC priority 4), is to complete construction of the project. Construction is scheduled to be completed July 2020.
- **FREDERICK COMMUNITY COLLEGE (MACC Priority 12)**  
*Renovations to Building E* – Completion (\$292,419)  
 This portion of the College’s project, which falls below the MACC Prioritization line and the other project phase (see priority 5 above), is to complete construction of the project.
- **COMMUNITY COLLEGE OF BALTIMORE COUNTY (MACC Priority 13)**  
*Carol Diane Eustis Center for Health Professions* – Construction (\$559,287)  
 This portion of the College’s project, which falls well below the MACC Prioritization line and the other project phases (see pre-authorizations and priority 2), is to complete construction of the project.
- **COMMUNITY COLLEGE OF BALTIMORE COUNTY (MACC Priority 14)**  
*Multi-Building Roof Replacement* – Design (\$626,000) Funds are requested in FY 2020 for the design and construction of two roofs, located at CCBC Catonsville and CCBC Essex. The scope of work for this project includes the removal and replacement of the roof membranes on the CCBC Catonsville Humanities Hall (HUMN) and the CCBC Essex Mathematics & Science Hall (MASH).
- **FREDERICK COMMUNITY COLLEGE (MACC Priority 15)**  
*Linganore Hall Building L Renovation* – Design (\$502,320) This project seeks to update and improve the Allied Health and Nursing Labs, enhance the Testing Center and locate it in proximity to the Learning Support services in Jefferson Hall, create additional general classrooms, and provide collaborative student learning areas. Additionally, the project will transition the current technology hub room, which has outgrown its current space and is in critical need of renovation and expansion into a 21<sup>st</sup> century data center. The FY 2020 capital request is for design funds for a renovation that will include classrooms, class laboratories, meeting rooms, study and gathering areas, offices, and other support facilities and spaces.
- **PRINCE GEORGE’S COMMUNITY COLLEGE (MACC Priority 16)**

***Largo Student Center Renovation & Addition*** – Design (\$1,567,000)

The FY 2020 request constitutes a comprehensive renovation and reconfiguration of the existing Large Student Center building (51,287 NASF/69,116 GSF) and construction of a 64,731 GSF addition to the building. The current building was constructed in 1975 and by the time of the planned renovation, the building will be 46 years old and well past its useful life. The deferred maintenance backlog is substantial and will need to be addressed. The renovated and expanded building will focus on creating needed spaces for instruction and academic support including, but not limited to classrooms, laboratories, offices, tutoring spaces, study halls, department libraries, work rooms, meeting rooms, etc.

- **ALLEGANY COLLEGE OF MARYLAND (MACC Priority 17)**

Technologies Building Renovation, Phase 2 – Design (\$98,000)

This portion of the college's FY 2020 request is to complete the design of the project. See priorities 3 and 17 for additional components of the project.

**C. FY 2020 New Capital Projects Requested (2)**

- **HOWARD COMMUNITY COLLEGE (MACC Priority 7)**

**New Mathematics & Athletics Complex** – Design (\$4,235,000)

This project supports current enrollment and growth for the mathematics division and athletics programs while addressing existing facilities inadequacies and severe space deficits. The new complex will be designed to enhance teaching pedagogy and learning paradigms that are not currently supported by the college's existing facilities. The College's new facility will provide critical instructional areas and support spaces, fine tune adjacencies between departments and programs, pull together student and faculty learning resource functions, and establish athletic and recreational spaces necessary to serve the campus community.

- **HARFORD COMMUNITY COLLEGE (MACC Priority 8)**

**Chesapeake Welcome Center** – Design (\$1,167,646)

The FY 2020 request is for design funds to renovate the 50 year old building and provide additional spacing. The completed project will house Enrollment Services, Dining Services, Gallery, Theater, conference space and provide a new Front Door to the campus. The existing building was constructed in 1968 and has never undergone a major renovation. The proposed project includes upgrading or replacing systemic infrastructure; reconfiguring improperly sized spaces; correcting ADA and other code deficiencies; creating energy efficiency; and addressing other functional deficiencies.

*The Commission staff recommends approval of all preauthorized projects for FY 2020. In addition, it is recommended that the State follow MACC's Prioritization Model for funding the remaining projects as funding is available within the Governor's recommended GO bond limit.*

## **FISCAL YEAR 2020 CAPITAL PROJECTS – FOUR YEAR INSTITUTIONS & BALTIMORE CITY COMMUNITY COLLEGE**

FY 2020 Capital Budget Requests for the University System of Maryland, St. Mary's College of Maryland, Morgan State University, Maryland Independent Colleges and Universities, and Baltimore City Community College totals \$228 million (\$288,011,105). The following provides summaries of each of the FY 2020 requests:

### **I. UNIVERSITY SYSTEM OF MARYLAND (Attachment 4)**

- **Bowie State University (Communications Arts and Humanities Building)** is requesting \$5.0 million to construct a new Communication Arts and Humanities building to accommodate the Departments of Communications, English and Modern Languages, and History and Government. The project includes the demolition of the Martin Luther King, Jr. Building. The new facility will replace functionally inadequate and poorly configured space in the existing Martin Luther King, Jr. Building. The new building will include multimedia classrooms, specialized laboratories, and media production facilities. The estimated cost of this project totals \$138,350,000.
- **Frostburg State University (Education and Health Sciences Center)** is requesting \$6.2 million to construct a new 57,115 NASF/100,000 GSF facility for the College of Education, the Exercise and Sports Science program, Health Professions, Nursing program, and campus Health Center. The new building will include modern classrooms, laboratories, offices, and support space. The proposed occupants are currently located in four campus buildings that are too small and do not have adequate academic programs, and it limits enrollment growth. The FY 2020 budget request includes funding for design and construction.
- **Towson University (New Science Facility)** is requesting \$75.2 million (\$75,225,000) to construct an 184,730 NASF/316,000 GSF science facility on a vacant site on York Road to accommodate the College of Science and Mathematics. The new facility will integrate instructional and research space with a flexible building layout. It will replace inadequate and insufficient space in Smith Hall where the Jess and Mildred Fisher College of Science and Mathematics is currently housed. The building systems within Smith Hall have reached the end of their useful lives, and the instructional areas do not provide

appropriate flexibility for a modern science curriculum. Additionally, Smith Hall does not have sufficient space to accommodate enrollment growth in the College of Science and Mathematics. The new science building will support current and projected enrollment growth of the College of Science and Mathematics. This project includes approximately 9,000 NASF/16,000 GSF that will be constructed as shell space to be fitted out by the University. Excluding the shell space that will be completed with approximately \$4,000,000 in non-State funds, the project will leverage \$17,000,000 in private and University funds. The FY 2020 budget includes funding to continue construction and provide equipment.

- **Towson University (New College of Health Professions Building)** is requesting \$5.2 million (\$5,266,000) to construct a new building to accommodate the Departments of Health Science, Nursing, Occupational Therapy, Communication Sciences and Disorders, Collaborative Programs, and the support space for Kinesiology. The facility will be sited near the new College of Liberal Arts Complex on land currently occupied by the Dowell Health Center, which will be demolished. The new building will have classrooms and laboratories appropriately configured and equipped to meet the growth. Existing space is inadequate. For example, teaching labs are outdated and poorly configured, and they do not meet the needs of current teaching and learning practices. The departments are also dispersed among five buildings, creating inefficiencies and inhibiting collaboration. The estimated cost of this project totals \$165,593,000.
- **University of Maryland, Baltimore (Central Electric Substation and Electrical Infrastructure Upgrades, Phase 1)** is requesting \$13.8 million (\$13,823,000) to construct a new electric substation at the north and south ends of the campus and upgrade the existing electrical infrastructure serving the campus. The scope of work includes providing redundancy for the campus by constructing new electric substations that are fed from two different Baltimore Gas and Electric (BGE) sources, new duct banks throughout the campus, new cables, and demolition of the existing recycling center building. The new north substation facility will also include space for the UMB Recycling Center. The north electric substation and recycling center facility will total approximately 12,461 GSF and the south substation will be approximately 6,140 GSF. This work is critical to the UMB schools and programs that are dependent on reliable, uninterrupted electrical service. The project will be phased over many years and includes design, construction, and equipment. The total estimated cost of this project is \$79,810,000. Non-Budgeted Funds reflect USM institutional funds. The first phase of work encompasses demolishing the recycling center and constructing the north substation and new recycling center. The FY 2020 budget includes funding to construct and equip the north substation and recycling center facility.

- **University of Maryland Baltimore County UMBC**
  - **UMBC (Interdisciplinary Life Sciences Building)** is requesting \$2.2 million (\$2,259,000) to construct a new 71,533 NASF/133,267 GSF building for interdisciplinary Science, Technology, Engineering, and Mathematics (STEM) learning and life sciences research. The facility will include active learning classrooms, multi-disciplinary teaching labs, and technology-equipped seminar rooms to address classroom space shortages and to support course redesign. The new teaching facilities will enhance student learning and allow for more courses to be offered, leading to increased degree production in high-need areas of STEM programs. Flexible and modular research laboratories will address research space shortages that limit support of existing research programs and allow the creation of cross-disciplinary research teams focused on scientific discoveries that advance the State’s biotechnology industry. The integration of interdisciplinary life science research and STEM instruction will enhance undergraduate education and help the university compete for extramural research funding. The FY 2020 budget request includes funding for equipment.
  - **UMBC (Utility Upgrades)** is requesting \$4.0 million (\$4,022,000) to replace or renew critically deteriorated utility system components, provide additional utility system capacity to support current and future buildings, and respond to State environmental regulations. The scope includes: replacement of a primary high-temperature, hot-water generator that has ruptured and cannot be economically repaired; replacement of deteriorated electrical distribution system components including feeders, transformers, and switchgear; repair of damaged utility tunnels; refurbishment of domestic water lines; replacement of deteriorated exterior lighting system components; and construction of storm water management facility to partial campus closures, exposes the campus to avoidable unnecessary risks, presents risks to health and safety, and adversely impacts university operations. To align with funding, construction is being implemented in three phases. Phase I includes funding for replacement of boiler #3 and three building transformers. The FY 2020 budget includes funding for construction. FY 2021 and FY 2022 budget requests will address remaining scope items.
  
- **University of Maryland, College Park (UMCP)**
  - **UMCP (New Cole Field House)** is requesting \$26.1 million (\$26,610,000) to convert and expand the Cole Student Activities Building to create a 254,348

NASF/407,174 GSF academic research and athletic facility. The New Cole Field House will be a hub for innovation and a national model for integrating research, academics, and athletics. It will house a new Center for Sports Medicine, Health, and Human Performance – created in partnership with the University of Maryland, Baltimore School of Medicine – to perform advanced study of the brain and nervous system with a focus on traumatic brain injury. An adjacent orthopedic clinic will translate the research into practice to benefit the entire community. Campus-wide instructional space deficits will be reduced through expanding the Academy for Innovation and Entrepreneurship. The University will also construct a “Terrapin Performance Center,” which will include a full-size indoor football field and new training facilities. State funding will support the academic portions of this project. This project leverages \$155,700,000 in private and institutional funding, including \$21,500,000 for the academic and clinical space in the building. The FY 2020 budget includes final State funding for construction and equipment.

- **UMCP (School of Public Policy Building)** is requesting \$15.7 million (\$15,740,000) to construct a 38,355 NASF/69,700 GSF office and classroom building for the School of Public Policy. The new building will provide office, conference, classroom, class lab, and study space, while enabling the School to consolidate its operations into a single location and vacate Van Munching Hall, which is necessary for the School of Business to expand. This project will enable the School of Public Policy to meet its Strategic Plan goals for growth, which includes creating an undergraduate major in Public Policy, becoming a nationwide top-ten public policy program, and infusing a culture of philanthropy across the University through the Do Good Institute. This project leverages \$25,000,000 of private and institutional funding, as well as additional private funds for operating support. The FY 2020 budget includes funding to continue design and construction.

- **University of Maryland Eastern Shore (UMES)**

- **UMES (School of Pharmacy and Health Professions)** is requesting \$14.0 million (\$14,050,000) to construct a new 71,219 NASF/12,000 GSF building to house the School of Pharmacy’s Doctor of Pharmacy and Doctor of Pharmaceutical Sciences programs. The facility will also include shared space for other health sciences disciplines including Physical Therapy, Kinesiology, and Rehabilitation. The new building will include classrooms, seminar rooms, a small animal research facility, computer labs, pharmacy practice labs (dispensing labs), a pharmacy information center, resource rooms, and other support spaces. The

existing facilities available to the School of Pharmacy are too small, lack modern instructional spaces, and are not centrally located. The new facility will provide modern instructional and research space to support the current and future growth of health science-related programs. The FY 2020 budget request includes funding for design and construction.

- **UMES (Site Improvement Project – Phase I Flood Mitigation)** is requesting \$1.0 million (\$1,008,000) for flood mitigation and selected improvements along the Manokin Tributary, the South University Boulevard, and buildings. The project will address recommended flood and other hazard mitigations at specific campus buildings that indicates: Kiah Hall, Steam Plant, Public Safety Buildings, Carver Hall, PAC, UT, and Thomas & Brigs building. Specifically, the scope of the project includes: Installation of check valves and tide flex in facilities along the Manokin River, Raise utilities and construct wall around Kiah Hall, and Steam Plant, Abandon Specific Buildings, restore floodplain, Construct floodwall/Berm/Levee along Manokin Tributary, At UMES Library: relocate materials from basement, install sump pump, drains, gutters, etc. Install Performing Arts Generator/pump, University Terrace network hub relocation and protection measures. Opening electrical loop at old maintenance building area to ensure continuous power during flood events. Raise Kiah Hall Manholes. Raise walls at Central steam Plant and Install sump pump and other flood proving measures. Installation of Bio-retention, Infiltration trenches, and vegetated swales on campus. Sewer line replacement along Manokin River from Thomas/Briggs building to Hytche Boulevard Life Station, and the installation of water, and storm water improvements on campus. The project is estimated to cost \$10.4M.
- **University System of Maryland Office (USM)**
  - **USM (Southern Maryland Regional Higher Education Center)** is requesting \$12.7 million (\$12,758,000) to construct a third 52,264 NASF/84,316 GSF academic building on the Southern Maryland Higher Education Center (SMHEC) campus to support new education, research and professional training programs, and enrollment growth. The building will also support local and regional initiatives related to Unmanned Autonomous Systems. The building will include classrooms, faculty offices, and engineering laboratories and research space to meet the needs of the ten major universities and colleges offering courses at this facility. The Center currently provides 86 graduate degree and upper-division bachelor degree programs in the fields of education, science and technology, engineering, social work, health, and management. The new building will allow the expansion of UMCP and Navy programs related to Unmanned Autonomous

Systems. It will also accommodate the needs of existing programs offered at the Southern Maryland Higher Education Center and 17 proposed programs. Non-Budgeted Funds consist of a contribution by St. Mary's County. The Center serves the needs of St. Mary's, Charles, and Calvert counties, as well as the training needs of the U.S. Naval Base at Patuxent River. The FY 2019 budget included funding for construction and equipment, but the project was deferred via legislative action during the 2018 session.

- **USM (System-wide Facilities Renewal (increasing ARBs)** is requesting \$22 million to correct unacceptable conditions caused by aged building components that have exceeded or will exceed their useful life cycle. Facilities renewal is one of the System's FY 2020 priorities.

*The Commission staff recommends approval of the University System of Maryland's FY 2020 capital budget request of \$203.9 million (\$203,961,000).*

## **II. MORGAN STATE UNIVERSITY (Attachment 5)**

The University has an extensive backlog of facility improvement needs due to aging utility and building systems. Systems have exceeded their life expectancy and the University is continually patching to keep some of the older facilities operational. The University's operating budget is not sufficient to keep up with the backlog of needs and maintain newer facilities.

**New Student Services Support Building** - \$27.0 million (\$27,022,000) is being requested in FY 2020 to complete construction and purchase equipment for this new building that will house student support and administrative functions. The building will provide space primarily for the student support functions located in the old Montebello Hospital, as well as Human Resources and the Office of Information Technology (OIT), which are located in the Carter Grant Wilson building. Montebello, originally designed as a hospital and not suitable for long-term use by the University, is in poor condition and is functionally inadequate for student services. Carter Grant Wilson was constructed in 1964 and is in need of renovation. It lacks the space and capacity to support the University's technology needs, and there is not sufficient space to meet the needs of Human Resources.

**Deferred Maintenance General Campus** - \$5.5 million (\$5,527,000) to renovate, repair, replace, and upgrade building systems and infrastructure to reduce the deferred maintenance backlog of more than \$100 million. This work will include replacement or repair of roofs, chillers, fume hoods, elevators, floors, windows, and built-in classroom seating; upgrades to



fire alarm systems and campus security systems; ADA upgrades; and site work such as repairs to paved areas, sidewalks, and walls on the West Campus.

**Deferred Maintenance West Campus South Lot** - \$4.9 million (\$4,947,000) to construct site improvements to the West Campus. The FY 2020 request is for design and construction work associated with the South Parking Lot, including demolition and replacement of the wall, construction of a new Road to provide a safe means of access into the site, storm water, lighting, landscaping and fencing. The West Campus is the home of the Earl G. Graves School of Business which opened in 2015 and the New Jenkins Behavioral and Social Sciences Building which opened in fall 2017. A third building is anticipated to be built on the site in the distant future. Severely deteriorated when the University acquired the property, it has continued to decline due to ongoing construction. Repairs are needed

**New Health and Human Services Building, Phase I** – The FY 2020 \$4.9 million (\$4,901,000) budget request for this phase of the project includes funding to renovate the Portage Avenue office/warehouse building for the relocation of the vehicle maintenance facility and to demolish Turner’s Armory and the vehicle maintenance facility, located near the corner of Hillen Road and Argonne Drive. This project will enable the University to construct the New Health and Human Services (HHS) Building at the Turner’s Armory/vehicle maintenance facility site to provide classroom, lab, office, and research space for the School of Community Health and Policy, the Prevention Sciences Research Center, Health Education, Pre-Physical Therapy, the School of Social Work, Medical Technology, and the Department of Family and Consumer Sciences. The construction of this new building is Phase II of the overall project. In addition to clearing the site for the New HHS Building, Phase I will renovate the 7,772 NASF/10,320 GSF Portage Avenue building to provide offices, lockers, storage, and space for vehicle repair, making it functional to serve as the new vehicle maintenance facility. Site work is required to rebuild the deteriorated parking areas and the access road into the site.

**New Health and Human Services Building, Phase II** – The proposed 106,650 NASF/193,909 GSF facility will provide space for the School of Community Health & Policy including Public Health, Nursing, Nutrition and associated research programs; the School of Social Work; Family & Consumer Sciences, and the University Counseling Center. The proposed building will address the space deficiencies of these related academic and service health programs. The new building will encourage collaboration, efficiency and optimize students’ educational experience. The University is requesting \$5.8 million (\$5,813,000) in funding for FY 2020.

Note: The College is requesting funding for the New Science Center, Phases I and II in future years.

*The Commission staff recommends approval of Morgan State University's FY 2020 capital budget request of \$48.2 million (\$48,210,000).*

### **III. ST. MARY'S COLLEGE OF MARYLAND (SMCM) (Attachment 6)**

**New Academic Building and Auditorium** – The FY 2020 budget request of \$ 13.2 million (\$13,283,105) includes funding construction of the new academic building to provide space for the College's Music department, Educational Studies department, a learning commons study space, and a 700-seat auditorium. The learning commons will address deficiencies in study space and the auditorium will address deficiencies in assembly space. Because the new building will be located on the site of the existing varsity athletic field and stadium, the project relocates these athletic facilities to a new site. The new facilities include a grass field, artificial turf field, running track, and a 3,840 NASF/11,321 GSF support facility. The athletic field component of the project (Jamie L. Roberts Stadium) is under construction and will be completed this winter. Schematic Design for the new building is complete and the project has entered the Design Development phase. That portion of the project is under construction with a completion anticipated in January 2019. In addition, the College will construct a commemorative area adjacent to the new athletic fields to recognize that slave quarters identified during the archaeological phase of the project existed on the site. The design of the commemorative area will be funded by the College.

**Campus Infrastructure Improvements** – The University is requesting funding of various infrastructure improvements in multiple phases to address critical deferred maintenance and renewal needs. Projects include improvements to building Heating Ventilation Air Condition (HVAC) systems, building envelopes, campus roadways, and other infrastructure needs. The FY 2020 request for \$3.2 million (\$3,269,000) includes a wide range of renewal projects throughout the campus, such as replacement of HVAC components at the Library, Calvert Hall, Montgomery Hall, and Schaefer Hall; replacement of windows at Calvert Hall and Montgomery Hall; replacement of roofs at Schaefer Hall, Montgomery Hall, and the O'Brien Athletic and Recreation Center; and other capital renewal and required system replacements. The College has an estimated \$30 million deferred maintenance backlog. 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 Commission staff recommends approval of St. Mary's FY 2020 capital budget request of \$16.5 million (\$16,552,105).*

#### **IV. MARYLAND INDEPENDENT COLLEGE AND UNIVERSITY ASSOCIATION (MICUA) (Attachment 7)**

Four member institutions submitted fiscal 2020 capital grant requests to the MICUA Capital Projects Committee. After careful review, the Committee recommended that the MICUA Board of Trustees endorse all four (4) capital projects. The Committee believed that all four capital projects are directly related to the academic missions of the institutions and support the construction and renovation of academic buildings used for instruction and research, and met the eligibility requirements established by the Maryland Department of Budget and Management.

MICUA is requesting \$12 million in new funds and the reallocation of a \$1.6 million capital grant to Capitol Technology University (CTU) authorized in fiscal 2017. The project at CTU has changed in scope, and the University is no longer eligible for the grant. MICUA requests that the State deauthorize the grant and appropriate the funds in fiscal 2020 to the four projects described below.

**Hood College (Beneficial-Hodson Library and Technology Center)** is requesting \$3.4 million State matching funds to design and renovate the 65,870 GSF building into a modern learning commons. The renovated facility will combine the physical and digital environments to create flexible spaces that accommodate multiple learning activities for students. In addition, the Josephine Steiner Center for Academic Achievement and Retention, the Center for Teaching Excellence, and the Information Technology Department will be relocated to the learning commons from other buildings on campus to better serve students and faculty in one central location. The estimated total cost of this project is \$7 million.

**Johns Hopkins University (Stavros Niarchos Foundation Agora Institute - SNFAI)** is requesting \$3.4 million to design and construct the SNFAI on the Homewood Campus. The institute will engage University faculty, visiting faculty, and graduate and undergraduate student teams in conducting cutting-edge research and scholarship to identify, design, and test new mechanisms for strengthening civic engagement and inclusive dialogue worldwide. The 45,000 GSF building will be organized to support three distinct yet interdependent program typologies – academic spaces, laboratory spaces, and conversation/community spaces. The estimated total cost of the project is \$66 million.

**Mount St. Mary's University (Knott Academic Center)** is requesting \$3.4 million to design, renovate, and construct an addition to the 49,074 GSF Center, one of the primary instructional buildings on the University's Emmitsburg Campus. Renovations to the existing facility will upgrade poorly configured classroom and faculty office space. The proposed addition will add approximately 12,140 GSF to the existing building, including 5 new classrooms, a lab, 24 faculty offices, 4 meeting rooms, 2 conference rooms, and 2 assembly areas. The estimated total cost of this project is \$7.5 million.

**Stevenson University (New Academic Building)** is requesting \$3.4 million to design and construct a new 50,000 GSF academic building on its Owings Mills Campus. The new facility will house the University's library, a black box theater, and offices for faculty in the humanities, social sciences, and education. The University's current library and theater are still located at the Greenspring Campus, which poses significant challenges since the majority of students now live and/or study at the Owings Mills Campus, located seven miles away. The estimated total cost for this project is \$8.3 million.

*The Commission staff recommends approval of MICUA's FY 2020 capital budget request of \$13.6 million.*

#### **IV. BALTIMORE CITY COMMUNITY COLLEGE (Attachment 8)**

**Loop Road Project** - The College is requesting design funds of \$1.1 million (\$1,188,000) to continue progress of the Inner Loop and Entrance Improvements on its Liberty campus in FY 2020. This phase of the project includes the construction of various safety infrastructure, and site improvements (including handicapped accessibility) for the main campus. 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 Colleges Construction Grant.

**Deferred Maintenance** – The College is requesting \$4.5 million for deferred maintenance projects in FY 2020. The College has extensive backlog of facility improvement needs that are long overdue. The aging utility and building systems have exceeded their life expectancy and are constantly being repaired or patched, and are very expensive to maintain. Specific projects that constitute the total request include: Campus-wide Elevator Refurbishment, Replacement of HVAC System in Main Building, Replacement of Fire Alarm System Panels in Life Science Building, Main Building, Nursing Building, and West Pavilion; Roof Replacements for Physical Education Center, West Pavilion, and South Pavilion; Renovation and ADA compliance refurbishment of Restrooms in Nursing Building, Fine Arts Wing, Physical Education Center, and West Pavilion; and Renovation of North Pavilion building, for usage in workforce development non-credit classes and programs.

*The Commission staff recommends approval of Baltimore City Community College's \$5.6 million (\$5,688,000) FY 2020 capital budget request.*

**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 2020:

- Funding for all preauthorized projects for FY 2020. In addition, it is recommended that the State follow MACC's Prioritization Model for funding the remaining projects as funding is available within the Governor's recommended GO bond limit, at the current level of \$60 million.
- Funding of the FY 2020 capital budget requests for the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and Maryland Independent Colleges and Universities. At this point in time, the project level of funding is \$282,323,105.
- Funding for Baltimore City Community College projects for FY 2020. At this time, the projected level of funding is \$5,688,000.

**Maryland Association of Community Colleges (MACC)  
FY 2020 Community College Project Prioritization List**

Aggregate Weight	Community College	Project Name	Project Phase	MHEC Verified		Running Total
				Project Costs	Project Costs	
<b>Preauthorized Split Funded Projects from FY 2019</b>						
	Anne Arundel Community College	Health Sciences & Biology Building	Construction	\$ 27,500,000	\$	27,500,000
	College of Southern Maryland	Center for Health Sciences	Construction	\$ 8,062,000	\$	35,562,000
	Community College of Baltimore County	Carol Diane Eustis Center for Health Professions	Construction	\$ 13,365,000	\$	48,927,000
<b>Preauthorized Total</b>						
1	Carroll Community College	Systemic Renovations	Completion	226,455	\$	49,153,455
2	Community College of Baltimore County	Carol Diane Eustis Center for Health Professions	Completion	3,397,106	\$	52,550,561
3	Allegany College of Maryland	Technologies Building - Project 2	Construction	\$ 1,790,000	\$	54,340,561
4	Hagerstown Community College	Center for Business & Entrepreneurial Studies	Construction	3,776,544	\$	58,117,105
5	Frederick Community College	Renovations to Building E	Construction	2,265,641	\$	60,382,746
6	Montgomery College	Math & Science Center	Construction	35,621,000	\$	96,003,746
7	Howard Community College	New Mathematics & Athletics Complex	Design	4,235,000	\$	100,238,746
8	Harford Community College	Chesapeake Welcome Center	Design	1,167,646	\$	101,406,392
9	Allegany College of Maryland	Technologies Building - Project 2	Completion	346,000	\$	101,752,392
10	Prince George's Community College	Marlboro Hall Renovation & Addition	Construction	17,733,000	\$	119,485,392
11	Hagerstown Community College	Center for Business & Entrepreneurial Studies	Completion	331,776	\$	119,817,168
12	Frederick Community College	Renovations to Building E	Completion	293,419	\$	120,110,587
13	Community College of Baltimore County	Carol Diane Eustis Center for Health Professions	Construction	559,287	\$	120,669,874
14	Community College of Baltimore County	Multi-Building Roof Replacement	Design+	626,000	\$	121,295,874
15	Frederick Community College	Linganore Hall Building L Renovation	Design	502,320	\$	121,798,194
16	Prince George's Community College	Largo Student Center Renovation & Addition	Design	1,567,000	\$	123,365,194
17	Allegany College of Maryland	Technologies Building - Project 2	Design	98,000	\$	123,463,194
<b>FY 2020 New Projects Request</b>				<b>\$ 74,536,194</b>		
<b>FY 2020 Total Request</b>				<b>\$ 123,463,194</b>		

*Note 1: Baltimore City Community College is a State agency and does not receive funding through the Community College Capital Grant Program*

*Note 2: Completion Projects that are the college's #1 priority are moved to the top of the list.*

*Note 3: MHEC made slight edits to MACC's numbers, based on the Form B submissions by the Colleges and the information entered into CBS*

**FY 2020 Community College Construction Grant Program  
Capital Project Funding Request**

Institution	Project Title	No.	Phase	N-R-Inf	Request 8/15/2018	Pre-Auth 2018 Session For FY 2019
Allegany	Technology Building Renovation/Addition Phase 2	443	PCE	Ren	2,234,000	
Anne Arundel	Health Sciences & Biology Building	450	C	New	27,500,000	\$27,500,000
Carroll	Systemic Renovations	463	C	Infra	226,455	
CCBC-Essex	Carol Diane Eustis Center for Health Professions	438	CE	New	17,321,393	\$13,365,000
CCBC-Catonsville	Multi-Building Roof Replacement	433	PC	Infra	626,000	
CSM	Hughesville Health Sciences Center	454	CE	New	8,062,000	\$9,979,000
Frederick	Building E Renovation/Addition	460	CE	Ren	2,559,060	
Frederick	Linganore Hall (Building L) Renovation	New	CE	Ren	502,320	
Hagerstown	Center for Business and Entrepreneurial Studies	461	CE	Ren	4,108,320	
Harford	Chesapeake Welcome Center	New	P	Ren	1,167,646	
Howard	Mathematics and Athletics Complex	New	P	New	4,235,000	
Montgomery	Takoma Park/Silver Spring Math and Science Center	458	C	New	35,621,000	
Prince George's	Marlboro Hall Renovation and Addition	459	C	Ren	17,733,000	
Prince George's	Largo Student Center	New	P	Ren	1,567,000	
					\$ 123,463,194	\$50,844,000
Program Balance					\$ (1,000,000)	
<b>Total Grant Program</b>					<b>\$ 122,463,194</b>	
Baltimore City	Loop Road Improvements - Liberty Campus				\$ 1,188,000	
	Deferred Maintenance				\$ 45,000,000	
<b>Total Community Colleges</b>					<b>\$ 168,651,194</b>	

**FY 2020 Consolidated Capital Budget Requests  
Maryland Higher Education**

Institution	Request	MHEC Recommendation	Governor January 2019
			TBD
Bowie State University	\$ 5,000,000	\$ 5,000,000	
Coppin State University	--	--	
Frostburg State University	\$ 6,200,000	\$ 6,200,000	
Salisbury University	--	--	
Towson University	\$ 80,491,000	\$ 80,491,000	
University of Baltimore	--	--	
University of Maryland, Baltimore	\$ 13,823,000	\$ 13,823,000	
University of Maryland Baltimore County	\$ 6,281,000	\$ 6,281,000	
University of Maryland Center for Environmental Science	--	--	
University of Maryland, College Park	\$ 42,350,000	\$ 42,350,000	
University of Maryland Eastern Shore	\$ 15,058,000	\$ 15,058,000	
University System of Maryland Office	\$ 34,758,000	\$ 34,758,000	
<b>USM Subtotal</b>	<b>\$ 203,961,000</b>	<b>\$ 203,961,000</b>	
Morgan State University	\$ 48,210,000	\$ 48,210,000	
St. Mary's College of Maryland	\$ 16,552,105	\$ 16,552,105	
Independent Institutions (MICUA)	\$ 13,600,000	\$ 13,600,000	
<b>4-Year Subtotal</b>	<b>\$ 78,362,105</b>	<b>\$ 78,362,105</b>	
Baltimore City Community College	\$ 5,688,000	\$ 5,688,000	
Community Colleges	\$ 122,463,194	\$ 122,463,194	
<b>2-Year Subtotal</b>	<b>\$ 128,151,194</b>	<b>\$ 128,151,194</b>	
<b>Higher Education Total GO Bond Request</b>	<b>\$ 410,474,299</b>	<b>\$ 410,474,299</b>	



**University System of Maryland**  
**FY 2020 Capital Budget Request**

**University System of Maryland - Capital Budget Request: FY 2020**

Institution	Project	Phase	USM Project	July 2018 Request	CBIS Total Estimated Cost	Governor January 2019
Bowie State University	Communications Arts and Humanities Building	P	1	\$ 5,000,000 \$ 5,000,000	\$ 138,500,000 \$ 138,500,000	
Coppin State University				\$ -	\$ -	
Frostburg State University	Education and Health Sciences Center	PC	1	\$ 6,200,000 \$ 6,200,000	\$ 86,876,000 \$ 86,876,000	
Salisbury University				\$ -	\$ -	
Towson University	New Science Facility New College of Health Professions Building	CE P	1 1	\$ 75,225,000 \$ 5,266,000	\$ 183,819,000 \$ 165,953,000	
University of Baltimore				\$ 80,491,000	\$ 349,772,000	
University of Maryland, Baltimore	Central Electric Substation and Electrical Infrastructure Upgrades, Phase 1	CE	1	\$ 13,823,000 \$ 13,823,000	\$ 79,812,000 \$ 78,951,000	
University of Maryland Baltimore County	Interdisciplinary Life Sciences Building Utility Upgrades	E C	1 1	\$ 2,259,000 \$ 4,022,000	\$ 123,047,000 \$ 17,274,000	
University of Maryland Center for Environmental Science				\$ 6,281,000	\$ 140,321,000	
University of Maryland, College Park	New Cole Field House School of Public Policy Building	PCE PC	1 1	\$ 26,610,000 \$ 15,740,000	\$ 195,700,000 \$ 45,000,000	
University of Maryland Eastern Shore	School of Pharmacy and Health Professions Site Improvement Project (Phase I Flood Mitigation)	PC P	1 1	\$ 14,050,000 \$ 1,008,000	\$ 89,898,000 \$ 10,434,000	
University System of Maryland Office	Southern Maryland Regional Higher Education Center Capital Facilities Renewal	PC C	1 1	\$ 12,758,000 \$ 22,000,000	\$ 85,995,000 \$ 155,587,000	
<b>Total USM Request - GO Bonds</b>			<b>13</b>	<b>\$ 203,961,000</b>	<b>\$ 1,377,464,500</b>	

# Morgan State University

## FY 2020 Capital Budget Request

Project Title	Phase	# Projects	Request	CBIS Total Estimated Cost	Governor January 2019
New Student Services Building (ongoing project)	CE	1	\$ 27,022,000	\$ 88,125,000	TBD
Deferred Maintenance General Campus	PC	1	\$ 5,527,000	\$ 52,527,000	
Deferred Maintenance West Campus South Lot	PC	1	\$ 4,947,000	\$ 4,947,000	
New Health and Human Services Building, Phase I	CE	1	\$ 4,901,000	\$ 5,362,000	
New Health and Human Services Building, Phase II	P	1	\$ 5,813,000	\$ 156,042,000	
<b>Total:</b>		<b>5</b>	<b>\$ 48,210,000</b>	<b>\$ 307,003,000</b>	

# St. Mary's College of Maryland

## FY 2020 Capital Budget Request

Project	Phase	Project	Request	CBIS Total Estimated Cost	Governor January 2019
New Academic Building and Auditorium Campus Infrastructure Improvements	PC	1	\$ 13,283,105	\$ 79,699,666	TBD
	PC	1	\$ 3,269,000	\$ 21,372,000	
<b>Total:</b>		<b>2</b>	<b>\$ 16,552,105</b>	<b>\$ 101,071,666</b>	

# Maryland Independent Colleges and Universities (MICUA)

## FY 2020 Capital Budget Request

Institution	Project Title	Phase	Project	Request	CBIS Total Estimated Cost	Governor January 2019
Hood College	Beneficial-Hodson Library and Technology Center	P	1	\$ 3,400,000	\$ 7,000,000	TBD
Johns Hopkins University	Stavros Niarchos Foundation Agora Institute	PC	1	\$ 3,400,000	\$ 66,000,000	
Mount St. Mary's University	Knott Academic Center	PC	1	\$ 3,400,000	\$ 7,500,000	
Stevenson University	New Academic Building	PC	1	\$ 3,400,000	\$ 8,300,000	
<b>Total:</b>			<b>4</b>	<b>\$ 13,600,000</b>	<b>\$ 88,800,000</b>	

# Baltimore City Community College

## FY 2020 Capital Budget Request

Project	Phase	Project	Request	CBIS Total Estimated Cost	Governor January 2019
Loop Road Improvements - Liberty Campus Deferred Maintenance	C	1	\$ 1,188,000	\$ 6,055,000	TBD
	P	1	\$ 4,500,000	\$ 4,500,000	
	<b>Total:</b>	<b>2</b>	<b>\$ 5,688,000</b>	<b>\$ 10,555,000</b>	





Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** October 24, 2018  
**TO:** Commissioners, Maryland Higher Education Commission  
**FROM:** Geoffrey Newman, Assistant Secretary, Finance & Administration  
**RE:** Proposed Regulations Regarding the Student Loan Tax Credit

The purpose of this memorandum is to request the Commission's approval for final adoption of the enclosed proposed regulations regarding the Student Loan Tax Credit (the "Tax Credit"). The Tax Credit, which is set forth in § 10-740 of the Tax-General Article, Annotated Code, allows qualifying taxpayers to claim an income tax credit for certain student loan debt.

Legislation passed during the 2018 Session, House Bill 593 and Senate Bill 933, expanded both the types of debt qualifying for the Tax Credit, and the total amount of the Tax Credit. Under the new legislation, loans incurred for graduate school now may qualify for the credit, whereas previously only undergraduate loan debt qualified. In addition, the total amount of Tax Credits that may be awarded by MHEC has been increased from \$5,000,000 to \$9,000,000. The proposed regulatory amendments align with the new legislative requirements of House Bill 593 and Senate Bill 933.

The Commission approved the proposed regulations on June 27, 2018, and they were published in the Maryland Register on August 31, 2018. No public comments have been received.

**RECOMMENDATION:** It is recommended that the Commission approves for final adoption the enclosed Student Loan Tax Credit regulations, which were proposed in the August 31, 2018 issue of the Maryland Register.





B. A financial guarantee:

(1) Shall be in the form and amount the Secretary requires, which shall be no less than the amount described in §C of this regulation, and may be greater than the amount described in §C of this regulation; [and]

(2) Shall be between the Commission and the surety;

(3) Shall be made payable to the Secretary on behalf of the Commission; and

[(2)] (4) (text unchanged)

C. Amount of Guarantee [for Approved Schools].

[(1)] By October 1, 2017, a school that received its certificate of approval from the Commission prior to July 1, 2016, and that elects to provide a financial guarantee under this regulation, shall provide to the Commission a financial guarantee in an amount equal to either:

(a) 25 percent of the school's adjusted gross tuition and fees for the year July 1, 2015 through June 30, 2016; or

(b) The school's non-Title IV adjusted gross tuition and fees for the year July 1, 2015 through June 30, 2016.]

[(2)] (1) By [October 1, 2018, and] each [subsequent] October 1, a school [that received its certificate of approval from the Commission prior to July 1, 2016, and that elects to provide a financial guarantee under this regulation,] shall provide to the Commission a financial guarantee in an amount equal to the school's non-Title IV adjusted gross tuition and fees for the prior July 1 through June 30.

[(3)] (2) (text unchanged)

[D. Amount of Guarantee for New Schools.

(1) For the school's first year of operation in the State, a school that receives a certificate of approval from the Commission on or after July 1, 2016, and that elects to provide a financial guarantee under this regulation, shall provide to the Commission a financial guarantee in an amount equal to \$500,000.

(2) For the school's second year of operation in the State, the school shall provide, by the expiration of its first year of operation in the State, a financial guarantee in an amount equal to the school's non-Title IV adjusted gross tuition and fees for the prior July 1 through June 30.

(3) For the school's third and subsequent years of operation in the State, the school shall provide, by October 1 of each year, a financial guarantee in an amount equal to the school's non-Title IV adjusted gross tuition and fees for the prior July 1 through June 30.

(4) The Secretary may require a school to increase the amount of the school's financial guarantee pursuant to Education Article, §11-203, Annotated Code of Maryland.

E. Alternative Fund Payment.

(1) If a school elects to make an alternative fund payment in lieu of providing a financial guarantee, the school shall pay into the Fund an amount equal to the amount that would have been required for the school's financial guarantee under §§B—D of this regulation.

(2) The alternative fund payment shall be a one-time payment, except that the Secretary annually may require a school to make an additional payment in the amount of any increase in the school's non-Title IV gross tuition and fees, as reflected in the school's annual Financial Reporting Form under Regulation .11 of this chapter.

F. A school is not required to provide a financial guarantee or to make an alternative fund payment under this regulation if the Secretary suspends those options and determines that the Fund shall be funded solely by assessments levied pursuant to Regulation .07 of this chapter.]

JAMES D. FIELDER, JR., Ph.D.  
Secretary of Higher Education

**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**

[18-211-P]

The Maryland Higher Education Commission proposes to amend Regulations .01—.05 under COMAR 13B.08.17 **Student Loan Debt Relief Tax Credit**. This action was considered at a public meeting of the Commission on June 27, 2018.

**Statement of Purpose**

The purpose of this action is to conform COMAR 13B.08.17 to the requirements of Chs. 382 and 419, Acts of 2018.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**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, Maryland Higher Education Commission, 6 N. Liberty St., Baltimore, MD 21201, or call 410-767-3300, or email to geoff.newman@maryland.gov. Comments will be accepted through October 1, 2018. A public hearing has not been scheduled.

**.01 Purpose.**

The purpose of the Student Loan Debt Relief Tax Credit is to assist students who have incurred a certain amount of *undergraduate loan debt* [in attending undergraduate school], *graduate loan debt*, or *both*, by providing a tax credit on their Maryland State income tax pursuant to Tax-General Article, §10-740, Annotated Code of Maryland.

**.02 Definitions.**

A. — C. (text unchanged)

D. "Debt burden" means the [monthly] amount a qualified taxpayer is currently obligated to pay for a student loan debt.

E. — G. (text unchanged)

H. "Student loan debt" means an individual's obligation to repay a lender for monies borrowed by the individual to [attend an undergraduate institution] *pursue an undergraduate or graduate education at an institution of higher education that is accredited by an accrediting body recognized by the United States Department of Education.*

I. (text unchanged)

J. "Qualified taxpayer" means an individual who has:

(1) Incurred at least \$20,000 in [undergraduate] student loan debt; and

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

[K. "Undergraduate institution" means an institution of higher education that offers undergraduate degrees and is accredited by an accrediting body recognized by the United States Department of Education.]

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 [undergraduate] student loan debt within 2 years from the close of the taxable year in which the credit is [approved] 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. A qualified taxpayer [desiring to request] requesting that the Commission certify a tax credit shall apply to the Commission as provided in this regulation.

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) (text unchanged)

(2) The name of the [undergraduate] institution or institutions attended and dates of attendance attributable to the qualified taxpayer's [undergraduate] student loan debt;

(3) A statement attesting that the qualified taxpayer has:

(a) Incurred at least \$20,000 in [undergraduate] student loan debt; and

(b) — (f) (text unchanged)

(5) — (8) (text unchanged)

(9) A signed and notarized 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 [undergraduate] student loan debt as soon as practicable and not later than 2 years after the taxable year in which the credit is claimed.

D. (text unchanged)

**.05 Commission Action on an Application.**

A. — E. (text unchanged)

F. For any taxable year, the Commission may not certify tax credits in an amount more than [\$5,000,000 in tax credits] the maximum permitted under Tax-General Article, §10-740, Annotated Code of Maryland.

JAMES D. FIELDER, JR., Ph.D.  
Secretary of Higher Education

**Title 14**

**INDEPENDENT AGENCIES**

**Subtitle 22 COMMISSION ON CRIMINAL SENTENCING POLICY**

**Notice of Proposed Action**

[18-214-P]

The Maryland State Commission on Criminal Sentencing Policy proposes to amend:

(1) Regulation .10, .12, and .15 under COMAR 14.22.01 General Regulations; and

(2) Regulation .02 under COMAR 14.22.02 Criminal Offenses and Seriousness Categories.

**Statement of Purpose**

The purpose of this action is to indicate modifications to the computation of the offender score in Regulation .10, the multiple victim stacking rule in Regulation .12, and the guidelines for subsequent offenders in Regulation .15 under COMAR 14.22.01 General Regulations. These modifications clarify the instructions for scoring multiple prior convictions from a single criminal event (in the case of the adult record) and from a single adjudicatory hearing (in the case of the juvenile record). The modifications also clarify that the multiple victim stacking rule may be applied in sentencing events involving multiple criminal events, and they remove an unnecessary reference to the Criminal Law Article in the instructions for computation of guidelines for subsequent offenders. Additionally, the purpose of this action is to indicate modifications to the table of seriousness categories (guidelines offense table) in Regulation .02 under COMAR 14.22.02 Criminal Offenses and Seriousness Categories. The proposed revisions reflect new and amended offenses from the 2018 Legislative Session and minor edits to the table.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**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 David Soule, Executive Director, Maryland State Commission on Criminal Sentencing Policy, 4511 Knox Road, Suite 309, College Park, MD 20742, or call 301-403-4165, or email to dsoule@umd.edu, or fax to 301-403-4164. Comments will be accepted through October 1, 2018. A public hearing has not been scheduled.

**14.22.01 General Regulations**

Authority: Criminal Procedure Article, §6-211, Annotated Code of Maryland

**.10 Computation of the Offender Score.**

A. (text unchanged)

B. Four Components of the Offender Score.

(1) (text unchanged)



Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** October 24, 2018

**TO:** Maryland Higher Education Commissioners

**FROM:** Donna Thomas, Director, and Office of Student Financial Assistance

**SUBJECT:** Proposed Approval of COMAR Program Regulations–  
Maryland Community College Promise Scholarship

The purpose of this memorandum is to request approval to publish proposed regulations for the Maryland Community College Promise Scholarship Program.

In 2018, the General Assembly enacted legislation (2018, ch. 554) to create a scholarship program to provide tuition assistance for students to attend a community college in the State.

A student is eligible to apply for the scholarship if the student:

- Within 2 years after graduating from a high school, or within 2 years of successfully completing a GED in the State, is enrolled in a community college as a candidate for a credit bearing vocational certificate, a credit bearing certificate, or an associate degree;
- Enrolls in at least 12 credits per semester at the community college while receiving the scholarship;
- Is eligible for in-state tuition, as determined by the community college in accordance with Education Article, Title 15, Annotated Code of Maryland;
- Earned an unweighted overall high school grade point average of at least 2.3 on a 4.0 scale or its equivalent, or successfully completed a GED examination in the State on or before July 31, prior to the start of the Fall semester;
- For the most recent tax year, had an annual adjusted gross income of not more than:
  - \$100,000 if the applicant is single or resides in a single-parent household; or
  - \$150,000 if the applicant is married or resides in a two-parent household;
- Has not earned a bachelor's degree or an associate degree;
- Has not been awarded another educational grant or scholarship that covers the applicant's full cost of attendance at the community college; and

- Files a FAFSA or separate State application, prescribed by the Office by March 1, and submits any required supporting documentation to the Office, as described under regulation.

A recipient can receive the award for a total of three years. To maintain the award the recipient must: complete 12 credits per semester, earn a cumulative GPA of at least a 2.5. As well, the recipient must continue to meet the income requires, remain eligible for in-state tuition, apply annually, and continue to make satisfactory academic progress as determined by the community college.

The Promise Scholarship is a last dollar award, applied to eligible recipients after all non-loan aid has been applied; not to exceed \$5,000 annually or actual tuition, whichever is less. The promise scholarship includes a service obligation of 1 year of work in the State per year of award. If the service obligation is not completed, the scholarship converts to a loan.

**RECOMMENDATION:** It is recommended that the Commission approve for publication in the Maryland Register the enclosed proposed regulations dated October 24, 2018 for the Maryland Community College Promise Scholarship Program, and authorize MHEC's attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents.

# **Title 13B MARYLAND HIGHER EDUCATION COMMISSION**

## **Subtitle 08 FINANCIAL AID**

### **Chapter 19 Maryland Community College Promise Scholarships**

Authority: Education Article, §§11-105(u), 18-204(c), 18-3401, Annotated Code of Maryland

#### **.01 Program Administration.**

There is a Maryland Community College Promise Scholarships Program, which is administered by the Office of Student Financial Assistance pursuant to Education Article, Title 18, Subtitle 34, 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 of the applicant and the applicant’s parents, or the applicant and the applicant’s spouse if the applicant is married, as reported on the federal or State income tax return for the most recent tax year.

(2) “Certificate” means a credit-bearing certificate program approved by the Commission under Education Article, §11-206, Annotated Code of Maryland.

(3) “Commission” means the Maryland Higher Education Commission.

(4) “Community college” means a community college of the State and includes Baltimore City Community College.

(5) “Director” means the executive director of the Office.

(6) (a) “Extenuating circumstances” mean a documented, extraordinary event or condition that prevents a recipient from fulfilling a scholarship requirement.

(b) “Extenuating circumstances” may include, but are 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 students or student’s immediate family;

(v) Fulfillment of military service; or

(vi) Serious illness or death of an immediate family member.

(7) “FAFSA” means the Free Application for Federal Student Aid.

(8) “Federal verification” means the process prescribed by the U.S. Department of Education to verify that information provided on the FAFSA is accurate.

(9) “Full-time enrollment” means enrollment in at least 12 credits per semester at a community college.

(10) “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.

(11) “MDCAPS” means the Maryland College Aid Processing System maintained by the Office.

(12) “Non-loan aid” means any student financial aid scholarship or grant applied to the student’s tuition and fee charges, excluding Title IV federal work-study.

(13) “Office” means the Office of Student Financial Assistance within the Commission.

(14) “Satisfactory academic progress” means the academic standards established by the community college to determine whether a student may continue to receive student financial aid.

(15) “Secretary” means the Secretary of Higher Education.

(16) “Semester” means the fall or spring semester of a community college.

(17) “Scholarship” means a Maryland Community College Promise Scholarship.

(18) “Tuition” means the basic instructional charge for courses offered at a community college, including any fees for registration, application, administration, laboratory work, and other mandatory fees.

(19) “V1” means a group of students identified as verification group 1 or VI by the U.S. Department of Education for purposes of financial aid eligibility verification.

(20) “V5” means a group of students identified as verification group 5 or V5 by the U.S. Department of Education for purposes of financial aid eligibility verification.

(21) “Vocational certificate” means a credit-bearing certificate or credit-bearing license program that prepares an individual to work in a career field.

(22) “Most recent tax year” means the prior-prior federal or State tax year. For example, the “most recent tax year” for the 2019-2020 academic year would be 2017.

### **.03 Student Eligibility for Initial Applications.**

A. Subject to the State budget, the Office annually shall determine a student’s eligibility to receive a scholarship.

B. An applicant is eligible for a scholarship if the applicant:

(1) Within 2 years after graduating from a high school, or within 2 years of successfully completing a GED in the State, is enrolled in a community college as a candidate for a vocational certificate, a certificate, or an associate degree;

(2) Enrolls in at least 12 credits per semester at the community college while receiving the scholarship;

(3) Is eligible for in-state tuition, as determined by the community college in accordance with Education Article, Title 15, Annotated Code of Maryland;

(4) Earned an unweighted overall high school grade point average of at least 2.3 on a 4.0 scale or its equivalent, or successfully completed a GED examination in the State on or before the July 31 prior to the start of the Fall semester;

(5) 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;

(6) Has not earned a bachelor’s degree or an associate degree;

(7) Has not been awarded another educational grant or scholarship that covers the applicant’s full cost of attendance at the community college; and

(8) By March 1, files a FAFSA or separate State application, prescribed by the Office, and submits any required supporting documentation to the Office, as described under regulation .05..

### **.04 Student Eligibility for Renewal Applications.**

A. Subject to the State budget, an applicant shall be eligible to renew a scholarship for a subsequent year if the applicant:

(1) Files a FAFSA or separate application by March 1;

(2) Continues to meet the income requirements under regulation .03;

(3) Continues to enroll and complete at least 12 credits per semester;

(4) Maintains a cumulative grade point average of at least 2.5 on a 4.0 scale or its equivalent for the award period or, failing to do so, provides to the Office evidence, deemed satisfactory by the Director, of extenuating circumstances as described in regulation.14;

(5) Makes satisfactory progress, as determined by the community college, toward a vocational certificate, a certificate, or an associate degree; and

(6) Continues to be eligible for in-state tuition.

B. Subject to paragraph C, a recipient may receive a scholarship only for the shorter of:

(1) A total of 3 years; or

(2) The date that the individual is awarded an associate degree.

C. The Office may extend the duration of an award for up to 1 additional year if, pursuant to regulation .15, the applicant provides to the Office evidence, deemed satisfactory by the Director, of extenuating circumstances that prevent the recipient from continuous enrollment.

### **.05 Application Process.**

A. A student shall apply annually and shall submit all supporting documentation requested by the Office:

(1) For the 2019-2020 award year only, by June 15, 2019; and

(2) Beginning with the 2020-2021 award year and each year thereafter:

(a) By May 15, for initial applications; and

(b) By April 1, for renewal applications.

**B. Form of Application.**

(1) Initial applicants shall submit:

(a) The FAFSA or, if the applicant is ineligible to receive federal Title IV financial aid, but qualifies for in-state tuition under Education Article, §15-106.8, Annotated Code, an alternate application form prescribed by the Office; and

(b) The Promise Scholarship application prescribed by the Office.

(2) Renewal applicants shall submit the FAFSA or, if the applicant is ineligible to receive federal Title IV financial aid, but qualifies for in-state tuition under Education Article, §15-106.8, Annotated Code, an alternate application form prescribed by the Office.

**C. Time of Submission.** Applications and supporting documentation received by the Office after the deadlines described in §A are untimely and shall not be considered.

**D.** If the Office requests supporting documentation from the applicant in order to determine the applicant's eligibility:

(1) The Office shall notify the applicant to submit such information;

(2) The applicant shall submit all information to the Office by the deadline described in A; and

(3) Information received by the Office after the deadline shall not be considered.

**E.** Upon the request of an applicant, the community college shall assist the applicant to submit a FAFSA or any other application for State or federal student financial aid.

**.06 Amount of Scholarship.**

A. An annual scholarship shall not exceed \$5,000, or actual tuition, whichever is less.

B. The minimum a scholarship award amount shall not be less than \$100 per semester and \$200 for the academic year.

C. Any student financial aid, other than a loan, shall be credited to the recipient's tuition before the calculation of the scholarship amount.

**.07 Distribution of Awards.**

A. Initial scholarships shall be provided to recipients based upon greatest demonstrated financial need.

B. Priority for scholarships in subsequent years shall be given to prior year recipients who remain eligible under this chapter.

C. Eligible recipients shall be awarded after the community college completes the certification of award roster annually pursuant to regulation .12.

**.08 Waiting List.**

A. An eligible applicant who does not receive an award shall be notified and placed on a waiting list.

B. The Office shall consider students on the waiting list for late scholarship awards if funds become available after awards have been made.

C. Notwithstanding any other provision of this chapter, consideration for a late award shall be given, in the following descending order, to students:

(1) Whose institution reported the applicant's non-loan aid after the deadline established by the Office.

(2) Who enrolled in the summer semester to maintain the GPA requirement; and

(3) Who applied on time and were eligible for an award but were not awarded due to lack of funds.

D. If funds become available after commencement of the fall semester and are sufficient to issue late awards, the Office shall require the institution to verify the eligibility of students before making late awards.

**.09 Verification of Eligibility.**

A. Verification by the Office of Initial Applicants.

(1) Annually, the Office shall verify the accuracy of adjusted gross income levels and the accuracy of demonstrated need for:

(a) All initial scholarship applicants who are not federally selected for the V1 and V5 verification groups, as defined by the U.S. Department of Education; and

(b) All applicants who are ineligible to receive federal aid and complete the separate application prescribed by the Office.

(2) An applicant selected by the Office for verification who has filed a State or federal tax return 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.

(3) An applicant selected by the Office for verification who earned, or whose family earned if the student is a dependent or married, below the maximum income requirement to file a tax return, shall verify the following:

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

(4) The Office shall verify initial applicants have earned a cumulative 2.3 high school GPA, or successfully completed the GED examination, prior to the application deadline under regulation .04A.;

(5) The Office shall verify that initial applicants graduated from a high school, or earned a GED in Maryland, within the last two years; and

(6) The Office annually shall verify the accuracy of adjusted gross income for a percentage of renewal recipients, randomly selected, who are not federally selected and who are not eligible to receive federal aid but eligible for in-state tuition, as described in A.

B. Institutional verification.

(1) An institution annually shall perform federal verification for any scholarship recipient federally selected for verification under the V1 and V5 verification groups, as defined by the U.S. Department of Education.

(2) The Office will identify all scholarship recipients who are federally selected for federal verification under the V1 and V5 verification groups and transmit the information on a roster to the institution.

(3) The federal verification performed by the institution 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 institution 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) Institutions shall provide updated and verified data to the Office by the deadline established by the Office.

(6) Information verified by the institutions shall be used to update the recipients' records.

C. Scholarship awards for recipients with corrections shall be recalculated and adjusted or canceled as specified in this chapter.

D. Institutions annually shall report on a roster in MDCAPS each recipients cumulative GPA.

E. Institutions shall report on a semester basis on a roster in MDCAPS the number of credits each recipient completed.

F. Institutions annually shall verify that each recipient is eligible for in-state tuition under Education Article, Title 15, Annotated Code.



**.10 Award Notification and Acceptance.**

- A. A recipient shall be notified by the Office of the award in writing, which may include electronic mail.
- B. A recipient shall login to MDCAPS in order to accept an award, except that, in extenuating circumstances as determined by the Director, a student may accept an award by providing written acceptance to the Office.
- C. An award recipient who fails to accept the award within 6 weeks of the date that the Office sent notice under §A shall become ineligible for the award.

**.11 Full-time Enrollment and Credit Completion Requirements.**

- A. Except as provided in regulation .17, a recipient who fails to continuously enroll full-time and complete at least 12 credits per semester becomes ineligible for the scholarship.
- B. A recipient who becomes ineligible for the scholarship may reapply in the subsequent year if the recipient graduated from high school or successfully passed the GED examination in Maryland within 2 years prior to the re-application, and continues to meet all other eligibility requirements under this chapter.
- C. The institution shall report through MDCAPS, on a semester basis, whether the recipient is enrolled full-time and the number of credits completed.
- D. The institution shall report the number of credits in MDCAPS:
  - (1) By January 30, for fall credit completion information; and
  - (2) By June 1, for spring credit completion information.

**.12 Certification of Award Eligibility.**

- A. The Office shall create a certification of award roster for each institution, and the institution shall complete the certification each semester by the date established by the Office.
- B. The certification of award roster shall contain the name of each applicant whose tuition and fees are unmet by non-loan aid awards, verified by the community college, and who meets all requirements as described under regulation .03 and .04 by the established deadlines.
- C. Each community college annually shall report in MDCAPS all types of non-loan aid the applicant is receiving.
- D. The award amount reported to the Office shall be the amount of tuition remaining after all other non-loan aid has been applied to the applicant's tuition.
- E. After the community college reports all non-loan aid for each applicant, the institution shall electronically transmit the roster to the Office through MDCAPS.
- F. Once the Office receives the roster from the community college by the deadline established by the Office:
  - (1) Initial applicants shall be ranked based upon greatest demonstrated financial need; and
  - (2) Priority shall be given to eligible prior year recipients.
- G. A community college may report an applicant's non-loan aid after the deadline established by the Office only if the applicant satisfied all enrollment requirements at the community college on or before the deadline. The Office shall rank the applicant and, as applicable, award the applicant or place the applicant on the waiting list.
- H. A community college shall report in MDCAPS all non-loan aid the recipient is awarded, regardless of whether the non-loan aid has been disbursed for the semester.
- I. A community college shall report to the Office all subsequent ISIR transactions that change a recipient's eligibility.
- J. The Office will make annual awards prior to the start of the Fall semester.

**.13 Payment of Awards.**

- A. The Office shall make an award payment to the institution for each semester that the eligible recipient is granted the award.
- B. The community college shall certify to the Office, and request payment for all recipients, on a semester basis, on or before:
  - (1) December 15, for the fall semester; and
  - (2) May 15, for the spring semester.
- C. A community college that fails to certify and request payment for all recipients on a semester basis under §B may not certify recipients for the subsequent semester.

D. Each semester, community colleges shall review billing rosters provided by the Office to certify, by a deadline determined by the Office that each recipient continues to:

- (1) Be enrolled as a full-time student in a credit bearing certificate, credit bearing vocational certificate, or associate degree program;
- (2) Be eligible for in-state tuition; and
- (3) Meet satisfactory academic progress.

E. In order for funds to be disbursed to the community college, the community college at which the student is enrolled shall maintain the student's FAFSA information on file. The Office will maintain the applications of students eligible for in-state tuition but ineligible for federal aid, and of students who are not selected for federal aid.

#### **.14 Summer Enrollment.**

A. A recipient who fails to maintain the cumulative grade point average of at least 2.5 at the end of the Spring semester may enroll in the Summer semester to meet the GPA requirement.

B. A recipient who enrolls for the summer semester and meets the GPA requirement at the end of the semester may be awarded under regulation .08.

C. A recipient who enrolls for the summer semester may not utilize the scholarship award for the summer semester.

#### **.15 Allowable Interruptions of Study.**

A. The Office may extend the duration of an award for an allowable interruption of study of 1 year or less, at the discretion of the Office, if the recipient provides to the Office documentation of extenuating circumstances that prevent the recipient from maintaining continuous enrollment at the community college.

B. The Office shall review the student's documentation of extenuating circumstances and the Director shall render a decision within 30 days of receipt.

C. All documentation shall be submitted to the Office by the established deadline, or the extension shall be denied.

D. A recipient approved by the Office for an extension shall, after the extension expires, resume full-time enrollment, complete at least 12 credits per semester, and meet the GPA requirements under this chapter.

#### **.16 Minimum GPA Appeal Criteria.**

A. A recipient who fails to maintain a cumulative grade point average of at least 2.5 may appeal a scholarship denial to the Office.

B. A recipient appealing under §A shall provide documentation to the Office of the extenuating circumstances that prevented the recipient from meeting the GPA requirement.

C. A recipient may appeal on the grounds of not maintaining the required GPA only once.

D. The Office shall review the student's documentation of extenuating circumstances and render a decision within 30 days of receipt.

#### **.17 Full-time Enrollment Appeal Criteria.**

A. A recipient enrolled for at least 6 credits, but less than 12 credits per semester, may appeal a scholarship denial to the Office on the basis that:

(1) The recipient is participating in a specific course or activity (such as an internship or practicum) that is required by the institution to complete the academic program; or

(2) The recipient has a documented disability that prevents full-time enrollment.

B. A recipient appealing under §A shall appeal to the Office on a semester basis and shall submit the following:

(1) Documentation from the recipient's department chair at the community college that describes and confirms the program's requirements for the applicable semester, along with a catalog description of the program and courses and activities involved; or

(2) Documentation that confirms the student is an individual with disabilities who is unable to enroll full-time due to the disability.

#### **.18 Scholarship Conditions and Service Requirement.**

A. Full-Time Employment. For purposes of this regulation, “full-time employment” means employment for at least 35 hours per week.

B. Use of Scholarship. A scholarship shall be used solely for tuition at a community college.

C. As a precondition of accepting the scholarship award, a recipient shall provide a promissory note and shall enter into a written agreement with the Commission, in the form and manner prescribed by the Office, requiring the recipient to:

(1) Complete the associate degree, certificate, or vocational certificate;

(2) Use an address in the State on the recipient’s State income tax return;

(3) Commence full-time employment in the State within 1 year after completion of the vocational certificate, certificate, or associate degree;

(4) Continue to use an address in the State on the recipient’s State income tax return for at least 1 year for each year that the scholarship was awarded; and

(5) Maintain full-time employment in the State for at least 1 year for each year that the scholarship was awarded.

D. If a recipient holds the scholarship award in addition to other State scholarship awards requiring a service obligation, the obligations shall be served consecutively.

#### **.19 Conversion of Scholarship to Loan.**

A. Except as provided in § C, if the recipient breaches the terms or conditions of the agreement or note under regulation .18, the scholarship shall convert to a student loan payable to the State.

B. Interest on the loan shall be charged at a rate equal to the interest rate established by the United States Department of Education on the first day of July of each year for the Federal Stafford Loan.

C. Interest may not accrue prior to notification to the Office of a recipient’s graduation or termination from an institution of higher education.

D. At the discretion of the Office, repayment may be prorated if the recipient partially fulfills the recipient’s obligation.

E. Except as otherwise provided in this regulation, repayment shall be made to the State within 6 years after the repayment period begins, and shall follow a repayment schedule established by the Office.

#### **.20 Deferral of the Service Obligation and Repayment.**

A. A recipient may request that the service obligation be deferred during the time the recipient is:

(1) Enrolled full-time (12 or more credits per semester) or part-time (6-11 credits per semester) in a credit-bearing course of study at any post-secondary institution;

(2) On a temporary leave of absence, approved by the employer in the required employment field, for a period not to exceed 12 months;

(3) Temporarily disabled, as determined by a licensed physician, in a manner that substantially impairs the recipient’s ability to perform the service obligation, for a period not to exceed 3 years;

(4) Unable to maintain employment, for a period not to exceed 12 months, because the recipient must care for a spouse or child who is disabled;

(5) Assigned military duty outside of the State, not to exceed 3 years without filing an appeal; or

(6) Married to a spouse assigned military duty outside of the State, not to exceed 3 years without filing an appeal.

B. A recipient’s deferral request shall include supporting documentation satisfactory to the Office, which shall consist of the following, as appropriate:

(1) Certification by the institution’s registrar that the recipient has returned to a full-time or part-time course of study at a post-secondary institution in the State;

(2) Certification by the employer that the recipient is on a temporary approved leave of absence;

(3) A sworn affidavit by a licensed physician that the recipient is temporarily disabled in a manner that substantially impairs the recipient’s ability to perform the service obligation;

(4) A sworn affidavit by a licensed physician that the recipient is unable to maintain employment because the recipient must care for a spouse or child who is disabled; or

(5) A copy of military orders.

C. The Office shall review all documentation and determine if the deferral conditions have been met and, if so, determine the deferral period.

D. During the period of an approved deferral, a recipient is not required to make scholarship repayments, and interest does not accrue.

E. The Office shall, on a case-by-case basis, review appeals from individuals assigned military duty outside the State, and from the spouses of individuals assigned military duty outside the State, that exceed the 3-year deferral limit. Appeals shall be in writing and shall include a copy of the military orders. The Director shall determine if an appeal is granted.

**.21 Waiver of the Service Obligation and Repayment.**

A. The Office shall waive a recipient's service and repayment obligations if it determines:

(1) On the basis of a sworn affidavit of 2 licensed physicians, that the recipient is permanently unable to fulfill the service obligation, on a full-time or part-time basis, because of a permanent impairment; or

(2) On the basis of a death certificate, or other evidence of death that is conclusive under State law that the recipient has died.

**.22 Determinations of the Office**

A decision of the Office under this chapter, including decisions regarding whether to grant an award, extension, waiver, or appeal, is final and not subject to additional review or appeal.



**Martin O'Malley**  
Governor

**Anthony G. Brown**  
Lt. Governor

**Anwer Hasan**  
Chairperson

**Catherine M. Shultz**  
Acting Secretary

## ***MEMORANDUM***

**DATE:** October 24, 2018

**TO:** Maryland Higher Education Commission

**FROM:** Donna Thomas  
Director, Office of Student Financial Assistance

**SUBJECT:** Financial Assistance Advisory Council (FAAC) By-laws

The purpose of this memorandum is to inform you of by-law changes to the Financial Assistance Advisory Council (FAAC).

The Financial Assistance Advisory Council to the Maryland Higher Education Commission is established in conformity with the Education Article, Title 11, Subtitle 1, Section 11-106 (A), of the Annotated Code of Maryland.

FAAC meets periodically to review matters as referred by the Commission or the Secretary for its consideration and advice and to make reports and recommendations to the Commission. The Council makes recommendations to the Commission on matters of statewide importance that affect its constituents.

The FAAC bylaws have been amended by the council as follows:

- Adding an additional council member, Director of Financial Aid for University of Maryland System;
- Adding a council member for System Administration for the Maryland Association of Community Colleges; and
- With adding two additional council members the total number of members has increased for 16 to 18.

**RECOMMENDATION: It is recommended that the Maryland Higher Education Commission adopt the proposed Bylaws to govern the operation of the FAAC.**



MARYLAND HIGHER EDUCATION COMMISSION

Financial Assistance Advisory Council

BYLAWS

Revised: October 24, 2018

.01 Establishment and Purpose

- A. The Financial Assistance Advisory Council to the Maryland Higher Education Commission is established in conformity with the Education Article, §11-106 (a), of the Annotated Code of Maryland and is hereafter referred to as the Council.
- B. The Council will meet periodically to review such matters as are referred by the Commission or the Secretary for its consideration and advice and to make reports and recommendations to the Commission.
- C. The Council may make recommendations to the Commission on matters of statewide importance that affect its constituents.

.02 Membership

The Advisory Council shall consist of 18 members, appointed by the Commission, who represent and are nominated by the heads of the following segments, associations, institutions, agencies, and councils:

- a. Chancellor of University System of Maryland
  - 1 - System Administration
  - 2 - Campus Financial Aid Director
  - 1 - Campus Admissions Director
- b. Executive Director, Maryland Association of Community Colleges
  - 2 - Campus Financial Aid Directors
  - 1 - System Administration
- c. President of Morgan State University
  - 1 - Director of Financial Aid
- d. President of St. Mary's College of Maryland
  - 1 - Director of Financial Aid
- e. Maryland Association of Private Colleges and Career Schools
  - 1 - Member
- f. Maryland Independent Colleges and Universities
  - 1 - MICUA
  - 2 - Director of Financial Aid



- g. Maryland School Counselors Associations - 2
- h. Student Advisory Council - 1
- i. Community at-large - 1
- j. Ex-Officio - Director, Office of Student Financial Assistance/MHEC.

.03 Terms, Vacancies, and Compensation

- A. Each member serves for a term of 2 years beginning May 1.
- B. Members may be reappointed for succeeding terms if they are nominated in accordance with §.02 .
- C. A member may serve up to six months longer than the member's term, but only until a successor is appointed.
- D. A vacancy shall be deemed to occur whenever a member misses two consecutive meetings of the Council in any one fiscal year without notification; is no longer affiliated with the segment, association, institution, agency, or council the member was appointed to represent; can no longer meet the responsibilities of office; or if the segment, association, institution, agency, or council no longer wants that member to represent it.
- E. If a member is unable to attend, an individual may be appointed to attend for the member and can vote on the member's behalf. This person is appointed by the represented segment, association, institution, agency or council with notification to the Chair prior to the meeting.
- F. A person appointed to fill a vacancy in an unexpired term serves for the remainder of that term only but may be reappointed.
- G. Each member of the Council serves without compensation. The Community at-large representative is entitled to reimbursement for expenses in accordance with the State Standard Travel Regulations.

.04 Officers and Duties

- A. The Council shall elect from among its members a Chair and a Vice-Chair.
- B. The Chair shall be a Council member who is serving in the second year of the 2-year term.

- C. The Vice-Chair shall be a Council member who is serving in the first year of the 2-year term.
  - D. The Vice-Chair shall serve as the Chair in the second year of the term.
  - E. An election of the Vice-Chair shall be held each year at the first meeting held after March 1.
  - F. Should the Council be unable to elect a Chair and Vice-Chair that meet the requirements of §.04B. and C., the Council may waive the requirements in §.04B. and C.
  - G. Officers shall serve for a term of one year beginning May 1.
  - H. The Chair shall preside at all meetings of the Council, shall call special meetings of the Council as deemed necessary, and shall appoint those committees that the Chair or the Council deem necessary.
  - I. The Vice Chair, at the request of the Chair, in the Chair's absence, or during an inability of the Chair to act, shall perform the duties and exercise the functions of the Chair and when so acting shall have the powers of the Chair, and have other powers and perform other duties that may be assigned by the Chair or by the Council.
  - J. Vacancies in office may be filled at any scheduled meeting of the Council.
  - K. A member selected to fill a vacancy in office serves for the remainder of that term only, unless the member is re-elected to that office.
  - L. A staff member assigned by the Maryland Higher Education Commission shall keep the minutes of the meetings of the Council, shall notify members of meetings of the Council, and shall be custodian of the records of the Council.
- .05 Meetings and Quorum
- A. The Council may adopt rules for the conduct of its meetings.
  - B. The Council normally shall meet at least once every other month at a time and place of its choosing.

- C. At all meetings of the Council a majority of the members serving on the Council shall constitute a quorum for the transaction of business and the affirmative vote of a majority of the members present and voting shall be sufficient to adopt any action.
- .06 Reports to the Maryland Higher Education Commission
- A. Members of the Council shall be provided due notice of the time and place of meetings of the Commission, along with the agendas and attachments for these meetings, including minutes of the previous meetings of the Commission.
- B. The Chair of the Council or the Chair's designee may be afforded time at public meetings of the Commission to report on the activities and/or recommendations of the Council and to answer questions.
- .07 Parliamentary Authority
- The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Council in all cases to which they are applicable and in which they are not inconsistent with these Bylaws or the laws of the State of Maryland.
- .08 Amendments to the Bylaws
- A. Any of these Bylaws may be altered or repealed and new Bylaws may be adopted by affirmative vote of a majority of the members serving on the Council at any regular meeting or at any special meeting called for that purpose.
- B. Amendments to the Bylaw adopted in accordance with §.08A shall take effect immediately upon final approval by the Commission and shall be applied prospectively.





Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** October 24, 2018  
**TO:** Commissioners, Maryland Higher Education Commission  
**FROM:** Emily A.A. Dow, Ph.D., Assistant Secretary, Academic Affairs  
**RE:** Proposed Regulations Regarding Off-Campus Programs at Regional Higher Education Centers

On June 27, 2018, the Commission approved for emergency adoption the enclosed proposed regulations regarding the provision of off-campus programs at regional higher education centers (“RHECs”). The regulations went into effect as an emergency measure, but they expire on December 31, 2018.

In order for the regulatory amendments to be effective beyond December 31, 2018, the Commission will need to approve them for publication in the Maryland Register for a public comment period.

Prior to the Commission’s adoption of the emergency regulations, COMAR 13B.02.03.20 prohibited MHEC from approving any off-campus unless the program already was offered at the institution’s principal campus. The emergency regulations modified this restriction so that an off-campus program may be approved if it is to be offered at an RHEC, regardless of whether the program also is offered at the institution’s principal campus.

### **RECOMMENDATION:**

It is recommended that the Commission:

(1) Approves for publication in the Maryland Register the enclosed amendments to COMAR 13B.02.03 regarding off-campus programs at regional higher education centers; and

(2) Authorizes its Assistant Attorneys General to make non-substantive edits to the proposed regulations if necessary to conform to the stylistic requirements of the Joint Administrative, Executive, and Legislative Review Committee or the Division of State Documents.

**.02 Definitions.**

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

B. Terms Defined.

(1) – (25) (text unchanged)

(25-1) “Regional higher education center” has the meaning indicated in § 10-101 of the Education Article, Annotated Code.

(26) – (27) (text unchanged)

**.20 Off-Campus Programs.**

A. An off-campus program may be approved only if there is already an existing on-campus program *unless a waiver of the on-campus requirement is approved by the Secretary pursuant to this paragraph.*

(1) *The Secretary shall grant a waiver if the Secretary finds that the program:*

(a) *Meets the requirements of a new program under § 11-206 of the Education Article, Annotated Code, and the requirements of this chapter; and*

(b) *Shall be offered at a regional higher education center.*

(2) *A program that receives a waiver under this section may not be approved at any location other than a regional higher education center unless it also is offered on-campus at the institution’s principal location.*

B. – F. (text unchanged)



Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

October 24, 2018

TO: Commissioners, Maryland Higher Education Commission

FROM: Emily A.A. Dow, Ph.D., Assistant Secretary, Academic Affairs

RE: Final Adoption of Regulations to Implement New Financial Guarantee Requirements for For-Profit Institutions of Higher Education

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During the 2018 legislative session, the General Assembly passed Senate Bill 795 as an emergency measure. The bill requires for-profit institutions of higher education to provide to the Commission financial guarantees in amounts sufficient to cover 100 percent of the institutions' non-Title IV tuition liability.

On June 27, 2018, the Commission approved the enclosed proposed regulations, for publication in the Maryland Register, in order to implement the new statutory requirements. The proposed regulations were published in the Maryland Register on August 31, 2018. No public comments have been received.

The regulations are ready for the Commission's final adoption.

**RECOMMENDATION:** It is recommended that the Commission approves for final adoption the enclosed proposed regulations, which were proposed in the Maryland Register on August 31, 2018, regarding the financial guarantee requirements of for-profit institutions of higher education.





already being produced and distributed in the region.

D. The industry impact is expected to be minimal. Refiners of distillate products have already invested in equipment for the removal of sulfur from heating oil. Due to this prior investment and with the product being readily available, refiners should be minimally impacted by the requirements to provide this product in Maryland.

E. This proposal is not expected to negatively impact other industries or trade groups. Fuel oil product meeting the proposed specifications is already being produced and distributed in the region.

F. The environmental and health benefits of lowering fuel sulfur content are reduced sulfur dioxides and fine particle emissions, resulting in decreased regional haze and improved visibility as well as decreased health effects such as respiratory, lung, and cardiovascular disease and asthma attacks.

**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 an impact on individuals with disabilities as follows:

The proposed action may have a positive impact on people with respiratory disabilities since the emissions that impact visibility also contribute to unhealthy concentrations of ozone and fine particles.

**Opportunity for Public Comment**

Comments may be sent to Cole Dowden, Staff Attorney/Tax Consultant, Field Enforcement Division, P.O. Box 2397, Annapolis, MD 21404, or call 410-260-7494, or email to cdowden@comp.state.md.us, or fax to 410-974-5564. Comments will be accepted through October 1, 2018. A public hearing has not been scheduled.

**.04 Specifications for No. 1 and No. 2 Fuel Oil (ASTM D-396)**

No. 1 fuel oil is a distillate oil intended for vaporizing pot-type and similar burners. No. 2 fuel oil is a distillate oil for general purpose domestic heating use in burners not requiring No. 1 fuel oil. Both shall meet the requirements of the following specifications, when tested in accordance with the latest version of the American Society for Testing and Materials Methods of Tests:

	No. 1 Fuel Oil	No. 2 Fuel Oil
A.—F. (text unchanged)		
G. Sulfur (ASTM D-1552) percent by mass shall not exceed the following maximums:		
(1) On and after November 1, 2014	0.20	0.20]
(2) (1) (text unchanged)		
(2) On and after July 1, 2019	0.0015	0.0015
(3) No. 1 and No. 2 Fuel Oil that was stored in this State by the ultimate final consumer prior to July 1, [2016] 2019, which met the applicable maximum allowable sulfur content for fuel oil before July 1, [2016] 2019, set forth in [§G(2)] §G(1) of this regulation at the time it was stored, may be used by the ultimate consumer in the State on and after July 1, [2016] 2019, until the supply is depleted.		
H.—I. (text unchanged)		

\* (text unchanged)

PETER FRANCHOT  
Comptroller

# Title 13B MARYLAND HIGHER EDUCATION COMMISSION

## Subtitle 02 ACADEMIC REGULATIONS

### 13B.02.06 Financial Guarantees and the Maryland Guaranty Student Tuition Fund for For-Profit Institutions of Higher Education

Authority: Education Article, §§11-105(u) and 11-203, Annotated Code of Maryland

**Notice of Proposed Action**

[18-212-P]

The Maryland Higher Education Commission proposes to amend Regulations .05 and .06 under COMAR 13B.02.06 **Financial Guarantees and the Maryland Guaranty Student Tuition Fund for For-Profit Institutions of Higher Education**. This action was considered at a public meeting of the Commission on June 27, 2018.

**Statement of Purpose**

The purpose of this action is to align the requirements of COMAR 13B.02.06 with the requirements of Ch. 836, Acts of 2018.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**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, Ph.D., Assistant Secretary, Maryland Higher Education Commission, 6 N. Liberty St., 10th Floor, Baltimore, MD 21201, or call 410-767-3300, or email to emily.dow@maryland.gov. Comments will be accepted through October 1, 2018. A public hearing has not been scheduled.

**.05 Financial Guarantee [or Alternative Fund Payment,] and Potential Guaranty Fund [Additional] Assessment.**

A. Each school shall:

(1) As prescribed by Regulation .06 of this chapter, [either] provide a financial guarantee to the Commission[, or make an alternative fund payment]; and

(2) (text unchanged)

B. (text unchanged)

**.06 Requirements for the Financial Guarantee [or Alternative Fund Payment].**

A. Subject to [§F] §E of this regulation, each school annually shall [elect to:

(1) Provide] *provide* the financial guarantee described in [§§B—D] §§B and C of this regulation]; or

(2) Make the alternative fund payment described in §E of this regulation].

B. A financial guarantee:

(1) Shall be in the form and amount the Secretary requires, which shall be no less than the amount described in §C of this regulation, and may be greater than the amount described in §C of this regulation; [and]

(2) Shall be between the Commission and the surety;

(3) Shall be made payable to the Secretary on behalf of the Commission; and

[(2)] (4) (text unchanged)

C. Amount of Guarantee [for Approved Schools].

[(1)] By October 1, 2017, a school that received its certificate of approval from the Commission prior to July 1, 2016, and that elects to provide a financial guarantee under this regulation, shall provide to the Commission a financial guarantee in an amount equal to either:

(a) 25 percent of the school's adjusted gross tuition and fees for the year July 1, 2015 through June 30, 2016; or

(b) The school's non-Title IV adjusted gross tuition and fees for the year July 1, 2015 through June 30, 2016.]

[(2)] (1) By [October 1, 2018, and] each [subsequent] October 1, a school [that received its certificate of approval from the Commission prior to July 1, 2016, and that elects to provide a financial guarantee under this regulation,] shall provide to the Commission a financial guarantee in an amount equal to the school's non-Title IV adjusted gross tuition and fees for the prior July 1 through June 30.

[(3)] (2) (text unchanged)

D. Amount of Guarantee for New Schools.

(1) For the school's first year of operation in the State, a school that receives a certificate of approval from the Commission on or after July 1, 2016, and that elects to provide a financial guarantee under this regulation, shall provide to the Commission a financial guarantee in an amount equal to \$500,000.

(2) For the school's second year of operation in the State, the school shall provide, by the expiration of its first year of operation in the State, a financial guarantee in an amount equal to the school's non-Title IV adjusted gross tuition and fees for the prior July 1 through June 30.

(3) For the school's third and subsequent years of operation in the State, the school shall provide, by October 1 of each year, a financial guarantee in an amount equal to the school's non-Title IV adjusted gross tuition and fees for the prior July 1 through June 30.

(4) The Secretary may require a school to increase the amount of the school's financial guarantee pursuant to Education Article, §11-203, Annotated Code of Maryland.

E. Alternative Fund Payment.

(1) If a school elects to make an alternative fund payment in lieu of providing a financial guarantee, the school shall pay into the Fund an amount equal to the amount that would have been required for the school's financial guarantee under §§B—D of this regulation.

(2) The alternative fund payment shall be a one-time payment, except that the Secretary annually may require a school to make an additional payment in the amount of any increase in the school's non-Title IV gross tuition and fees, as reflected in the school's annual Financial Reporting Form under Regulation .11 of this chapter.

F. A school is not required to provide a financial guarantee or to make an alternative fund payment under this regulation if the Secretary suspends those options and determines that the Fund shall be funded solely by assessments levied pursuant to Regulation .07 of this chapter.]

JAMES D. FIELDER, JR., Ph.D.  
Secretary of Higher Education

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

[18-211-P]

The Maryland Higher Education Commission proposes to amend Regulations .01—.05 under COMAR 13B.08.17 Student Loan Debt Relief Tax Credit. This action was considered at a public meeting of the Commission on June 27, 2018.

Statement of Purpose

The purpose of this action is to conform COMAR 13B.08.17 to the requirements of Chs. 382 and 419, Acts of 2018.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

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, Maryland Higher Education Commission, 6 N. Liberty St., Baltimore, MD, 21201, or call 410-767-3300, or email to geoff.newman@maryland.gov. Comments will be accepted through October 1, 2018. A public hearing has not been scheduled.

.01 Purpose.

The purpose of the Student Loan Debt Relief Tax Credit is to assist students who have incurred a certain amount of undergraduate loan debt [in attending undergraduate school], graduate loan debt, or both, by providing a tax credit on their Maryland State income tax pursuant to Tax-General Article, §10-740, Annotated Code of Maryland.

.02 Definitions.

A. — C. (text unchanged)

D. "Debt burden" means the [monthly] amount a qualified taxpayer is currently obligated to pay for a student loan debt.

E. — G. (text unchanged)

H. "Student loan debt" means an individual's obligation to repay a lender for monies borrowed by the individual to [attend an undergraduate institution] pursue an undergraduate or graduate education at an institution of higher education that is accredited by an accrediting body recognized by the United States Department of Education.

I. (text unchanged)

J. "Qualified taxpayer" means an individual who has:

(1) Incurred at least \$20,000 in [undergraduate] student loan debt; and

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

[K. "Undergraduate institution" means an institution of higher education that offers undergraduate degrees and is accredited by an accrediting body recognized by the United States Department of Education.]



**Larry Hogan**  
Governor

**Boyd K. Rutherford**  
Lt. Governor

**Anwer Hasan**  
Chairperson

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

## Maryland Higher Education Commission 2018 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.

### Meeting Dates and Locations

January 24, 2018	June 27, 2018
February 28, 2018	September 26, 2018 9:30am to 3:30pm
March 28, 2018	October 24, 2018
April 25, 2018	November 21, 2018 *Please note date change*
May 23, 2018	December 19, 2018 *Please note date change*

**All Commission Meetings will be held on the 4<sup>th</sup> Wednesday of Each Month from 1:00pm to 4:00pm at the Maryland Higher Education Commission in the 7<sup>th</sup> Floor Board Room located at 6 N. Liberty Street, Baltimore, MD 21201 unless otherwise noted.**

### Dates and Times Subject to Change

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



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