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**Maryland Higher Education Commission
FY 2025 Operating Budget
Higher Education Overview
Response to Department of Legislative Services Analysis**

**Senate Budget and Taxation
Subcommittee on Education, Business, and Administration
Senator Nancy King
January 25, 2024**

**House Appropriations
Subcommittee on Education and Economic Development
Delegate Stephanie Smith
January 29, 2024**

Page 17. - The Chancellor and Presidents of MSU, SMCM, the Maryland Independent College and University Association (MICUA), and the Secretary of the Higher Education Commission should comment on efforts to increase the participation of recent high school graduates in postsecondary education.

MHEC has been engaged in several initiatives that will increase participation of recent high school graduates in postsecondary education. First, MHEC has actively participated in discussions with MSDE and institutions regarding revisions to the college and career readiness standard. MHEC is supportive of the standard; it embraces multiple pathways for students to demonstrate their readiness for post-CCR pathways. Similarly, MHEC has established standing meetings with MSDE to discuss expanding dual enrollment opportunities throughout Maryland. A guidance document, issued by both MHEC and MSDE, regarding dual enrollment is currently under development. The guidance document will ensure that all LEAs in Maryland are offering dual enrollment opportunities in accordance with Maryland law and in an equitable way. Third, recent changes in the FAFSA will increase student eligibility for financial aid. MHEC hosted a Virtual Financial Aid Open House to discuss these changes and help students and families navigate the changes. The recording and FAQs can be found on the MHEC website. MHEC continues to work with key stakeholders to ensure the new FASFA rollout is as smooth as possible. Similarly, there is more state financial aid available to students, making postsecondary education more accessible to recent high school graduates.

Page 25. - MHEC, USM, MSU, SMCM, MICUA, and the Maryland Association of Community Colleges (MACC) should comment on what steps are being taken to assist the transfer student population, specifically identifying actions that have been taken to facilitate the student transfer process for these students and ensure their academic success.

Though regulatory changes that took effect a year ago, MHEC continues to work with colleges and universities as they implement the Transfer with Success Act. MHEC staff have presented at several statewide and institutional events and answered questions. Institutions have begun submitting program transfer agreements (through the academic program review process) and MHEC is reviewing those agreements. Currently, MHEC expects to ask institutions for revised implementation plans. Institutions will be asked to identify challenges in implementation. MHEC will evaluate if further regulatory changes are necessary in light of those challenges. Additionally, MHEC continues to evaluate the best approach for the required data collection. MHEC will be consulting with institutional representatives (transfer coordinators, registrars, institutional researchers, etc.) to ensure the drafted file layout is feasible. Finally, MHEC is in conversation with the Aspen Institute regarding a collaborative effort to elevate transfer in Maryland. The collaboration would establish a strategic council consisting of campus leadership, engage dyads or triads of institutions, and develop transfer goals for Maryland.

Page 31. - The Chancellor and Presidents of MSU, SMCM, MICUA, and MACC should comment on the potential impact the new simplified FAFSA will have on institutions including that on the financial aid offices, students, and costs and on the delay of receiving student data. The Secretary should comment on the potential impact this will have on the State's financial assistance programs.

Potential Impact the new simplified FAFSA will have on the State's financial assistance programs.

Among the students who submitted a Free Application for Federal Student Aid (FAFSA) to apply for the state financial assistance programs (i.e. Guaranteed Access Grant (GA), Educational Assistance Grant (EA) and Promise Scholarship (Promise)) in fiscal 2022-2023, almost 100,000 Maryland students were Pell Grant eligible, meaning they met the criteria established by the federal government to receive a Pell Grant award. Using data from MDCAPS, a simulation was run to provide a rough estimate of those students who would be affected by the FAFSA simplification/move to the Student Aid Index (versus the EFC). The simulation results show approximately 200 to 300 students (around 0.2 to 0.3 percent of eligible students) who were Pell eligible in 2022-2023 would lose their Pell grant eligibility under the new FAFSA simplification/FAFSA calculations to be implemented. The vast majority (over 99 percent) would continue to be eligible for a Pell grant award under the new calculations. Lastly, the model estimates that around 1,000 students would become Pell eligible who previously were not. For the 1,000 students who will become Pell eligible but were previously not, it is not expected to have an impact on the GA program since many of those students did not initially qualify for the GA program, however this may reduce the amount of EA funding the student is eligible to receive depending on what institution the student attends. Students who attend community college have lower costs of attendance (COA) than students who attend 4-Year Public or Independent/Private institutions. The additional Pell funds will cause the students' need to

decrease, which in turn will lower the amount of EA funds the students are eligible to receive. Additionally, the additional students who receive Pell and are eligible for the Maryland Community College Promise Scholarship will receive less Promise funding based upon the additional Pell received.

The Department of Education Federal Student Aid (FSA) released the soft launch of the 2024-25 Free Application for Federal Student Aid (FAFSA) form at the end of December 2023, where the form was made available for periods of time while FSA monitored site performance and responded in real time to any potential issues impacting the applicant experience. Due to the new simplified FAFSA becoming available to students and families at the end of December instead of the usual October 1, as well as being aware that FSA has uncovered several issues affecting users at various points in the FAFSA process, the Maryland Higher Education Commission (MHEC) extended the deadline date for Maryland residents to complete the FAFSA or MHEC One-App for undocumented students to June 1, 2024. By extending the required timeline for Maryland residents to complete the FAFSA or MHEC One-App so that applicants and families who experience issues are not as obstructed, it will increase the number of applicants who will become eligible for the GA or EA grant. Additionally, the decision to extend the deadline also extends the timeframe in which applicants may be awarded. Applicants who complete a FAFSA or MHEC One-App will receive notification of eligibility beginning on April 15, 2024, however notifications will continue to go out up until June 1, 2024 for any student who waits until the deadline to complete the FAFSA.