

# **MARYLAND HIGHER EDUCATION COMMISSION**

## **MEETING BOOKLET**

Time: 1:00 PM – 4:00 PM  
June 27, 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

Bryson Barksdale, 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.-4:00 p.m.  
Wednesday  
June 27, 2018

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

	<b>Page</b>	<b>Action Item</b>
<b>Call to Order</b>		
<b>Commission Minutes Approval</b> .....	1	*
• May 23, 2018		
<b>Chairman’s and Secretary’s Remarks</b>		
<b>Faculty Advisory Council</b>		
<b>Student Advisory Council</b>		
<b>Commissioner Committee Updates</b>		
<b>Applied Baccalaureate Workgroup Recommendations – Commissioner Yaeger</b> .....	5	
<b>Department of Finance and Administration – Geoff Newman</b>		
• Proposed Adoption on Regulations		
○ Student Loan Debt Relief Tax Credit .....	23	*
<b>Department of Academic Affairs- Michael Kiphart</b>		
• Proposed Adoption on Regulations		
○ For-Profit Institutions of Higher Education .....	29	*
○ Off-Campus Programs at Regional Higher Education Centers .....	33	*
<b>Office of Research and Policy Analysis – Jon Enriquez</b>		
• 2016 Bachelor’s Graduate Follow-Up Survey .....	37	
• Enrollment Projections- Maryland Public Colleges and Universities .....	39	
<b>Office of Student Financial Assistance – Donna Thomas</b>		
• Final Adoption on Regulations		
○ MLARP Foster Care .....	41	*
○ EEA Audit Regulations .....	47	*
<b>Adjournment</b>		



**Maryland Higher Education Commission**  
Meeting Minutes

May 23, 2018  
1:00 p.m.

The Maryland Higher Education Commission (MHEC) met on Wednesday, May 23, 2018 at 6 N. Liberty Street, 7th Floor Board Room, Baltimore, MD 21201.

**Commission members present:**

Anwer Hasan, Chairman	Sandra L. Jimenez, Vice Chairperson
Bryson Barksdale	Vivian S. Boyd, Ph.D.
Vera Jackson	Russell V. Kelley, Ph.D.
Ian D. MacFarlane	Joel C. Packer
Rizwan A. Siddiqi	John W. Yaeger, Ed.D

**Commission members not present:**

John W. Holaday, Ph.D.	Donna M. Mitchell

**Staff members present:**

Secretary Fielder	Dr. Emily Dow
Geoff Newman	Soma Kedia
Jon Enriquez	Alexia Van Orden
Karen King-Sheridan	Rhonda Wardlaw
Michael Kiphart	Jermal Butler
Vanessa Bennett	Donna Thomas
Stacy Price	

**Call to Order**

The meeting was called to order by **Chairman Hasan** at approximately 1:02 p.m. A meeting quorum was established with ten out of twelve members present.

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

There was a motion by **Commissioner MacFarlane** and a second by **Commissioner Siddiqi** for approval of the April 25, 2018 meeting minutes. The motion was approved unanimously.

### **Chairman’s Remarks**

No remarks.

### **Dr. Marvin Cheatham- The Coalition for Educational Excellence**

**Chairman Hasan** recognized Dr. Marvin Cheatham. Dr. Cheatham spoke before the Commission on behalf of the Coalition for Educational Excellence.

### **Secretary’s Remarks**

**Chairman Hasan** recognized **Secretary Fielder**. **Secretary Fielder** reported the legislative session has ended. **Secretary Fielder** reported on legislation that will directly impact higher education. **Secretary Fielder** recognized Dr. Emily Dow. Dr. Dow introduced new employee Stacy Price.

### **Faculty Advisory Council**

No report.

### **Student Advisory Council**

No report.

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

**Outreach, Grants, and Financial Assistance:** **Commissioner Packer** provided the Commission an update on the development of a mobile app. The application to NIC USA is in the final stages. **Commissioner Packer** reported the goal is to have the mobile app available by the fall. **Commissioner Packer** reported 122 outreach sessions have been completed. The committee set a goal to increase outreach sessions by 15%. The number of outreach sessions has already exceeded the 15% goal. **Commissioner Packer** further reported on the development of the train the trainer package and the agency’s communication plan.

**Program Review Committee:** **Commission Yaeger** updated the Commission on the agency’s effort to reconcile the academic program inventory. **Commission Yaeger** reported the Secretary has sent a letter to Chief Academic Officers to reconcile the institution’s academic program inventory by Friday. **Commissioner Yaeger** reports the goal is to have an accurate program inventory by next fall. **Commissioner Yaeger** updated the Commission on the status of the applied baccalaureate workgroup. **Commission Yaeger** reported the workgroup will prepare a final report for the Commission to be presented at the June meeting.

**Finance and Operations Committee: Commissioner MacFarlane** provided the Commission an update on the committee's activities. **Commissioner MacFarlane** reported the committee is working on staffing, standardizing the institution's annual budget requests and audit findings.

**Department of Academic Affairs – Proposed Adoption on Regulations – Workforce Development Sequence- Action Item**

**Chairman Hasan** recognized Dr. Emily Dow. Dr. Dow reported during the 2018 legislative session, the General Assembly passed Senate Bill 317 that created the Workforce Development Sequence Scholarship program. Dr. Dow further reported the Workforce Development Sequence Scholarship Program creates a scholarship opportunity for students enrolled in non-credit programs at Maryland community colleges.

**Commissioner MacFarlane** motioned that the Commission approve for publication and public comment the attached proposed regulations regarding the workforce development sequence scholarship program, and authorizes 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 Boyd** seconded the motion. The motion was approved unanimously.

**Department of Academic Affairs – Collegiate Quarterly Report- Information Item**

**Chairman Hasan** recognized Dr. Emily Dow. Dr. Dow provided an overview of the Secretary's actions concerning degree programs, certificate programs, area of concentration, out-of-state institutions, proposals withdrawn, programs denied, proposals discontinued/suspended, and partnerships.

**Department of Academic Affairs – PCS Quarterly Report- Information Item**

**Chairman Hasan** recognized Dr. Emily Dow. Dr. Dow provided an overview of the Secretary's actions concerning approval of new schools, new programs reviewed and approved, approval of changes of location, approval of name change, approval of change of ownership, approval of separate classrooms, other business, certificate renewals, other approvals, cease and desist orders, notices of deficiencies, program approval withdrawn, and school approval withdrawn.

**Office of Research and Policy Analysis – Follow-Up Survey of 2016 Graduates of Maryland Community Colleges- Information Item**

**Chairman Hasan** recognized Dr. Jon Enriquez. Dr. Enriquez recognized Alexia Van Orden. Ms. Van Orden provided the Commission a report on the Follow-Up Survey of 2016 Maryland Community College Graduates. This report provides information on completers' perceptions of the quality of their institutional experience, post-graduation educational and employment status, and other related outcomes.

**Office of Student Financial Assistance – Proposed Adoption on Regulations – Educational Excellence Awards Program- Action Item**

**Chairman Hasan** recognized Ms. Donna Thomas. Ms. Thomas reported the Commission previously has reviewed, and approved for publication, proposed regulations regarding the EEA Program. Ms. Thomas further reported the attached proposed regulations are largely similar to the prior version considered by the Commission, but differ from the prior version in several important aspects. The substantive changes are as follows:

(1) The regulations clarify that a student who fails to meet the credit completion requirement during his or her second year of receiving the award is not permanently precluded from receiving the grant for another year; the student may regain his or her eligibility in future years.

(2) The regulations clarify certain reporting requirements of institutions.

(3) The regulations clarify that OSFA's decision of a student's appeal of eligibility is final and not subject to further review.

(4) The regulations clarify the institution's responsibilities in cases in which the institution overrides an initial determination about a student's dependency status.

**Commissioner Boyd** motioned that the Commission (1) rescinds its approval of EEA Program regulations on March 28, 2018; and (2) approves for publication in the Maryland Register the enclosed EEA Program regulations, which are dated May 23, 2018, and authorizes 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 the motion. The motion was approved unanimously.

**Adjournment**

The meeting adjourned at approximately 2:31 p.m.





Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

DATE: June 27, 2018  
TO: Commissioners, Maryland Higher Education Commission  
FROM: John Yaeger, Ed.D. (Captain, USN, Ret.), Commissioner  
RE: Recommendations from the Applied Baccalaureate Workgroup

### **Background**

The Maryland Association of Community Colleges (MACC) Taskforce sent a proposal to Dr. James Fielder, Secretary, and Maryland Higher Education Commission (MHEC) in November 2017, to request a review of the potential implementation of applied baccalaureate degrees at Maryland community colleges to address unmet workforce needs. Secretary Fielder presented the proposal to the Commission in December, and the Commission voted to create a workgroup to study and consider the implementation of an applied baccalaureate degree in Maryland. The workgroup was led by Commissioner John Yaeger, Ed.D. with support from MHEC staff. All postsecondary partners were invited to participate in the workgroup.

The workgroup aligns with the 2017-2021 State Plan goal of “*promoting and implementing practices and policies that will ensure student success.*” Moreover, the workgroup discussions focused on two specific strategies: *Ensure that statutes, regulations, policies, and practices that support students and encourage their success are designed to serve the respective needs of both traditional and non-traditional students (strategy 5) and Improve the student experience by providing better options and services that are designed to facilitate prompt completion of degree requirements (strategy 6).* The intention of the workgroup was to find solutions to workforce needs in a transparent, collaborate, and inclusive manner.

Between January and May 2018, the workgroup met five times to discuss a variety of topics including current Maryland law, a review of other states’ programs that allow bachelor degrees at community colleges, definitions of an “applied baccalaureate”, defining and identifying workforce need, and current opportunities and processes to meet workforce need.

The MACC proposal requested that community colleges in Maryland be granted approval to offer an applied baccalaureate in narrow fields of high-skills based disciplines in light of unmet workforce needs. Currently, Maryland law limits community colleges to providing lower level undergraduate courses (§§10–210, 16-108, Education Article, Annotated Code of Maryland). Legislation would be required to allow community colleges to offer upper level undergraduate courses to offer bachelor degrees.

In light of this, the workgroup continued to discuss the issue of unmet workforce need and how the postsecondary community in Maryland can work together to address the unmet need. The MACC proposal highlighted six industries in which a bachelor degree may be

required for licensure or certification. The six industries identified in the MACC proposal are listed below.

- *Aeronautical Science, with related degrees in Professional Pilot, Helicopter Pilot, Drone Pilot, Air Traffic Control, and Dispatcher.*
- *Allied Health Programming.*
- *Automotive Field Operations, Service and Training.*
- *Human Services, Counseling, and/or Chemical Dependency Counseling.*
- *Interpreter Preparation.*
- *Interior Design.*

The workgroup discussed three of these industries in depth: aeronautical science, interior design, and interpreter preparation. The workgroup reviewed current workforce needs as measured by job projections (in Maryland and nationally), certification and licensing requirements for the industry, and current academic programs offered in Maryland.

The workgroup also discussed current processes that meet workforce need, including an existing request for proposal (RFP) process for community colleges to request partnership from 4-year institutions to offer a bachelor's degree program that is not currently offered in the region. The workgroup also discussed articulation agreements and the challenges regarding student transfer and credit articulation between community colleges and 4-year institutions.

Last, the workgroup discussed the skills-based nature of these programs and the need for an "applied baccalaureate" degree. Currently, Code of Maryland Regulations (COMAR) includes a "Bachelors of Technical Studies" and a "Bachelors of Professional Studies." The workgroup reviewed the current regulations and considered suggested edits.

As a result of these discussions, the workgroup agreed on seven recommendations. The MACC taskforce agrees with these recommendations in light of the original proposal. These recommendations will be presented to the Commission for discussion. The workgroup requests that the Commission either support or oppose these recommendations.

**Recommendation 1: The current Bachelors of Technical Studies and the Bachelors of Professional Studies satisfy the concept of an "applied baccalaureate" for Maryland. {Strategy 5, 2017-2021 State Plan}**

In addition to a Bachelor of Arts (BA), a Bachelor of Science (BS), and a Bachelor of Fine Arts (BFA), COMAR includes provisions for a Bachelors of Technical Studies (BTS) and a Bachelors of Professional Studies (BPS). A BTS and a BPS is a degree of at least 120 credit hours, and is awarded for the successful completion of: (a) an associate of applied science (AAS) degree, (b) an advanced program of study in the designated area of concentration, and (c) a three-credit hour internship related to the program (COMAR 13B.02.03.24.I).

Workgroup members provided their definitions of an applied baccalaureate as well as edits to the existing BTS and BPS. The workgroup discussed these definitions in the context of

what other states offer and what Maryland needs. Ultimately, the workgroup agreed that the current BTS and BPS definitions, outlined in regulation, sufficiently meet the concept of an “applied baccalaureate” and a pathway for the workforce need.

**Recommendation 2: The Commission should promote and clarify the current RFP process set in statute. {Strategy 5, 2017-2021 State Plan}**

Maryland law currently provides a process in which a community college may submit to the Commission a request for proposals for the offering of a baccalaureate degree program not currently offered in the region (§16–108, Education Article, Annotated Code of Maryland). Per statute, the Commission shall distribute the request for proposals to public senior higher education institutions and private nonprofit institutions of higher education. The workgroup noted that this is an underutilized process through which community colleges and 4-year institutions can collaborate. The workgroup requests that the Commission promote this process by educating campus leadership. Additionally, the workgroup requests clarity and guidelines for the RFP process.

**Recommendation 3: The Commission should provide a template for articulation agreements. {Strategy 5, 2017-2021 State Plan}**

In order for community colleges and 4-year institutions to work collaboratively together to meet unmet workforce needs, there needs to be a committed culture of maximizing transfer opportunities for students. The workgroup discussed the variety of articulation agreements (or transfer agreements, matriculation agreements) between institutions. Articulation agreements are not consistently signed by senior academic leadership on campus, are not always updated when there are changes in an academic program’s curriculum, and sometimes not implemented consistently (potentially at the expense of the student).

Due to these challenges, the workgroup requests that the Commission provide a standardized template for articulation agreements (for both 2+2 models and 3+1 models). The template should be a legally binding agreement between the two institutions and have signatories with appropriate academic leadership. The template should align with the existing COMAR provisions regarding transfer of credits (i.e., COMAR 13B.06.01, General Education and Transfer). Additionally, in order for the Commission to track and follow-up on articulation agreements, copies of the agreements should be deposited with the Commission.

**Recommendation 4: The Commission should consider a grievance process for articulation agreements. {Strategy 5, 2017-2021 State Plan}**

While articulation agreements can help to standardize transfer for students, there is currently not a process in place for institutions to seek third-party mediation when there is disagreement. Some members of the workgroup expressed a concern that parties need to be held accountable for articulation agreements. There is currently a transfer mediation committee set in regulation (COMAR 13B.06.01.07). However, the transfer mediation committee is limited to transfer of general education courses. Therefore, the workgroup requests that a grievance or mediation process is considered.

**Recommendation 5: The Commission should promote the completion of an associate’s degree prior to transferring through the articulation agreement template and through transfer scholarships. {Strategy 5 and 6, 2017-2021 State Plan}**

It is important that community college students complete the associate’s degree prior to transferring. Articulation agreements should encourage and, when appropriate, require the completion of the associate’s degree. Community colleges and 4-year institutions should mutually agree upon the requirements of the articulation agreement and promote the completion of the Associate’s degree by students. Additionally, promoting and expanding the existing state transfer scholarship program will help to encourage the completion of the associate’s degree. Currently, the existing 2+2 transfer scholarship program awards \$2,000 for STEM majors and \$1,000 for non-STEM majors.

**Recommendation 6: There is a timeline to review and discuss the progress of meeting unmet workforce needs, particularly for the industries presented in the MACC proposal.**

The workgroup agreed to meet again in December 2018 to provide an opportunity for community colleges and 4-year institutions to collaborate and establish programs to meet unmet workforce needs. The primary purpose of the December meeting will be to evaluate progress. The workgroup agreed that if little or no progress (as outlined in recommendation 7) has been made in 3 years, the workgroup requests that the Commission reconsider MACC’s original November 2017 proposal.

**Recommendation 7: Measures of progress towards meeting unmet workforce needs in Maryland will be demonstrated through (a) improved processes (e.g., promoting and clarifying the RFP process), (b) explicit articulation agreements, and (c) examining the success of specific pathways.**

As the MACC proposal notes, Maryland lacks several 4-year programs. However, workgroup participants noted that there are many related and relevant academic programs that can be expanded to complement existing community college programs to meet the specific workforce needs presented in the November proposal. Many representatives from the 4-year institutions committed to following-up with community colleges. In order to measure progress, the workgroup agreed to three specific measures: improved processes, articulation agreements, and demonstrated success of specific pathways.


Enter search

# Institutions/Training Academic Program Proposals

- Institutions & Training
- Colleges & Universities
- Private
- Career Schools
- Workforce Innovation & Opportunity Act
- Veterans Benefits
- Academic Common Market Program Review
- MD Fire-Rescue Education
- Institutional Grants

## From Degree-Granting Institutions Authorized to Operate in the State of Maryland

An institution submits a proposal using guidelines in accordance with State regulations.

See  COMAR Title 13B.02.03 (PDF) for the full set of regulations. Proposals for new programs should be submitted electronically to [acadprop.mhec@maryland.gov](mailto:acadprop.mhec@maryland.gov).

### New Academic Programs, Degrees and Stand-Alone Certificate Programs

An institution shall submit a program proposal for a new program to:

- establish instruction leading to a formal award in a subject area in which the award is not presently authorized,
- establish an instructional program in a subject area which will offer a degree at a different degree level than presently authorized,
- establish a new major by combining course work from two or more existing degree programs, or
- establish a degree that is of a different type than

13B.02.02.06

## **.06 Institutional Approval Process.**

A. A prospective in-State institution may not operate, do business, recruit or enroll students, or begin instruction until it obtains approval from the Commission in accordance with this regulation.

B. An existing associate degree-granting institution seeking approval to offer baccalaureate or higher degrees may not recruit or enroll students, or begin instruction for the proposed new degree program until it obtains approval from the Commission in accordance with this regulation.

C. An application for institutional approval shall be submitted in two stages in a format prescribed by the Secretary and accompanied by additional information as required. A prospective in-State institution shall complete the two stages before the Commission may grant approval.

D. A prospective in-State institution shall submit two separate non-refundable application [fee] fees for a Stage One Application and a Stage Two Application in the amount of:

(1) \$7,500 for up to two degree programs; and

(2) An additional \$850 for each degree program over two programs.

E. Application for Approval at Stage One.

(1) A prospective in-State institution shall provide a Stage One application to the Secretary that includes the following items in a form and manner prescribed by the Secretary:

(a) Evidence of a critical and compelling regional or Statewide need and demand for specific academic degree programs in a specific geographic region of the State in accordance with Regulation .05 of this chapter;

(b) Evidence of adequate financial resources to establish and maintain an institution of higher education as provided in Regulation .07 of this chapter;

(c) Financial information in a form and manner prescribed by the Secretary to include:

(i) For an existing in-State institution, financial statements for each of the past 3 years or fewer, if the institution has operated for fewer than 3 years, or for an institution owned by a parent institution, organization, corporation, or other entity, separate financial statements for the institution and the parent institution, organization, corporation, or entity, and any intermediate subsidiaries; and

(ii) For both existing and prospective in-State institutions, a 4-year projection of anticipated income and expenditures that demonstrates that tuition and other sources of income shall be sufficient to provide a sound financial operation and assure diversity of intellectual interest and resources; and

*13B.02.02.05***.05 Need Criteria.**

A. Before the Commission may evaluate the readiness of an institution to operate or award new degrees in the State, including the offering of an instructional program or a degree level not previously subject to approval or recommendation or not authorized by an institution's charter, the institution shall present evidence demonstrating the educational need to establish operations, offer programs, and award the degrees in question in the State.

B. The evidence to be considered shall include:

- (1) Degree to be awarded;
- (2) Area of specialization;
- (3) Purpose or objective of the program or course of study to be offered;
- (4) Specific academic content of the program or course of study;
- (5) Quality of the proposed program in comparison to existing programs;
- (6) Analysis of the market for the program; and
- (7) State's equal educational opportunity obligations under State and federal law.

C. In addition, the institution shall demonstrate that the proposed program, for which the institution is making application, meets a critical and compelling regional or Statewide need and is consistent with the Maryland State Plan for Postsecondary Education.

D. The institution shall clearly state the demand and need for a program, for which the institution is making application, in terms of meeting present and future needs of the region and the State in general. Two kinds of needs may be identified:

- (1) Societal needs, including the tradition of liberal arts education, which provides immeasurable returns to the State in part by instilling in citizens a capacity for advanced learning and individual and societal benefits regardless of workforce or market demand considerations; and
- (2) Occupational needs relative to meeting workforce requirements or upgrading vocational or technical skills.

E. Market Demand Data.

- (1) The institution shall present data projecting market demand and the availability of openings in the job market to be served by the new program for which the institution is making application. The type of information submitted will vary, depending on the program, but may include workforce and employment projections prepared by the federal and State governments,

professional associations, and trade associations.

(2) With the exception of programs in the liberal arts, recently collected, existing, or new market surveys shall be used, which clearly provide quantifiable and reliable data from prospective employers on the education and training needs and the anticipated number of vacancies expected over the next 5 years.

(3) In assessing demand for a new program for which the institution is making application, an institution shall also present data showing the current and projected supply of prospective graduates in that program area in the State and region.





Emily Dow -MHEC- &lt;emily.dow@maryland.gov&gt;

---

## A Proposal to Implement Applied Baccalaureate Degrees at Maryland Community Colleges

---

**Kurtinitis, Sandra L.** <skurtinitis@ccbcmd.edu>  
To: "james.fielder@maryland.gov" <james.fielder@maryland.gov>  
Cc: Emily Dow -MHEC- <emily.dow@maryland.gov>

Wed, Nov 29, 2017 at 5:00 PM

### *Memorandum*

**TO:** Dr. James Fielder  
Secretary, Maryland Higher Education Commission (MHEC)

**FROM:** Maryland Association of Community Colleges (MACC) Taskforce

**RE:** **A Proposal to Implement Applied Baccalaureate Degrees at Maryland Community Colleges**

**DATE:** November 29, 2017

The Fashion Institute of Technology in New York, NY was the first public community college to confer applied baccalaureate degrees in the 1970s. Since then, community colleges in over 20 states have begun to offer this specialized type of baccalaureate degree (<http://www.accbd.org/resources/baccalaureate-conferring-locations/>). Applied baccalaureate programs provide students with the opportunity for seamless transfer from traditional Associate of Applied Science (A.A.S.) degree programs into their four year counterparts, thereby preparing for employment opportunities that now require a four-year degree for entry level positions.

The 16 Maryland Community Colleges propose to seek approval from the Maryland Higher Education Commission (MHEC) to award the applied baccalaureate degree in subject areas that focus heavily on skills. As per the authority already provided by specific language in COMAR, applied baccalaureate degrees must meet the following criteria: the degree must not currently be awarded by any four-year college in the state; it must be targeted to an existing workforce need which is unmet by currently available degree options or are awarded only in remote areas.

As you can see from the appended material, current COMAR regulations do not prohibit community colleges from offering such degrees if proposals meet the above stated requirements. The decision to approve such programs is subject to the same approval process by the Maryland Higher Education Commission (MHEC) for all other degree proposals. Overwhelmingly, in the past, opposition to such programs has come on the basis of charges of duplication of existing capacity, or fear of duplication or competition, factors which will not be at work in these examples.

The advantages to students of the awarding of such degrees at the state's community colleges are enormous. Currently, students seeking such applied baccalaureate degrees must enroll in institutions out-of-state, with the enormous inconveniences and hardships that come with this imperative. The issue of cost is also critical. Most out of state baccalaureate programs charge tuitions that are two to ten times more costly than such programs would be at the state's community colleges.

Examples of applied baccalaureate degrees likely to be proposed by Maryland community colleges might include the following:

- **Automotive Field Operations, Service and Training.** There is no four-year degree offered in Maryland for this specific field although half of other states in the nation offer the applied baccalaureate in this skilled discipline. These are primarily sought as a credential for trainers of other technicians and as a mobility tool for rising to management or to entrepreneurship in the field.
- **Aeronautical Science, with related degrees in Professional Pilot, Helicopter Pilot, Drone Pilot, Air Traffic Control, and Dispatcher.** Most of these degrees are not offered by any other four-year institution in the state. The University of Maryland Eastern Shore (UMES) does offer degrees in Professional Pilot and in Aviation Management but at only on the Eastern Shore which requires expensive relocation for most students. UMES does not currently offer any of the other degrees noted above. Large numbers of students seek the four-year degree, but well over 95% of such students relocate to another state to enroll in their expensive programs.
- **Human Services, Counseling, and/or Chemical Dependency Counseling.** No institution in the state offers this specific program at a four year level. Demand for an applied baccalaureate program in these disciplines is large; students who currently seek the higher level degree currently have to change to a different and marginally relevant major.
- **Interior Design.** There are currently no four-year degrees offered for this program in Maryland, although the demand is large. A national certification exam requires at least 18 credits in the discipline above the A.A.S. Degree. Our recent study showed that 90% of associate degree graduates in Interior Design wish to pursue the applied baccalaureate in their field. Currently, they are forced to go out of state or transfer to a different major.
- **Allied Health Programming.** A full range of applied skills programming in the Allied Health fields might reasonably benefit from the Applied Baccalaureate credentialing that disciplines such as Occupational Therapy Assistant and Physical Therapy Assistant are now considering for entry level into these fields.
- **Interpreter Preparation.** No Interpreting for the Deaf Programs at the baccalaureate level exist in Maryland. Towson University has a Deaf Studies program, although that curriculum contains a mere three credits of Interpreting. Without a baccalaureate degree, students cannot be listed on the National Registry of Deaf Interpreters, and only four-year programs are nationally accredited. Currently, the students who seek this degree must go out of state, with the attendant problems noted above.

Based on the examples above, criteria that colleges would consider in determining proposals for applied baccalaureate programs would be as follows:

1. **Sufficient pool of qualified students:** Current A.A.S. students often find seamless transfer to local four-year colleges and universities difficult. This is logical as traditional A.A.S. students are prepared for entry into a technical career upon graduation. However, in a growing percentage of these career programs, the bachelor's degree is now required for entry-level employment. An applied baccalaureate degree would permit seamless transfer for graduates of A.A.S. programs and provide students with the opportunity to earn needed credentials in their field.

2. **Market demand for baccalaureate degree:** The programs selected as candidates for applied baccalaureate degrees must have high market demand for graduates with a bachelor's degrees. Careers such as Interpreter Preparation are moving toward a requirement for a bachelor's degree to sit for the National Registry exam. With an integrated approach to both theory and practice, graduates holding applied baccalaureate degrees in Behavioral Health Counseling will be uniquely qualified to offer services to clients with greater needs, especially those affected by the opioid crisis. Given that the state has a major International Airport in its midst and a large number of smaller aviation centers across the state, Aeronautical Sciences provides essential credentials necessary for upward mobility with local and national aviation employers.
  
3. **Lack of Competition in Our Region:** All applied baccalaureate programs under consideration have no direct four-year competitors in the state. While a number of colleges offer Human Services stand-alone programs, for example, and some offer addictions services tracks within Human Services degree programs, none to date have integrated the theory and practice of Behavioral Health Counseling. While an Aviation Sciences program exists at the University of Maryland Eastern Shore (UMES), the programs are geographically isolated and should not impact enrollment at UMES.
  
4. **Expertise in Faculty:** Highly qualified faculty in their respective fields of study already exist within the community college facilities who currently deliver instruction in A.A.S. disciplines. All must be Masters prepared, and many have doctoral degrees. Any additional faculty required by increased enrollment demands will have appropriate credentials necessary for teaching in that field.
  
5. **Low Additional Cost for Implementation:** All approved programs would need to have appropriate resources in place to confer applied baccalaureate degrees. Cost for additional faculty, if necessary due to program demand, would be factored into the cost/benefit analyses to ensure that implementation of applied baccalaureate programs would not contribute to overall student costs at both associate and bachelor level.

It is important to note that Maryland's community colleges envision offering applied baccalaureate degrees in fields that are closest to our mission. We believe Applied Baccalaureate career programs are essential to workforce development in our state. The proposed applied baccalaureate degree is a natural extension of programming that the community colleges do best. A new level of credentialing could provide qualified students with necessary access to affordable and high quality programs to meet the documented workforce development need in Maryland... without having to send its students to other states to receive requisite credentialing. Students in an applied baccalaureate program would greatly benefit from lower tuition expenses and the ability to seek a baccalaureate in fields currently only available out of state. Furthermore, graduates of these programs would provide a pipeline of qualified applicants for suitable master's degree programs at the state's colleges and universities.

Thank you for consideration of this proposal. We look forward to discussing it with you and your staff.

:das



**SKM\_C554e16111221170.pdf**  
1255K



**MHEC**  
Creating a state of achievement

Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** January 12, 2018

**TO:** Postsecondary Segments and Partners in Maryland

**FROM:** Anwer Hasan, Chair Maryland Higher Education Commission  
Dr. James D. Fielder, Secretary Maryland Higher Education Commission

**SUBJECT:** Applied Baccalaureate Workgroup: Invitation to Participate

The Maryland Higher Education Commission (MHEC) received a proposal from the Maryland Association of Community Colleges Taskforce to implement applied baccalaureate degrees at Maryland community colleges (attached). Currently, an applied baccalaureate degree does not exist in Maryland. Community colleges currently offer lower degree certificates and associate degrees (Associate of Applied Science (A.A.S.), Associate of Arts (A.A.), Associate of Arts in Teaching (A.A.T.), Associate of Fine Arts, (A.F.A.), Associate of Science (A.S.), and Associate of Science in Engineering (A.S.E.)). In Maryland, three four-year institutions offer bachelor and associates degrees (University of Maryland University College, Capital Technology University, and Washington Adventist University).

In light of this proposal, MHEC commissioners voted on December 13, 2017, to create a work group to study and consider the implementation of an applied baccalaureate degree in Maryland. The workgroup will be led by Commissioner John Yaeger and Assistant Secretary Emily A. A. Dow Ph. D., Assistant Secretary for Academic Affairs.

### Workgroup Representatives and Participants

MHEC welcomes representation and participation from all segments of postsecondary education in Maryland. The intent is to have an inclusive, collaborative, and transparent discussion. At a minimum, representation will include:

- Representative(s) from each segmental group (MACC, USM, MICUA, Morgan, St. Mary's)
- Campus representatives from the community colleges
- Campus representatives from the four-year institutions
- Representatives from the private career schools and/or for-profit institutions
- Representative from the Governor's Office
- Representatives from different Maryland counties
- Representative(s) from the Department of Commerce

- Representative(s) from Department of Labor, Licensing, and Regulation
- Representatives from Maryland's Historically Black Colleges and Universities
- Representative(s) from the Student Advisory Council
- Representative(s) from the Faculty Advisory Council
- Appropriate staff from MHEC (e.g., Assistant Secretary, Director for Academic Affairs, etc.)

Please submit names, titles, and contact information for individuals interested in participating in this workgroup to Priscilla Moore, Special Assistant to the Secretary, no later than January 23, 2018 ([Priscilla.Moore@Maryland.gov](mailto:Priscilla.Moore@Maryland.gov)). Information regarding the conference call workgroup meeting will be circulated to the list on January 24, 2018.

### Questions to Consider

The workgroup is tasked to consider the following questions and make recommendations to the commissioners and Secretary James Fielder no later than the June 2018 Commission meeting.

1. What are the current Maryland statutes and regulations that allow all institutions to offer degrees and academic programs?
2. How is an applied baccalaureate degree defined in other states (i.e., what are the working models for the degree in other states)?
  - a. How is an applied baccalaureate degree different from existing degrees in Maryland?
  - b. What are the benefits and limitations of applied baccalaureate degrees?
  - c. What are the best practices in other states?
3. What is the need (particularly workforce or employer demand) for an applied baccalaureate in Maryland?
  - a. Is an applied baccalaureate required for specific industries?
4. How would an applied baccalaureate at community colleges impact funding mechanisms?
5. What would be the status of a community college if the institution offered an applied baccalaureate?
6. What would be the cost to implement an applied baccalaureate at a community college in Maryland?
7. Would institutional accreditation be impacted if an applied baccalaureate at a community college was implemented? If so, how?

### Workgroup Meeting Dates

The workgroup is expected to meet on the following dates (all meetings are scheduled from 1:00 – 3:00 pm):

- Thursday, January 25, 2018 (conference call)
- Thursday, February 8, 2018 (location TBD)
- Thursday, March 8, 2018 (location TBD)

- Thursday, April 12, 2018 (location TBD)
- Thursday, May 10, 2018 (location TBD)

Meeting Agendas

The agenda for the first meeting is below. Agendas for the remaining meetings will be set before the meeting on February 8, 2018. If there is an item you wish to discuss or present on during these workgroup meetings, please send your request to Dr. Emily Dow, Assistant Secretary for Academic Affairs ([emily.dow@maryland.gov](mailto:emily.dow@maryland.gov)) by February 1, 2018.

The Commission looks forward to working with all segments of higher education to study the impact of implementing an applied baccalaureate degree at Maryland community colleges.

**Maryland Higher Education Commission  
Applied Baccalaureate Workgroup**

Thursday, January 25, 2018  
1:00 – 3:00 pm  
Conference Call (details to be circulated on January 24, 2018)

Meeting Agenda

1. Welcome (Emily Dow, Assistant Secretary for Academic Affairs)
2. Opening Remarks (John Yaeger, Commissioner)
3. Roll Call
4. Workgroup Structure, Expectations, and Deliverables (Commissioner Yeager, Dr. Dow)
5. Overview of current Maryland law (Christine Wellons, Principal Counsel)
6. Agenda items for future meetings
7. Questions





Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## Meeting Agendas for Applied Baccalaureate Workgroup

### Thursday, March 8, 2018

1. Welcome/Roll Call
2. Summary of call with California
3. Review definitions
  - a. Current degrees offered in Maryland
  - b. Definition of an applied baccalaureate in other states
  - c. Review the proposed definition of an applied baccalaureate for Maryland from community college proposal
4. Identify a recommended working definition of an applied baccalaureate in Maryland

### Thursday, April 12, 2018

1. Welcome/Roll Call
2. Identifying workforce need
  - a. Mechanisms to identify workforce need (e.g., databases, industry organizations, etc.)
  - b. Industry/Programmatic Accreditation/Certification/Licensing requirements
  - c. Current processes to meet workforce need (e.g., current programs, transfer programs/articulation agreements/ARTSYS, workforce shortage designations, workforce shortage scholarships, accelerated programs, etc.)
3. Identify recommendations regarding workforce need in Maryland

### Thursday, May 10, 2018

1. Welcome/Roll Call
2. Capacity
  - a. Implementation and accrediting concerns at Maryland institutions
  - b. Location: meeting workforce shortages in specific areas of the State
  - c. Current capacity of Maryland institutions and future capacity of Maryland institutions
3. Cost
  - a. Cost to student
  - b. Cost to institution
  - c. Maryland funding mechanisms
4. Identify recommendations regarding capacity and cost for implementing an applied baccalaureate in Maryland
5. Identify recommended next steps

A summary of recommendations from the three meetings will be prepared and circulated before presentation to the Commission.





Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** June 27, 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 publication in the Maryland Register 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 a 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.

**RECOMMENDATION:** It is recommended that the Commission approves for publication in the Maryland Register the enclosed Student Loan Tax Credit regulations. It is further recommended that the Commission 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.

13B.08.17.01

### **.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, graduate loan debt, or both, in attending undergraduate school by providing a tax credit on their Maryland State income tax pursuant to Tax-General, 10-740, Annotated Code.

13B.08.17.02

### **.02 Definitions.**

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

B. “Commission” means the Maryland Higher Education Commission.

C. “Comptroller” means the Comptroller of Maryland.

D. “Debt burden” means the ~~monthly~~ amount a qualified taxpayer is currently obligated to pay for ~~a~~ student loan debt.

E. “Income” means the adjusted gross income reported by a qualified taxpayer on their federal tax return in the tax year immediately preceding the year the taxpayer applies for the Student Loan Debt Relief Tax Credit.

F. Lender.

(1) "Lender" means an entity, institution, or government that lends funds to a student, or on behalf of a student, to pay for charges for tuition or fees.

(2) “Lender” includes:

(a) A bank, mutual savings bank, savings and loan association, or credit union that is subject to examination and supervision in its capacity as a lender by an agency of the United States or of the state in which its principal place of operation is located;

(b) A pension fund that is subject to examination and supervision by an agency of the United States or a state;

(c) An insurance company that is subject to examination and supervision by an agency of the United States or a state;

(d) In any state, a single agency of the state or a single private nonprofit agency designated by the state to lend funds to a student or manage student loan debt;

(e) For purposes of purchasing and holding loans made by other lenders, a student loan marketing association or an agency of any state or the federal government functioning as a secondary market; and

(f) The United States Department of Education, federal Department of Veterans Affairs, federal Department of Defense, and any other federal agency.

G. “Secretary” means the Maryland Secretary of Higher Education.

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

I. “Student Loan Debt Relief Tax Credit” means the tax credit authorized under Tax-General Article, §10-740, Annotated Code of Maryland.

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 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.

13B.08.17.03

### **.03 Tax Credit.**

A. Subject to the provisions of Tax-General Article, §10-740, Annotated Code of Maryland, and the provisions of this chapter, a qualified taxpayer may claim a credit against the State income tax for the taxable year in which the Commission certifies a tax credit under this chapter.

B. The Commission shall certify a tax credit to a qualified taxpayer as provided in this Chapter.

C. A qualified taxpayer that receives a certification of a tax credit from the Commission shall be responsible for timely and appropriately incorporating the Commission’s certification into the taxpayer’s tax filings with the Comptroller’s office. A qualified taxpayer shall attach a copy of

the Commission's certification of the approved credit amount to the taxpayer's income tax return.

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. If 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 in any taxable year exceeds the total tax otherwise payable by the qualified taxpayer for that taxable year, the qualified taxpayer may claim a refund in the amount of the excess.

F. The Comptroller shall make the final determination on a qualified taxpayer's eligibility for a Student Loan Debt Relief Tax Credit pursuant to Tax-General Article, Annotated Code of Maryland.

13B.08.17.04

#### **.04 Applying to the Commission for Certification of a Tax Credit.**

A. A qualified taxpayer ~~desiring to~~requesting that the Commission certify a tax credit shall apply to the Commission as provided in this regulation.

B. A qualified taxpayer shall submit a signed application, on a form prepared by the Commission in accordance with §C of this regulation, for a Student Loan Debt Relief Tax Credit by September 15 of the tax year in which the taxpayer seeks to apply a Student Loan Debt Relief Tax Credit to the taxpayer's income tax return.

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) The qualified taxpayer's full legal name, date of birth, gender, residency address, email address, phone number, and social security number;

(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) At least \$5,000 in outstanding student loan debt at the time the application is submitted;
- (4) For each student loan debt that contributes to the amount of student loan debt attested to pursuant to §C(3) of this regulation the:
  - (a) Name, address, and phone number of the entity that provided the student loan debt;
  - (b) Account numbers associated with the student loan debt;
  - (c) Full names of all persons legally responsible for repaying the student loan debt;
  - (d) Original amount of the student loan debt;
  - (e) Total amount of debt that the qualified taxpayer has incurred under the student loan debt; and
  - (f) Total amount of the student loan debt currently outstanding at the time the Student Loan Debt Relief Tax Credit application is submitted;
- (5) Information that the Secretary deems necessary in order to allow the Commission to determine the qualified taxpayer's debt burden;
- (6) Information that the Secretary deems necessary in order to allow the Commission to determine the qualified taxpayer's income;
- (7) A signed and notarized statement by the qualified taxpayer under penalty of perjury attesting that the information submitted in the application is true and correct to the knowledge and belief of the qualified taxpayer;
- (8) A signed and notarized statement by the qualified taxpayer authorizing a lender or educational institution to release personal academic or financial information as may be requested by the Commission in processing the qualified taxpayer's application; and
- (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. By December 15 of the year in which a qualified taxpayer has submitted an application under §B of this regulation, the Commission shall certify to the individual the amount of any tax credit approved by the Commission as provided in Regulation .05 of this chapter.

13B.08.17.05

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

A. Upon the filing of a timely and complete application for the Student Loan Debt Relief Tax Credit by a qualified taxpayer, the Commission shall review the application and certify to the individual the amount of any tax credit approved by the Commission.

B. The Commission's certification under §A of this regulation shall be issued by December 15 of the year in which the qualified taxpayer submitted an application.

C. The amount of the tax credit approved by the Commission:

(1) May not exceed \$5,000; and

(2) May be \$0.00.

D. The Commission shall prioritize tax credit recipients and amounts credited to each recipient in the following order:

(1) Qualified taxpayers who did not receive a tax credit in the prior year and who were eligible for in-State tuition;

(2) Qualified taxpayers who did not receive a tax credit in the prior year and who graduated from an institution of higher education located in the State;

(3) Qualified taxpayers who did receive a tax credit in the prior year and who were eligible for in-State tuition;

(4) Qualified taxpayers who did receive a tax credit in the prior year and who graduated from an institution of higher education located in the State; and

(5) Qualified taxpayers who have higher debt-burden-to-income ratios.

E. In certifying amounts to qualified taxpayers, the Commission shall consider allocations that maximize the number of qualified taxpayers that receive a certification.

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





Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** June 27, 2018  
**TO:** Commissioners, Maryland Higher Education Commission  
**FROM:** Michael J. Kiphart, Ph.D., Director, Academic Affairs  
**RE:** Proposed Regulations Regarding Financial Guarantees of For-Profit Institutions of Higher Education Operating in Maryland

The purpose of this memorandum is to request the Commission's approval for publication in the Maryland Register of the enclosed proposed regulations regarding the financial guarantees provided by for-profit institutions of higher education under § 11-203 of the Education Article, Annotated Code.

Senate Bill 795 of the 2018 legislative session provides that a for-profit institution of higher education must provide financial guarantees sufficient to cover its total non-Title-IV tuition liability. It is necessary to amend MHEC regulations (COMAR 13B.02.06.05) in order to implement Senate Bill 795.

Current regulations give for-profit institutions an option between providing the financial guarantee or providing a cash fund into a guaranty fund in an amount equal to the financial guarantee. In order to align with Senate Bill 795, it is necessary to remove the option of the cash payment in lieu of a financial guarantee.

It should be noted that all for-profit institutions of higher education operating in Maryland have provided to MHEC financial guarantees sufficient to cover their non-Title IV tuition liability. Thus, all for-profit institutions of higher education operating in Maryland currently are in compliance with Senate Bill 795's new financial guarantee requirements.

**RECOMMENDATION:** It is recommended that the Commission approves for publication in the Maryland Register the enclosed amendments to COMAR 13B.02.06 regarding financial guarantees required by for-profit institutions of higher education. It is further recommended that the Commission 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.

13B.02.06.05

**.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) As prescribed by Regulation .07 of this chapter, pay an assessment, if one is levied by the Secretary, into the Fund.

B. The Secretary may not issue a certificate of approval to, and may revoke any certificate of approval previously issued to, a school that fails to comply with the requirements of §A of this regulation.

13B.02.06.06

**.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) P~~p provide the financial guarantee described in §§B—~~C~~D 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 consistent with section C;
- (2) Shall be between the Commission and the surety;
- (3) Shall be made payable to the Secretary on behalf of the Commission; and
- ~~(2)~~ Shall be made under the terms and conditions determined by the Secretary, including the conditions that the institution will:
  - (a) Faithfully comply with all agreements and contracts that it makes with a student; and
  - (b) Comply with Education Article, Annotated Code of Maryland.

C. Amount of Guarantee ~~for Approved Schools~~.

Formatted: p1

~~(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) By October 1, 2018, and e(1) By 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) 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.~~

#### ~~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.~~



Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** June 27, 2018  
**TO:** Commissioners, Maryland Higher Education Commission  
**FROM:** Michael J. Kiphart, Ph.D., Director, Academic Affairs  
**RE:** Proposed Emergency Regulations Regarding Off-Campus Programs at Regional Higher Education Centers

The purpose of this memorandum is to request the Commission's approval for the emergency adoption of the enclosed proposed regulations regarding the provision of off-campus programs at regional higher education centers ("RHECs").

Under current regulation, COMAR 13B.02.03.20, an institution may not be approved to offer a program off-campus unless the program already is offered at the institution's principal campus. The proposed regulations would modify this restriction such that an off-campus program may be approved if it is to be offered at an RHEC.

The goal of this regulatory amendment is to encourage the delivery of a broader spectrum of courses and program offerings throughout our state. This regulatory change would better allow institutions, RHECs, and MHEC to respond to regional educational and economic needs. For example, an institution might not have the demand to offer a program at its principal campus, but that program might be essential to the regional needs of a community served by an RHEC.

These regulatory changes are an initial step in reviewing regulatory barriers and challenges for institutions seeking to offer programs off-campus to serve the needs of students around the State. In the upcoming months, MHEC staff will continue to work with institutions to identify additional solutions.

This proposal is being requested as an emergency measure to ensure that time-sensitive program requests to meet regional demands can be met.

### **RECOMMENDATION:**

It is recommended that the Commission:

(1) Approves for emergency adoption, pursuant to § 10-111 of the State Government Article of the Annotated Code, enclosed amendments to COMAR 13B.02.03 regarding off-campus programs at regional higher education centers;

(2) Declares that the emergency adoption of the regulations is necessary; and

(3) 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.

*13B.02.03.02***.02 Definitions.**

A. (text unchanged)

B. (1) – (15) (text unchanged)

(16) Off-Campus Program.

(a) "Off-campus program" means, for institutions other than community colleges:

(i) A program in which more than 1/3 of the required course work leading to a bachelor's degree or a certificate beyond the bachelor's level is offered by an institution at a location other than the principal location of the institution during any 12-month period; or

(ii) Course work offered at a location other than the principal location of an institution that is advertised as leading to a degree or a certificate beyond the bachelor's level at that location, regardless of the portion of a program offered at that location.

(b) "Off-campus program" means, for community colleges, course work offered outside the community college service area.

(17) – (25) (text unchanged)

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

*13B.02.03.20***.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 of Higher Education pursuant to this section.

(1) The Secretary shall grant a waiver under this section 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 requirement 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. A program proposal for an off-campus program shall be submitted by the institution to the Commission and contain the following information regarding need and demand for extending the program and the impact the program may have on similar programs that may exist in the region:

(1) The title of the program and the degree or certificate to be awarded;

(2) The resource requirements for the program and the source of funds to support the program for the first 2 years of program implementation;

(3) The need and demand for the program in terms of:

(a) Specific local, State, and national needs for graduates;

(b) Job opportunities that are available to those who complete the program; and

(c) Evidence of market demand through supporting data, including results of surveys that have recently been conducted;

(4) A description of the following, if a similar program is offered within the same geographical region of the State:

(a) Similarities or differences in the degree to be awarded;

(b) Area of specialization; and

(c) Specific academic content of the program;

(5) A description of the method of instructional delivery, including distance education, on-site faculty, and the mix of full-time and part-time instructors; and

(6) A brief description of the academic oversight, quality control, and student services to be provided.

C. An institution offering an off-campus program shall provide for adequate and appropriate library resources within reasonable distance of the instructional site or through institution-sponsored electronic collections and databases.

D. Faculty.

(1) Students shall be taught by qualified faculty with appropriate experience.

(2) At least 1/3 of the classes offered in an off-campus program shall be taught by full-time faculty of the parent institution.

E. An off-campus program shall:

(1) Be complete and coherent;

(2) Provide for either real-time interaction or delayed interaction between faculty and students and among students;

(3) Provide appropriate oversight of the program offered by qualified faculty from the parent institution; and

(4) Provide enrolled students with reasonable and adequate access to the range of academic and support services appropriate to support their learning, including academic advising, counseling, library and other learning resources, and financial aid.

F. An institution has responsibility for:

(1) Evaluating the program's educational effectiveness, student learning outcomes, student retention, and student and faculty satisfaction; and

(2) Providing to faculty with professional development activities, appropriate training, and other support.





Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** June 18, 2018

**TO:** Maryland Higher Education Commission

**FROM:** Dr. Jon Enriquez **STAFF:** Dr. Barbara Schmertz

**SUBJECT:** 2016 Bachelor's Graduate Follow-Up Survey

Every three years, the Maryland Higher Education Commission (MHEC) reports on statewide surveys of graduates from Maryland public four-year colleges and universities. This report presents results of the most current Bachelor's Graduate Follow-Up Survey, which includes responses from graduates who earned their degrees from a public four-year campus in Maryland during the 2015-2016 academic year. This report provides data on respondent demographics and data on post-baccalaureate outcomes (e.g., employment, residency, and additional higher education). In addition, analysis is provided tied to two research questions that aim to explore data on post-graduate outcomes, perceptions of preparedness for work and school, and perceptions of the role of financial aid.

In 2016, 27,682 bachelor's degrees were awarded by Maryland public four-year institutions. Institutions surveyed these graduates, and, after adjusting the cohort to account for those students who had incomplete or missing contact information, the statewide response rate to the survey was 16.1%. This rate does mask some large discrepancies in response rates when comparing institutions. While it is difficult to reach any generalizable conclusions from a small sample of respondents, there is value in collecting and reporting on alumni data, especially due to the fact that data of perceptions and experiences are not captured, statewide, in any other way.

Analysis of post-graduation outcomes for the respondents shows that the overwhelming majority (85.5%) were working, with almost three-quarters working full time. These rates of employment do not vary a great deal by race, ethnicity, or gender. The data also showed there were wage disparities among respondents when the data were analyzed by major area of study, race/ethnicity, and gender. The patterns found in the survey data mirror national trends wherein college-educated women and minorities often earn lower wages than their male, white peers.

The survey data also show that the majority of respondents were satisfied with their preparation for work and/or further graduate study. Respondents working full time were not only satisfied with the preparation their undergraduate institution provided them for work, but they were working in jobs that required a bachelor's degree. In addition, most of those working in jobs where a bachelor's degree was required were more likely to be working in fields related to their area of study. Similarly, those respondents who enrolled in graduate or professional study felt

that their undergraduate institution provided them suitable preparation for graduate school.

In response to questions about the role of financial aid, most respondents indicated that it was central to their successful completion of their undergraduate degree; some minority student populations reported relying on it more heavily than others as a means to persist to graduation. These students seemed to be most concentrated at minority-serving institutions.

Findings from this analysis could inform institutional and state financial aid policies in an effort to ensure adequate aid is in place to help students persist to graduation. In addition, attention could be paid to address persistent wage gaps, with a concerted effort from all stakeholders.

**RECOMMENDATION: This item is for information only.**



Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** June 27, 2018

**TO:** Maryland Higher Education Commission

**FROM:** Jon Enriquez

**SUBJECT:** Enrollment Projections - Maryland Public Colleges and Universities

The Maryland Higher Education Commission has prepared enrollment projections for Maryland public colleges and universities through Fall 2027. The projections include headcount projections for each institution, with separate analyses for full- and part-time undergraduates and, as applicable, full- and part-time graduate/professional students. Full-time equivalent (FTE) and full-time day equivalent (FTDE) projections were calculated by applying a mathematical formula to the headcount figures. Projections have also been developed for state-eligible FTE noncredit continuing education enrollments at the community colleges.

These projections provide perspective to higher education policy discussions at the state level, including facilities planning, tuition and fees issues, articulation, funding priorities, and retention and graduation rates. The Department of Budget and Management and the General Assembly use the Commission's forecasts as the State's official enrollment projections.

The Commission used separate but similar methodologies for projecting credit enrollments at the community colleges and public four-year institutions. A third method was applied to produce the projections of noncredit continuing education enrollments at the community colleges. All three models involve the application of a linear regression analysis to demographic and economic factors.

Historically, the models have been highly accurate. 311,497 students proved to be 97.2% accurate. While the Commission's forecast for four-year colleges and universities was 99.5% accurate, the forecast for community colleges was only 93.9% accurate, overstating the number of students by 7,743. The ten-year accuracy rate is similarly reliable. The accuracy rate of the Commission's 2008 headcount projection was 96.7%, with a projected enrollment of 322,063 compared to an actual enrollment of 302,893, a difference of 19,170 students. The projection was least accurate in projecting the number of community college students, overestimating it by 22,799 students (an accuracy rate of 89.2%). Despite this variance, the overall forecast for undergraduate students was 97.8% accurate (272,526, compared to an actual enrollment of 259,624, a difference of 12,902 students). The Commission's forecasting model remains exceptionally reliable.

## **Highlights of the Enrollment Projections**

- Total headcount credit enrollment at Maryland public colleges and universities is projected to be 307,851 in Fall 2018, an increase of 2% (4,958 students) over Fall 2017 actual enrollment.
- Total headcount credit enrollment at Maryland public colleges and universities is projected to be 366,136 in Fall 2027, an increase of 21% (63,243 students) over Fall 2017. Total enrollment at community colleges is expected to increase by 28% (32,877 students) from Fall 2017 to Fall 2027, and enrollment at public four-year colleges and universities is projected to increase by 16% (30,366 students) during the same period.
- These projections are lower than comparable projections published last year by the Commission. While enrollment is expected to grow at a similar rate, the projections are lower because actual enrollments were lower in Fall 2017 than in Fall 2016. The number of high school graduates is expected to grow slowly for the next six years, with a small bubble of graduates expected in 2024-2026. The decline anticipated in 2027 will be offset by projected increases in population and income.
- Undergraduate enrollment is projected to grow by 54,361 students by 2027, an increase of 21%, reaching a total of 313,985. Full-time enrollment at community colleges is expected to increase more rapidly than that of part-time students, while the reverse is true of enrollment at four-year institutions.
- Graduate and professional student enrollment is expected to grow to 52,151 students by 2027, an increase of 8,882 (21%). The number of full-time graduate students is projected to grow by 10% (1,899 students) to 20,562, and the number of part-time students is expected to increase by 28% (6,983 students) to 31,589.
- Full-time equivalent enrollment (FTE) and full-time day equivalent enrollment (FTDE) at community colleges are expected to grow at a pace of 31% between Fall 2017 and Fall 2027. At public four-year institutions, FTEs are projected to increase by 14%, while FTDEs are expected to increase by 10%.

**RECOMMENDATION: It is recommended that the Maryland Higher Education Commission accept the 2018-2027 enrollment projections and approve their distribution to the public, the campuses, and interested state agencies.**



Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** June 27, 2018

**TO:** Maryland Higher Education Commissioners

**FROM:** Donna Thomas, Director

**SUBJECT:** Proposed Final Adoption of Regulations - Maryland Loan Assistance Repayment Program for Foster Care Recipients

The purpose of this memorandum is to request your final adoption of the attached proposed amendments to the Code of Maryland Regulations (COMAR), which were published for comment in the Maryland Register on March 30, 2018 (Md. Reg. Vol. 45, Issue 7). No comments were received regarding the proposed regulations.

The purpose of the Maryland Loan Assistance Repayment Program for Foster Care Recipients is to provide State assistance in the repayment of educational loans owed by a foster care recipient employed by the State or a county or municipality of the State.

**RECOMMENDATION:** It is recommended that the Commission grants final approval to the attached regulations regarding the Maryland Loan Assistance Repayment Program for Foster Care Recipients, and authorizes 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

#### ***13B.08.18 Maryland Loan Assistance Repayment Program for Foster Care Recipients***

*Authority: Education Article, §§11-105(u) and 18-3206, Annotated Code of Maryland*

#### **Notice of Proposed Action**

[18-061-P]

The Maryland Higher Education Commission proposes to adopt new Regulations .01—.14 under a new chapter, **COMAR 13B.08.18 Maryland Loan Assistance Repayment Program for Foster Care Recipients**. This action was considered at a public meeting of the Maryland Higher Education Commission held on November 15, 2017.

#### **Statement of Purpose**

The purpose of this action is to provide for the administration of the Maryland Loan Assistance Repayment Program for Foster Care Recipients.

#### **Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

#### **Estimate of Economic Impact**

**I. Summary of Economic Impact.** \$100,000 annually of general fund expenditures.

<b>II. Types of Economic Impact.</b>	Revenue (R+/R-)	Expenditure (E+/E-)	Magnitude
A. On issuing agency:	(E+)		\$100,000 annually
B. On other State agencies:	NONE		
C. On local governments:	NONE		
	Benefit (+)		Magnitude
	Cost (-)		
D. On regulated industries or trade groups:	NONE		
E. On other industries or trade groups:	NONE		
F. Direct and indirect effects on public:	NONE		

**III. Assumptions.** (Identified by Impact Letter and Number from Section II.)

A. \$100,000 is appropriated annually for the program.

#### **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 North Liberty Street, Baltimore, MD 21201, or call 410-767-3300, or email to [geoff.newman@maryland.gov](mailto:geoff.newman@maryland.gov), or fax to . Comments will be accepted through April 30, 2018. A public hearing has not been scheduled.

#### **.01 Purpose.**

*The purpose of the Maryland Loan Assistance Repayment Program for Foster Care Recipients is to provide State assistance in the repayment of educational loans owed by foster care recipients who are employed by the State, or by a county or municipality of the State, and who received a graduate or undergraduate degree from an institution of higher education in the State.*

**.02 Definitions.**

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

**B. Terms Defined.**

(1) "Foster care recipient" means an individual who was placed in an out-of-home placement by a state or unit of a state government's department of social services for 3 years or more

(2) "Higher education loan" means any loan for undergraduate or graduate study that is obtained by a foster care recipient for tuition, educational expenses, or living expenses from:

(a) An institution of higher education, government, or commercial entity; or

(b) An entity that is exempt from taxation under §§501(c)(3) or (4) of the Internal Revenue Code.

(3) "MLARP Foster Care" means the Maryland Loan Assistance Repayment Program for Foster Care Recipients.

(4) "OSFA" means the Office of Student Financial Assistance within the Maryland Higher Education Commission.

(5) "Secretary" means the Secretary of Higher Education for the State.

**.03 Eligibility.**

To be eligible for assistance under MLARP Foster Care, an applicant:

A. Shall have received an undergraduate or graduate degree from an institution of higher education located within the State;

B. Shall be employed at least 20 hours per week by the State, or by a county or municipality of the State;

C. May not be in default on any higher education loan; and

D. Shall be a foster care recipient, as defined under Regulation .02 of this chapter.

**.04 Application Procedures.**

A. To be considered for assistance under MLARP Foster Care, an applicant shall provide to OSFA:

(1) A completed application, in the form prescribed by OSFA;

(2) A copy of the applicant's State tax return for the most recent available year or, if the applicant did not file a tax return with the State, a copy of the applicant's most recent federal tax return or Letter 1077 from the IRS confirming nonfiling status;

(3) Proof of graduation from an institution of higher education within the State;

(4) Verification of being a foster care recipient, as defined under Regulation .02 of this chapter;

(5) A statement from an eligible employer confirming the nature of the job, length of employment, and at least part-time employment status; and

(6) Documentation of current repayment data on all educational loans. An applicant for assistance in the repayment of a commercial loan shall demonstrate to OSFA that the commercial loan was used for tuition, educational expenses, or living expenses for undergraduate or graduate study.

B. Applications shall be received between October 1 and December 15 of each year. An application postmarked later than December 15 will not be considered.

C. Each applicant shall agree to provide any information or documentation requested by OSFA for the purpose of administering this program and, if requested, shall sign an authorization for the release of information to OSFA for the purpose of administering this program. The applicant's failure or refusal to provide requested information or a signed authorization may result in a determination of ineligibility, the cancellation of an award, and the denial of a request for the deferment or waiver of a service obligation.

**.05. Determination of Award Amount.**

A. An award amount shall be determined by the Secretary, acting through OSFA, based upon a recipient's verified overall reported educational debt at the time of application.

B. Award funds are distributed in annual amounts, for up to 3 years, provided that the recipient remains eligible and continues to submit required annual employment, lender, and tax documentation.

C. An award amount shall be equal to the lesser of 10 percent of the applicant's total educational loan debt, or \$5,000, for each year the individual qualifies.

**.06 Award Procedures.**

A. Eligible applicants shall be ranked and awarded in the order of the submission dates of their completed applications.

B. Applicants who are not selected shall be placed on a waitlist pending the availability of funding.

C. Applicants not selected in an award year must reapply for consideration in a subsequent award year, and will be ranked according to the submission dates of their completed applications in the year the award is granted.

D. OSFA may verify information concerning applicants and recipients for the purpose of administering this program.

**.07 Recipient Obligations.**

A. A recipient shall furnish to OSFA written acceptance of the award and a signed promissory note and employment obligation agreement.

B. The promissory note and service obligation agreement shall include:

(1) The obligations of the recipient;

(2) The total and annual amounts of the award;

(3) Penalties for breach of contract;

(4) Circumstances under which the obligation may be canceled, suspended, or waived; and

(5) Any other terms the Secretary considers necessary.

C. A recipient shall:

(1) Verify eligible employment initially, after 6 months, and at the end of each year in the program;

(2) Verify the current status of all educational loans each year in the program;

(3) Verify, at the time of the initial application only, being a foster care recipient as defined in Regulation .02 of this chapter;

(4) Submit a copy of the recipient's State tax returns for any year during which an award is received, and federal returns if requested; and

(5) Notify OSFA of any change in employment status.

**.08 Verification.**

A. OSFA shall require annual verification that the recipient is fulfilling the recipient's obligation under the service obligation agreement.

B. Prior to issuing checks for subsequent years of service, OSFA shall receive confirmation from the eligible employer that the recipient, in accordance with the service obligation agreement, remains employed.

**.09 Payment.**

A. Recipients of the MLARP Foster Care shall receive an annual loan repayment under the following conditions:

(1) OSFA shall verify the recipient's employment and lender information;

(2) OSFA shall issue an annual check co-payable to the recipient and the lender; and

(3) The recipient shall endorse the check and forward it to the lender.

B. If a recipient fails to notify OSFA that the recipient receives other loan repayment assistance, the recipient's MLARP Foster Care award shall be canceled.

**.10 Employment Obligation.**

A. If a recipient is employed for at least 20 hours per week at an eligible employer, the employment obligation shall be fulfilled at a rate of 1 year for each year that the award was received.

B. Those recipients not completing the required employment obligation shall be responsible for repaying the award in full or in part, proportionally to that part of the year for which eligible employment was not completed.

**.11 Breach of Promissory Note and Employment Obligation Agreement.**

A recipient shall be deemed to be in breach of the promissory note and employment obligation agreement if, among other reasons specified in the note and agreement, the recipient does not maintain eligible employment in fulfillment of the employment obligation.

**.12 Repayment.**

A. If a recipient fails to carry out the obligations required under this chapter, the recipient shall repay the State the amount of the award provided plus interest.

B. Repayment may be prorated if the recipient partially fulfills the employment obligation, as determined under Regulation .10 of this chapter.

C. If repayment is required, interest on the funds provided to the recipient shall accrue at an interest rate equal to the interest rate established by the U.S. Department of Education for the Federal Stafford Loan on the first day of July of each year.

D. Interest shall begin accruing as of the date the funds are provided to the student.

**.13 Deferment of Repayment.**

A. A recipient may request that repayment required under Regulation .12 of this chapter be deferred:

(1) For up to 1 year, if the recipient is unable to maintain employment within the recipient's current field because the recipient must care for a spouse or child who is disabled; and

(2) For up to 3 years, or longer as provided for under §E of this regulation, if the recipient or the recipient's spouse is assigned to military duty outside of the State.

B. A recipient's deferment request shall include satisfactory supporting documentation. Such documentation shall consist of the following, as applicable:

(1) A sworn affidavit by a qualified physician that the recipient is unable to maintain employment within their current field because the recipient must care for a spouse or child who is disabled; or

(2) A copy of military orders.

C. OSFA shall review all documentation and determine if the deferment conditions have been met and, if so, determine the deferment period. OSFA's determinations regarding whether to grant deferment and the length of deferment are final.

D. During a deferment approved by OSFA, a recipient need not make repayments, and interest does not accrue.

E. OSFA may under extenuating circumstances grant the request of a recipient who is assigned, or whose spouse is assigned, military duty outside of the State, to extend the deferment of repayment beyond 3 years. The recipient's request shall be in writing and shall include a copy of the military orders.

**.14 Cancellation of Obligations upon Death, and Waiver or Temporary Suspension of Employment Obligation.**

A. Any employment or payment obligation incurred by a recipient is canceled upon the recipient's death, upon provision to OSFA of a death certificate, or other evidence of death that is conclusive under State law.



*B. OSFA may waive or temporarily suspend a recipient's employment obligation:*

*(1) If, in the determination of the Director of OSFA, compliance by the recipient with the terms and conditions of the employment obligation agreement is impossible or would involve extreme hardship;*

*(2) Due to an extended illness of the recipient verified by a physician; or*

*(3) Due to extenuating family circumstances as determined by the Director of OSFA.*

*C. OSFA may suspend a recipient's employment obligation:*

*(1) For up to 3 years, if the recipient or recipient's spouse is assigned military duty outside of the State; or*

*(2) For up to 6 months, if the recipient is on parental leave.*

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





Larry Hogan  
Governor

Boyd K. Rutherford  
Lt. Governor

Anwer Hasan  
Chairperson

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

## MEMORANDUM

**DATE:** June 27, 2018

**TO:** Maryland Higher Education Commissioners

**FROM:** Donna Thomas, Director

**SUBJECT:** Proposed Final Adoption of Regulations – Independent Audit Requirements for Educational Excellence Awards

The purpose of this memorandum is to request your final adoption of the attached proposed amendments to the Code of Maryland Regulations (COMAR), which were published for comment in the Maryland Register on Friday, May, 11, 2018 (Md. Reg. Vol. 45, Issue 10). No comments were received regarding the proposed regulations.

The purpose of the Maryland Higher Education Commission Independent Audit Review is to provide oversight to ensure that all participating postsecondary institutions are handling funds accordingly for recipients of the Howard P. Rawlings Educational Excellence Award program.

**RECOMMENDATION:** It is recommended that the Commission grants final approval to the attached regulations regarding the Independent Audit Requirements for Educational Excellence Awards, and authorizes 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

#### ***13B.08.19 Institutional Audit Requirements for Educational Excellence Awards***

*Authority: Education Article, §§11-105(u), 18-204(c), and 18-307, Annotated Code of Maryland*

#### **Notice of Proposed Action**

[18-127-P]

The Maryland Higher Education Commission proposes to adopt new Regulations **.01—.06** under a new chapter, **COMAR 13B.08.19 Institutional Audit Requirements for Educational Excellence Awards**. This action was considered at a public meeting of the Commission held on December 13, 2017.

#### **Statement of Purpose**

The purpose of this action is to adopt new regulations to require institutional audits of financial aid awards made under the Howard P. Rawlings Program of Educational Excellence Awards.

#### **Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

#### **Estimate of Economic Impact**

**I. Summary of Economic Impact.** Institutions of higher education will audit their performance in awarding Educational Excellence Awards. This will result in costs to the institution, but may result in savings to the State due to the return to the State of any improperly granted awards.

<b>II. Types of Economic Impact.</b>	Revenue (R+/R-) Expenditure (E+/E-)	Magnitude
<hr/>		
A. On issuing agency:		
Return of improperly granted awards	(R+)	Unknown
B. On other State agencies:	NONE	
C. On local governments:	NONE	
	Benefit (+) Cost (-)	Magnitude
<hr/>		
D. On regulated industries or trade groups:		
Cost of audits	(-)	Minimal
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

#### **III. Assumptions.** (Identified by Impact Letter and Number from Section II.)

- A. The audits will result in the return of any improperly granted awards to the State.
- D. The institutions will incur costs in performing audits.

#### **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 Donna Thomas, Director, Office of Student Financial Assistance, Maryland Higher Education Commission, 6 N. Liberty St, Ground Floor, Baltimore, MD 21201, or call 410-767-3109, or email to donnae.thomas@maryland.gov. Comments will be accepted through June 25, 2018. A public hearing has not been scheduled.

#### **.01 Definitions.**

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

B. Terms Defined.

(1) "Auditor" means an independent certified public accountant.

(2) "Commission" means the Maryland Higher Education Commission.

(3) "EEA Program" means the Howard P. Rawlings Educational Excellence Awards Program under Education Article, §§18-301 — 18-310, Annotated Code of Maryland.

(4) "OSFA" means the Office of Student Financial Assistance within the Commission.

(5) "Secretary" means the Secretary of Higher Education for the State of Maryland.

**.02 Scope and Purpose.**

A. This chapter applies to financial aid awards under the EEA Program.

B. The purpose of this chapter is to provide for the independent audit of awards made under the EEA Program.

**.03 Performance of Audit Review.**

A. Beginning in fiscal year 2019, each institution of higher education that enrolls students who participate in the EEA Program shall procure annually an independent audit of the institution's implementation of the EEA Program.

B. The institution shall submit each audit to the Commission in accordance with Regulation .04 of this chapter.

**.04 Audit Requirements.**

A. The audit required by Regulation .03 of this chapter shall be conducted in accordance with the standards of the American Institute of Certified Public Accountants, and in compliance with generally accepted auditing standards.

B. The audit shall determine whether and to what extent the institution has complied with the statutory and regulatory requirements of the EEA Program during the fiscal year.

C. In determining EEA Program compliance under §B of this regulation, the audit shall assess the following factors as they relate to the EEA Program:

(1) Compliance with federal regulations of institutional policies and procedures regarding satisfactory academic progress

(SAP), housing, and Title IV financial aid verification requirements;

(2) Compliance with State residency requirements;

(3) Compliance with the institution's enrollment and credit completion requirements;

(4) Accuracy of award eligibility determination performed by the institution;

(5) Adequacy of reporting by the institution to the Office in the Institutional Student Information Record;

(6) Estimation of State awards disbursed by the institution; and

(7) Verification of completed and signed Maryland College Aid Processing System (MDCAPS) Individual User

Agreements.

D. The audit report shall provide:

(1) Detail of discrepancies and the nature of noncompliant student records identified during review;

(2) Recommendations provided to the institution to resolve findings; and

(3) The total amount of award payments that were made improperly by the institution.

E. The auditor shall issue a management letter to the institution, which shall contain a listing of all material weaknesses in the institution's system of internal controls.

F. By June 1 of each year, a copy of the audit, the management letter, and the institution's response to each item in the management letter shall be filed with the Commission.

G. The Commission may request additional information from the auditor or from the institution.

H. Noncompliance with the auditor's recommendations shall be noted in future management letters and may result in payment remittance required of the institution as determined by the Commission.

**.05 Extensions of Time.**

A. A written request for an extension of time to file the required reports and the management letter shall be received by the Commission no later than 30 days before the original due date as noted in Regulation .04 of this chapter.

B. A request for a reasonable extension of time may be granted by the Secretary if:

(1) Detailed reasons are stated that indicate why the reporting deadline cannot be met;

(2) The request indicates the estimated date the audit will be completed and the report filed; and

(3) The request is signed by the president of the college.

**.06 Payment Remittance.**

A. The Commission shall require an institution to return to the Commission any overpayments of EEA Program funds that were not awarded and paid consistent with statute and regulation.

B. Except as provided in §C of this regulation, the institution may elect to remit payment to the Commission in one of the following ways:

(1) A check payable to the Maryland Higher Education Commission;

(2) Electronic Funds Transfer (EFT); or

(3) Deduction from the initial payment from the Commission to the institution in the subsequent award year.

C. If the return of funds relates to the Campus Based EEA Program, then the institution shall return the funds to the Commission by check.

*D. The Commission may discontinue an institution's eligibility to participate in the EEA Program if the institution fails to return funds pursuant to §A of this regulation within the time frame specified by the Commission.*

JAMES D. FIELDER, JR., Ph.D.  
Secretary of Higher 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 14, 2018 *Please note date change*
May 23, 2018	December 12, 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://www.mhec.maryland.gov/About/Pages/Meetings.aspx>