MHEC
MARYLAND HIGHER EDUCATION COMMISSION

Maryland Higher Education Commission
Office of Student Financial Assistance

Presentation to the House Appropriations Subcommittee on Education and Economic Development

February 10, 2005

MARYLAND HIGHER EDUCATION COMMISSION
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Overview of Responsibilities – Office of Student Financial Assistance

- Administration of 24 State student financial aid programs totaling $86.5 million in FY 2005.

- Serve as an independent source of information and analysis to develop statewide financial aid policy.

- Provide college and financial aid outreach information to students, parents, and counselors across Maryland.

Office of Student Financial Assistance
FY 2006 Budget: $95.2 Million

- Includes a $15.8 million increase for need-based aid - $10 million in new funds and $5.8 million transferred from HOPE.
  - $12.2 million for Educational Excellence Awards (total of $61.7 million)
  - $2.6 million for Part-Time Grant (total of $4.7 million)
  - $500,000 for Graduate and Professional Scholarship (total of $687,312)
  - $500,000 for Loan Assistance Repayment Program (total of $1.8 million)

Governor's Need Based Financial Aid Initiative

- Provides substantial increase to continue deliberate policy to expand need-based assistance.

- Significantly expands college affordability assisting more than 6,100 additional students, a 20% increase over FY 2005.

- Includes a provision to transfer funds from the Senatorial and Delegate Scholarship Programs to the Educational Excellence Award Program.

Governor's Need Based Financial Aid Initiative

- Increased budget will enabled MHEC to achieve financial aid recommendations of 2004 State Plan for Higher Education
  - Award more eligible students in the Educational Excellence Awards, Part-Time Grant, and Graduate and Professional programs
  - Revise State need-based aid programs to promote access and accommodate students from a variety of circumstances
    - Revise Educational Assistance Grant to improve access and affordability – Community College Access Initiative
    - Expand the Campus-based Educational Assistance Grant to $3 million
    - Increase standard allowances - $2,500 to $2,800 for students living with parents

Community College Access Initiative

- Increases the percent of need used to calculate Educational Assistance Grant awards from 35% to 45% for community college students

- Addresses the "F" grade in Affordability in the 2004 National Report Card on Higher Education

- Provides assistance to approximately 1,500 additional community college students

- Increases the average community college award by approximately $100

Community College Access Initiative (cont.)

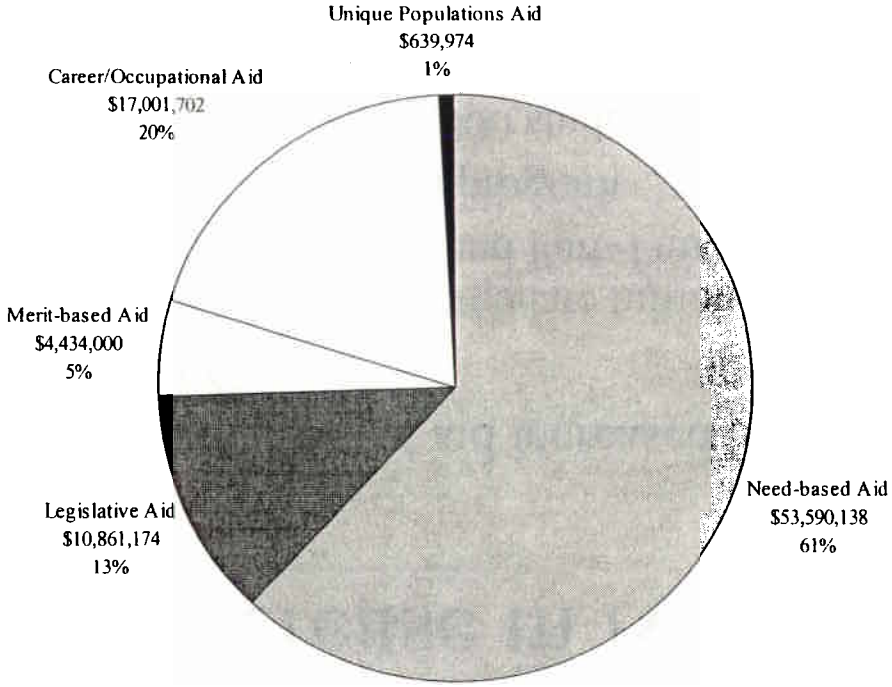
Justification for this initiative:

- Maryland's community colleges rank 11th nationally in tuition and fees
- State provides modest amount of need-based aid – ranked 23rd nationally
- Community colleges have limited institutional funds to assist students
  - Community Colleges – 7%
  - Public institutions – 31%
  - Private institutions – 75%
- Proportionally, community colleges receive much lower percent of EAG funds compared to percent of total enrollment

Segment	% EAG Funds	% Total Enrollment
Community College	8	30
Four-Year Public	70	53
Four-Year Independent	22	18

- Addresses the State's failing grade on Affordability

Maryland State Financial Aid
FY 2005



Total: $86,526,988

FY 2005 Increase in Need-Based Aid

- FY 2005 funding for need-based aid increased by $11.2 million.
- Increase enabled MHEC to:
  - Increase award amounts to accommodate tuition and fees increases in the Educational Excellence Program and Part-Time Grant Program.
  - Continue the campus-based EAG program.
  - Initially awarded an additional 1,000 students in the EEA program in FY 2005 for a total of almost 34,000 students.
  - Increased funding not enough:
    - 6,533 students are currently on the waiting list for an EAG award.
    - Nearly 25,000 part-time students remain eligible for assistance.

Awarding in Other Programs

- Janet L. Hoffman Loan Assistance Repayment Program received $1 million increase to support teachers and nurses.

- Over 21,000 students offered assistance in these programs in FY 2005.

- A number of programs have waiting lists.

Nursing – 495	Sharon Christa McAuliffe – 18
Child Care – 22	Developmental Disabilities – 258
Conroy – 25	Physical and Occupational Therapists – 22
LARP - 63	

Campus-Based Educational Assistance Grant - Evaluation

- Implemented Campus-Based Educational Assistance Grant in FY 2004 with $2 million in carry forward.
- 1,687 students received an award.
- 982, or 59% registered for classes for the 2004-2005 academic year
- 573, or 33%, received an EA Grant as a renewal student.

Campus-Based Educational Assistance Grant - Evaluation

Student Profile -

- 64% of the students attended a community college
- 45% were Freshman
- 58% had incomes ranging from $0 to $19,999
- 43% were over the age of 26
- 68% were female
- 68% were independent students

Campus-Based Educational Assistance Grant - Evaluation

Findings -

- Program is achieving its goal of assisting low-income students enter and complete postsecondary education.

- Greatly assisting nontraditional students, especially females, who may decide late that they need educational training.

OSFA Efficiencies and Collaborative Efforts

- Implemented on-line billing rosters to improve timeliness of awards and enable institutions to more efficiently obtain and verify student award information for payment.
- Automation of OSFA's internal billing roster processing will be implemented in the near future to improve internal administration and the timeliness of award disbursements.
- Implemented new procedures to verify student income information for EA and GA Grant awards which increased the number of students verified by 42%.
- Developed a new version of award roster to identify changes made since the last update, the date of most recent activity, and the paid status of student's award making it easier for institutions to identify and package State awards for students.
- Support efficiencies in the administration of legislative scholarships by providing FAFSA report and applicant and recipient rosters on CD-Rom.
- Entered programming stage for on-line award acceptance to enable students to accept awards on-line eliminating the need for paper transactions – testing will take place in the near future.

College Awareness and Outreach

- Greatly expanded outreach efforts by partnering with community colleges and four-year institutions to provide financial aid outreach presentations to students across Maryland – 181 presentations held in academic year 2003-2004, up from 144 in 2002-2003.

- Provided easier student access to financial aid information by placing all materials, including applications, on our website – 84% of program applications have been printed from the web and mailed in to OSFA.

- Used external grant funds to produce the *Student Guide to Higher Education in Maryland* in Spanish to assist Spanish speaking population with preparing for college.

Where Do We Go From Here…

- Create efficiencies through further automation of smaller career/occupational programs.
- Full implementation of on-line Billing Rosters.
- Implementation of on-line award acceptance.
- Plan for the implementation of on-line applications.
- Expand outreach efforts to include providing college preparation materials to middle school students.
- Increase outreach efforts across the State in collaboration with other organizations.

Financial Aid Information System (FAIS)

- A new unit record system designed to provide a more comprehensive and comparable picture of student financial aid.
- Will enable MHEC to conduct comprehensive analysis of the aid received by students to guide Statewide financial aid policy.
- Incorporates elements of Maryland's current data collection systems (S-5 and the Commission's enrollment and degree information systems).
- Includes additional data elements such as:
  - Family Size
  - Financial Aid Status
  - Dependency Status
  - Commuter Status
  - Expected Family Contribution (EFC)
  - Cost of Attendance
  - Family Income

Financial Aid Information System (FAIS)

- Fall 2004 – Collected data from all public institutions and from pilot institutions from the independent sector.

- Fall 2005 all institutions, public and private will be participating.

- Analysis of data will begin shortly and a comprehensive report completed by fall 2005.

Table 1: Maryland Higher Education Commission
Student Financial Assistance: FY 2004 - 2006

Scholarship Program	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Allowance before BRA	FY 2006 Allowance after BRA	FY 2005-2006 % Change
Educational Excellence Awards *	$ 40,848,683	$ 51,327,826	$ 61,714,702	$ 73,013,702	42.2%
Educational Assistance Grant	33,070,249	43,628,652	52,552,497	63,851,497	46.4%
Guaranteed Access Grant	6,000,777	7,699,174	9,162,205	9,162,205	19.0%
Senatorial	6,411,000	6,486,000	6,486,000	-	-100.0%
Edward T. Conroy	285,736	362,474	362,474	362,474	0.0%
Delegate	3,199,260	4,375,174	4,813,000	-	-100.0%
Fire Rescue Tuition Reimbursement	141,210	344,311	344,311	344,311	0.0%
Graduate and Professional Scholarship	187,312	187,312	687,312	687,312	266.9%
Distinguished Scholar	3,722,087	4,200,000	4,200,000	4,200,000	0.0%
Tolbert Memorial Grant	266,300	277,500	277,500	277,500	0.0%
McAuliffe Memorial Teacher Scholarships	534,401	574,027	574,027	574,027	0.0%
HOPE Scholarships *	15,307,550	11,857,025	6,045,150	6,045,150	-49.0%
HOPE Scholarship - General	2,137,052	1,455,090	902,160	902,160	-38.0%
HOPE Scholarship - Science and Technology	2,164,027	1,728,560	846,240	846,240	-51.0%
HOPE Scholarship - Teacher	11,513,687	8,663,625	4,296,750	4,296,750	-50.4%
HOPE Transfer Scholarship	160,486	9,750	-	-	-100.0%
Distinguished Scholar Teacher	95,500	234,000	234,000	234,000	0.0%
Janet L. Hoffman Loan Assistance Repayment Program *	1,357,809	2,312,795	2,812,795	2,812,795	21.6%
LARP	292,852	1,292,852	1,792,852	1,792,852	38.7%
LARP Primary Care Services	1,464,371	780,000	780,000	780,000	0.0%
LARP Dent-Care	239,943	239,943	239,943	239,943	0.0%
Nursing	979,294	979,294	979,294	979,294	0.0%
Physical & Occupational Therapist	8,000	18,500	18,500	18,500	0.0%
Child Care Providers	47,250	83,250	83,250	83,250	0.0%
Developmental Disabilities and Mental Health	737,772	832,500	832,500	832,500	0.0%
Part-Time Grants	1,350,000	2,075,000	4,700,000	4,700,000	126.5%
William Donald Shaefer Scholarship	-	-	60,000	60,000	
Total	**$ 75,479,164**	**$ 86,526,988**	**$ 95,224,815**	**$ 95,224,815**	**10.1%**
General Funds	73,690,710	82,957,785	93,455,611	93,455,611	12.7%
Special Funds	1,019,250	2,800,000	1,000,000	1,000,000	-64.3%
Federal Funds	769,204	769,203	769,204	769,204	0.0%
	$ 75,479,164	**86,526,988**	**95,224,815**	**95,224,815**	**10.1%**

* Amounts combine all awards for particular program

Sources: Maryland State FY 2006 Operating Budget Books; HB 148/SB 153 - Budget Reconcilation Act of 2005; Department of Budget and Management; Maryland Higher Education Commission.

Table 2: Recipients of Student Financial Assistance: FY 2004 - 2006

Program	FY 2004 Actual		FY 2005 Working Budget		FY 2006 Allowance before BRA		FY 2006 Allowance after BRA	
	Recipients	Avg. Award	Proj. Recip.	Avg. Award	Proj. Recip	Avg. Award	Proj. Recip	Avg. Award
Educational Assistance Grant *	20,201	$1,750	22,412	$1,936	23,319	2,125	28,636	2,125
Campus-Based Educational Assistance Grant	1,686	$1,168	1,686	1,186	2,299	1,305	2,299	1,305
Guaranteed Access Grant *	1,071	7,082	1,099	7,790	1,069	8,569	1,069	8,569
Senatorial Scholarships*	6,909	918	9,009	962	6,759	960	-	-
Delegate Scholarships*	3,897	730	6,109	828	6,197	777	-	-
Distinguished Scholar Program	1,322	2,941	1,426	2,945	1,427	2,943	1,427	2,943
Distinguished Teacher Education Program	37	2,959	82	2,869	81	2,885	81	2,885
LARP - General	139	2,886	532	2,490	653	2,744	653	2,744
LARP - Primary Care Services	23	36,261	25	33,618	22	34,876	22	34,876
LARP - Dent-Care	10	32,999	14	33,000	7	33,000	7	33,000
Edward T. Conroy Memorial Scholarship Program	68	4,313	76	4,769	84	4,302	84	4,302
Part-Time Grant Program	3,195	421	3,857	538	7,939	592	7,939	592
Graduate and Professional Scholarship	224	1,077	189	993	675	1,019	674	1,019
Reimbursement of Firemen and Rescue Squadmen	127	1,749	147	2,335	161	2,143	161	2,143
J.F. Tolbert Memorial Student Grant Program	813	300	925	300	925	300	925	300
Sharon Christa McAuliffe Memorial Program	64	7,997	67	8,669	70	8,195	70	8,195
Physical & Occupational Therapist	9	1,778	10	1,800	10	1,859	10	1,859
Child Care Providers	65	1,131	74	1,125	74	1,128	74	1,128
Maryland State Nursing Scholarship Program	400	2,666	377	2,668	367	2,668	367	2,668
HOPE Science and Technology Scholarship	980	2,876	614	2,815	298	2,836	298	2,836
HOPE Maryland Teacher Scholarship	2,401	4,468	1,942	4,461	963	4,464	963	4,464
HOPE Scholarship	685	2,781	545	2,670	333	2,708	333	2,708
HOPE Transfer Scholarship	82	2,726	4	2,438	-	-	-	-
Developmental Disabilities and Mental Health	443	1,712	466	1,788	475	1,753	475	1,753
William Donald Schaefer Scholarship					10	6,000	10	6,000
Total Recipients	**44,851**	**1,786**	**51,687**	**1,787**	**54,217**	**1,756**	**46,577**	**2,044**

Note: FY 05 Working Budget includes FY 04 carry forward; it is assumed that there will be some level of FY 05 carry forward, but it has not been estimated for FY 06 Allowance