
Higher Education Fiscal 2025 Budget Overview

Revised

Department of Legislative Services
Office of Policy Analysis
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Analysis of the FY 2025 Maryland Executive Budget, 2024

Higher Education Fiscal 2025 Budget Overview

State Funding Changes for Higher Education (\$ in Thousands)

	<u>Adjusted 2023</u>	<u>Working Adjusted 2024¹</u>	<u>Allowance Adjusted 2025²</u>	<u>Adjusted Change 2024-2025</u>	<u>% Change 2024-2025</u>
Public Four-year Institutions					
University System of Maryland (USM)	\$1,934,630	\$2,062,062	\$2,017,713	-\$44,349	-2.2%
Chapter 41 of 2021 Funds	22,342	36,193	35,476	-\$717	-2.0%
Fiscal 2024 Salary Enhancements			124,218	\$124,218	
Subtotal – USM	\$1,956,972	\$2,098,255	\$2,177,406	\$79,151	3.8%
Morgan State University (MSU)	\$140,370	\$158,119	\$160,397	\$2,278	1.4%
MSU Chapter 41 Funds	15,113	26,387	26,749	\$362	1.4%
Fiscal 2024 Salary Enhancements			7,598	\$7,598	
Subtotal – MSU	\$155,483	\$184,506	\$194,744	\$10,238	5.5%
St. Mary’s College of Maryland (SMCM)	\$34,056	\$39,285	\$37,786	-\$1,499	-3.8%
Fiscal 2024 Salary Enhancements			1,616	\$1,616	
Subtotal – SMCM	\$34,056	\$39,285	\$39,402	\$117	0.3%
Subtotal – Public Four-year	\$2,146,511	\$2,322,046	\$2,411,551	\$89,505	3.9%
Other Higher Education					
Maryland Higher Education Commission (MHEC)					
Administration	\$30,047	\$10,244	\$10,578	\$334	3.3%
MHEC Administration Chapter 41 Funds					
Subtotal – Administration	\$30,047	\$10,244	\$10,578	\$334	3.3%
Financial Aid	\$175,607	\$212,068	\$210,943	-\$1,125	-0.5%
Educational Grants	5,408	5,840	30,198	24,358	417.1%
College Savings Plan Match ³	7,361	10,980		-10,980	-100.0%
Non-USM Regional Higher Education Centers	1,410	1,410	1,410		0.0%
Independent Institutions	118,598	137,095	70,094	-48,504	-40.9%
Aid to Community Colleges	434,822	475,398	465,569	-9,829	-2.1%
Baltimore City Community College (BCCC)	44,734	49,920	46,206	-3,714	-7.4%
Fiscal 2024 Salary Enhancements			2,075	2,075	
Subtotal – BCCC	\$44,734	\$49,920	\$48,280	-\$1,639	-3.3%
Subtotal – Other Higher Education	\$817,988	\$902,954	\$837,072	-\$65,882	-7.3%
Total Higher Education	\$2,964,498	\$3,225,000	\$3,248,623	\$23,623	0.7%
Total State Pay-as-you-go⁴	\$292,132	\$21,562			

¹ The 2024 working is adjusted to include deficiency appropriations.

² The 2025 allowance is adjusted to account for contingent reductions.

³ Beginning in fiscal 2025, this funding appears in the State Treasurer’s Office

⁴ Includes \$292.1 million in general funds in the fiscal 2023 adjusted for USM and \$21.6 million in the fiscal 2024 adjusted allowance between USM (\$17.6 million) and BCCC (\$4.0 million).

Source: Department of Budget and Management; Department of Legislative Services

Executive Summary

The Higher Education Overview provides a summary of the changes in State funding for higher education. These changes include a review of the Maryland public four-year institutions, independent institutions, aid to community colleges, and funding for Baltimore City Community College (BCCC). Additionally, an evaluation of changes in funding for the Maryland Higher Education Commission (MHEC), financial aid and educational grant programs, the College Savings Plan Match, and funding for non-University System of Maryland (USM) regional higher education centers is also provided.

A comparative analysis is also provided to review performance indicators against peer states. These metrics include State funding support, changes in tuition and fee levels, enrollment, outcome measures, and an evaluation of Maryland’s 55% degree attainment goal. The Higher Education Overview will also provide an analysis of direct admissions, the Carnegie Classification of Institutions of Higher Education changes, the historically Black colleges and universities (HBCU) settlement funds update, the 2023 legislative additions summary, and an exploration of some college, no credential.

Operating Budget Recommended Actions

1. Adopt committee narrative for the annual instructional workload report.

Higher Education

Fiscal 2024 Budget Overview

Operating Budget Overview

Fiscal 2024 Actions

The fiscal 2025 budget includes the following proposed deficiency appropriations for fiscal 2024 specific to the institutions and MHEC:

- \$32.0 million in special funds through the Higher Education Investment Fund due to available fund balance that is replacing the same amount of general funds;
- \$9.8 million in general funds for senatorial and delegate scholarships to replace funds reverted in error at fiscal 2023 closeout;
- \$5.7 million in current restricted funds to BCCC for an early alert system;
- \$4.1 million in general funds to BCCC to replace funds reverted in error;
- \$378,795 in general funds to support MHEC’s move to a new building;
- \$248,840 in general funds for MHEC’s Maryland College Aid Processing System (MDCAPS); and
- \$56,000 in general funds realigned between Educational grants and Aid to Community Colleges.

Fiscal 2025 Allowance

Total State operating support for higher education increases \$23.6 million, or 0.7%, excluding pay-as-you-go (PAYGO). However, this increase is overstated as fiscal 2025 costs for a fiscal 2024 general salary increase and increments are included in the funding for institutions and MHEC but are not yet reflected in the fiscal 2024 working appropriation. Excluding these costs, the fiscal 2025 allowance for USM would decrease by \$44.4 million, St. Mary’s College of Maryland (SMCM) by \$1.5 million, and BCCC by \$3.7 million. Morgan State University (MSU) funding would increase by \$2.7 million rather than \$10.2 million. The fiscal 2025 allowance includes \$62.2 million for HBCUs as a result of Chapter 41 of 2021, a decrease of \$355,676 across the four institutions. General fund support of the total, however, decreases by a higher amount (\$2.7 million), as \$2.4 million in Cigarette Restitution Funds is available to support a portion of the expenses in fiscal 2025.

Calculation of Cade and Sellinger Formulas

The Senator John A. Cade Formula (Cade) and the Joseph A. Sellinger Formula (Sellinger) formulas are based on the State funding per full-time equivalent students (FTES) at selected public four-year institutions. For fiscal 2025, the source of data used for FTES at the public four-year institutions was changed. In prior years, the FTES data provided in the Governor’s Budget Books was used in the calculation of the funding formulas. This data is provided by the institutions. However, for fiscal 2025, MHEC’s projected enrollment numbers for fiscal 2024 were used, which are 5.5%, or 5,009 FTES, higher than the FTES reported in the Governor’s Budget Books for fiscal 2025. While the Department of Budget and Management is following statute by using FTES certified by MHEC, historically the institution provided FTES has been used. The higher FTES count results in a lower per FTES funding than if the figures from the Governor’s Budget Books are used: \$19,482 compared to \$20,573 per FTES. As shown in **Exhibit 1**, the Cade formula and Sellinger formula would be higher than the fiscal 2024 appropriation by \$19.8 million and \$6.4 million, respectively. Compared to the fiscal 2025 allowance, excluding contingent reductions, the Department of Legislative Services (DLS) calculated amounts would be \$15.6 million higher for Cade and \$9.6 million for Sellinger.

Exhibit 1 Cade and Sellinger Funding Fiscal 2025

	2025				
<u>2024</u>	<u>Allowance</u>	<u>Change Allowance-2024</u>	<u>DLS Calculation</u>	<u>Change DLS-2024</u>	
Cade Formula*	\$393,281,399	\$397,470,914	\$4,189,515	\$413,069,456	\$19,788,057
Sellinger	137,094,789	133,905,066	-3,189,723	143,534,641	6,439,852

*Excludes various grants such as small community college/Appalachian grants; statewide and health manpower, reciprocity grants, English for Speakers of Other Languages, and Somerset grants

Source: Department of Legislative Services

Funding for the State’s four-year public higher education institutions from fiscal 2020 to the fiscal 2025 adjusted allowance is shown in **Exhibit 2**. Funding for public four-year institutions increases by \$89.4 million, or approximately 4% in the fiscal 2025 adjusted allowance compared to the fiscal 2024 adjusted working appropriation when excluding PAYGO funding. As shown in **Appendix 3**, State funding exceeds tuition and fee revenue in the fiscal 2025 adjusted allowance.

Exhibit 2
State Support for Public Universities
Fiscal 2020-2025
(\$ in Thousands)

<u>Institution</u>	<u>Actual 2020</u>	<u>Adjusted 2021</u>	<u>Adjusted 2022</u>	<u>Adjusted Working 2023</u>	<u>Adjusted Allowance 2024</u>	<u>Adjusted Allowance 2025</u>	<u>Annual % Change 2020-2025</u>	<u>\$ Change 2024-2025</u>	<u>% Change 2024-2025</u>
University of Maryland, Baltimore Campus	\$263,294	\$249,176	\$260,200	\$324,362	\$348,813	\$353,213	6.1%	\$4,400	1.3%
University of Maryland, College Park Campus	531,341	539,635	551,840	669,560	705,111	729,605	6.5%	24,495	3.5%
Bowie State University	49,609	47,803	50,798	72,755	81,440	84,706	11.3%	3,266	4.0%
Towson University	134,791	139,242	147,389	179,883	192,851	210,503	9.3%	17,652	9.2%
University of Maryland Eastern Shore	43,137	45,112	43,542	60,480	67,317	75,689	11.9%	8,372	12.4%
Frostburg State University	45,500	44,523	45,260	55,047	57,923	61,042	6.1%	3,119	5.4%
Coppin State University	49,544	51,055	47,982	62,652	68,015	69,356	7.0%	1,340	2.0%
University of Baltimore	41,381	43,562	45,266	54,781	58,915	59,854	7.7%	939	1.6%
Salisbury University	59,606	62,254	63,904	78,645	87,163	92,255	9.1%	5,092	5.8%
University of Maryland Global Campus	44,397	44,566	45,612	57,317	61,929	63,408	7.4%	1,479	2.4%
University of Maryland Baltimore County	147,667	152,024	160,917	190,913	200,729	207,868	7.1%	7,139	3.6%
University of Maryland Center for Environmental Science	23,696	22,752	22,824	26,582	27,513	28,675	3.9%	1,162	4.2%
University System of Maryland Office	41,205	20,402	20,244	24,824	25,522	30,549	-5.8%	5,026	19.7%
Universities at Shady Grove		23,045	22,405	29,776	30,132	25,704		-4,428	-14.7%
Morgan State University	104,890	112,324	116,846	155,483	184,506	194,744	13.2%	10,238	5.5%
St. Mary's College of Maryland	28,602	27,762	30,357	34,056	39,285	39,402	6.6%	117	0.3%
Total Funding for Public Four-year Institutions	\$1,608,662	\$1,625,236	\$1,675,385	\$2,077,117	\$2,237,164	\$2,326,572	9.6%	\$89,408	4.0%
Total with Other Higher Education Funding*	\$1,653,581	\$1,668,429	\$1,722,088	\$2,146,511	\$2,322,046	\$2,411,551	9.7%	\$89,505	3.9%

*Other higher education funding includes funding for agricultural extension and experimental station programs.

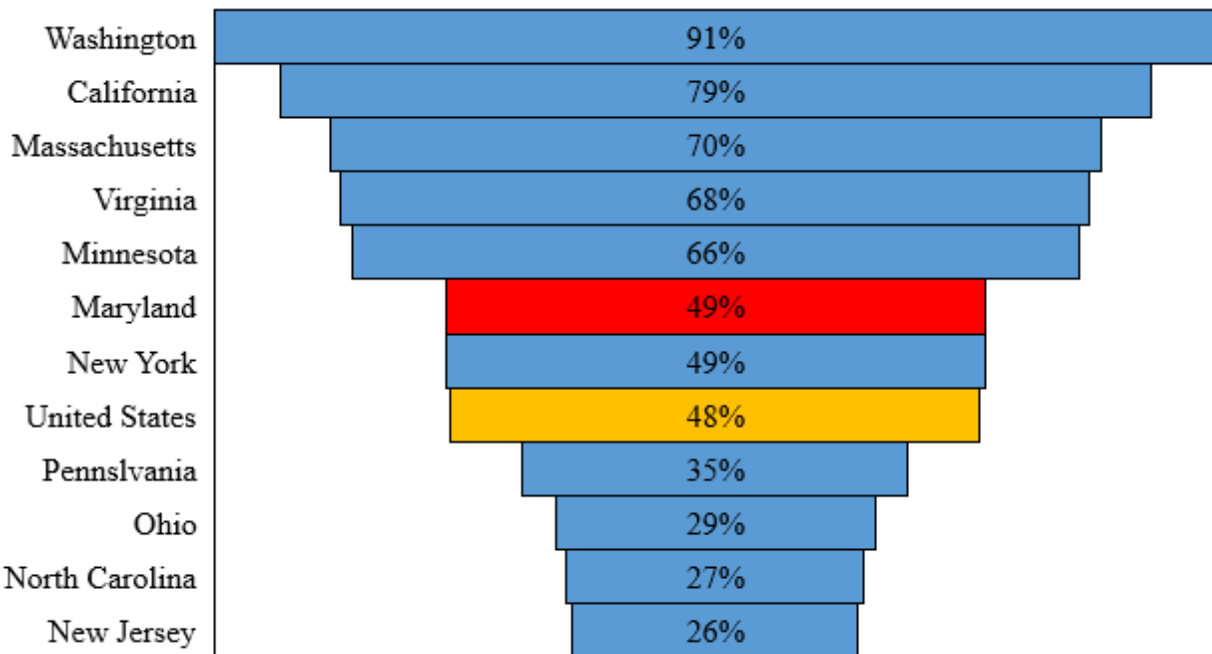
Note: Office for Civil Rights enhancement funds to historically Black colleges and universities are included for those institutions. Excludes pay-as-you-go funding.

Source: Governor's Fiscal 2020-2025 Budget Books; Department of Legislative Services

Comparing Funding of Higher Education

Nationally, from fiscal 2012 to 2022, state and local funding per FTES (adjusted for inflation) increased 48%, as shown in **Exhibit 3**. The national increase in funding per FTES in fiscal 2022 marks a third consecutive year where funding per FTES has increased, reversing a trend that began after the Great Recession whereby state and local funding on higher education per FTES decreased. Overall, 49 states increased state and local funding per FTES over the 10-year period with 5 competitor states having a larger increase than Maryland; these states were Washington, California, Massachusetts, Virginia, and Minnesota, which increase funding per FTES by 91%, 79%, 70%, 68%, and 66%, respectively. Among competitor states, North Carolina and New Jersey showed the smallest increase in state and local funding per FTES, 27% and 26%, respectively. Maryland public four-year institution funding can be seen in **Appendix 2** and **Appendix 3**. Funding by FTES for Maryland public four-year institutions can be seen in **Appendix 4** and **Appendix 5**, while total FTES enrollment trends can be seen in **Appendix 6**.

Exhibit 3
10-year Percentage Change in State and Local Funding Per FTES
Fiscal 2012-2022



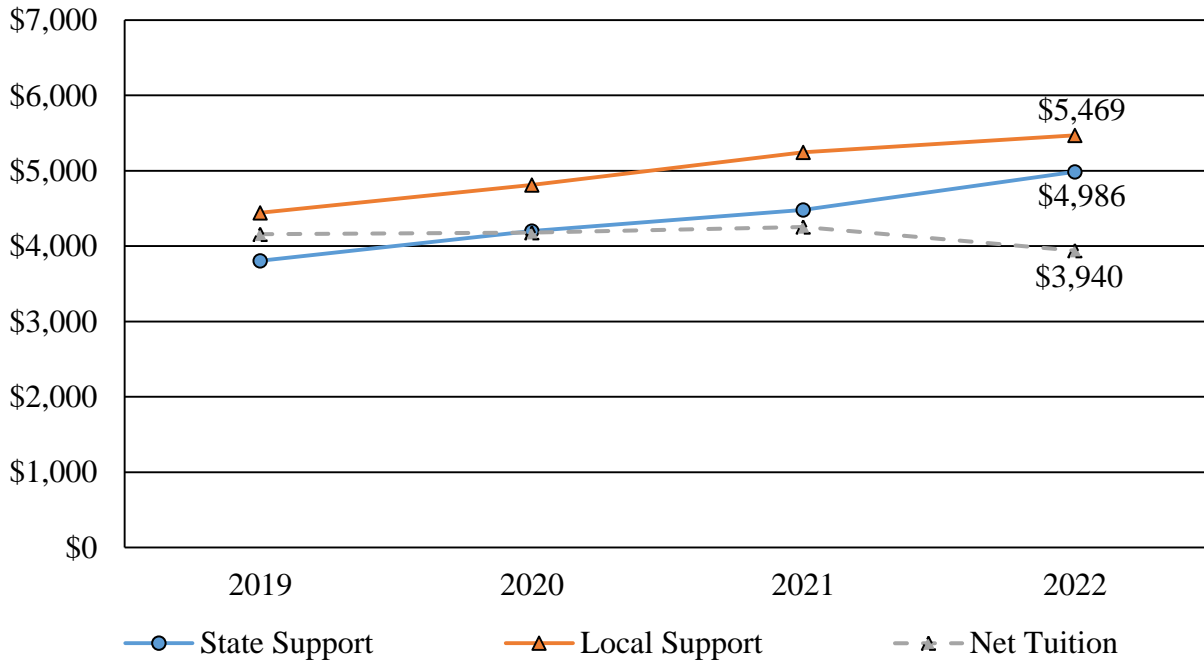
FTES: full-time equivalent student

Source: The College Board, *Trends in College Pricing*

State Funding by Segment

Exhibit 4 shows the source of funding per FTES for Maryland’s two-year public institutions. State funding per FTES has been on an upward trend since fiscal 2019. In fiscal 2020, State funding per FTES increased by 10.4% compared to fiscal 2019. This trend of increasing State support continued in fiscal 2022, with State support increasing by 11.3% compared to fiscal 2021. Local support increased by 4.3% while still exceeding State support by \$483 per FTES in fiscal 2022 when compared to fiscal 2021. The growth in State and local funding per FTES of 31.1% and 23.1%, respectively, between fiscal 2019 and 2022, is mainly due to enrollment falling by 15.7%. After a steady trend of net tuition increase, it decreased by 9.4% between fiscal 2021 and 2022.

**Exhibit 4
Inflation-adjusted State and Local Support and Net Tuition Per FTES for
Maryland’s Two-year Public Institutions
Fiscal 2019-2022**



FTES: full-time equivalent student

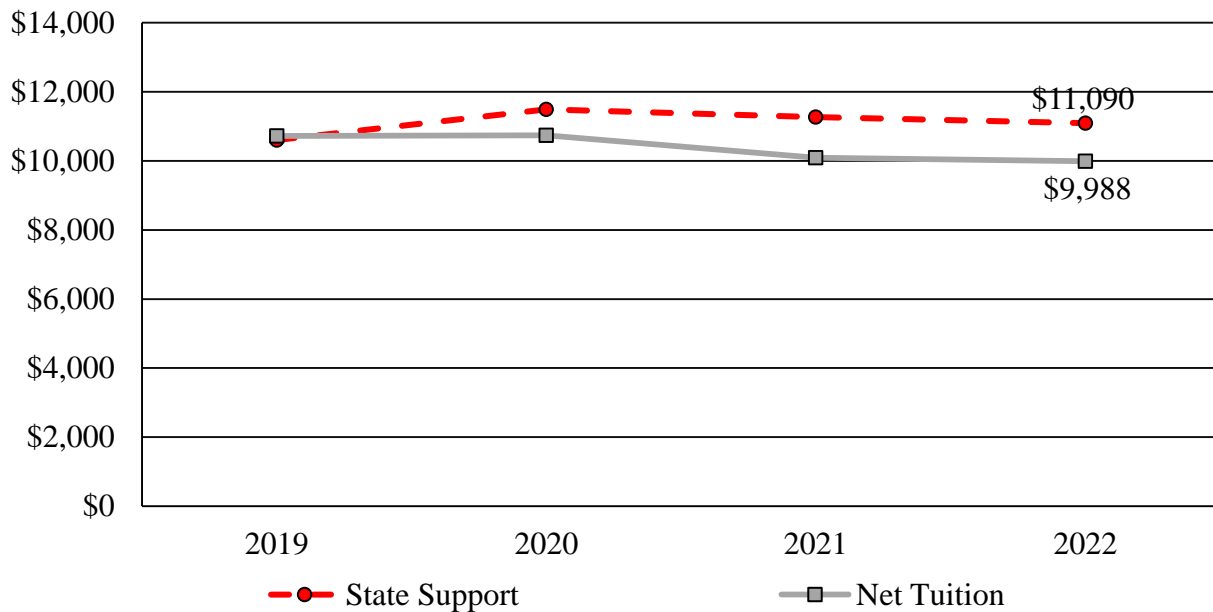
Note: Net tuition includes tuition, required fees, books and supplies, room and board, and other related expenses. Fiscal 2019 through 2021 amounts have been revised since the 2023 session.

Source: *State Higher Education Finance: Fiscal 2022*, State Higher Education Executive Officers Association

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State support per FTES in fiscal 2022 was higher than net tuition at Maryland’s public four-year institutions, as shown in **Exhibit 5**. Net tuition per FTES decreased slightly by 1.0% in fiscal 2022. After an increase in fiscal 2020 of 8.4% compared to fiscal 2019, State support per FTES in State support declined in the following two years. In fiscal 2022, State support decreased slightly by 1.6%. Overall, State funding per FTES has increased by 4.6% from fiscal 2019 to 2022. The decrease in net tuition and State support can be attributed to the Higher Education Cost Adjustment (HECA) the State Higher Education Executive Officers Association uses to calculate its numbers. For example, before HECA is applied, net tuition increases by 19.2%, and State support per FTES increases by 3.4%.

Exhibit 5
Inflation-adjusted State Support and Net Tuition Per FTES
For Four-year Public Institutions
Fiscal 2019-2022



FTES: full-time equivalent student

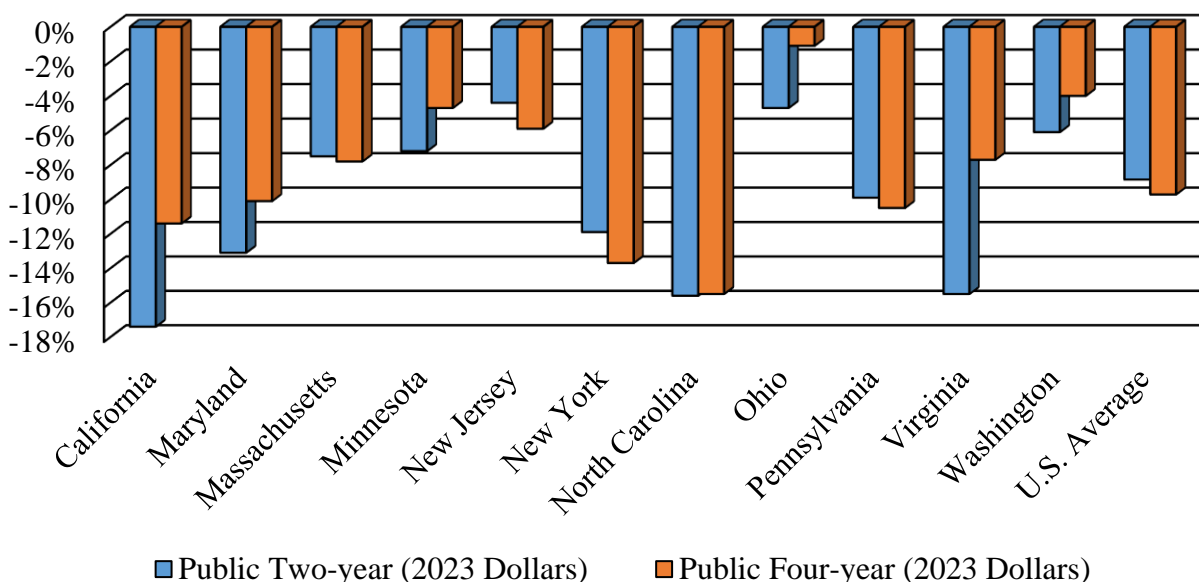
Note: Net tuition includes tuition, required fees, books and supplies, room and board, and other related expenses.

Source: *State Higher Education Finance: Fiscal 2022*, State Higher Education Executive Officers Association

Tuition and Fees

Exhibit 6 shows the inflation-adjusted percentage change in in-state tuition and fees at Maryland and its competitor states’ two- and four-year institutions between fiscal 2019 and 2023. On average, nationally, tuition and fees increased during this time before adjusting for inflation. However, after adjusting for inflation, the average tuition and fees at two-year institutions declined in 47 states, including Maryland and all of the competitor states. Rates at Maryland’s two-year institutions decreased by 13.1% over this period; only competitor states – California, North Carolina, and Virginia – experienced a greater average decline between fiscal 2019 and 2023. According to the College Board, for the 2023-2024 academic year, the average rate for Maryland was \$4,953, making it the twenty-third (excluding Alaska) most expensive in the country with 8 competitor states having higher rates. Except for California and North Carolina, the average tuition and fee rate in Maryland and its competitor states exceeded the national average of \$4,330.

Exhibit 6
Inflation-adjusted Five-year Percentage Change for In-state Tuition and Fees
At Two- and Four-year Public Institutions
Fiscal 2019-2023



Note: Five-year percentage change for in-state tuition and fees at two- and four-year public institutions is the average published tuition and fees in 2023 dollars.

Source: The College Board, *Trends in College Pricing*

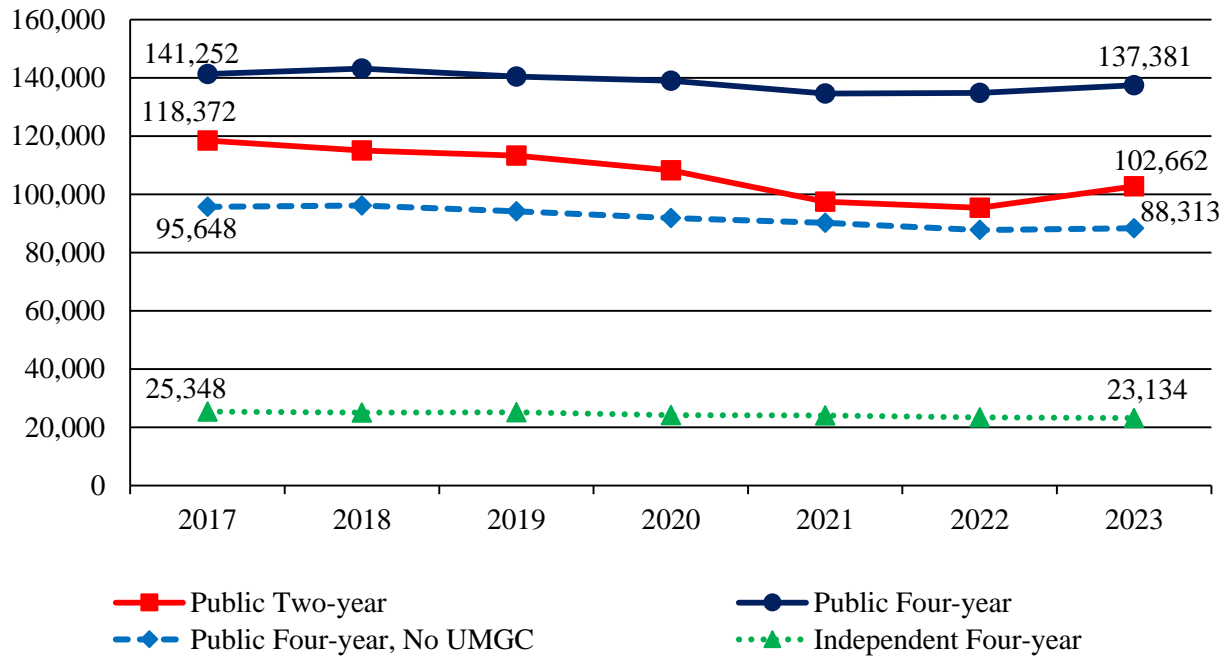
Higher Education – Fiscal 2025 Budget Overview

Over the past five years, average tuition and fees at public four-year institutions decreased in all of Maryland’s competitor states. Maryland’s rates decreased 10.1%, while the national average decreased by 9.7%. According to the College Board, when compared to all states, at \$10,852, Maryland is roughly in the middle of states (twenty-sixth) for the expensiveness of tuition and fee rate. This rate is also below the national average of \$11,376 and that of seven competitor states – Massachusetts, Minnesota, New Jersey, Ohio, Pennsylvania, Virginia, and Washington. **Appendix 7** and **Appendix 8** show the tuition and fee rates at Maryland’s public four- and two-year institutions, respectively.

Undergraduate Enrollment

The combined undergraduate enrollment at Maryland’s public institutions and independent institutions increased by 4.1% in fall 2023. As shown in **Exhibit 7**, the trend of declining enrollment for public two-year institutions reversed in fall 2023, with an influx of 7,828 students (8.3%) in fall 2023 compared to a decrease of 2,141 students in fall 2022. Enrollment at the four-year public institutions increased by 2646 students, or 2.0%, when compared to the fall 2022 total. However, enrollment increased by only 0.4% if University of Maryland Global Campus (UMGC) is not included in the four-year public institutions. This marks the first time since fall 2017 that the four-year public institutions experienced an increase when excluding UMGC. In contrast, four-year independent institutions experienced a 0.6% rate of decline. While this decrease indicates a continued decline in this segment, the rate of decrease enrollment is slowing down. For example, the decrease in fall 2022 was 2.7% decrease compared to fall 2021 in this segment. Higher education enrollment trends by FTES at Maryland’s public four-year institutions can be seen in Appendix 6.

Exhibit 7
Maryland Total Fall Undergraduate Headcount Enrollment by Segment
Fall 2017-2023



UMGC: University of Maryland Global Campus

Note: Fall 2023 enrollment reflects opening fall enrollment data and is subject to revision.

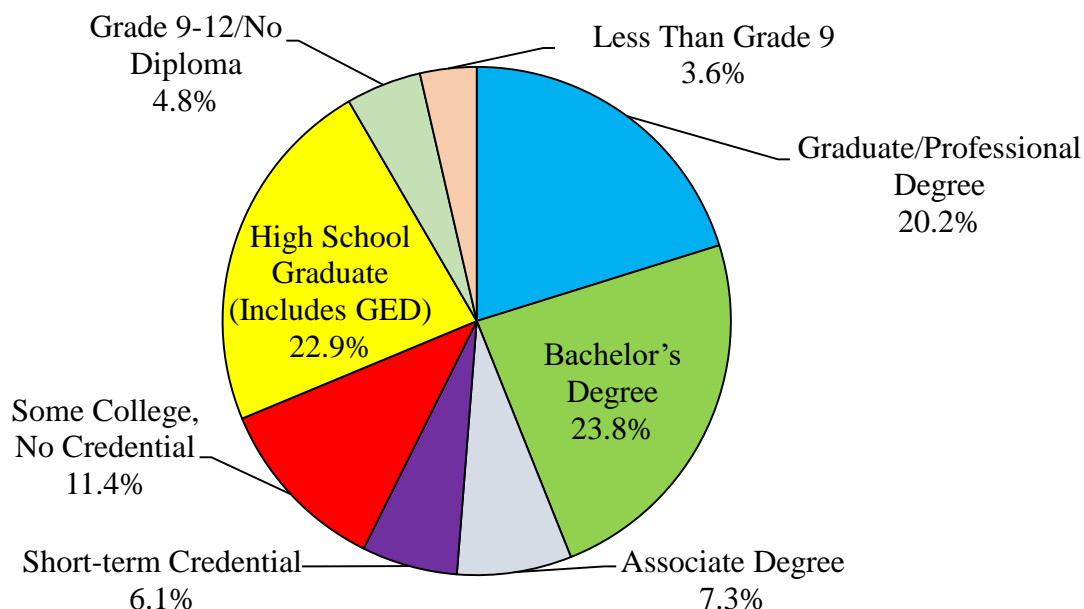
Source: Maryland Higher Education Commission

Nationally, according to the National Student Clearinghouse, undergraduate enrollment across all segments increased 2.1% in fall 2023. Enrollment at the nation’s public two-year institutions increased by 4.4%, while the public four-year institutions increased by 0.8%. Enrollment at the four-year private nonprofit institutions also increased by 1.4%.

Progress Toward 55% Degree Attainment

To maintain a competitive and productive workforce, Maryland has an educational completion goal that at least 55% of adults 25 to 64 years old will hold at least one degree credential by 2025. As of 2021, according to the Lumina Foundation, when including short-term credentials, Maryland exceeded its goal with 57.3% of Marylanders holding at least one degree credential, as shown in **Exhibit 8**, surpassing the national average of 53.7%. When excluding short-term credentials, Maryland falls short of its attainment goal, with 51.2% of Marylanders holding at least one degree credential but still exceeds the national average of 45.7%.

Exhibit 8
Maryland Education Attainment
Adults 25 to 64 Years Old
Calendar 2021



Note: Short-term credentials include certificated and industry recognized certifications (1.8% certificates; 4.3% certifications).

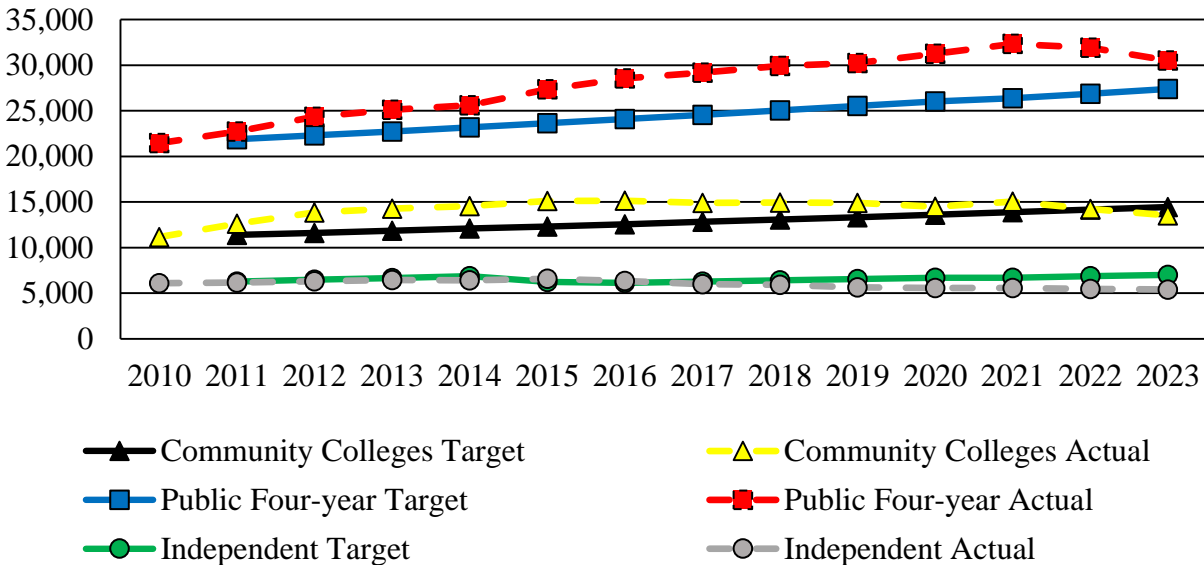
Source: Lumina Foundation: A Stronger Nation

In 2012, MHEC developed a model, last revised in 2023, setting degree targets for institutions to reach in order for the State to reach its 55% completion goal. Based on the model, MHEC estimated that a total of 1.7 million Marylanders would have to possess a degree to meet the goal. MHEC estimates that in 2025, 903,511 residents ages 25 to 49 who held at least an associate degree in 2010 will still be in the target group. Therefore, when excluding this population from the target of 1.7 million, Maryland will need to have an additional 844,960 degree holders by 2025. Public two- and four-year institutions would account for 605,642 of the additional degree holders, while the remaining would be due to migration of individuals from other states and countries who already hold a college degree.

After factoring in migration and mortality rates, MHEC's model determined that the goal can be reached if the public sector annually increases degree production by 2.0%. As shown in **Exhibit 9**, the public four-year institutions have consistently surpassed their target; however, after achieving the highest production of degrees in fiscal 2021, awarding 32,334 degrees, the number conferred decreased by 5.9% to 30,509 degrees in fiscal 2023. This decrease can be attributed to the pandemic, which impacted the enrollment and retention of students. Until fiscal 2023,

community colleges exceeded their target; however, the number of degrees awarded steadily decreased. Community colleges fell short of their target by 898 degrees in fiscal 2023. Overall, since fiscal 2016, degree production of the community colleges has fallen 10.5%, or 1,595 degrees, reflecting the continuing enrollment decline. Since fiscal 2017, the independent institutions have fallen below their targets in each year.

Exhibit 9
55% Degree Attainment Goal by Segments
Fiscal 2010-2022



Source: Maryland Higher Education Commission

As of fiscal 2023, 677,568 degrees (including independent and other private institutions), or 94.3% of the 2025 target, have been conferred. It should be noted that starting in fiscal 2015, the number of degrees awarded by public four-year institutions is overstated due to a change in the reporting requirements for UMGC in which all associate and bachelor’s degrees conferred to all students, stateside and overseas, are included in the total number of degrees. Overall, for fiscal 2023, MHEC estimates the degree attainment rate for the State to be 51.2% and, over the course of the model, the average annual change per year has been 0.5%. At this rate, Maryland’s degree attainment rate would be 52.2% by 2025.

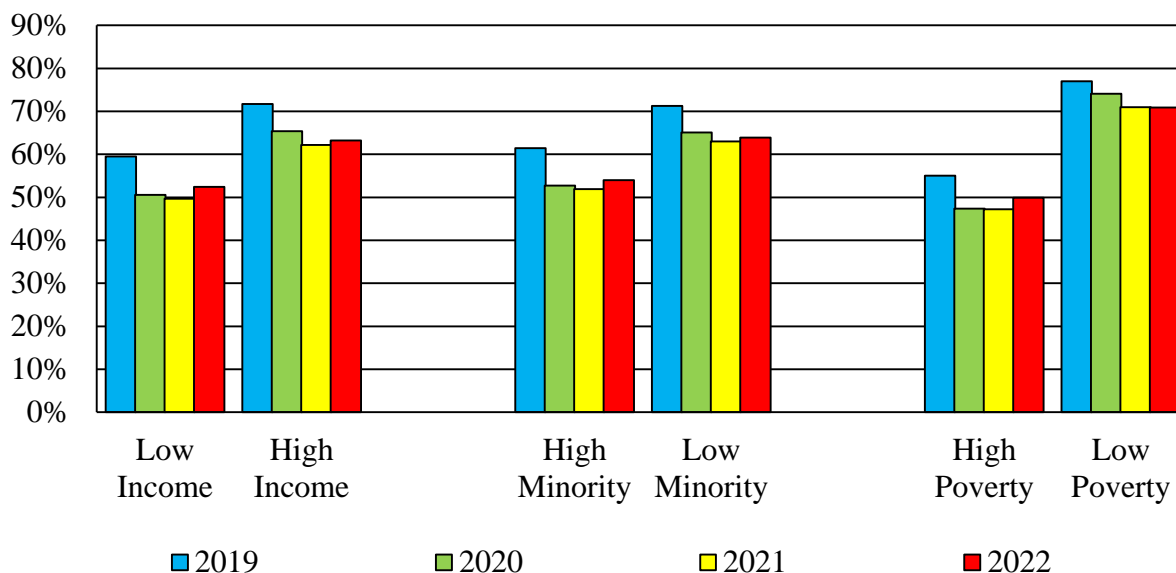
Lingering Impacts of COVID-19 on Enrollment

As high school graduates become increasingly diverse, those going to college will likely come from low-income families and be the first in their family to attend college. Many of these

students may not consider attending college for a variety of reasons including cost, preparation, or family expectations. Increasing the college going rate of high school graduates will require new programs and initiatives throughout the postsecondary pipeline.

Nationally, the gap in the immediate college enrollment rate has slightly narrowed between those students from well- and low-resourced schools. As shown in **Exhibit 10**, immediate college enrollment rates dropped to the lowest level with the class of 2021 and improved across all categories with the class of 2022, except for those from low-poverty schools, which slightly declined by 0.1 percentage point. Overall, those from low-income, high-minority, high-poverty schools experienced the greatest increase in the college going rate ranging from 2.1 to 2.7 percentage points. These increases may indicate enrollment is recovering from the pandemic. However, the rate of those going to college across all categories are below than the prepandemic rates (2019 cohort). Graduates from high-income schools experienced the largest decline of 9 percentage points with enrollment decreasing from 71.7% to 63.2% with the classes of 2019 and 2022, respectively. While the gap in the enrollment rate persists between those from well- and low-resourced schools, it slightly narrowed with the class of 2022.

Exhibit 10
National Immediate College Enrollment Rate
by High School Category
Classes of 2019 and 2022

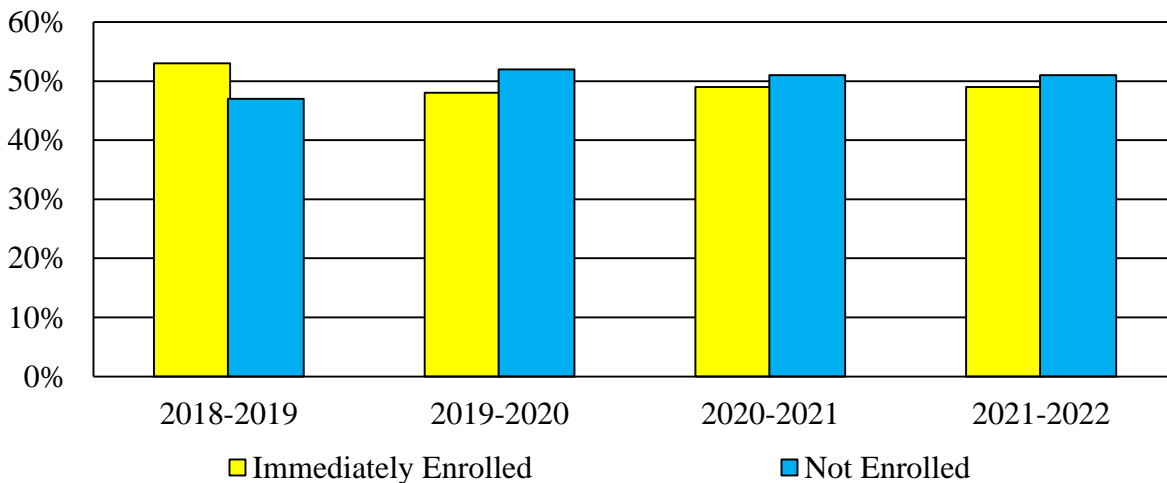


Note: Low income includes schools where are at least 50% of the students are eligible for a free- or reduced-price lunch. High minority includes schools with at least 40% students who are Black or Hispanic. Higher poverty is a subset of low-income schools where are least 75% of students are eligible for a free- or reduced-price lunch.

Source: National Student Clearinghouse Research Center; High School Benchmarks, September 2023

As shown in **Exhibit 11**, in Maryland, prior to the pandemic, 53% of the 2018-2019 public high school graduates immediately enrolled in college. However, a majority (52%) of the graduates in the proceeding class did not enroll in college reflecting the impact COVID-19 had on student’s decision to immediately attend college. While the percentage of graduates enrolling in college has since increased to 49% for the subsequent two classes, it is still below the prepandemic level.

Exhibit 11
Immediate College Enrollment
Maryland Public High School Graduates
2018-2022 Graduating Cohorts



Note: Only includes those who enrolled in college as a full-time degree seeking student in the fall immediately after high school graduation.

Source: Maryland Longitudinal Data System Center

The college going rate of high school graduates has implications for the ability of Maryland to maintain its educational attainment level. While some may decide to pursue postsecondary education later, including for-credit certificates or certification, many may not complete any college credential. Furthermore, some may pursue other options such as joining the workforce, military, or postsecondary apprenticeships. Targeting programs and resources at immediate college enrollment is an “easy” point at which institutions and policy makers can intervene to increase the overall college going rate. Those that do not enroll immediately tend to lose momentum while work, finances, and family tend to keep them from pursuing a postsecondary education.

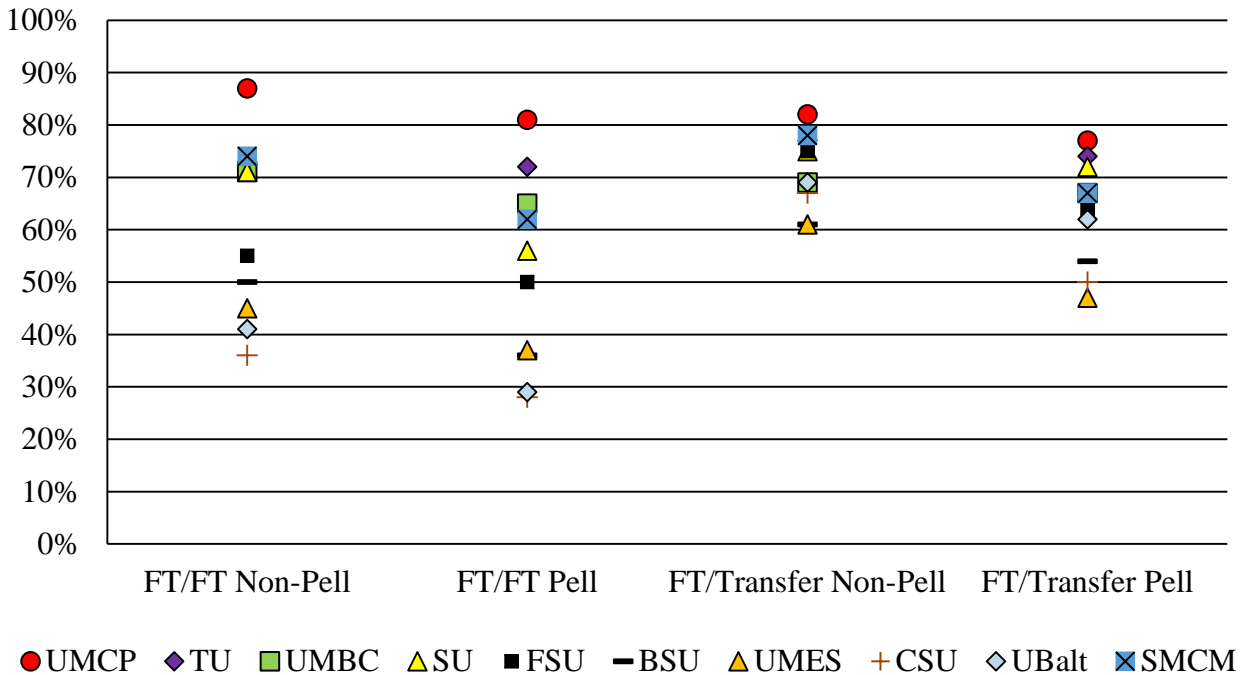
The Chancellor and Presidents of MSU, SMCM, the Maryland Independent College and University Association (MICUA), and the Secretary of the Higher Education Commission should comment on efforts to increase the participation of recent high school graduates in postsecondary education.

How Well Are Institutions Serving Changing Demographic

In order for institutions to succeed, they will need to provide pathways, programs, and services to help low- to moderate-income, first-generation students succeed. The completion rates of Pell students are used as proxy to measure the success of these students compared to the outcomes of non-Pell students. According to the National Center for Education Statistics, for academic year 2021-2022, 29.3% of Maryland undergraduate students received a Pell grant. It should be noted that on average, the maximum Pell grant only covers 25.9% of the cost of attendance at public four-year institutions, resulting in students relying on institutional and State and federal financial aid and loans to cover the cost of education.

Overall, as shown in **Exhibit 12**, first-time, full-time (FT/FT) non-Pell students at the public four-year institutions graduate at a higher rate than FT/FT Pell students. The graduation gap ranges from 15 percentage points at Salisbury University to 1 percentage point at Towson University (TU). While the graduation rates for FT/FT Pell and non-Pell students vary widely among the institutions – ranging from 36% to 28%, respectively, at Coppin State University (CSU) to over 80% at UMCP – that is not the case for full-time transfer students. The gap between Pell and non-Pell transfer students ranges from 17 percentage points at CSU to Pell transfer students outperforming non-Pell students by 7 percentage points at MSU. In general, transfer students tend to perform better than FT/FT because they have demonstrated persistence, and any remedial work that they may have needed has already been completed. This is demonstrated by the generally narrower range among schools in performance among transfer students.

Exhibit 12
Six-year Graduation Rate
2022



FT/FT: first-time, full-time
Pell: Pell Institute

Note: As of August 1, 2022.

Source: Integrated Postsecondary Education Data System

However, it is difficult to determine how well an institution is serving its low- to moderate-income students by just looking at the six-year graduation rates. For example, UMCP has the highest graduation rate for FT/FT Pell students at 81%; however, Pell students only comprise 18% of the student population during the 2021-2022 academic year, while CSU has one of the highest percentages of Pell students at 53% and the lowest graduation rate at 28%.

One way to measure how well institutions serve their low- to moderate-income students is by measuring the return on investment (ROI), ROI being defined as the amount of time it takes for students to recoup the out-of-pocket costs that are not covered by financial aid. The Economic Mobility Index (EMI) provides a methodology to measure each institution’s ROI. In previous EMI rankings, selective institutions tend to top the rankings list because while they have a good ROI, they enroll fewer low-income students, who tend to be high performers. Third Way incorporated

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the percentage of Pell students enrolled in an institution in its model of ROI. This adjustment to the model elevated less prestigious institutions that are more affordable and have financial support systems in place to address the unique needs of first-generation, low-income students.

EMI is calculated by first determining the Price-to-Earnings Premium (PEP) which measures how long, on average, it takes for students from families earning \$30,000 or less to recoup their cost of obtaining a credential. EMI then combines the proportion of students from low- and moderate-income households. As shown in **Exhibit 13**, instead of ranking institutions, those with similar levels of EMI are grouped together in five tiers with those that provide the greatest economic mobility groups in Tier 1 with other institutions that deliver comparably strong outcomes. Conversely, those that provide the least economic mobility outcomes for students are grouped in Tier 5. Overall, TU has the highest EMI of the public four-year institutions at 28.9%, with it taking it less than a year for low-income graduates to pay off their out-of-pocket expenses. At 4.6%, the University of Maryland Eastern Shore (UMES) has the lowest EMI for low-income students of the public four-year institutions with an ROI of 17.2 years. The wide variation in EMI scores among the public four-year institutions indicates there are opportunities for institutions to develop and implement programs and services to improve access and success of low-income institutions at the State's institution.

**Exhibit 13
Economic Mobility Index – Bachelor Granting Institutions**

	Economic Mobility Index	PEP for Low-income: Years to Pay Down Total Net Cost	% Pell Grant Students
Tier I (Top 20% for Economic Mobility)			
Washington Adventist University	37.7%	2.23	47.3%
Capital Technology University	31.2%	1.88	37.1%
Towson University	28.9%	0.92	31.0%
University of Maryland Baltimore County	28.2%	0.05	28.4%
Bowie State University	23.5%	4.39	45.4%
Tier 2 (Within 20% and 40% for Economic Mobility)			
Washington College	22.0%	1.49	25.0%
Goucher College	20.5%	3.44	32.6%
Stevenson University	18.2%	3.49	29.1%
University of Maryland, College Park Campus	16.6%	0.83	17.7%
Johns Hopkins University	16.6%	-0.22	16.6%
Tier 3 (Within 40% and 60% for Economic Mobility)			
St. Mary's College of Maryland	15.7%	2.58	20.9%
Salisbury University	15.0%	3.28	23.0%
McDaniel College	14.4%	5.44	35.5%
University of Baltimore	14.1%	6.02	39.8%
Frostburg State University	13.4%	5.66	34.6%
Notre Dame of Maryland University	13.2%	7.03	45.6%
Coppin State University	12.1%	8.82	55.4%
Loyola University Maryland	12.1%	2.33	15.3%
Tier 4 (Within 60% and 80% for Economic Mobility)			
University of Maryland Global Campus	11.4%	5.18	26.3%
St. John's College	10.5%	5.43	25.6%
Morgan State University	8.5%	10.77	51.1%
Mount St. Mary's University	8.3%	6.56	26.7%
Tier 5 (Bottom 20% for Economic Mobility)			
Hood College	6.0%	11.5	39.0%
University of Maryland Eastern Shore	4.6%	17.2	47.0%
Maryland Institute College of Art	0.1%	235.8	22.5%

PEP: Price-to-Earnings Premium

Note: PEP for low-income students is calculated by dividing the average net cost for low-income students (out-of-pocket cost minus scholarships and grants) by the median earnings of low-income graduates minus the median. The economic mobility is the percent of Pell students multiplied by the low-income PEP percentile rank.

Source: Third Way

The Chancellor and Presidents of MSU, SCMC, and MICUA should comments on efforts to increase enrollment of low- to moderate-income students and efforts to ensure their success.

Transfer of College Credits

According to the Community College Research Center at Columbia University, about 80% of entering community college students nationwide indicate that they want to earn a bachelor's degree or higher. However, the National Student Clearinghouse Research Center's *Transfer and Progress: Fall 2022 Report* shows that within six years of beginning community college, nationally, only 14.4% of all first-time students who started at a public two-year institution in fall 2016 earned a bachelor's degree.

The transfer-out bachelor's completion rate shows a much higher six-year bachelor's completion rate. The transfer-out completion rate provides the number of community college transfer students who earned a bachelor's degree from any four-year institution within six years of entering a community college compared to the total number of community college transfer students. Of this population, on average, 42.8% from the fall 2016 cohort earned a bachelor's degree within six years, while 83.7% of those who transferred to a four-year college earned a bachelor's degree.

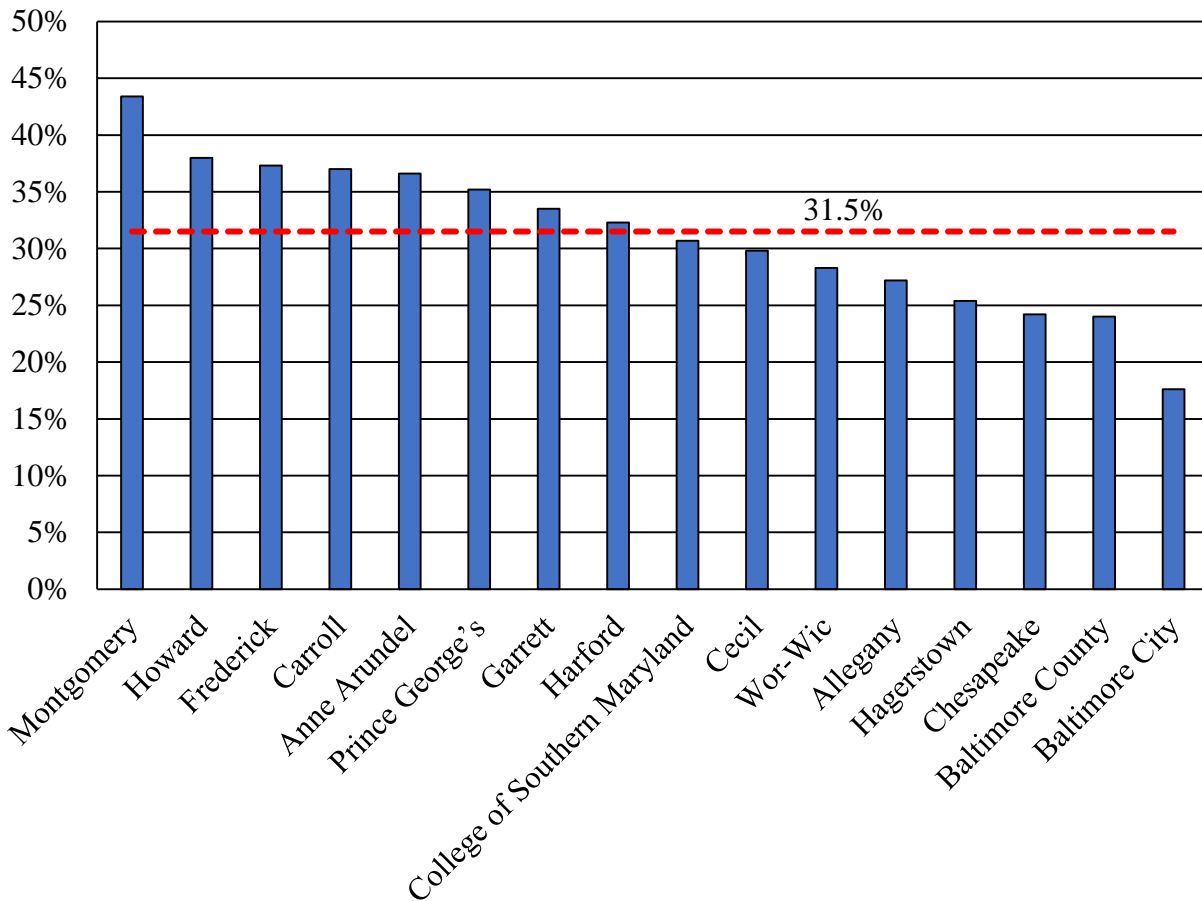
The National Student Clearinghouses's *Transfer and Progress: Fall 2022* report indicated the following.

- Upward transfer mobility to four-year institutions significantly deteriorated across all income quintiles during the pandemic, with no sign of recovery in fall 2022.
- The six-year completion rate is improving for upward transfers as more students earned a bachelor's degree even during their pandemic-impacted fifth and sixth years of enrollment for the 2016 cohort.
- Black student upward transfer completion rates by year six were 4.1 percentage points higher for the 2016 cohort (51.2%) than the 2014 cohort (47.1%). A higher share of upward transfer completers had earned bachelor's degrees. For the 2016 cohort, 77.1% of upward transfers earned a bachelor's, compared to 74.2% for the 2014 cohort.
- Thirteen percent of all lower-income students were transfer students in fall 2022, compared to 10.9% of higher-income students. This overrepresentation of lower-income transfer students has continued to increase since the beginning of the pandemic after an initial drop in fall 2020, while transfer enrollment as a share of higher-income students has steadily declined since 2018.

In November 2023, the U.S. Department of Education (ED) released eight-year public transfer community college student outcomes data for the fall 2014 cohort. Maryland had the

third highest median transfer-out rate of 31.5% of the 50 states. **Exhibit 14** shows the transfer-out rate for Maryland’s community colleges. Montgomery College has the highest transfer-out rate at 43.4%, and BCCC has the lowest at 17.6%.

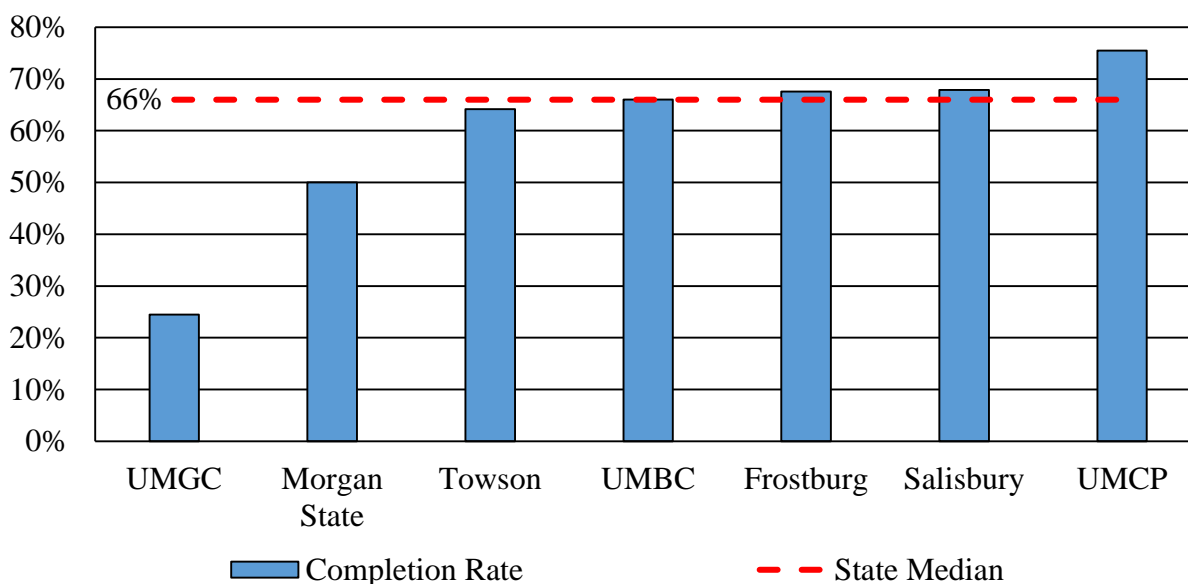
Exhibit 14
Transfer-out Rate for Maryland’s Community Colleges
Fall 2014 Cohort



Source: U.S. Department of Education

ED indicates that Maryland at 66% has the fifth highest median transfer student completion rate nationwide. **Exhibit 15** shows the Maryland colleges with the highest bachelor’s completion rate for transfer students. ED identified the universities with the highest completion rates in the State but not all of the completion rates for the State’s universities. UMCP has the highest rate, with 75.5%. While UMGC has the lowest completion rate in the exhibit at 24.5%, it should be noted that this is not the lowest in the State.

Exhibit 15
Highest Bachelor’s Completion Rates at Maryland’s Four-year Institutions
for Community College Transfers
Fall 2014 Cohort



Source: U.S. Department of Education

The General Assembly has enacted several policy initiatives in recent years to address college readiness, college completion, and college affordability, including the College and Career Readiness and College Completion Act of 2013, the College Affordability Act of 2016, and the Transfer with Success Act of 2021. The Transfer with Success Act requires MHEC to require a receiving public institution of higher education that denies the transfer of credit or course to an enrolled student to notify the sending public institution and the enrolled students, including the rationale for denial.

MHEC made necessary changes to regulations and drafted detailed guidance on the protections for students as a result of the Transfer with Success Act. The new data collection regarding the denial of credit leans heavily on these new regulations and guidance. MHEC expects that the new collection – while not explicitly a transfer collection – will provide micro-level detail on the course transferability between institutions and, more specifically, why courses are denied. That information will help both MHEC and the public institutions improve the transfer process through policy (institutional and statewide), articulation agreements, and academic program development. In January 2024, MHEC asked institutions for implementation plan updates to improve data collection. MHEC will form an intersegmental workgroup to look at how best to utilize the collected data.

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

Issues

1. Direct Admissions

As the State begins implementing the Blueprint for Maryland’s Future and ensuring that students are college ready, it is an appropriate time to look at ways to broaden accessibility to higher education for Maryland students. One policy tool that is being used by states is direct admissions. Direct admissions differs from the traditional admission process. With traditional admissions, the onus is on the student. The student chooses which colleges to apply to, fills out the application, writes an essay, pays the application fee, and waits to be notified of acceptance. With direct admissions, the process is simplified. Universities use available information, such as GPA, grades, high school courses taken, and standardized test scores. Students who have yet to apply formally receive official acceptance letters to schools, and to claim their spots, the students fill out a simplified form instead of a full application. Direct admissions can broaden the pool of eligible students by admitting students who assumed college was out of reach or are intimidated by the process.

Direct admissions is being implemented in different ways across the country. There are eight states with some version of direct admissions (Georgia, Hawaii, Idaho, Minnesota, New York, South Dakota, Washington, and Wisconsin). These direct admissions programs are at times statewide initiatives but can also be university systems. For instance, the City University of New York, the State University of New York, the University System of Georgia, and the University of Wisconsin system are implementing direct admissions. The first state to implement direct admissions was Idaho in 2015. Students with a GPA over 3.0 are admitted to all of Idaho’s higher education institutions. Students with GPAs below 3.0 are not admitted to the two more selective state universities unless they have high test scores. After the implementation of direct admission, Idaho’s institutions saw an increase in enrollment.

Some states use guaranteed admissions. SB 5 of 2024 has been introduced to establish a guaranteed admissions system in Maryland. This bill, if enacted, would guarantee admission to all students in the top 10% of their class to Maryland’s public universities. It is similar to Texas’ Automatic College Admission program. In Texas, students who graduate in the top 10% of their class are guaranteed admission to any public college except the University of Texas, Austin, which has guaranteed admission for students in the top 6% of their class. Those students still need to apply to take advantage of the guaranteed admission, unlike Idaho, where all students who meet the standards receive a letter informing them of their admission. While guaranteed admissions offers students accessible postsecondary education, it is not the proactive approach to admission that direct admission is built around. A student must be aware of the guaranteed admission and apply with the typical long-form application.

Direct admissions can be something other than a statewide initiative. There are different private entities in the direct admissions space that institutions can work with, such as Concourse, Niche, Sage Scholars, and Common App. In Maryland, two universities have partnered with Common App to implement direct admissions. The Common App simplifies college admissions

for students by allowing them to fill out one application that over 1,000 schools accept. With the Common App direct admissions program, students who have created a profile and added enough academic information can receive admissions offers without formally applying. For TU and UMES, Maryland students who meet specific academic criteria and identify as first-generation college students or low to moderate income will receive an offer of college admissions. UMES is in its third year with Common App. Of the approximately 150 applicants offered direct admission to UMES for fall 2023, 6 have enrolled. In addition to Common App, TU is also part of a direct admissions pilot program with the College Board.

While direct admission has the potential to broaden who attends college, it has limitations. While the application process is a barrier, affordability is a larger one. It was reported that of the 33,000 students offered direct admission through Common App in the 2022-2023 academic year, more than 800 students accepted said offers. There could be many reasons why those offers were not accepted. Students might have already determined what college they wanted to attend. Perhaps assumptions were made about the quality of the school offering admission. Findings show students were more responsive to direct admissions offers when they were proactively admitted to larger, higher-quality institutions.

If direct admission is used as a policy to address equity and achievement gaps, it must be only one policy tool of many. The financial component of higher education must be considered because increased admission offers will only equal increased enrollment for the underrepresented with it. Although Idaho had an increase in enrollment, there was not a meaningful impact on the enrollment of Pell-eligible students. A study of the Common App direct admissions program shows that students who receive offers of direct admissions are more likely to apply to colleges in general, and specifically the colleges that offer direct admission. The direct admission offer, coupled with an application fee waiver, is a low-touch intervention that guides students into a college pathway. However, this strategy is less effective on enrollment than guaranteeing financial aid conditional on admission. Limitations notwithstanding, direct admission is a low-cost policy that can put students on the pathway to postsecondary education. **The Chancellor and Presidents of MSU, SMCM, MICUA and MACC should comment on what role they foresee for direct admissions at their institutions.**

2. Impact of Free Application for Federal Student Aid Simplification

The FAFSA Simplification Act was passed on December 27, 2020, as part of the Consolidated Appropriations Act of 2021. This Act made significant changes to the process and methodology for determining federal student financial aid starting with the 2024-2025 award year. The goal is to expand access to postsecondary education by simplifying the financial aid process by addressing several concerns with the Free Application for Federal Student Aid (FAFSA) process including:

- being too complicated;

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- lack of transparency and predictability; and
- students not being aware of how much federal aid they may be eligible for until a higher education institution they have been admitted to sends them an award letter.

The Fostering Undergraduate Talent by Unlocking Resources for Education Act of 2020 increased the ease of filling out a FAFSA by allowing students and families to securely transfer federal tax information needed for eligibility calculations directly from the Internal Revenue Service. In addition, the new FAFSA is streamlined going from asking over 100 questions to just a few dozen.

Federal law requires the new simplified FAFSA form be available by January 1, 2024. However, in October 2023, ED announced the launch of the new FAFSA would be delayed to December 31, 2023. Furthermore, in December 2023, ED stated that the December launch would be a “soft launch period.” During the soft launch, the department will monitor for technical issues, field concerns from students and families, and make last-minute tweaks. In addition, periodic “pauses” will be implemented, during which students already working on their FAFSAs may continue but new forms cannot be started. It was also clarified that “full processing” of the forms will not begin until late January 2024 thereby delaying the ability of institutions to receive student data.

Student Aid Index

One of the major changes is replacing the Expected Family Contribution (EFC) with the Student Aid Index (SAI). The term EFC was misleading for it implied that was the amount students and families were expected to contribute toward the cost of college when it was instead an assessment of a family’s available financial assets used to determine financial aid. SAI will more adequately reflect the amount of financial aid a student is eligible to receive. While the formula for calculating a student’s financial aid will be mostly the same as that used to calculate a student’s EFC, there are a few major differences including:

- removing the number of family members in college from the calculation;
- allowing a minimum SAI of negative \$1,500, differentiating greater levels of need thereby targeting aid to students with greatest financial need and accounting for expenses not included in a school’s published cost of attendance; and
- implementing separate eligibility determination criteria for federal Pell grants.

When the student completes the FAFSA, they will receive a confirmation email that includes their estimated SAI and Pell grant eligibility. Eligible low-income students will be able to qualify for a maximum Pell Grant and other forms of need-based aid based on a single financial indicator (adjusted gross income (AGI)).

Impact on Families

In general, the SAI formula is projected to result in increased aid for most families. However, the impacts may not be the same for everyone.

- Families – especially middle- and high-income households who have more than one child in college, may see a net loss in the total aid they receive since the SAI does not factor in a multiple-student discount.
- Low-income families – especially those with the greatest financial need – may see the most benefit since the methodology allows for a negative SAI. This could help increase the amount of aid some students receive, thereby helping help make college a feasible possibility for them.

Pell Grant Eligibility

The formula to determine Pell eligibility will remain the same – subtracting the SAI and other financial assistance from the cost of attendance (COA) at the institution where the student was accepted. It should be noted the FAFSA Simplification Act requires colleges to disclose more information about their COA including:

- cost of books, course materials, and computer;
- transportation expenses between home, school, and work;
- personal expenses;
- living expenses (*e.g.*, room and board); housing allowances cannot be set to zero for students who live at home with their parents; and
- federal loan fees for both students and parents.

Pell eligibility will be based on the federal poverty level and family size, which will expand access to more students. Significant changes include the following.

- Maximum annual grants will be awarded based on family size, AGI, and poverty guidelines. The AGI threshold is either 175% of 225% of the federal poverty guidelines, depending on the dependency and marital status, and students that have an SAI between negative \$1,500 and \$0 will qualify
- Students who do not qualify for the maximum Pell Grant could still receive funds if their SAI is less than the Pell grant maximum.

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- If a student’s SAI is greater than the maximum Pell Grant award, they could receive a minimum grant award if they qualify based on family size, AGI, and poverty guidelines.

Impact on the State

ED projected that, nationally, 610,000 new students from low-income families will receive a Pell grant and an additional 1.5 million students will receive the maximum resulting in the number of students eligible for the maximum Pell grant growing to more than 5.2 million students. For Maryland, ED estimates there could be an increase of 7,399 in the number of Pell recipients and an additional 20,310 students will receive the maximum Pell award. Based on sample data from MDCAPS from the 2022-2023 academic year for students who submitted a FAFSA and were assessed for eligibility for State financial aid, MHEC projects:

- 291 students would lose their Pell eligibility;
- 1,102 students would become Pell eligible; and
- 97,913 would continue to be Pell eligible.

Overall, the change to SAI may impact those students renewing their Guaranteed Access (GA) and Educational Assistance (EA) grants and the number of students who are eligible for the grants. MHEC estimates those eligible for GA could increase by a few hundred and that the combined impact of more students and students qualifying for larger grants could result in a projected \$120 million to \$150 million increase in expenditures. MHEC also projects expenditures for EA could increase by \$120 million. Despite these projected increases, the State budget provides only a \$2.2 million increase for the EA and GA programs.

Due to the delayed launch of the new FAFSA, MHEC extended the deadline to submit the FAFSA to June 1, 2024. However, students are encouraged to submit their FAFSA by the priority deadline of March 1, 2024, to receive eligibility notification by April 15, 2024.

Impact on Institutions

For higher education institutions, these changes could be expensive as more students receive and some lose their Pell grants, thereby impacting expenditures on institutional aid. Institutions need to make decisions about awarding aid, such as whether to make up the aid a student lost due to having siblings in college no longer included in the calculation. Institutions have been analyzing their data and running models to estimate the potential impact on their budgets.

As previously mentioned, the FAFSA application was not available until December 31, 2023. In November 2023, the process was further complicated when ED announced that colleges and universities will not receive any student data from the completed applications until the end of January 2024. It was further clarified in December 2023 that “full processing” of

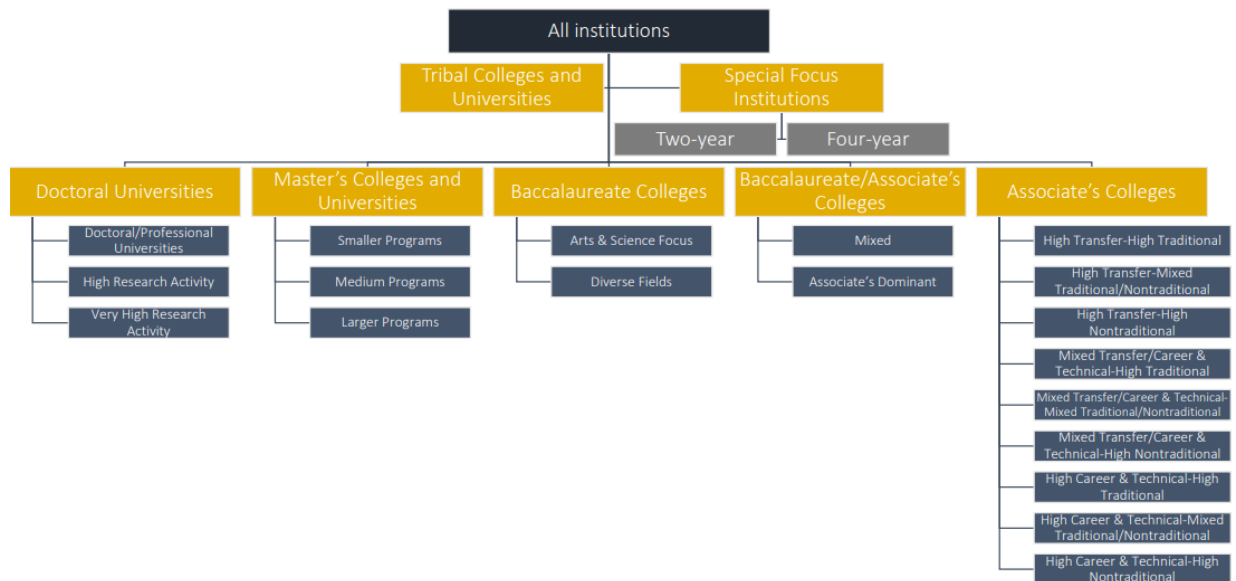
the forms will not begin until late January 2024. In general, institutions get this information, called the Institutional Student Information record, three to five days after a student has completed the form. This can result in a delay in students receiving financial aid offer letters.

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

3. Changes to the Carnegie Classifications of Institutions of Higher Education

On November 1, 2023, the Carnegie Foundation for the Advancement of Teaching (Carnegie) and the American Council of Education (ACE) announced that the Carnegie Classifications of Institutions of Higher Education (CCIHE) will change for the upcoming 2025 classification cycle. The current classification system has been in place since 1973. It includes the basic classification, which categorizes schools based on the highest degree awarded at the school. **Exhibit 16** shows the current basic classifications.

**Exhibit 16
Current Carnegie Basic Classification**



Source: Reimagining Higher Education Classification, American Council for Education and Carnegie Foundation for the Advancement of Teaching

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Carnegie and ACE have collaborated to redefine the basic classifications to make them a more accurate and comprehensive description of the individual schools. Currently, schools that are quite different from each other are grouped based solely on the type of degrees conferred. Carnegie has indicated there are a few reasons for making the proposed changes.

- The classifications were created for institutional researchers. With the categories currently being defined so broadly, it hinders the accuracy and reliability of the research based on them.
- The current system has led to pursuing certain classifications, particularly R1 (very high research institution) and R2 (high research institution), to the detriment of the schools’ stated missions.
- With the landscape of higher education changing, more dynamic classifications will convey a clearer picture of an institution.

Under the potential changes, the basic classifications will no longer be based solely on the highest degree conferred. **Exhibit 17** and **Exhibit 18** show how Carnegie anticipates using the new classification. The new basic classification is not finalized, and the organization is taking public comment until February 15, 2024.

Exhibit 17
Potential Four-year Classification

POTENTIAL MULTI-DIMENSIONAL BASIC CLASSIFICATION: UNIVERSITY 1

2021: Doctoral U.:
Very High Research
Activity

PRIMARY DEGREE AWARDED

Bachelor’s Degree

HIGHEST DEGREE AWARDED

Doctorate

PROGRAM MIX

Comprehensive

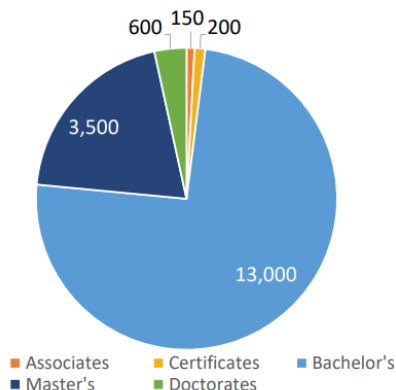
SIZE

Very Large

RESEARCH DESIGNATION

\$250M R&D spending
200 research doctorates

DEGREE AND CERTIFICATE PROFILE (# DEGREES AND CERTIFICATES AWARDED)

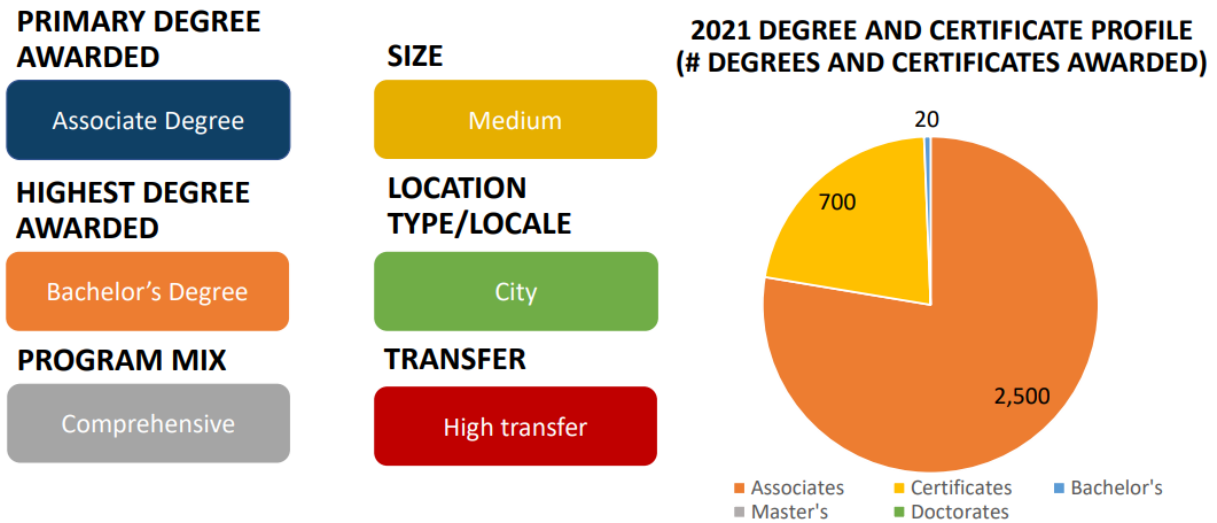


Source: Reimagining Higher Education Classification, American Council for Education and Carnegie Foundation for the Advancement of Teaching

**Exhibit 18
Potential Community College Classification**

POTENTIAL MULTI-DIMENSIONAL BASIC CLASSIFICATION: COMMUNITY COLLEGE 1

2021: Baccalaureate/
Associate's Colleges:
Associate's Dominant



Source: Reimagining Higher Education Classification, American Council for Education and Carnegie Foundation for the Advancement of Teaching

The most notable change to the basic classification system is the removal of research classification for doctoral universities. Research will now be a category separate from basic classification. There will no longer be a complex methodology to determine which universities are classified as R1 or R2. A complicated formula ranks all potential research universities based on their doctorate academic program inventory, types of research and development (R&D) expenditures, science and engineering research staff, and a per capita analysis. Once the universities are ranked, the top half of the institutions are placed in R1, and the bottom half is set in R2. This methodology for determining R1 and R2 universities incentivized universities to establish programs in fields they lacked to be eligible for R1 or R2 classification. For example, a humanities-focused school may add science, technology, engineering, and mathematics doctoral programs to increase its rankings.

This complex method will be replaced with a simple threshold. Any institution that spends at least \$50 million in R&D and confers at least 70 research/scholarship doctorates in a year will be designated R1, or Very High Research Spending and Doctorate Production. R2, or High Research Spending and Doctorate Production, will be designated to institutions that spend at least

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\$5 million in R&D and award at least 20 research/scholarship doctorates in a year. The R&D amount is based on the information reported to the National Science Foundation Higher Education Research and Development survey. The doctorate count is based on the information reported to the Integrated Postsecondary Education Data System. The 2025 classifications will be based on the higher of either a three-year average covering the 2021 to 2023 period or the most recent single year, 2023. In the future, it will only be based on the three-year average.

Two things of note have been added to the research classification. First, the phrase research activity has been replaced by research spending. Second, a third category, Research, has been added. This classification will recognize the research at any school that has spent at least \$2.5 million in R&D in a year.

The new research classification will have an impact on Maryland’s public four-year institutions. Currently, the State has two public R1s, the University of Maryland Baltimore County and UMCP, and two public R2s, MSU and UMES. With the 2025 change, two universities have the potential to become R2s, and four can be named Research Universities, as shown in **Exhibit 19**.

Exhibit 19
Maryland Public Four-year Universities Research Classifications

<u>Universities</u>	<u>Current Classification</u>	<u>Fiscal 2022 R&D (\$ in Millions)</u>	<u>Fiscal 2022 Doctorates (2021-2022)</u>	<u>Potential 2025 Classification</u>
BSU		\$3.35	16	Research (Possible R2)
MSU	R2/High Research Activity	29.48	70	R2/High Research Spending
SU		10.61	4	Research
TU		8.79	16	Research (Possible R2)
UBalt		6.65	10	Research
UMES	R2/High Research Activity	10.66	22	R2/High Research Spending
UMBC	R1/Very High Research Activity	110.32	103	R1/Very High Research Spending
UMCP/UMB	R1/Very High Research Activity	1,228.55	608/88	R1/Very High Research Spending

R&D: research and development

Source: National Science Foundation Higher Education Research & Development Survey 2022; Integrated Postsecondary Education Data System

In addition to the research classification change, Carnegie has added a social and economic mobility classification in 2025. With this new classification, Carnegie's goal is to incentivize universities to focus on student outcomes in a way that mirrors the pursuit of the coveted R1 classification. There is concern that the prioritization of research has been at the expense of positive

student outcomes for disadvantaged students. Carnegie is hopeful that just as the current CCIHE changed universities' policies to reach coveted classifications, the new framework will push universities to rethink policies to achieve success in this new system.

4. HBCU Settlement Fund

In 2006, a lawsuit was filed by HBCU alumni alleging that the State had underfunded these institutions. In 2013, the court determined that was not the case, but it acknowledged that program duplication had continued segregation. After years of negotiating, a \$577 million settlement was reached. Chapter 41 of 2021 directs the settlement amount to Maryland’s HBCUs over the course of 10 years. Fiscal 2024 is the second year of the settlement. .

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The universities were required to submit a report by December 1, 2023, detailing how each has spent the received settlement funds and any new academic programs created with funds, including development costs, startup costs, and ongoing costs associated with the new programs. At the time of writing this analysis, the three USM universities have submitted their reports, and MSU made its report available to DLS. As shown in **Exhibit 20**, the universities reported fully expending their fiscal 2023 HBCU settlement funding.

Exhibit 20
HBCU Settlement Fund Expenditures
Fiscal 2023

	<u>Academic Programs</u>	<u>Scholarships</u>	<u>Marketing</u>	<u>Total Expended</u>	<u>Fiscal 2023 Amount</u>
MSU	\$7,504,371	\$7,912,067	\$981,870	\$16,398,309	\$15,113,291
BSU	7,833,789	1,044,115	1,694,133	10,572,037	10,572,037
UMES	2,356,924	2,562,123	1,184,397	6,103,444	6,103,444
CSU	537,602	3,587,447	1,541,679	5,666,728	5,666,728

HBCU: historically Black colleges and universities

Source: Bowie State University; Coppin State University; University of Maryland Eastern Shore; Morgan State University

As required by the legislation, the funds were spent on academic programs, student financial support and scholarships, and marketing. The institutions approached these priorities differently. Bowie State University (BSU) spent 74.1% of its HBCU settlement funding on

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academics, while CSU spent 63.3% of its funding on financial support and scholarships. This difference is most likely due to the different needs of the schools and their student populations. MSU reports expending more than their HBCU settlement funds on these funding priorities and excess expenditures were covered by general funds.

Fiscal 2024 Plan

Bowie State University

BSU received \$18.2 million in HBCU settlement funds. BSU’s HBCU funding plan focuses on new academic programs, enhancing academic supports, enhancing online programs, and expanding current programs. BSU plans to spend \$7.0 million on enhancing academic support with \$4.6 million going toward hiring academic support staff. BSU plans to spend \$7.3 million on expanding and enhancing current programs. The remaining \$3.9 million is allocated to new academic programs. **Exhibit 21** shows the details of BSU’s funding plan.

Exhibit 21
Bowie State University’s HBCU Settlement Funding Plan
Fiscal 2024

	<u>Amount</u>
Enhancement/Expansion of Current Programs	
Faculty (14)	\$1,717,000
Academic Support Staff (16)	1,699,000
Adjunct Faculty	1,140,000
Marketing	1,000,000
Operational Costs	733,000
Consultants and Instructional Designing	500,000
Software Subscriptions	258,000
Scholarships	250,000
Subtotal	\$7,297,000
Enhancing Academic Support	
Academic Support Staff (49)	\$4,618,000
Faculty (9)	1,100,000
Planning and Operational Costs	625,395
Counseling Services and Multicultural Services	350,000
Marketing	200,000
Software Subscriptions	139,000
Subtotal	\$7,032,395

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	<u>Amount</u>
New Academic Programs	
Faculty (7)	\$860,000
Software Subscriptions	700,000
Planning and Operational Costs	618,037
Adjunct Faculty	536,000
Marketing	500,000
Academic Support Staff (5)	400,000
Scholarships	250,000
Subtotal	\$3,864,037

HBCU: historically Black colleges and universities

Source: Bowie State University

Coppin State University

CSU received \$9.0 million in HBCU settlement funds for fiscal 2024. CSU plans to use the funds in five divisions: Academic Affairs, Enrollment Management and Student Affairs, Institutional Advancement/Marketing, Information Technology, and the President’s Office. At this time, CSU has not specified allocated amounts because discussions are ongoing but has detailed its plans in the five divisions. CSU plans include the following.

- **Academic Affairs:** enhancing current programs and developing new ones. Hire consultants to help with program development.
- **Enrollment Management and Student Affairs:** improve billing and financial communications; establish living and learning communities; improve sophomore year experience; and expand and differentiate tracks of the Summer Academic Success Academy Summer Bridge Program.
- **Information Technology:** support the rebuilding and refreshing of the network infrastructure’s backbone; increase the usability of campus instructional technology systems; improve collaboration with campus departments for integrated technology solutions; and enhance campus safety through upgraded video surveillance systems.
- **The President’s Office:** provide scholarships and financial aid.
- **Institutional Advancement/Marketing:** support the marketing of the institution and increase donor contributions.

Morgan State University

For fiscal 2024, MSU received \$26.4 million in HBCU settlement funds. MSU has opted to continue to fund its fiscal 2023 priorities at the same level, again earmarking \$15.1 million in Chapter 41 funds for faculty, marketing, scholarships, and academic schools. In addition to these previous funding priorities, MSU plans to expend a portion of the additional \$11.3 million in funding on nursing accreditation (\$0.5 million), enhancing animal facilities (\$0.3 million), undergraduate research support (\$0.2 million), and enhancing English 101/102 (\$0.2 million).

The remainder of the funding will be used for:

- assistantships and scholarships (\$4.7 million);
- enrollment management and student success staffing (\$2.0 million) and Institutional Advancement staffing (\$0.5 million);
- general financial aid (\$1.925 million); and
- licenses and software for faculty evaluations (\$1.0 million).

University Of Maryland Eastern Shore

UMES received \$9.0 million in HBCU settlement funds. UMES' plan has allocated funding for student/academic support, scholarships, faculty development, improving existing academic programs, developing new academic programs, and marketing. UMES fiscal 2024 HBCU settlement funding plan is as follows:

- \$3.7 million on academic programs (\$1.8 million on new programs and \$2.0 million on existing programs);
- scholarships (\$2.3 million);
- marketing (\$1.5 million);
- student success initiatives (\$1.0 million); and
- faculty and staff recruitment and professional development (\$0.3 million).

5. 2023 Session Legislative Additions to Public Four-year Institutions

During the 2023 session, \$8.6 million in funding was added in Section 19 of the fiscal 2024 Budget Bill for the public four-year institutions. Most of that funding went to USM schools, as shown in **Exhibit 22**.

Exhibit 22
2023 Session Legislative Additions
Fiscal 2024

<u>Institution</u>	<u>Purpose</u>	<u>Amount</u>
UMB	UMB School of Medicine to Create a Rural Residency Program	\$1,500,000
UMB	School of Dentistry	500,000
UMCP	Grant to Move America Inc.	500,000
UMCP	Partnership for Action Learning and Sustainability	250,000
BSU	Center of Justice, Law, and Civic Engagement	500,000
BSU	Student Mental Health Service	250,000
TU	College of Health Professions	750,000
TU	Dr. Nancy Grasmick Leadership Institute	200,000
UMES	State Match for Federal Grants	1,200,000
UBalt	Schaefer Center	1,500,000
UBalt	Center for International and Comparative Law	325,000
UMGC	UMGC Completion Scholarship	1,000,000
SMCM	Mount Aventine at Chapman State Park	100,000

Source: Chapter 101 of 2023

Some legislative additions served singular purposes, such as those awarded to SMCM, UMES, and UMG. SMCM received the smallest amount, \$100,000, to redevelop Mount Aventine at Chapman State Park. SMCM has hired a project historian/archaeologist and assistant project historian/archaeologist for the project. UMES’ legislative addition was the \$1.2 million for the State match required for the U.S. Department of Agriculture 1890 land grant. UMG received \$1.0 million for its Maryland Completion Scholarship.

Other universities had more extensive uses of their legislative additions. The University of Maryland, Baltimore Campus (UMB) received the most funding at \$2.0 million. Of that amount, \$1.5 million supported the creation of UMB’s School of Medicine’s rural residency program. UMB used the funding to build on the work started with a 2019 Health Resources and Services Administration grant to develop a new, sustainable, accredited rural residency track. The funds supported faculty and staff in developing the rural residency program, partnering with Choptank

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Community Health, and constructing a new Choptank medical office facility. The remaining \$0.5 million was allocated to the School of Dentistry to support the work of the Division of Pediatric Dentistry's Oral Health for Underserved Uninsured Children Program.

The University of Baltimore received the second highest amount of legislative additions, \$1.8 million with the Schaefer Center receiving \$1.5 million of the funds. The Schaefer Center used the funds to hire additional staff and graduate fellows and expanded its NextGen Leaders for Public Service internship program and Maryland Certified Public Manager program. The remaining \$0.3 million went to the Center for International and Comparative Law to hire an executive director and an associate professor.

UMCP received \$500,000 to provide a grant to Move America Inc. The grant fund is to be used for surveying Prince George's County's technical capability resource inventory, performing an analysis of said resource inventory, providing Prince George's County with a branding strategy, and fostering partnerships between the federal government, State institutions, and the Prince George's County school system. UMCP's Partnership for Action Learning in Sustainability (PALS) in the College of Architecture received \$250,000 to further its sustainability work in Maryland.

BSU received \$750,000 and expended \$425,000 on Center of Justice, Law, and Civic Engagement personnel, including the director, project coordinator, postdoctoral fellow, faculty fellow coordinator, and 3 faculty fellows. The remaining \$75,000 earmarked for the center went toward events, course development, equipment, general office supplies, and travel expenses. BSU received \$250,000 for student mental health services. The funding will be used to hold mental health symposiums, continue Protocol Behavioral health services (after-hour/weekend and holiday clinical support), and purchase TAO, a self-guided mental health platform.

TU received \$750,000 for the College of Health Professions but expects to expend only \$142,000. Of this amount, \$65,000 will support Admissions' operating costs and \$77,000 for an Admissions support position. TU will transfer the remainder to a restricted purpose account for future spending. TU received an additional \$200,000 for the Dr. Nancy Grasmick Leadership Institute to ensure the financial accessibility of its twelve annual public workshops.

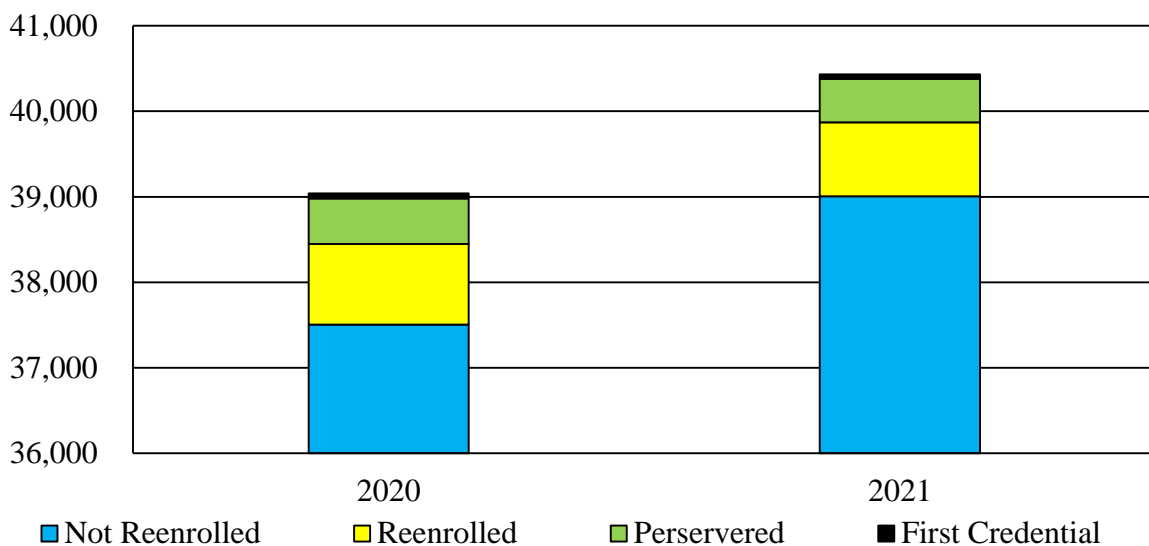
6. Some College, No Credential

One of the leakages in the postsecondary pipeline are those students who have some college/no credential (SCNC). Reengaging this population of students can not only help the State meet its attainment goal but could also be a source of enrollment growth for colleges. However, according to the National Student Clearinghouse Research Center, states and institutions are missing opportunities to reengage these students as, nationally, the number of those with SCNC increased 3.6%, or 1.4 million, from 39.0 million as of July 2020 to 40.4 million as of July 2021, as shown in **Exhibit 23**. The increase in the SCNC population can be attributed to:

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- 94% of those identified as having SCNC in 2020 did not reenroll in a postsecondary institution; and
- 2.3 million of the recent stop-outs who were last enrolled in 2019 did not reenroll between January 2020 and July 2021.

Exhibit 23
Some College/No Credential
2020 and 2021
(in Thousands)



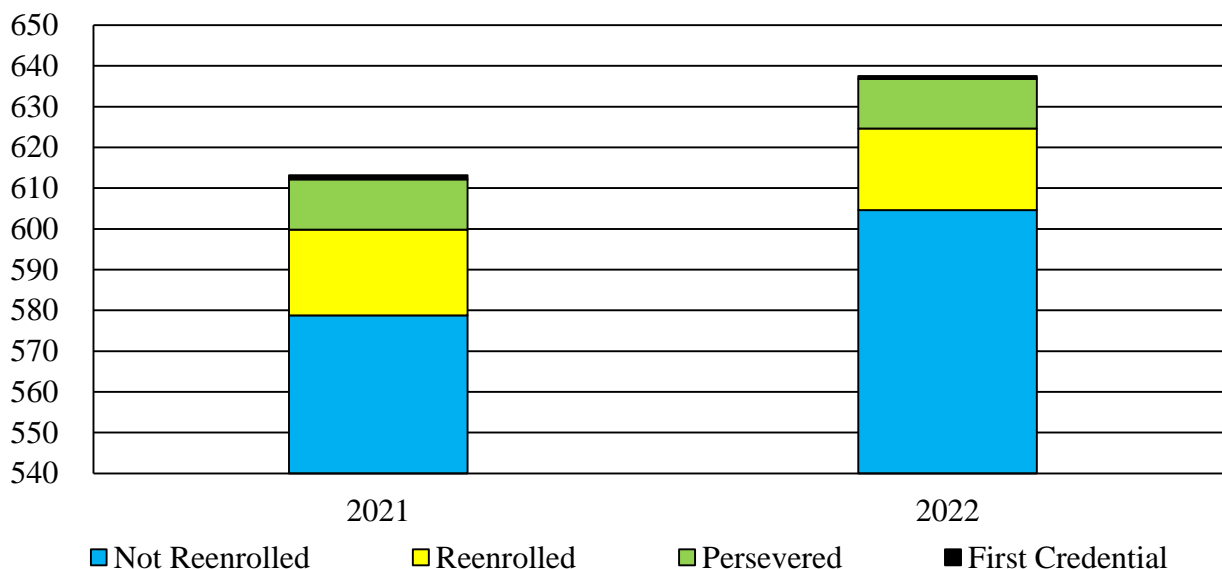
Note: As of July of each year.

Source: National Student Clearinghouse Research Center

Overall, there was an 8.4% decline in the number of SCNC population who reenrolled in a postsecondary institution from the previous year; a 4.3% decrease in the number who preserved and enrolled for a second year, and 11.8% drop in the number who earned a credential in the same year they reenrolled.

Following national trends, those identified as those with SCNC in Maryland increased by 3.7% from 613,138 to 635,665 students, as of July 2020 and July 2021, respectively, as shown in **Exhibit 24**. During this time period those reenrolling decreased by 4.9%, or 1,024 students, and the number of those earning their first credential within a year of reenrollment decreased by 28.2%, or 289 students. Those not reenrolling in a postsecondary institution increased 4.5%, or 25,802 students.

Exhibit 24
Maryland Some College/No Credential
2021 and 2022
(in Thousands)



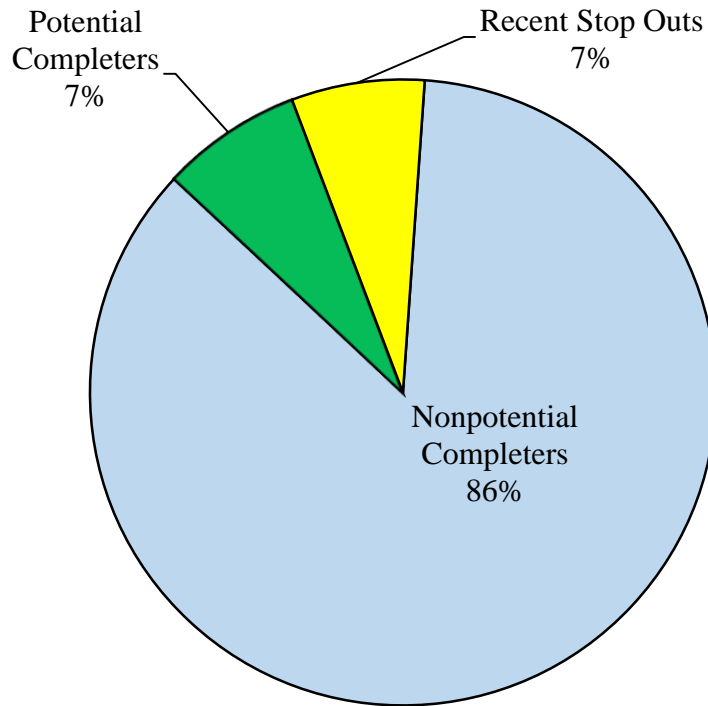
Note: As of July of each year.

Source: National Student Clearinghouse Research Center

The center estimates that, of the 40.4 million SCNC population, 7.3%, or 2.9 million, are potential completers – those who have at least two years worth of academic progress up until their last enrollment. A second group the center identifies as potential completers are recent stop-outs – those who stopped out since the 2020-2021 academic year. Almost a quarter of recent stop-outs are younger than 20 years old, and a majority (73.1%) were enrolled for less than two years.

As of July 2021, 14% of the Maryland SCNC population were identified by the center as potential completers, as shown in **Exhibit 25**.

Exhibit 25
Maryland Potential Completers
2022

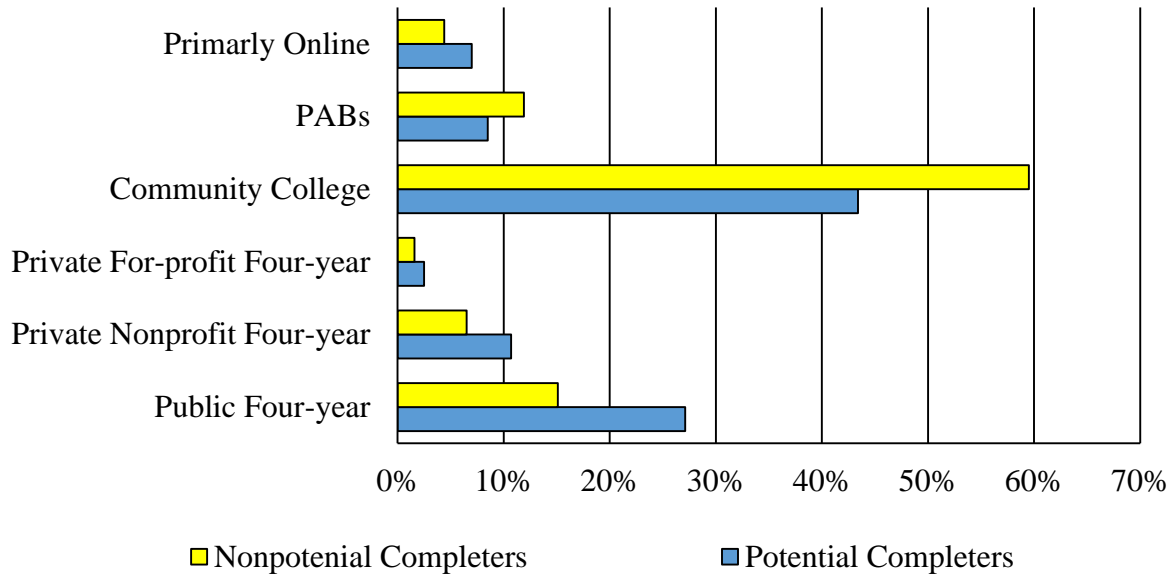


Note: As of July.

Source: National Student Clearinghouse Research Center

As shown in **Exhibit 26**, while, nationally, a majority of the SCNC population were last enrolled in a community college, a greater portion of potential completers (27.1%) were enrolled in a public four-year institution compared to nonpotential completers (15.1%).

Exhibit 26
Institution of Last Enrollment
2022

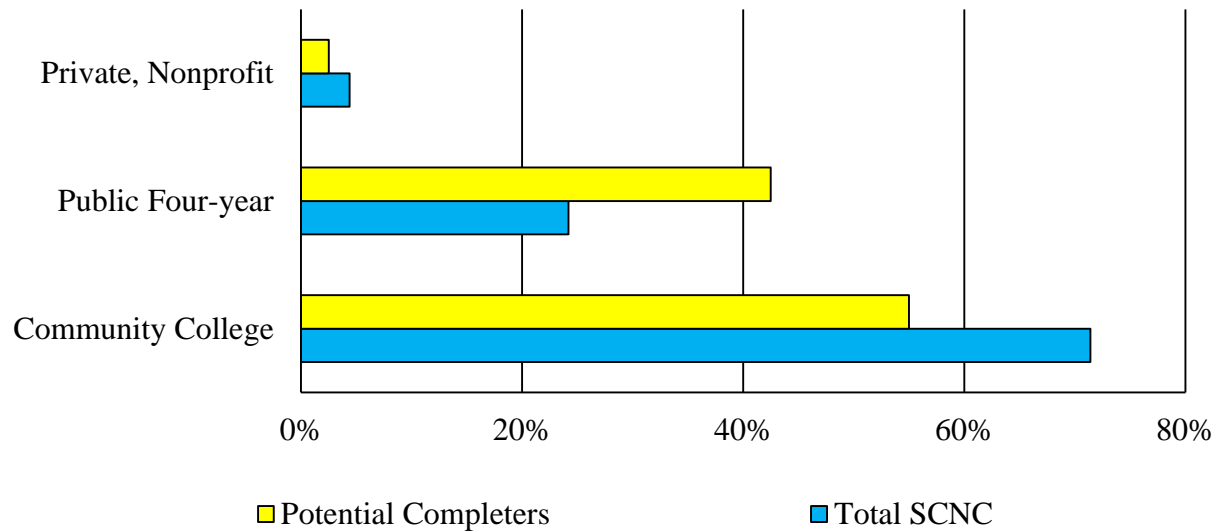


PAB: primarily associate degree granting baccalaureate institutions

Source: National Student Clearinghouse Research Center

As shown in **Exhibit 27**, 71.4% of Maryland’s SCNC population was last enrolled in a community college. A majority of potential completers (55.0%) was last enrolled in a community college, while 42.5% last attended a public four-year institution compared with 24.2% of the SCNC population. It should be noted that not all those with SCNC reenroll at a Maryland institution; in 2021, 23.8% reenrolled in an institution in another state, and 13.5% reenrolled at a primarily online institution.

Exhibit 27
Maryland – Last Enrollment by SCNC Category
2022

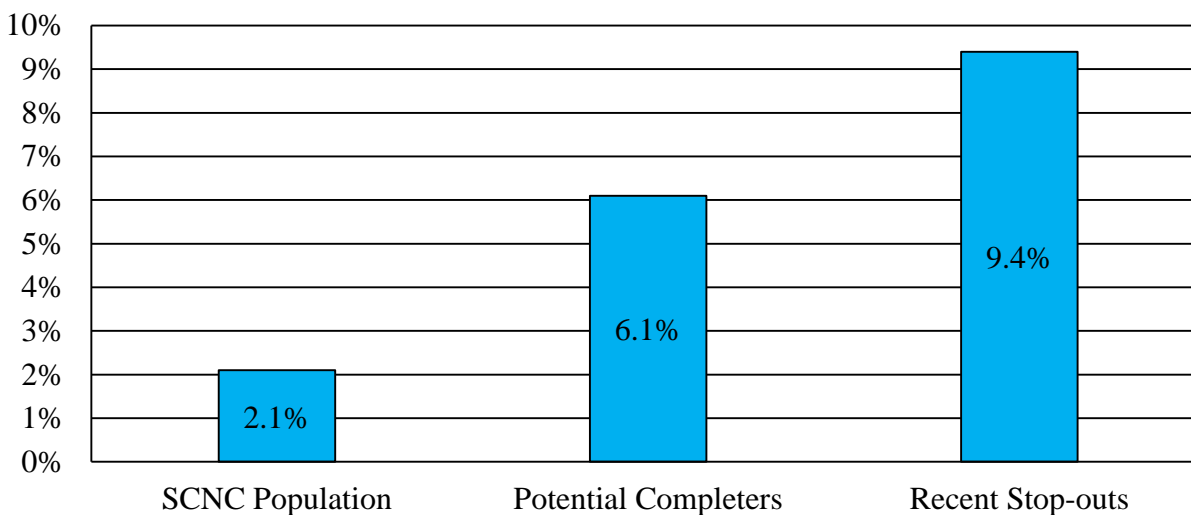


SCNC: some college/no credential

Source: National Student Clearinghouse Research Center

In general, nationally, about 39% of all recent reenrollees returned to the same institution they were last enrolled. Furthermore, 52.8% and 45.4% of recent stop-outs and potential completers who enrolled, respectively, returned to the same institution. In addition, As shown in **Exhibit 28**, potential completers and recent stop-outs reenrolled at higher rates than other SCNC students. The reenrollment rate is four and three times higher for recent stop-outs and potential completers, respectively.

Exhibit 28
National Reenrollment Rates Percentage Reenrolled by SCNC Population



SCNC: some college, no credential

Source: National Student Clearinghouse Research Center

In regard to completion, potential completers and recent stop-outs were more likely to earn a credential within a year of reenrollment. Of the 53,300 students who completed their first credential within a year of reenrolling in the 2021-2022 academic year, 39.1% were potential completers. In addition, it took less time for potential completers to earn a credential compared to the total SCNC population: 3.83 months versus 4.60 months for an associate degree and 3.67 months compared to 3.83 months for bachelor's degree, respectively. This may be due to potential completers having more academic progress thereby requiring less time to earn a credential.

Overall, while the majority of the SCNC population remains disengaged with postsecondary education, there is a greater chance that the younger SCNC population will reenroll and obtain a credential. Therefore, the State and institutions should focus efforts at reengaging these students, which can help not only improve attainment rates but also help to grow enrollment at the institutions. In addition, some of the potential completers may have accumulated debt to pay for their education but not obtained a degree.

Institutions should not only focus outreach efforts to reenroll this group of students but target services and supports to this population to ensure they persist and succeed in earning a credential. These students are often balancing work, family, and school, and therefore need

different services than “traditional” students. Finances may keep many from reenrolling, therefore, providing financial aid targeting these students can help them to return to college.

Maryland’s Near Completer Programs

MHEC administers two near completer programs – the One Step Away (OSA) and the Near Completer Grant programs. Both are designed to increase college completion of Maryland residents.

One Step Away

OSA was established in fiscal 2013 to improve Maryland’s college completion in support of the State’s 55% completion goal. OSA is a competitive grant program that provides funds to public and nonprofit independent institutions to support their efforts in identifying, reenrolling, and graduating near completers. Near completers are student who have earned 75% or more credits (45 for an associate degree and 90 for a bachelor’s degree) or may have enough credits for a degree but stopped or dropped out for 12 months or longer without earning a degree. Institutions are encouraged to target near completers who may be able to complete a degree within the institution’s reported six-year graduation rate. Near completers are categorized as:

- ***Degree Eligible:*** students who have accumulated the required number of credits, completed all course requirements, and are in good academic standing but did not receive a degree due to various reasons, including not knowing that they met the degree requirements, financial holds, or incomplete paperwork; and
- ***Degree Potential:*** students who completed at least 75% of the credits needed for a degree but stopped or dropped out for at least 12 consecutive months.

Institutions may be awarded up to \$60,000 and are required to provide at least one-third of in-kind matching funds. After identifying near completers, institutions forward names to MHEC, who in collaboration with the Maryland Motor Vehicle Administration, obtains updated addresses for those students with a Maryland driver’s license or identification card in order for institutions to initiate contract with students. Grants support evidence-based best practices and initiatives including improving degree audit infrastructure; developing individualized or a more generalized degree program completion plan; enhancing or redesigning a degree program, *e.g.*, allowing transfer of credits from other institutions toward a degree; establishing a “concierge” or near completer specialist; or faculty and staff development.

Since fiscal 2013, 17 institutions have received a grant: 8 community colleges; 6 public four-year institutions; and 3 nonprofits. Overall, 9 institutions received multiple grants:

- BSU (11 grants);
- Harford Community College (10 grants);

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- Community College of Baltimore County (7 grants);
- CSU (6 grants);
- Notre Dame of Maryland (6 grants);
- Carroll Community College (3 grants);
- College of Southern Maryland (2 grants);
- MSU (2 grants); and
- UMGC (2 grants).

Overall from fiscal 2013 to 2019, 17,925 near completers were identified, and 14,209 were successfully contacted, leading to 1,221 students reenrolling. This resulted in 935 degrees being conferred

Near Completer Grant

Chapter 554 of 2018 established the Near Completer Grant program and mandated \$250,000 for fiscal 2020 and \$375,00 for fiscal 2021 through 2024 to implement the program. MHEC developed the Academic Program Inventory website where returning student can match their original major with Maryland institutions that offer the same or similar degrees. Returning students can also identify institutions (both two- and four-year) by searching for academic programs by majors or by institution and degree level. Individuals must meet specified eligibility criteria to receive a near completer grant, including credit hours completed, a minimum GPA of 2.0, and not currently enrolled in a postsecondary institution. Grants are on a first-come, first-served basis. A near completer who reenrolls at a community college is eligible for up to one-third of the in-county tuition charge and those at a public four-year institution up to one-third of the in-state undergraduate tuition. In fiscal 2021 and 2022, a total of 95 awards were made with 91 for near completers who reenrolled at a USM institution,.

The Chancellor and Presidents of SMCM, MSU, MICUA and MACC should comment on programs or initiatives to reenroll and ensure successful outcomes of those with SCNC.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Instructional Faculty Workload Report: The committees request that the University System of Maryland (USM), Morgan State University (MSU), and St. Mary’s College of Maryland (SMCM) continue to provide annual instructional workload reports for tenured/tenure-track faculty. By focusing on these faculty, the committees gain a sense of the teaching activities for the regular core faculty. However, there are other types of instructional faculty at institutions, such as full- and part-time nontenured/nontenure-track faculty including adjunct faculty, instructors, and lecturers. Focusing on only tenured/tenure-track faculty provides an incomplete picture of how students are taught. Therefore, the report should also include the instructional workload when all types of faculty are considered. Additional information may be included at the institution’s discretion. Furthermore, the USM report should include the percent of faculty meeting or exceeding teaching standards for tenured/tenure-track faculty for the University of Maryland, Baltimore Campus.

Information Request	Author	Due Date
Annual report on faculty workload	USM MSU SMCM	December 13, 2024

Appendix 1
2023 Joint Chairmen’s Report Responses from Agencies

The 2023 *Joint Chairmen’s Report (JCR)* requested that the public four-year institutions prepare one report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Instructional Faculty Workload Report:*** MSU’s tenure and tenure-track faculty taught 91% of expected course units, and full-time instructional faculty taught 103% of expected course units. SMCM’s full-time tenure-track faculty taught an average of 21.5 credits, while part-time faculty taught an average of 5.6 credits. Tenured/tenure track faculty at USM produced 29.0% of the total credit hours, full-time nontenure-track instructional faculty produced 25.1% of the total credit hours produced, and part-time faculty produced 43.1% of the total credit hours produced; others produced 1.9%.
- ***Report on Programs to Foster Equitable Growth in the Cannabis Industry:*** The budget committees requested that the USM, MSU, SMCM, and MACC establish a workgroup to investigate the development of cannabis-focused programs, courses, and certificates to train students for the cannabis industry. The report submitted by the workgroup indicated that there are existing courses and programs that can train students for work in the cannabis industry. Some of the courses are related to cannabis directly, while others can be modified to include cannabis industry related topics.

Appendix 2
Trends in Education and General Revenues¹
Public Four-year Institutions
Fiscal 2020-2025
(\$ in Thousands)

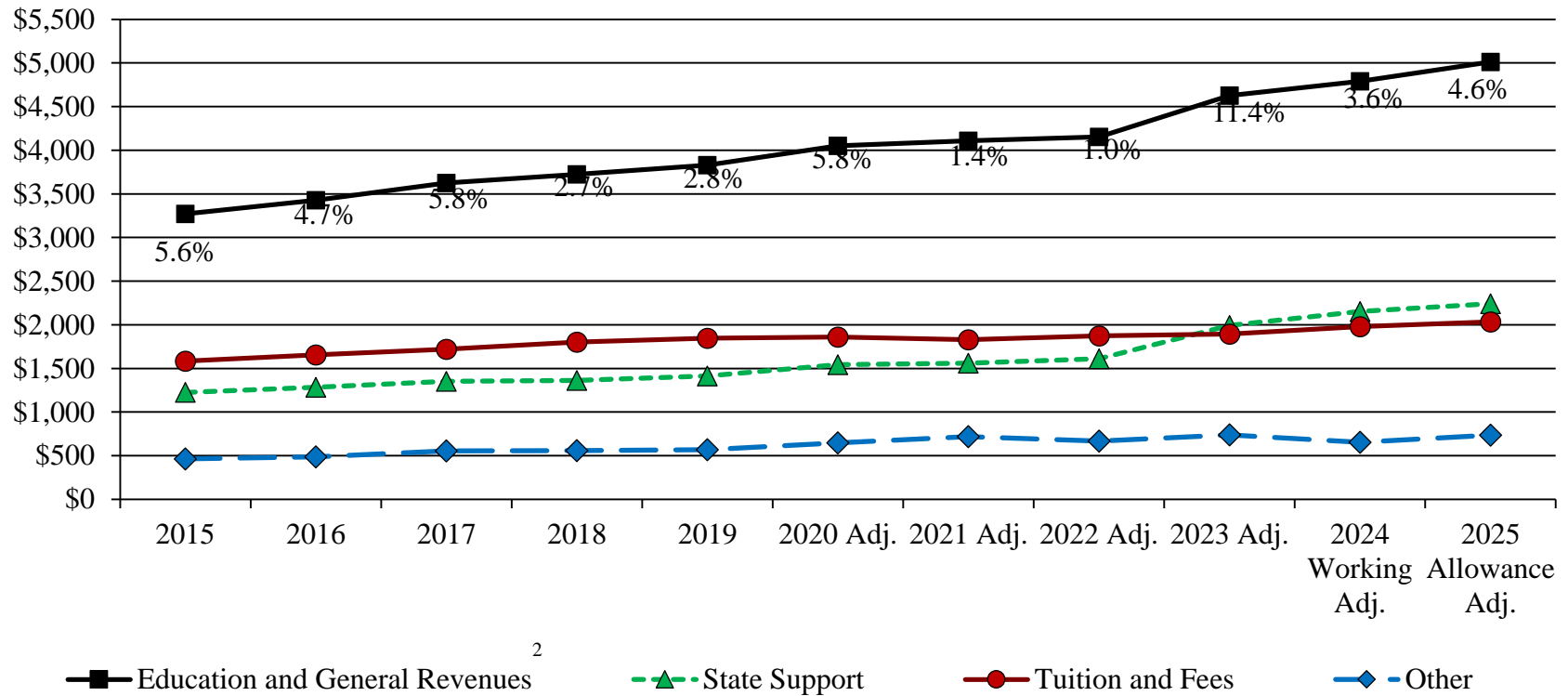
<u>Institution</u>	<u>2020</u>	<u>Adjusted 2021</u>	<u>Adjusted 2022</u>	<u>Adjusted 2023</u>	<u>Adjusted Working 2024</u>	<u>Adjusted Allowance 2025</u>	<u>Annual % 2020-2025</u>	<u>% Change 2024-2025</u>
UMB	\$670,794	\$725,983	\$731,587	\$816,085	\$823,036	\$848,432	4.8%	3.1%
UMCP	1,465,386	1,365,507	1,496,889	1,633,863	1,671,030	1,725,730	3.3%	3.3%
BSU	99,766	101,169	100,623	125,704	131,811	141,481	7.2%	7.3%
TU	358,731	373,595	343,537	371,347	409,699	432,057	3.8%	5.5%
UMES	77,506	78,345	69,591	87,944	90,637	103,328	5.9%	14.0%
FSU	86,117	85,646	86,388	90,075	95,756	97,666	2.5%	2.0%
CSU	65,748	81,153	64,438	78,318	81,382	82,642	4.7%	1.5%
UBalt	99,674	100,746	100,892	108,098	113,347	114,824	2.9%	1.3%
SU	142,338	154,749	144,526	156,221	159,272	170,755	3.7%	7.2%
UMGC	417,153	422,536	402,011	428,889	437,588	478,478	2.8%	9.3%
UMBC	335,403	337,025	353,079	410,738	412,776	440,481	5.6%	6.7%
UMCES	29,889	32,796	30,645	35,784	35,012	35,649	3.6%	1.8%
USG		33,407	29,704	35,051	35,136	31,306		-10.9%
MSU	178,705	217,368	201,821	257,078	295,292	304,379	11.2%	3.1%
SMCM	53,873	65,067	56,082	61,136	67,211	69,538	5.2%	3.5%
Total	\$4,051,192	\$4,142,295	\$4,181,169	\$4,660,548	\$4,823,973	\$5,041,099	4.5%	4.5%

¹ Education and General revenues represent tuition and fees, State funds (general funds and Higher Education Investment Fund funds), grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary program enterprise revenue. For UMB, hospital revenues were excluded prior to fiscal 2020 but, due to a change in accounting procedures, those revenues are no longer excluded. For UMCP and UMES, agriculture experimental station and cooperative extension programs are excluded. Fiscal 2020 and fiscal 2021 working adjusted include Coronavirus Aid, Relief, and Economic Security Act State support.

Note: Numbers may not sum to total due to rounding. The fiscal 2024 working includes deficiency appropriations.

Source: Governor's Fiscal 2020-2025 Budget Books

Appendix 3
Education and General Revenues at Four-year Institutions¹
Fiscal 2015-2025
(\$ in Millions)



¹ State support for the University System of Maryland Office and the University of Maryland Center for Environmental Science are not included. Figures also exclude funding for agriculture experimental station and cooperative extension programs and the Maryland Fire and Rescue Institute. For UMB, hospital expenditures are excluded prior to fiscal 2020 but, due to a change in accounting procedures, those revenues are no longer excluded.

² Education and General revenues represent tuition and fees, State support (general funds and Higher Education Investment Fund funds), grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary enterprise revenue.

Note: Fiscal 2020 and 2021 adjusted includes Coronavirus Aid Relief and Economic Security Act State support. The fiscal 2024 working includes deficiency appropriations.

Source: Governor’s Fiscal 2015-2025 Budget Books; Department of Legislative Services

Appendix 4
Education and General Revenues¹
Per Full-time Equivalent Student
Public Four-year Institutions
Fiscal 2020-2025

<u>Institution</u>	<u>2020</u>	<u>2021</u>	<u>Adjusted 2022</u>	<u>Adjusted 2023</u>	<u>Adjusted 2024</u>	<u>Adjusted 2025</u>	<u>Annual % Change 2020-2025</u>	<u>% Change 2024-2025</u>
UMB	\$97,798	\$101,821	\$101,188	\$117,558	\$119,767	\$123,624	4.8%	3.2%
UMCP	43,385	40,176	44,138	48,797	\$49,148	\$50,386	3.0%	2.5%
BSU	19,623	20,125	20,291	24,961	\$25,896	\$27,509	7.0%	6.2%
TU	19,151	20,888	20,364	22,965	\$25,855	\$27,254	7.3%	5.4%
UMES	29,050	32,481	31,390	39,668	\$38,147	\$43,452	8.4%	13.9%
FSU	21,465	23,305	25,904	29,975	\$29,563	\$30,153	7.0%	2.0%
CSU	30,940	42,311	37,949	47,842	\$47,509	\$46,823	8.6%	-1.4%
UBalt	34,007	36,662	41,231	47,810	\$53,949	\$45,783	6.1%	-15.1%
SU	18,461	21,463	21,861	24,660	\$25,664	\$26,226	7.3%	2.2%
UMGC	11,847	11,269	11,381	12,153	\$11,951	\$12,812	1.6%	7.2%
UMBC	30,304	30,991	32,363	36,288	\$35,972	\$38,386	4.8%	6.7%
MSU	25,195	31,155	26,015	30,862	33,575	32,557	5.3%	-3.0%
SMCM	35,005	41,365	34,833	37,785	39,213	40,312	2.9%	2.8%
Average (Weighted)	\$29,185	\$29,578	\$30,779	\$34,610	\$35,201	\$36,196	4.4%	2.8%

¹ Education and General revenues represent tuition and fees, general funds, Higher Education Investment Fund funds, grants and contracts (federal, State, and local), and sales and services of educational activities less auxiliary program enterprise revenue. For UMB, hospital revenues were excluded prior to fiscal 2020 but, due to a change in accounting procedures, those revenues are no longer excluded. For UMCP and UMES, agriculture experimental station and cooperative extension programs are excluded.

Note: The fiscal 2024 adjusted working includes deficiency appropriations.

Source: Department of Budget and Management; Department of Legislative Services

Appendix 5
Fiscal 2025 Revenues Per FTES by Revenue Source¹
Public Four-year Institutions

<u>Institution</u>	<u>E&G Revenues</u>	<u>State Funds</u>	<u>Tuition and Fees</u>	<u>FTES</u>	<u>E&G Revenues Per FTES</u>	<u>State Funds Per FTES</u>	<u>Tuition and Fees Per FTES</u>	<u>State as % of E&G</u>	<u>Tuition and Fees as % of E&G</u>
UMB	\$848,432,319	\$353,213,165	\$176,370,200	6,863	\$123,624	\$51,466	\$25,699	42%	21%
UMCP	1,725,729,678	\$729,406,267	\$716,705,795	34,250	50,386	21,297	20,926	42%	42%
BSU	141,480,704	84,706,048	\$53,974,013	5,143	27,509	16,470	10,495	60%	38%
TU	432,057,316	210,502,585	\$207,215,420	15,853	27,254	13,278	13,071	49%	48%
UMES	103,328,178	75,688,992	\$25,932,543	2,378	43,452	31,829	10,905	73%	25%
FSU	97,665,887	61,042,413	\$33,567,469	3,239	30,153	18,846	10,364	63%	34%
CSU	82,642,465	69,355,643	\$12,631,822	1,765	46,823	39,295	7,157	84%	15%
UBalt	114,824,271	59,853,506	\$51,322,551	2,508	45,783	23,865	20,464	52%	45%
SU	170,755,341	92,255,208	\$73,385,133	6,511	26,226	14,169	11,271	54%	43%
UMGC	478,477,847	63,408,499	\$381,492,751	37,347	12,812	1,698	10,215	13%	80%
UMBC	440,481,409	207,867,508	\$177,330,251	11,475	38,386	18,115	15,454	47%	40%
MSU	304,379,449	194,743,715	\$95,285,734	9,349	32,557	20,830	10,192	64%	31%
SMCM	69,537,973	39,401,515	\$27,852,807	1,725	40,312	22,841	16,147	57%	40%
Total Higher Education	\$5,009,792,837	\$2,241,445,064	\$2,033,066,489	138,406	\$36,196	\$16,195	\$14,689	45%	41%

E&G: Education and General
FTES: full-time equivalent student

¹ E&G revenues include tuition and fees, general funds, Higher Education Investment Fund funds, grants and contracts (federal, State, and local), and the sales and services of educational activities minus auxiliary program enterprise revenue. For UMB, hospital revenues were excluded prior to fiscal 2020 but, due to a change in accounting procedures, those revenues are no longer excluded. For UMCP and UMES, agriculture experimental station and cooperative extension programs are excluded.

Note: State Funds include Chapter 41 of 2021 funds for HBCUs, which are excluded from the FTES calculation used in funding formulas.

Source: Governor's Fiscal 2025 Budget Books

Appendix 6
Higher Education Enrollment Trends
Full-time Equivalent Student
Public Four-year Institutions
Fiscal 2020-2025

<u>Institution</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Working 2024</u>	<u>Allowance 2025</u>	<u>Annual % 2020-2025</u>	<u>% Change 2024-2025</u>
UMB	6,859	7,130	7,230	6,942	6,872	6,863	0.0%	-0.1%
UMCP	33,776	33,988	33,914	33,483	34,000	34,250	0.3%	0.7%
BSU	5,084	5,027	4,959	5,036	5,090	5,143	0.2%	1.0%
TU	18,732	17,886	16,870	16,170	15,846	15,853	-3.3%	0.0%
UMES	2,668	2,412	2,217	2,217	2,376	2,378	-2.3%	0.1%
FSU	4,012	3,675	3,335	3,005	3,239	3,239	-4.2%	0.0%
CSU	2,125	1,918	1,698	1,637	1,713	1,765	-3.6%	3.0%
UBalt	2,931	2,748	2,447	2,261	2,101	2,508	-3.1%	19.4%
SU	7,710	7,210	6,611	6,335	6,206	6,511	-3.3%	4.9%
UMGC	35,213	37,496	35,322	35,292	36,615	37,347	1.2%	2.0%
UMBC	11,068	10,875	10,910	11,319	11,475	11,475	0.7%	0.0%
MSU	7,093	6,977	7,758	8,330	8,795	9,349	5.7%	6.3%
SMCM	1,539	1,573	1,610	1,618	1,714	1,725	2.3%	0.6%
Total	138,810	138,915	134,881	133,645	136,042	138,406	-0.1%	1.7%

Source: Department of Budget and Management

Appendix 7
Tuition and Fee Rates at Public Four-year Institutions
 Fiscal 2024-2025

	2024			2025			% Tuition	% Fee	% Total
	<u>Tuition</u>	<u>Fee</u>	<u>Total</u>	<u>Tuition</u>	<u>Fee</u>	<u>Total</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
In-state Full-time Undergraduate									
UMCP	\$9,889	\$1,616	\$11,505	\$10,087	\$1,705	\$11,792	2.0%	5.5%	2.5%
BSU	5,993	3,006	8,999	6,113	3,145	9,258	2.0%	4.6%	2.9%
TU	7,382	3,924	11,306	7,530	4,164	11,694	2.0%	6.1%	3.4%
UMES	5,637	3,262	8,899	5,750	3,326	9,076	2.0%	2.0%	2.0%
FSU	7,110	2,888	9,998	7,524	2,966	10,490	5.8%	2.7%	4.9%
CSU	4,933	2,068	7,001	5,032	2,068	7,100	2.0%	0.0%	1.4%
UBalt	7,442	2,330	9,772	7,590	2,402	9,992	2.0%	3.1%	2.3%
SU	7,706	2,932	10,638	7,860	3,246	11,106	2.0%	10.7%	4.4%
UMGC ¹	9,540	450	9,990	9,720	450	10,170	1.9%	0.0%	1.8%
UMBC	9,238	3,714	12,952	9,423	3,837	13,260	2.0%	3.3%	2.4%
MSU	5,587	2,531	8,118	5,698	2,531	8,229	2.0%	0.0%	1.4%
SMCM	12,116	3,120	15,236	12,358	3,182	15,541	2.0%	2.0%	2.0%
Out-of-state Full-time Undergraduate									
UMCP	\$38,690	\$1,616	\$40,306	\$39,464	\$1,705	\$41,169	2.0%	5.5%	2.1%
BSU	16,833	3,006	19,839	16,833	3,145	19,978	0.0%	4.6%	0.7%
TU ²	24,402	3,924	28,326	25,622	4,164	29,786	5.0%	6.1%	5.2%
UMES ³	16,796	3,262	20,058	16,796	3,326	20,122	0.0%	2.0%	0.3%
FSU ⁴	22,292	2,888	25,180	22,848	2,966	25,814	2.5%	2.7%	2.5%
CSU	11,721	2,068	13,789	11,955	2,068	14,023	2.0%	0.0%	1.7%
UBalt	21,160	2,330	23,490	21,582	2,402	23,984	2.0%	3.1%	2.1%
SU ²	18,400	2,932	21,332	19,320	3,246	22,566	5.0%	10.7%	5.8%
UMGC ^{1,2}	14,970	450	15,420	14,970	450	15,420	0.0%	0.0%	0.0%
UMBC	26,594	3,714	30,308	27,392	3,837	31,229	3.0%	3.3%	3.0%
MSU	16,269	2,531	18,800	16,593	2,531	19,124	2.0%	0.0%	1.7%
SMCM ⁵	28,192	3,120	31,312	28,756	3,182	31,938	2.0%	2.0%	2.0%

¹ Based on 30 credit hours.

² TU, SU, and UMGC have separate, lower out-of-state rates for students enrolled at USM at Hagerstown.

³ UMES has a separate, lower regional rate for non-Maryland students residing in Delaware and the eastern shore of Virginia.

⁴ FSU has a separate, lower out-of-state rate for non-Maryland students residing within 120 miles of campus.

⁵ SMCM has a separate, lower out-of-state rate for District of Columbia residents.

Note: All rates are pending approval by the institution or system's governing boards.

Source: Morgan State University; St. Mary's College of Maryland; University System of Maryland

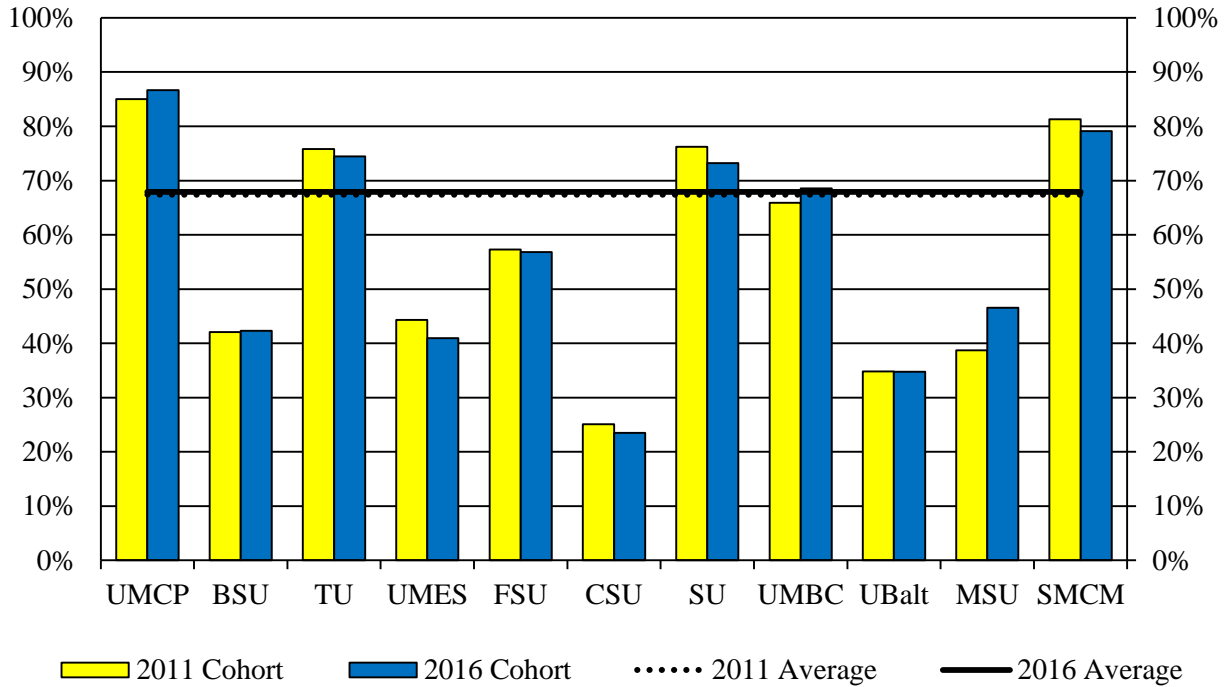
Appendix 8
Tuition and Fee Rates at Public Two-year Institutions
Fall 2023

<u>Community College</u>	<u>Resident of Service Area</u>			<u>Outside Service Area</u>			<u>Out-of-state Resident</u>		
	<u>Tuition</u>	<u>Fees</u>	<u>Total</u>	<u>Tuition</u>	<u>Fees</u>	<u>Total</u>	<u>Tuition</u>	<u>Fees</u>	<u>Total</u>
Allegany College of Maryland	\$3,870	\$1,050	\$4,920	\$8,220	\$1,050	\$9,270	\$11,220	\$1,050	\$12,270
Anne Arundel Community College	3,720	800	4,520	8,730	800	9,530	12,660	800	13,460
Baltimore City Community College	2,640	674	3,314	2,640	674	3,314	6,720	674	7,394
Community College of Baltimore County	3,660	1,356	5,016	7,230	1,356	8,586	11,160	1,356	12,516
Carroll Community College	4,080	1,080	5,160	7,140	1,845	8,985	9,570	2,453	12,023
Cecil College	3,900	1,470	5,370	7,290	1,470	8,760	8,490	1,470	9,960
Chesapeake College	3,840	1,160	5,000	6,720	1,190	7,910	9,420	1,190	10,610
College of Southern Maryland	4,200	1,050	5,250	7,350	1,838	9,188	9,450	2,363	11,813
Frederick Community College	4,717	847	5,564	9,307	847	10,154	12,307	847	13,154
Garrett College	2,970	1,380	4,350	8,640	1,380	10,020	10,800	1,380	12,180
Hagerstown Community College	3,690	630	4,320	5,760	630	6,390	7,560	630	8,190
Harford Community College	4,140	828	4,968	7,050	828	7,878	9,960	828	10,788
Howard Community College	4,260	850	5,110	7,950	850	8,800	10,380	850	11,230
Montgomery College	4,020	1,374	5,394	8,190	2,208	10,398	11,400	2,850	14,250
Prince George's Community College	3,420	1,460	4,880	6,270	1,460	7,730	9,330	1,460	10,790
Wor-Wic Community College	3,870	810	4,680	7,740	810	8,550	9,690	810	10,500
Average	\$3,812	\$1,051	\$4,864	\$7,264	\$1,202	\$8,466	\$10,007	\$1,313	\$11,321

Note: This assumes a student enrolls in 30 credits per academic year.

Source: Maryland Association of Community Colleges

**Appendix 9
Six-year Graduation Rate for First-time, Full-time Students
2011 and 2016 Cohort**

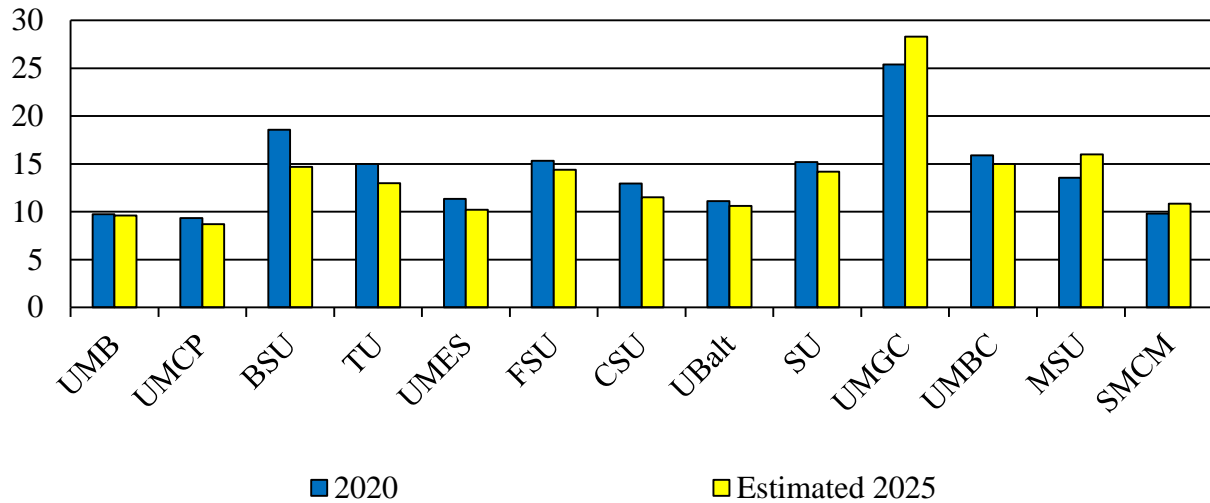


	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
UMCP	85.0%	86.1%	87.4%	87.3%	87.5%	86.7%
BSU	42.1%	47.6%	46.7%	46.3%	44.7%	42.3%
TU	75.8%	77.1%	74.9%	77.3%	76.6%	74.4%
UMES	44.3%	45.7%	47.7%	45.6%	39.2%	41.0%
FSU	57.3%	58.0%	59.2%	60.9%	57.0%	56.8%
CSU	25.1%	24.0%	26.5%	31.5%	25.4%	23.5%
SU	76.2%	72.0%	75.0%	72.9%	74.9%	73.2%
UMBC	65.9%	70.3%	73.8%	72.7%	72.5%	68.6%
UBalt	34.8%	43.3%	43.6%	41.4%	42.3%	34.8%
MSU	38.7%	41.9%	46.4%	47.9%	47.1%	46.6%
SMCM	81.3%	85.2%	80.9%	78.6%	79.1%	78.1%
Statewide Rate	67.4%	68.8%	71.1%	70.5%	69.3%	67.9%

Note: The data includes first-time, full-time students enrolled at an institution at the start of the academic year. Institution rates include those who graduated from the institution or those who transferred and graduated from any Maryland public four-year institution. UMGC is included in the statewide rate, although not included in the institutional list.

Source: Maryland Higher Education Commission

Appendix 10
Student-to-faculty Ratio
Fiscal 2020 and 2025 Est.



	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	Estimated <u>2024</u>	Estimated <u>2025</u>
UMB	9.7	10.5	10.2	9.9	9.6	9.6
UMCP	9.3	10.2	8.4	8.6	8.6	8.7
BSU	18.6	18.0	16.8	14.7	17.0	14.7
TU	15.0	14.5	13.9	13.5	13.0	13.0
UMES	11.4	10.0	10.0	9.5	10.2	10.2
FSU	15.3	14.7	13.0	13.3	14.4	14.4
CSU	13.0	11.8	10.7	10.9	11.5	11.5
UBalt	11.1	10.9	9.9	9.9	8.9	10.6
SU	15.2	14.6	13.2	13.3	13.3	14.2
UMGC	25.4	26.5	25.8	26.7	27.7	28.3
UMBC	15.9	16.0	16.0	18.0	15.0	15.0
MSU	13.6	15.0	17.2	17.1	16.3	16.0
SMCM	9.8	10.2	11.0	10.9	10.8	10.8

Note: Full-time equivalent.

Source: Department of Budget and Management