



FY 2025 Higher Education Overview

Responses to Department of Legislative Services Analysis

USM Chancellor Jay A. Perman

Senate Budget and Taxation Committee
Education, Business and Administration
Subcommittee

Nancy J. King, Chair

January 25, 2024

House Appropriations Committee
Education and Economic Development
Subcommittee

Stephanie M. Smith, Chair

January 29, 2024

1. The chancellor, the presidents of MSU, SMCM, and MICUA, and the MHEC secretary should comment on efforts to increase the participation of recent high school graduates in postsecondary education.

Foundational to the USM strategic plan, [Vision 2030](#), is the imperative that our universities' student populations reflect the full diversity of Maryland. To achieve this goal, we must reach communities historically underrepresented in higher education.

COLLEGE AWARENESS & ENGAGEMENT PROGRAMS

All USM undergraduate admissions offices have crafted strategies to engage young people from underrepresented groups—for instance, hosting workshops on how to apply to college and pursue financial aid opportunities. Additionally, every USM university works with community-based organizations and local school districts to deepen its impact.

Many of the activities offered with our partners meet students where they are, so that we're confident of our reach—for instance, college fairs held at Maryland high schools and regular classroom and church visits. But several other programs bring high school students to us—for instance, on-campus experiential learning and laboratory projects—so that we can give students an understanding of college expectations, college work, and college life.

For instance, the University of Maryland Eastern Shore, in conjunction with the American Chemical Society, operates a Project SEED site. The monthslong summer research program for low-income and underrepresented students aims to diversify STEM participation. Coppin State University operates a public charter school, Coppin Academy High School, on its own campus, where learners interact regularly with university faculty and student mentors who enrich the

learners' academic strengths and intervene in areas of need. The University of Maryland, College Park participates in the STARS program to recruit high school students living in 18 Maryland counties classified as rural.

Illustrative of our approach to recruiting diverse high school learners is the one taken up by UMBC, a Minority Serving Institution, where the head admissions officer carries the title "Assistant Vice Provost for Strategic Undergraduate Engagement, Partnerships, and Pathways." The title highlights the many routes to college that UMBC—and *all* of our universities—cultivate.

Of course, many of our recruitment efforts extend to students *younger* than high school, because data show that reaching students earlier, and more often, is especially necessary to attract and enroll underserved students. The University of Maryland, Baltimore, which enrolls a majority-minority student population, offers holistic support to families in West Baltimore, including tutoring and mentoring to students starting in middle school. Even the University of Maryland Center for Environmental Science—which offers no undergraduate programs of its own—conducts outreach to students as early as kindergarten, which is essential for cultivating interest and skills in environmental stewardship.

DUAL ENROLLMENT

The Blueprint for Maryland's Future highlights dual enrollment as a means of opening equitable—and affordable—access to higher education. Many of our USM universities have been offering dual enrollment to Maryland students for years.

- The University of Baltimore, a Predominantly Black Institution, partners with Baltimore City Schools to provide dual-enrollment opportunities to several hundred students each year. This B-Power program focuses on high schools that enroll students who can succeed in college but have low participation rates.
- Bowie State University and the University of Maryland, College Park offer dual enrollment to students in Prince George's County high schools.
- In Western Maryland, Frostburg State University has launched the Bobcat Academy, which offers high school students college-credit courses that aren't available at local community colleges.

CARNEGIE CLASSIFICATION FOR ENGAGED INSTITUTIONS

Additionally, the USM strategic plan charges all of our universities to explore pursuing Carnegie Classification for Engaged Institutions, a recognition centered on mutual planning, programming, and partnerships that benefit the university and the communities surrounding it. This work often includes college-awareness programs that engage young people in higher education.

Towson University and Salisbury University have won this designation, and among their projects are programs in local schools that demonstrate to young learners the accessibility of higher education and the possibilities it enables.

COMMUNITY COLLEGE PARTNERSHIPS

Lastly, partnerships with Maryland's community colleges—which are prevalent on every USM campus—have proved especially critical not only to growing our undergraduate population, but to diversifying it.

2. The chancellor and the presidents of MSU, SMCM, and MICUA should comment on efforts to increase enrollment of low- to moderate-income students and efforts to ensure their success.

Many of the efforts already described—efforts encouraging more students to participate in higher education—also attract and prepare more low- to moderate-income students. Once these students arrive, their success depends a great deal on college affordability.

USM NEED-BASED FINANCIAL AID

The financial aid we award to students is substantial. In FY23, our universities distributed \$100 million in institutional need-based aid, nearly \$90 million of which went to undergraduates, up from \$62 million in FY22. An additional 10,000 students benefited from that aid, bringing the total number of USM undergraduates receiving institutional need-based aid to 33,000.

It bears noting that all of this was accomplished *without* reducing the amount of merit aid we award to students.

ENDOWMENTS TARGETED TO HIGH-NEED STUDENTS

A few years ago, the USM launched a \$20 million financial aid program targeted to students who demonstrate need but are just above the income threshold for Pell grant eligibility. This is the group of students who carry the highest loan balances.

Last year, with the authorization of the General Assembly, the USM expanded this effort, establishing a \$150 million quasi-endowment fund to grow need-based aid to students Systemwide. This fund is expected to increase the annual need-based aid we distribute to USM students by \$6.4 million.

OTHER ASSISTANCE

I should add that our assistance doesn't stop at the sizable financial aid packages we award. Our universities offer assistance in other forms, too—emergency aid funds, micro-scholarships, food pantries, career closets—to help students meet their everyday needs.

And to defray textbook costs—each year, constituting a significant expense for students—we promote the use of open educational resources (OER). The USM leads the Maryland Open Source Textbook (M.O.S.T.) Initiative, in partnership with MarylandOnline, MACC, MICUA, and

the USM and Affiliated Institutions Library Consortium. Since 2016, M.O.S.T. has supported faculty at 29 Maryland colleges and universities in converting 210 courses to OER, yielding textbook savings of nearly \$23 million. These savings have reached 160,000-plus students.

FINANCIAL AID AND COLLEGE COMPLETION

We know that the provision of financial aid has a positive impact on college completion. We're now undertaking a study to measure that impact. The first phase of the study looked at STEM students from UMBC and the University of Maryland Global Campus (UMGC). Preliminary results show that aid of any kind raises graduation rates across the board—that is, for all students—but yields the biggest change in graduation rates among high-need students.

For instance, aid to STEM students at UMBC—those admitted between 2013 and 2016—lifted graduation rates among high-need students from 38 percent to 71 percent, and the lift was significantly higher for African American students than for others. For both UMBC and UMGC, the amount of aid seems to correlate with success, but it's not a simple linear effect. Results suggest that support of \$4,000 to \$5,000 a year makes the most significant difference.

We're now expanding this analysis to assess outcomes Systemwide. While this study is young and the data preliminary, we believe they will eventually be instructive in shaping our financial aid practices.

ACADEMIC AND WRAPAROUND SUPPORT

Of course, ensuring success among low- to moderate-income students relies not only on financial aid; it depends equally on academic support. Our universities proactively identify students who need support using technology platforms that help faculty track attendance and alert advisors when students have issues with absenteeism; identify midterm performance challenges for students; and track success patterns related to gateway courses. These monitoring mechanisms help universities understand patterns that need attention, connect students with academic services, and guide professional development for faculty.

All of our universities offer tutoring, academic coaching, and peer support to help students persist in college and, ultimately, graduate. Many such services are available both in person and virtually. For instance, the University of Maryland Global Campus, our largely online university, assigns each student a success coach, who provides advising and helps students navigate services.

The USM recently completed a study, supported by the Abell Foundation, tracking how students from Baltimore City high schools fare when they enroll at System universities. A critical finding was that the students who felt a greater sense of belonging were more likely to persist in higher education and complete their degree.

We leveraged this study to win a \$4 million grant from the U.S. Department of Education to build and train a cadre of peer mentors Systemwide who will help new students—especially underserved students—navigate their first year of college by connecting them with the resources already available on our campuses: writing centers, math centers, mental health services, academic support services, and programs that nurture students’ sense of belonging and connection.

And in early March, we’re hosting a Systemwide student success conference so that campus teams can learn success strategies from one another and from national models, and dissect this work of providing wraparound support that helps students address their academic, social, and mental health needs and build a community of belonging.

3. MHEC, USM, MSU, SMCM, MICUA, and MACC should comment on what steps are being taken to assist transfer students, specifically identifying actions that have been taken to facilitate the transfer process for these students and ensure their academic success.

The pipeline from Maryland community colleges to the USM is strong and successful. Students who complete an associate degree prior to transferring to a USM university graduate at rates comparable to students who started at the USM. Moreover, students who start at a Maryland community college, in general, graduate at rates above the national six-year graduation rate for public four-year colleges (68 percent vs. 62 percent).

This success can be credited to several things: 1) Maryland’s longstanding regulations related to public college transfer; 2) close partnerships between the state’s two-year colleges and the USM; and 3) the enduring strength of Maryland community colleges.

TRANSFER WITH SUCCESS ACT

Certainly, we’ve never been more focused on ensuring the success of our transfer students. Our universities are working hard to implement new regulations borne of the Transfer With Success Act—for instance, employing a transfer coordinator at each university who facilitates the transfer process, and accompanying all new undergraduate program proposals with at least one articulation agreement. Some of our universities have won national grants to help smooth transfer pathways and advance student success.

TRANSFER AGREEMENTS

All of our universities work closely with their regional community college partners to structure program transfer agreements so that students know what courses to take prior to transfer and arrive on our campuses as well-prepared juniors. These agreements stipulate that advisors at the university will work closely with the transferring student. Our universities host transfer student

orientations and provide tailored academic support services, such as peer mentors who have gone through the transfer process themselves.

Moreover, many of our universities now have dual-admission agreements that allow community college students to take courses at their intended university *before* transferring—and, in some instances, transferring students even have the opportunity to live on the university campus.

Our regional higher education centers (RHECs) have long and deep experience working with transfer students, who comprise most of their enrollment. Undergraduate programs at our RHECs partner with nearby community colleges and high schools to develop pathways that serve the entire region. This is a cost-effective solution for students who cannot leave their area because of work or family obligations—or who simply want to earn their degree close to home.

PROVOSTS TRANSFER COUNCIL

The Provosts Transfer Council includes representatives from all public higher education segments, including the USM Office. Members meet a few times a year to address questions and share challenges around implementation of the Transfer With Success Act. The council has charged several faculty groups to come to alignment on a number of high-volume community college courses that have not always transferred as directly equivalent to a four-year course (which often occurs when a lower-division course is similar to an upper-division one).

GENERAL EDUCATION REQUIREMENTS

We are working to prevent our General Education requirements from acting as a barrier to transferring students. To that end, some of our universities have redesigned their General Education programs to be more transfer-friendly. Others—the University of Maryland, College Park and Salisbury University—are adhering to previously repealed regulations, affirming that they will accept that a student has completed the General Education curriculum if they transfer with an associate degree (AA, AS, AAT) from a Maryland community college. These students, consequently, do not need to map their coursework to the university's General Education requirements.

THE NEW ARTSYS

The USM is partnering with all segments of Maryland higher education to implement the new ARTSYS transfer and articulation platform. This is a major technology and communication initiative that involves integrating the student information systems (SISs) of all 36 colleges and universities participating in ARTSYS.

Each SIS presents unique challenges, as there are several different systems in use—e.g., PeopleSoft, Ellucian—and each college has undertaken unique customizations. A multi-segment ARTSYS Advisory Council, which includes transferring students, works with the vendor

(Parchment) to guide decisions about design and functionality, so that the final result will be a product that serves students well.

“Serving students well” will entail enabling them to see which courses they should take in their first 60 credits to prepare for transfer to a four-year college or university, and *how* their individual courses and grades will transfer to their intended school. Features will be developed in the future allowing students to see the degree requirements for both the two- and four-year degrees they seek.

4. The chancellor and the presidents of MSU, SMCM, MICUA, and MACC should comment on the potential impact the new simplified FAFSA will have on institutions—including on 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.

The FAFSA Simplification Act is a significant piece of federal legislation that brings substantial changes to the processes and systems used to award federal student aid. The act, which took effect with the 2023–24 and 2024–25 award years, aims to streamline the financial aid application process, make it more equitable, and expand access to federal aid.

Financial aid administrators are required to adapt their policies, procedures, and documentation practices to align with the new regulations, while simultaneously ensuring that they can effectively address students’ unique financial circumstances and maintain consistency and equity in their decisions. This migration requires significant technological changes to systems to ensure accurate, secure, and efficient data-sharing and coordination. Financial aid offices will also need to expand communication and outreach to students and families to ensure they understand the new process.

DELAYS IN RECEIVING FINANCIAL INFORMATION

The new FAFSA launched more than two months later than the usual FAFSA release, and technology platforms used to help process FAFSA data have yet to release some of the upgrades universities need to manage the new FAFSA’s data and package the aid awarded. Universities need significant resources to test and implement these changes on a compressed timeline.

Our universities won’t see data related to the FAFSA until February, which could mean students receive aid offers later than usual, delaying their ability to make an informed college decision. Many independent colleges and a few out-of-state public universities—for instance, Arizona State University—use the College Board CSS Profile for calculating aid, which will *not* be delayed. Therefore, USM universities competing with CSS colleges could be at a competitive disadvantage if we have to delay our aid offers—either because of the FAFSA itself or because of delays in

receiving estimated awards from MHEC-administered programs. Consequently, we can't know for certain what impacts the new FAFSA will have on our student yield rates.

FORMULA EFFECT ON PELL ELIGIBILITY

Maryland is projected to enroll an additional 7,400 Pell grant recipients, but the new formulas—moving from Estimated Financial Contribution to Student Aid Index—will also render some students Pell-ineligible who had previously received Pell grants. The new FAFSA does not, for example, take into consideration whether a family has more than one child in college. Our universities, therefore, expect to see more students overall who qualify for institutional need-based aid.

Given this flux in eligibility, our universities may have to increase the need-based aid they offer—if that's possible—or reduce aid to some enrolled students, which could, in turn, affect attrition rates.

5. The chancellor and the presidents of SMCM, MSU, MICUA, and MACC should comment on programs or initiatives to re-enroll and ensure successful outcomes for those with SCNC.

Students with “some credit but no credential” (SCNC) are most likely to re-enroll within their first year of stopping out. For that reason, our universities conduct extensive outreach to currently enrolled students, encouraging them to enroll for the upcoming semester in a timely manner. They conduct additional outreach to students who are late to register; it's not uncommon for these students to receive multiple “touches” through various media from advising and enrollment staff.

SIMPLIFYING READMISSION

USM universities have simplified readmission processes so that they don't deter returning students, and some have developed interdisciplinary majors with built-in flexibility that allow students to complete their degrees without starting over in a major. USM universities serving a higher percentage of older and working students have developed more flexible continuous enrollment policies at the undergraduate level, so that students who have had to stop out of their education for a few semesters can reenroll without reapplying for admission.

NEAR-COMPLETER PROGRAMS

Every USM university has some version of a near-completer program, aiming to lure back stopped-out students who are within about 30 credits of graduation. Some have reached out to students with outstanding balances and negotiated payment plans with them. In fact, the USM Foundation offers universities scholarship funds targeted to students in these near-completer programs.

REVERSE TRANSFER

Our universities also help students through the reverse transfer process, transferring credits from their university to a community college. Reverse transfer helps prevent students from leaving a four-year university—even for a short while—with no credential to show for the time and money they invested in their education.

6. The chancellor and the presidents of MSU, SMCM, MICUA, and MACC should comment on what role they foresee for direct admissions at their institutions.

Our universities are focused on extensive outreach to high school students and younger students, especially those in underserved communities; on making their admissions processes clear and fair; and on providing generous and accessible financial aid packages. Direct admissions can supplement these efforts, and prove effective in reaching students who may not otherwise apply to their university—or to any university at all.

Several of our universities have been using direct admissions in a limited way, reaching students in specific areas where admissions officers are familiar with the high schools they attend and therefore know what kind of supports prospective students are receiving and what they would need to be successful in college.

COMMON APP

Many of our universities have moved to the Common App to simplify the application process for students, some use the Common App exclusively, and some use the Black Common App (allowing students to apply to dozens of U.S. HBCUs at once).

Four of our universities—including two HBCUs—participated in Common App’s direct admission pilot program rolled out over the past couple of years. Two of these universities (Towson University and the University of Maryland Eastern Shore) are paying for continued participation, and two (Frostburg State University and Coppin State University) used the no-cost pilot to develop internally driven direct admissions processes.

These universities are evaluating early data, and will evaluate more when their initial cohorts of directly admitted students near graduation. That data will influence their approach to direct admissions going forward, and could well influence the approach of their sister USM universities.