

HB 824 – Support**Senate Education, Health, and Environmental Affairs Committee*****HB 824 - Financial Aid – Guaranteed Access Grants – Verification and Administration by Institutions of Higher Education*****March 27, 2019**

Testimony By:

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On behalf of Maryland's independent colleges and universities, I thank Delegates Jones, McIntosh, and Mosby for sponsoring this legislation. House Bill 824 is enabling legislation. It permits a public institution of higher education in the State or a private, nonprofit institution that receives State aid under the Sellinger Program to verify the eligibility of an applicant for a Guaranteed Access (GA) Grant. GA Grants are available to students who have family incomes below the poverty index, enroll full-time in college within one year of earning a high school diploma, and meet certain merit standards. The Grant covers the full cost of attendance (COA) at a Maryland public institution and may be used at private, nonprofit institution in the State.

Three years ago, MICUA partnered with the Maryland Higher Education Commission (MHEC) to launch the Guaranteed Access Partnership (GAP) Program. Under the GAP Program, participating institutions pledge to match the State GA Grant with an institutional grant. Today, every MICUA institution participates in the GAP Program. As a result, a GA eligible student has the option of attending a public or independent institution in Maryland and can graduate with little, or in most cases, no student debt.

GA Grant recipients are often first-generation college students who struggle to navigate the GA Grant application process. These students do not always know how to obtain the documents required to substantiate eligibility. Documents submitted to OSFA are recorded in a system known as MdCAPS. Students must monitor MdCAPS to determine what documentation is accepted and/or missing.

Over the past two years, there have been several instances when student financial aid verification documents were not logged into MdCAPS for weeks. Last year, an MdCAPS glitch wiped out certain student records and generated inaccurate notices of missing documents. During crunch periods, OSFA sends all phone calls to voicemail for certain periods of the day to allow staff to

concentrate on processing paperwork. Students have a limited number of days to verify eligibility. Therefore, any delays or misinformation cause great consternation for students and families. This situation is not a criticism of OSFA, but a reflection of the realities of the workload given the number of staff and the volume of work.

Last year, OSFA identified more than 7,600 students who may be eligible to receive a GA Grant. More than 3,000 of these students submitted some documents to OSFA, suggesting that these students believed they were eligible for the award. Only 760 GA students were verified as eligible prior to May 1, the standard college enrollment deadline.

Under this enabling legislation, colleges and universities could voluntarily agree to verify a student's eligibility for a GA grant award. The participating institutions would be required to maintain the verification documents for a period of five years, and the institution's verification process would be audited as part of the institution's regular independent audit of State student financial aid. Students verified as eligible for a GA Grant by a participating institution may take that Grant to any eligible institution. MHEC will continue to award all GA Grants based on the final enrollment decisions made by the students. In other words, GA Grants will follow the students.

Not all institutions have the resources or capacity to participate in this verification process. However, we are aware of several institutions that are working closely with students to determine eligibility for institutional financial aid. In these circumstances, the institution may be able to assist GA students within existing resources.

Finally, the legislation as amended charges the MHEC Financial Assistance Advisory Council with bringing all of the stakeholders to the table to design a process that is efficient, flexible, fiscally responsible, and most importantly, in the best interest of low-income Maryland scholars.

We urge a favorable report for House Bill 824.