

Department of Legislative Services
 Maryland General Assembly
 2014 Session

FISCAL AND POLICY NOTE

House Bill 854 (Delegate Rosenberg, *et al.*)
 Ways and Means

Higher Education - College Admissions Outreach Program for High-Achieving Students - Establishment

This bill establishes the College Admissions Outreach Program for High-Achieving Students. The purpose of the program is to encourage more students who qualify for a Guaranteed Access (GA) Grant to enroll in an institution of higher education that is a good academic and financial fit for the student. The Maryland Higher Education Commission (MHEC) and the Maryland State Department of Education (MSDE), in collaboration with local boards of education, local superintendents, and institutions of higher education, must jointly administer the program.

Fiscal Summary

State Effect: General fund expenditures increase by \$42,600 in FY 2015 for MHEC to hire a half-time outreach specialist to implement the College Admissions Outreach Program for High-Achieving Students. In addition, MHEC general fund expenditures increase by \$20,000 in FY 2015 to design and print two promotional posters for every high school and produce an informational video. Future years reflect elimination of one-time costs, ongoing expenses, annualization, and inflation. Revenues are not affected.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	62,600	49,500	51,100	52,900	54,700
Net Effect	(\$62,600)	(\$49,500)	(\$51,100)	(\$52,900)	(\$54,700)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local school systems can administer the program using existing resources.

Small Business Effect: None.

Analysis

Bill Summary: The program must provide the following information to each eligible student at no cost to the student: (1) information on college admissions and college application fee waivers; and (2) material encouraging students to apply to at least four institutions of higher education during the student's application process.

MHEC and MSDE must adopt regulations to define a "high-achieving student" and may adopt any other regulations necessary to implement the bill. Funds for the program are as provided in the State budget.

Current Law/Background: The GA Grant is a component of the Delegate Howard P. Rawlings Educational Excellence Awards program that covers 100% of need when combined with a federal Pell grant for the State's lowest income students. The maximum amount is capped at the cost of education at the highest cost four-year University System of Maryland institution, excluding the University of Maryland, Baltimore and the University of Maryland University College. The maximum award in fiscal 2012 was \$15,500, and the maximum award in fiscal 2013 was \$15,900. Students that meet all program criteria, such as enrolling directly from high school and family income limits, are guaranteed funding.

Qualified applicants must have a cumulative high school grade point average of at least 2.5 on a 4.0 scale. In addition, a recipient must be age 22 or younger at the time of receiving the first award, have successfully completed a college preparatory program in high school, enroll in college as a full-time student, and meet any additional criteria established by MHEC.

MHEC recently extended the income limits for renewals to 150% of the federal poverty level to prevent a student who may work in the summertime from exceeding the original 130% income cap. Almost all students receiving aid through this program have expected family contributions of \$3,850 or less.

Chapters 315 and 429 of 2002 codified the recommendations of the Task Force to Study College Readiness for Disadvantaged and Capable Students, including establishing the College Readiness Outreach Program. The program allows a ninth or tenth grade student to prequalify on the basis of financial need for a GA Grant, to be awarded at the time of enrollment in an institution of higher education, and established a mentoring and guidance program for those students. However, the program has never received State funding; thus, no high school students have prequalified for a GA Grant or received counseling or mentoring services through the program.

To prequalify for a GA Grant, an eligible student must agree to (1) satisfy the attendance policy at the school the student is attending; (2) refrain from substance abuse; (3) file for federal financial aid each year that the student plans to enroll in postsecondary education; and (4) participate in the College Readiness Outreach Program until graduating from high school and matriculating at an institution of higher education.

If funded, the College Readiness Outreach Program would provide guidance to students who qualify for GA Grants while in ninth or tenth grades to help them graduate from high school and matriculate at institutions of higher education. Under the program, MHEC and MSDE must designate statewide and regional program coordinators who will publicize the program and work with local school systems to provide professional guidance and one-on-one mentoring to participating students. MHEC and MSDE may use existing organizations to provide counseling and mentoring and may supplement professional mentors with postsecondary students receiving work-study assistance and eleventh and twelfth grade students who are successfully completing their high school graduation requirements.

To the extent that funds are provided, the State must provide 50% of the costs associated with the local administration and one-on-one mentoring components of the program or 75% of the cost in “One Maryland” jurisdictions.

The bill declared that it was the intent of the General Assembly that the College Readiness Outreach Program be implemented over a five-year period beginning in fiscal 2004.

In fiscal 2013, MHEC received 4,100 on-time GA Grant applications and granted awards to 1,314 individuals. The Governor’s proposed fiscal 2015 State budget includes \$77.0 million for the entire Delegate Howard P. Rawlings Educational Excellence Awards program. The number of GA Grants awarded increased 14.3% between fiscal 2008 and 2009, although growth slowed from fiscal 2010 to 2012, and MHEC estimates that it will slow further going out to fiscal 2015. MHEC attributes some of the increase to additional exposure to higher education among students in high school and increased staff effort to encourage students to finish incomplete online applications.

State Expenditures: MHEC reports that current outreach efforts for the general student population are funded by a federal grant which has sunset with final expenditure expected by June 30, 2015. The current grant provides funding for two outreach positions, communication materials, and interventions. Specific targeting of high-achieving low-income students is not approved under the current grant. At present, no additional funds have been identified for outreach. Thus, to implement the College Admissions Outreach Program for High-Achieving Students MHEC will need to hire a part-time outreach specialist and have increased funding for communications and travel.

General fund expenditures increase by \$25,872 in fiscal 2015 to hire a half-time outreach specialist at MHEC to implement the College Admissions Outreach Program for High-Achieving Students. This estimate assumes an October 1, 2014 start date, a half-time salary, fringe benefits, and ongoing expenses. In addition, MHEC general fund expenditures in fiscal 2015 increase to design and print two posters for each high school in the State (\$13,000) and to produce short-form videos suitable for social media (\$7,000). Ongoing expenses include postage for direct mailing to all high-achieving students receiving free and reduced-price meals and travel for the outreach specialist to visit each high school in the State.

	<u>FY 2015</u>	<u>FY 2016</u>
Position	0.5	
Salary and Fringe Benefits	\$25,872	\$35,523
Poster Design and Printing	13,000	-
Video Production	7,000	-
Travel	8,000	8,000
Postage	4,186	5,637
Operating Expenses	218	293
Start-up Costs	<u>4,370</u>	<u>-</u>
Total State Expenditures	\$62,646	\$49,453

Future year expenditures reflect elimination of one-time expenses after fiscal 2015, a half-time salary with annual increases in employee turnover as well as annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: None.

Cross File: SB 766 (Senators Madaleno and King) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Legislative Services

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ncs/rhh

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