

Department of Legislative Services  
 Maryland General Assembly  
 2020 Session

FISCAL AND POLICY NOTE  
 Third Reader - Revised

House Bill 1011  
 Appropriations

(Delegate Washington, *et al.*)

Education, Health, and Environmental Affairs

Maryland Higher Education Outreach and College Access Pilot Program –  
 Alterations  
 (Maryland College Access Act)

This bill makes the Maryland Higher Education Outreach and College Access (Pilot) Program permanent by repealing the termination date and making other conforming changes. The Maryland Higher Education Commission (MHEC) must continue to submit an annual report about the program. Beginning in fiscal 2022, the Governor must include \$100,000 annually in the State budget for the program. **The bill takes effect July 1, 2021.**

Fiscal Summary

**State Effect:** General fund expenditures increase by \$100,000 annually beginning in FY 2022. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2022.**

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	100,000	100,000	100,000	100,000
Net Effect	\$0	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

### Current Law/Background:

#### *Maryland Higher Education Outreach and College Access Pilot Program*

Chapters 200 and 201 of 2015 established the Maryland Higher Education Outreach and College Access Pilot Program as a two-year pilot grant program for eligible nonprofit organizations that meet specified requirements, to be administered by MHEC. Chapter 399 of 2018 extended the pilot program by five years (through September 30, 2022) and added more reporting requirements.

The purposes of the program are to:

- encourage low-income Maryland high school students to attend and complete college;
- connect potential college and university students with nonprofit organizations that have a history of successful higher education outcomes for targeted youth;
- create an equal matching fund for nonprofit organizations to access in order to increase college outreach services to low-income students;
- provide funding for nonprofit organizations that are already established in communities to provide targeted outreach to encourage low-income students to enroll in college; and
- establish a pilot program to determine if the program can lead to an increase in low-income students attending and succeeding in college.

To carry out the purposes of the program, MHEC established a grant program, including eligibility, application, and compliance requirements. MHEC allocated funding to nonprofit organizations on a competitive basis after verifying that the nonprofit organizations had matching funds available.

To be eligible for participation in the pilot program, a nonprofit organization is required to be located in the State, have a contract or memorandum of understanding with a local school system or an institution of higher education (or must establish one if one does not exist), and demonstrate an equal match for funds requested.

A nonprofit organization that receives funding through the program must (1) submit data on outreach programs; (2) track student progress through the higher education system; and (3) submit an annual report to MHEC on or before October 1 following the fiscal year in which funds were received.

By December 1 each year through 2021, MHEC must report to the General Assembly with specified information on the program.

Although Chapter 399 extended the program through September 30, 2022, the program last received funding in fiscal 2018. The Governor's proposed fiscal 2021 budget includes no funding for the program. Chapter 319 and the related authorization for the pilot program terminate September 30, 2022.

As detailed in MHEC's 2019 [report](#) on the program, which covers the last period the program received funding, the pilot program issued its last grant awards in fiscal 2018. The fiscal 2018 grantees received one-year awards, June 18, 2018, through July 18, 2019 [*sic*]. During the fiscal 2018 award period, six nonprofit organizations received a total of \$250,000. During three years of the program, more than 4,000 students, 1,200 parents, and 200 counselors and administrators were served by the grant program. In addition, more than 680 seniors matriculated to college. Also, more than 90% of the students impacted by the program reported increased college admissions and financial aid awareness.

#### *Guaranteed Access Grant*

Low-income students attend college at a lower rate than their more affluent peers, despite the availability of need-based financial aid, including federal Pell grants and the State Guaranteed Access (GA) Grant. 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 award is capped at the cost of education at the highest cost four-year University System of Maryland institution, excluding the University of Maryland, Baltimore Campus and the University of Maryland Global Campus. The maximum award for the 2020-2021 award cycle is \$19,100. Students that meet all program criteria, such as enrolling directly from high school and having certain family income limits, are guaranteed funding.

**State Expenditures:** MHEC advises that it has administered the pilot program using existing resources; thus, it is anticipated that the permanent program can be administered using existing resources. The mandated \$100,000 in grant funds (general fund expenditures) will leverage matching funds from the nonprofit organizations that receive the grants; therefore, a total of \$200,000 may be used to meet the program's goals each year beginning in fiscal 2022.

## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland State Department of Education; Maryland Higher Education Commission; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 2020  
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