

Department of Legislative Services  
 Maryland General Assembly  
 2021 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 1067 (Delegate Feldmark)  
 Appropriations

Community College Tuition and Residency Waivers - Funding

This bill requires, beginning in fiscal 2023, the Governor to include \$10.0 million in the State budget to fund specified State-mandated tuition and residency waivers for community colleges. The Maryland Higher Education Commission (MHEC) must distribute the appropriation to each community college in proportion to the number of enrolled qualifying students. **The bill takes effect July 1, 2021.**

Fiscal Summary

**State Effect:** General fund expenditures increase by \$10.0 million beginning in FY 2023, a portion of which is distributed to Baltimore City Community College (BCCC). **This bill establishes a mandated appropriation beginning in FY 2023.**

(\$ in millions)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Higher Ed Rev.	\$0	-	-	-	-
GF Expenditure	\$0	\$10.0	\$10.0	\$10.0	\$10.0
Net Effect	\$0.0	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)

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

**Local Effect:** State aid for local community colleges increase by almost \$10.0 million annually beginning in FY 2023. Local community college expenditures are not affected.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** “Qualifying student” means a community college student who receives one of the specified tuition or residency waivers. MHEC must adopt any regulations or guidelines necessary to implement the bill.

**Current Law:** State law mandates that community colleges waive the tuition or residency requirements for specified individuals. Statute requires full tuition waivers for qualified individuals of the following groups: foster care recipients; unaccompanied homeless youth; individuals with disabilities; and senior citizens. In addition, specified individuals from the following groups are eligible for in-county or in-state tuition: certain members of the U.S. Armed Forces or National Guard and their families; public school teachers taking a required course; children of State or local public safety employees killed in the line of duty; and a student enrolled in specified health workforce shortage areas. Specified nursing students may qualify for reimbursement of the out-of-county fee. MHEC must reimburse the fee to the community college, which then must reimburse the fee to the student.

**State Fiscal Effect:** Under the bill, MHEC is required to distribute the \$10.0 million to the community colleges based on the number of enrolled qualifying students at each community college in proportion to the total number of enrolled qualifying students. According to MHEC, during the 2017-2018 academic year (the most recent available data), 13,357 community college students received a qualifying tuition or residency waiver, of those 158 attended BCCC. Thus, 1.2% of the qualifying students attended BCCC. Using these assumptions, BCCC could receive \$118,290 and the local community colleges could receive a total of \$9.9 million. The actual amount of State aid that BCCC will receive is dependent on the actual number of enrolled qualified students at all community colleges in the State.

**Local Revenues:** State aid for local community college increases by almost \$10.0 million annually beginning in fiscal 2023. *For illustrative purposes*, using the MHEC data reported by community colleges for the 2017-2018 academic year, which is incomplete and includes tuition and residency waivers not covered by the bill, each community college could receive the aid shown in **Exhibit 1**.

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**Exhibit 1**  
**Estimated Distribution of Funds under the Bill**  
**Based on 2017-2018 Data**

<u>College</u>	<u>State Aid</u>
Allegany	\$107,060
Anne Arundel	452,197
Baltimore County	685,034
Carroll	128,023
Cecil	347,383
Chesapeake	15,722
College of Southern Maryland	296,474
Frederick	260,538
Garrett	98,825
Hagerstown	1,078,086
Harford	1,561,728
Howard	1,403,010
Montgomery	2,808,265
Prince George's	597,440
Wor-Wic	41,926
<b>Total</b>	<b>\$9,881,710</b>

Notes: Based on the number of individuals reported by community colleges that received tuition or residency waivers (excluding waivers for employees or dependents). Numbers may not sum to total due to rounding. During the 2017-2018 academic year (the most recent data available), nearly 13,400 community college students received tuition or residency waivers totaling almost \$9.8 million that year.

Source: Maryland Higher Education Commission; Department of Legislative Services

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**Additional Information**

**Prior Introductions:** SB 303 of 2018, a similar bill, received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken.

**Designated Cross File:** SB 538 (Senator Guzzone) - Budget and Taxation.

**Information Source(s):** Maryland Higher Education Commission; Baltimore City Community College; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 2021  
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