

Department of Legislative Services  
 Maryland General Assembly  
 2021 Session

FISCAL AND POLICY NOTE  
 Third Reader

House Bill 98  
 Appropriations

(Delegate Washington)

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 2023, the Governor must include \$200,000 annually in the State budget for the program. **The bill takes effect July 1, 2021.**

Fiscal Summary

**State Effect:** General fund expenditures increase by \$200,000 annually beginning in FY 2023. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2023.**

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	200,000	200,000	200,000	200,000
Net Effect	\$0	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)

*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:

#### *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 duration of the pilot program to five years (with authorization for it terminating 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.

### *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 2021-2022 award cycle is \$19,400. Students that meet all program criteria, such as enrolling directly from high school and having certain family income limits, are guaranteed funding.

**State Expenditures:** General fund expenditures for MHEC increase by \$200,000 annually beginning in fiscal 2023, due to making the program permanent and the mandated appropriation under the bill. Despite Chapter 399 extending the duration of the pilot program, it last received funding in fiscal 2018, and according to MHEC's required 2019 [report](#), the pilot program also issued its last grant awards in fiscal 2018. In its required 2020 [report](#), MHEC simply advised that the program had not received any funding in fiscal 2020. MHEC advises that it can administer the permanent program with existing staff.

These grant funds will leverage matching funds from the nonprofit organizations that receive the grants; therefore, a total of \$400,000 may be used to meet the program's goals each year beginning in fiscal 2023.

---

## **Additional Information**

**Prior Introductions:** HB 1011 of 2020 passed the House with amendments and was referred to the Senate Education, Health, and Environmental Affairs Committee. No further action was taken.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - January 18, 2021  
rh/rhh Third Reader - February 16, 2021

---

Analysis by: Caroline L. Boice

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510