

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 308

(Senator Ellis)

Education, Health, and Environmental Affairs

Appropriations

Higher Education - Maryland Community College Promise Scholarship -
 Eligibility

This bill exempts applicants for the Maryland Community College Promise Scholarship (MCCPS) from the high school grade point average (GPA) requirements, for an initial award, if the applicant graduated from high school five or more years before the date of application. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: General fund expenditures increase by \$35,200 in FY 2022 for one-time costs. Expanding eligibility does not require additional spending; however, without additional spending, more individuals may be added to the waiting list or fewer scholarships may be awarded. Revenues are not affected.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	35,200	0	0	0	0
Net Effect	(\$35,200)	\$0	\$0	\$0	\$0

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: Chapter 554 of 2018 created a scholarship program in Maryland to provide tuition assistance to students who attend a community college in the State and who meet

specified eligibility criteria, including an income limitation. MCCPS is a last-dollar award that is applied after State or federal nonloan aid to eligible recipients has been applied; an award cannot exceed \$5,000 annually or actual tuition, whichever is less. Chapter 464 of 2019 specified that, if a local community college offers a Promise Scholarship, an award from the statewide program must be applied before the award of the local scholarship.

To be eligible for the program, a student must:

- be eligible for in-state tuition and enroll at a community college, in an eligible program;
- have earned at least a 2.3 high school GPA at the end of the first semester or the end of the year of the senior year, for an initial award, or have earned at least a 2.5 GPA while enrolled at a community college in the State; and
- have a gross adjusted income of \$100,000 or less if the applicant is single or resides in a single-parent household or of \$150,000 or less if married or resides in a two-parent household.

An applicant also has to attend the applicant's local community college, except under specified circumstances. In addition, an applicant must either enroll as a candidate for a vocational certificate, a certificate, or an associate's degree or participate in a registered apprenticeship at a community college in the State. Further, an applicant must enroll in at least 12 credits per semester or a sequence of credit or noncredit courses that leads to licensure or certificate.

The Governor must appropriate at least \$15.0 million annually for the program.

Initial awards are made based on greatest demonstrated need. Eligible applicants who do not receive an award are placed on a waiting list. In subsequent years, priority is to be given to prior-year recipients who remain eligible for the program. A recipient can receive the award for a total of three years. To maintain the award, the recipient must complete 12 credits per semester or make satisfactory progress toward a vocational certificate and earn a cumulative GPA of at least 2.5. The recipient must meet the designated income requirements for the program, remain eligible for in-state tuition, apply annually, and continue to make satisfactory academic progress as determined by the community college.

The Maryland Higher Education Commission (MHEC) must contact each school counselor at each public high school in the State with information on MCCPS, including eligibility, availability, and deadlines for the scholarship. In addition, MHEC and each community college must post this information in a readily accessible location on their respective websites. Finally, MHEC must annually report to the General Assembly on specified aspects of its implementation of MCCPS including its outreach activities.

State Expenditures: General fund expenditures increase by \$35,180 in fiscal 2022 for one-time contractual costs associated with enhancements to MHEC’s scholarship system, known as the Maryland College Aid Processing System, necessitated by the bill. The scholarship system must be upgraded to reflect the bill’s changes to eligibility for an award.

MHEC advises that the Office of Student Financial Assistance (OSFA) will need to create a supplemental application that includes the date of high school graduation in order to identify individuals that qualify for MCCPS due to removing the high school GPA requirement for individuals that graduated five or more years prior to application. Currently, OSFA primarily identifies individuals who may qualify for MCCPS using the Free Application for Federal Student Aid (FAFSA) and the Maryland State Financial Aid Application (MSFAA). FAFSA and MSFAA do not require individuals to report the year the individual graduated from high school. MHEC advises that creating a supplemental application will take six to nine months to develop and implement.

Expanding eligibility does not require additional spending; however, without additional spending, more individuals may be added to the waiting list or fewer scholarship may be awarded. It is unknown how many additional individuals will qualify under the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

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