

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 353

(Senator M. Washington)

Education, Energy, and the Environment and
 Budget and Taxation

Appropriations

Higher Education - Hunger-Free Campus Grant Program - Alterations

This bill increases the amount that the Governor must include for the Hunger-Free Campus Grant Program in the annual budget bill to \$225,000 (rather than \$150,000) beginning in fiscal 2025. To be eligible for a grant, an eligible institution must pledge at least \$25,000 in cash or in-kind contributions. The Maryland Higher Education Commission (MHEC) must allocate each first-time recipient between \$25,000 and \$150,000 for specified programmatic and organization-building activities. The bill also allows MHEC to retain 15% of each grant to administer the program. Finally, the bill expands the data that must be reported. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: Higher education revenues and expenditures may be negatively affected in FY 2024 as discussed below. General fund expenditures increase by \$75,000 annually beginning in FY 2025 due to increasing the mandated appropriation for the grant, of which up to \$33,750 may be retained by MHEC. Beginning in FY 2025, to the extent eligible institutions choose to apply for and receive a new grant or additional grant funds, higher education revenues and expenditures increase due to both the greater amount of grant funding available and the greater matching requirement. **This bill increases a mandated appropriation beginning in FY 2025.**

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Higher Ed Rev.	(-)	-	-	-	-
GF Expenditure	\$0	\$75,000	\$75,000	\$75,000	\$75,000
Higher Ed Exp.	-	-	-	-	-
Net Effect	(\$-)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)

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

Local Effect: To the extent local community colleges choose to apply for and receive new or additional grants, local community college revenues and expenditures may be affected in FY 2024 but generally increase beginning in FY 2025.

Small Business Effect: None.

Analysis

Current Law: Chapters 579 and 580 of 2021 established the Hunger-Free Campus Grant Program for public institutions of higher education administered by MHEC. MHEC must allocate grant funding to any public institution or regional higher education center (RHEC) that pledges a matching contribution to be used to implement the goals of the program and is designated as a hunger-free campus, according to the standards set in statute. The Governor must include \$150,000 annually in the budget for the program. MHEC must incorporate a plan for addressing any basic needs insecurity of higher education students into the 2026-2030 State Plan for Higher Education.

The purpose of the program is to:

- address student hunger;
- leverage more sustainable solutions to address basic food needs on campus;
- raise awareness of services currently offered on campus that address basic food needs; and
- build strategic partnerships at the local, State, and national levels to address food insecurity among students.

Public Two-year Institutions – Qualifications

MHEC must designate as a hunger-free campus any public two-year campus that:

- establishes a hunger task force that meets specified qualifications;
- designates a staff member responsible for assisting students in enrolling in the Supplemental Nutrition Assistance Program (SNAP) or connecting students with available outreach partners that can assist students in enrolling in the program;
- designates a staff member responsible for informing students participating in federal work-study programs that they are eligible for SNAP;
- participates in an awareness day campaign activity and plans at least one campus awareness event during the National Hunger and Homelessness Awareness Week;
- provides at least one food pantry on campus, or enables students in need to receive food through a separate, stigma-free arrangement;

- conducts a standardized annual student survey on hunger and submits the results to MHEC; and
- submits an annual report detailing its efforts to address student hunger to MHEC.

Public Four-year Institutions and Regional Higher Education Centers – Qualifications

In addition to the requirements for public two-year institutions, to qualify as a hunger-free campus, a public four-year institution or RHEC must (1) provide options for students to utilize SNAP benefits at campus retailers or provide students with information on the names and locations of off-campus retailers that accept the benefits and (2) develop and maintain a meal-sharing program that allows students to donate their unused meal plan credits to be distributed to students in need for use in campus dining halls or at an on-campus food pantry, if applicable. MHEC must designate as a hunger-free campus any public four-year campus or RHEC that meets all of the requirements.

Meal-sharing Program at Public Four-year Institutions

Each public four-year institution of higher education may develop its own procedures for a meal-sharing program. Institutions must make specified information about the meal-sharing program publicly available.

Maryland Higher Education Commission

MHEC must determine the amount of each grant issued under the hunger-free program and adopt regulations necessary to implement the requirements in statute.

The regulations must allow grant recipients to use grant funds flexibly to implement the goals of the program, including giving recipients the ability to (1) support emergency assistance; (2) hire staff to manage initiatives related to the program; and (3) use grant funds for operational activities related to the program.

Current Grant Program Guidelines

According to MHEC guidelines for the existing Hunger-Free Campus Grant Program, MHEC awards grant funding to any Maryland public institution of higher education or RHEC that has been designated as a hunger-free campus and pledges a 25% matching contribution to be used to implement the goals of the program.

Regional Higher Education Centers

An RHEC is a facility at which at least two institutions of higher education offer classes, consisting of a variety of program offerings and multiple degree levels. RHECs are
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designed to ensure access to higher education in underserved areas of the State. They provide baccalaureate and graduate programs in places where students do not have access to higher education due to geographical distance, commute time, or the limited capacity of local four-year institutions.

State/Local Fiscal Effect: Beginning in fiscal 2025, general fund expenditures increase by \$75,000 annually, which accounts for the current annual mandated appropriation of \$150,000 annually. Under the bill, MHEC may retain 15% of any grant for the cost of administering the program; thus, MHEC may retain up to \$22,500 in fiscal 2024 and up to \$33,750 annually thereafter to administer the program. Actual funds available for MHEC to administer the program depend on the amount of grant funding distributed.

Public institutions (*i.e.*, public four-year institutions, Baltimore City Community College, and local community colleges) or RHECs may choose to meet the requirements of current law to be designated hunger-free campuses so that they are eligible for the grant program. Under the bill, to receive a grant, an institution or RHEC must be designated a “hunger-free” campus and pledge at least \$25,000 in cash or in-kind contributions. Under current law, the matching contribution amount is not specified in statute, but MHEC guidelines require a 25% matching contribution. Generally, the new threshold for a matching contribution likely requires more funding from the public institution than under current law, including in fiscal 2024.

The amount of funding received by each institution, RHEC, or community college depends on the number that qualify as hunger-free campuses and how MHEC decides to distribute the grants. Should MHEC retain 15% of any grants in fiscal 2024, as authorized under the bill, less grant funding is available that year to institutions, RHECs, and community colleges. Alternatively, any first-time recipient in fiscal 2024 may receive greater funding that year due to the required thresholds for first-time funding in the bill. Specifically, MHEC must allocate to each first-time recipient at least \$25,000 and no more than \$150,000 for programmatic and organization-building activities. Nevertheless, *for illustrative purposes only*, if all 13 traditional public four-year institutions, 7 RHECs, and all 16 community colleges were to qualify and the funding were to be distributed equally, each campus could receive up to approximately an additional \$1,150 annually with the greater mandated appropriation. This illustrative estimate excludes MHEC administrative costs and current mandated funding.

Costs to implement the program for institutions and RHECs are assumed to be greater than grant funding provided, given the matching requirement.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

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