

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 455 (Senator A. Washington)
Education, Energy, and the Environment

College Preparatory Programs and College Admissions Applications – Fees –
Prohibition

This bill prohibits a local board of education from charging a student or student’s parents any fees related to the enrollment in or completion of (1) the International Baccalaureate (IB) Diploma Program or (2) a comparable program consisting of Advanced Placement (AP) courses specified by the College Board. A public institution of higher education may not charge a graduate of an approved public high school in Maryland any fees associated with an application for admission to the institution. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: Higher education revenues from application fees decrease at the constituent institutions of the University System of Maryland (USM), Morgan State University (MSU), and St. Mary’s College of Maryland (SMCM), likely by thousands to millions of dollars each year, as discussed below. Revenues from other higher education sources such as tuition or application fees for other applicants may need to increase to backfill the revenue loss. Expenditures are not directly affected.

Local Effect: To the extent local school systems do not cover IB or AP fees for all students, local school system expenditures increase. Local school system revenues are not affected. For local community colleges that charge application fees, local community college revenues for applications decrease. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law:

Post College and Career Ready Pathways

Beginning with the 2023-2024 school year, each local board of education must provide all students who meet the College and Career Ready (CCR) standard with access to specific post-CCR pathways at no cost (including fees) to them or their parents. These pathways include (1) a competitive entry college preparatory program chosen by the local board of education, as specified; (2) a program that allows a student, through an early college program or dual enrollment at a student's high school and an institution of higher education to earn an associate degree or at least 60 credits toward a bachelor's degree; and (3) a robust set of career and technology education programs, as specified, that allow a student to complete specified credentials or apprenticeships.

A public high school must provide access to these programs directly or through another public school in the county. A student meeting the CCR standard must enroll in at least one post-CCR pathway, with counseling and advising services offered to help each student choose at least one pathway aligning with the student's goals. The State Board of Education (SBE) must adopt regulations that guarantee, to the extent practicable, statewide uniformity in the quality of the post-CCR pathways, meet the specified CCR pathway requirements, and grant high school graduation credit for the CCR pathway programs.

College and Career Ready Funding

In addition to funding for non-CCR and CCR students provided within the foundation formula, funding is provided for students who have met the CCR standard adopted by SBE. Per pupil funding, covered by both State and local shares, begins at \$517 in fiscal 2022 and is inflation adjusted each subsequent year. Post-CCR funding is based on the number of students in grades 9 through 12 who have met the post-CCR standard. Specifically, the fiscal 2025 funding is \$595 for each student in grades 9 through 12 meeting the interim CCR standard in spring 2023. For fiscal 2025, this per pupil funding is providing local school systems with an estimated total of \$11.6 million in State funds and \$11.6 million in local funding to facilitate provision of post-CCR pathways to students through the Blueprint funding formula. Fiscal 2026 funding will be \$625 for each student in grades 9 through 12 meeting the CCR standard, adopted January 2024, in spring 2024.

Each fiscal year, the State must distribute the State share of the CCR program amount to each local board of education. The local board of education must distribute to each school the minimum school funding amount for CCR, which is 75% of the per-pupil amount.

Dual Enrollment

A public institution of higher education may not charge tuition to a dually enrolled student. A public school system must pay 75% of the cost of tuition for a public institution of higher education for its students. If there is an agreement before July 1, 2020, between a public school and a public institution of higher education in which the public institution charges less than 75% of tuition to a dually enrolled student, the local board must pay the cost of tuition under the existing agreement. The Blueprint for Maryland's Future – Revisions (Chapter 55 of 2021) expanded dual enrollment to include noncredit courses leading to an industry-recognized certificate or license.

Admissions Fees

According to [USM Policy III-4.00-Policy on Undergraduate Admissions](#), each USM constituent institution in USM may assess a nonrefundable admission application fee for each applicant unless the fee is waived in accordance with institutional policy

State/Local Revenues: Higher education revenues decrease for USM institutions, MSU, and SMC, likely by thousands to millions of dollars each year, due to the prohibition against charging a graduate of an approved public high school in the State any fees associated with an application for admission. Baltimore City Community College does not charge application fees, so the bill has no effect on it. Likewise, revenues decrease for local community colleges that charge admission fees for the same reason. The scale of the decrease depends on the number of applications received by each institution from graduates of Maryland public high schools, current application fees, and current discounts or waivers offered to applicants. For example, the University of Maryland, College Park Campus estimates an immediate annual revenue decline of \$2.0 million annually, not factoring in potential future losses if applicants increase due to the lack of an application fee. The University of Maryland Baltimore County anticipates a drop in revenues of approximately \$878,000 per fiscal year, based on actual application fee revenues of \$929,000 in fiscal 2023. Towson University predicts an annual revenue loss of around \$300,000. The University of Baltimore (UBalt) expects a revenue loss of \$15,000, which funds maintenance of UBalt's application platform.

Any revenue loss from the prohibition against charging an application fee for specified individuals may need to be backfilled from other higher education revenue sources; thus, revenues from those sources could increase. Thus, institutions may choose to increase tuition or fees or application fees for other applicants. Alternatively, institutions may find methods to decrease expenditures to avoid increasing revenue from other sources.

USM advises that many USM institutions offer fee waivers to Pell-eligible applicants. Further, USM advises that institutions may have to stop accepting the Common Application and the Common Black Application, which require a fee.

Frostburg State University further advises that the number of applicants may increase due to the lack of an application fee; however, institutions may not be able to determine which applicants are seriously considering the institution.

Local Expenditures: To the extent local school systems do not cover IB or AP fees for all students, local school system expenditures increase, likely significantly. Actual costs depend on the number of AP and IB exams taken by students and current waivers and discounts. School systems are already required to cover the cost of AP and IB exam fees for students in post-CCR pathways, so the net effect of the bill may be minimal.

According to the College Board, AP exam fees (excluding AP Seminar and AP Research) are \$98 per exam in 2024. In 2022, approximately 109,200 AP exams were taken in Maryland (this figure includes exams taken by private school students). Given that roughly 90% of high school students in Maryland attend public schools, the total exam costs for public high school students for AP exams amount to approximately \$9.6 million annually. As for IB exams, the fee stands at \$135 per exam for 2024; however, data on the number of IB exams taken by Maryland students is not readily available.

Prince George's County Public Schools advises that expenditures for AP exams increase by \$550,000 to \$660,000 annually and expenditures for IB exams increase by \$70,000 to \$100,000 annually, for a total annual cost of \$620,000 to \$720,000 annually. Baltimore City Public Schools advises that it already covers the cost of all AP and IB exam fees. Baltimore County Public Schools pays for all AP exam fees, but it does pass through to students (or their families) a charge from the College Board in two situations: (1) the \$40 late fee when a student misses the deadline to register for an AP exam; and (2) the \$40 unused test fee when a student does not complete the test or make up opportunity for a test ordered on behalf of the student.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Maryland Higher Education Commission; Baltimore City Community College; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Baltimore City Public Schools; Baltimore County Public Schools; Prince George's County Public Schools; Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2024
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