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FISCAL AND POLICY NOTE
Revised

House Bill 847

(Delegate Simonaire, *et al.*)

Ways and Means

Education, Health, and Environmental Affairs

Community Colleges - Victims of Human Trafficking - Exemption From Out-of-County and Out-of-Region Fees

This bill authorizes each board of community college trustees to waive the out-of-county or out-of-region fee for a student who is a victim of human trafficking. The Maryland Higher Education Commission (MHEC) must adopt regulations to implement the bill. The regulations must include a requirement that an application for a waiver of the out-of-county or out-of-region fee contain specified evidence that the applicant is a victim of human trafficking. The number of waivers granted under the bill must be reported annually.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: If a local community college decides to waive the out-of-county or out-of-region fee, as early as FY 2018, general fund expenditures for the Senator John A. Cade Funding Formula increase by approximately \$80 per additional credit hour taken by individuals who choose to enroll or take additional courses due to the bill. However, relatively few individuals are anticipated to apply for the waiver. Baltimore City Community College (BCCC) only has two tuition levels, in-state and out-of-state; therefore, neither BCCC nor its funding formula is affected by the bill. MHEC can report the required information using existing resources.

Local Effect: If a local community college decides to waive the out-of-county or out-of-region fee for a student who is a victim of human trafficking, then tuition revenues for that community college decrease by an average of \$98 for each credit hour attempted by an eligible individual. State aid for community colleges increases by approximately \$80 per additional credit hour taken by individuals who choose to enroll or take additional courses due to the bill beginning in FY 2018. However, relatively few individuals are

anticipated to apply for the waiver. Local community colleges can report the required information using existing resources.

Small Business Effect: None.

Analysis

Bill Summary: “Victim of human trafficking” means an individual who has been recruited, harbored, transported, provided, or obtained, for labor, services, or a sexual act, through the use of force, fraud, or coercion.

Evidence that the applicant is a victim of human trafficking includes (1) certified law enforcement, court, or other federal or State agency records or files; (2) documentation from a human trafficking prevention or assistance program; or (3) documentation from a religious, medical, or other professional from whom the applicant has sought assistance or treatment as a victim of human trafficking.

Information collected in regards to an individual’s status as a victim of human trafficking as part of a student’s registration must remain confidential.

A community college that admits an individual who qualifies for a waiver of the out-of-county or out-of-region fee due to being a victim of human trafficking must keep a record of the number of individuals for whom a waiver was granted in accordance with the requirements and report this information to MHEC each year. MHEC must submit this information to the General Assembly annually.

Current Law: Tuition policies at community colleges are set by the Code of Maryland Regulations and the boards of trustees for the colleges. There are three levels of tuition at community colleges: in-county, out-of-county, and out-of-state. The out-of-county (or out-of-region) fee must be at least equal to 60% of the county share of the per full-time equivalent student funding provided under the Senator John A. Cade Funding Formula. As a State-operated college, BCCC only has two tuition levels, in-state and out-of-state. Regional community colleges serve residents in more than one county. There are three regional colleges in the State – Chesapeake College, College of Southern Maryland, and Wor-Wic College. In general, there is a three-month residency requirement for community colleges.

Chapter 191 of 2011, known as the Dream Act, was petitioned to referendum and approved by Maryland voters in November 2012. Therefore, an individual who attended and graduated from a Maryland high school is exempt from paying out-of-state tuition, and in certain instances out-of-county tuition, at community colleges, including BCCC, in

Maryland under specified circumstances. Nonimmigrant aliens who are in the country on student visas do not qualify for the exemption, but otherwise the exemption applies regardless of residency status. An individual who graduates from or earns a certain number of credits from a community college under the Dream Act is then exempt from paying out-of-state tuition at a public senior higher education institution in Maryland under specified circumstances.

Background: Exhibit 1 shows a chart developed by the Solidarity Center, extrapolated and simplified from the 2000 United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, as posted on the U.S. Department of State website. It is a simplified tool to determine whether an individual is a victim of human trafficking, although other organizations have developed other definitions.

Exhibit 1
Human Trafficking Definition Chart

| Process | + | Ways/Means | + | Goal |
|---|----------|---|----------|---|
| Recruitment or Transportation or Transferring or Harboring or Receiving | AND | Threat or Coercion or Abduction or Fraud or Deceit or Deception or Abuse of power | AND | Prostitution or Pornography or Violence/sexual exploitation or Forced labor or Involuntary servitude or Debt bondage (with unfair wages) or Slavery/similar practices |

Notes: If one condition from each category is met, the result is trafficking. For adults, victim consent is irrelevant if one of the means is employed. For children, consent is irrelevant with or without the means category.

Source: Solidarity Center; U.S. Department of State

Due to the nature of the crime, the invisibility of victims, and high levels of underreporting, actual statistics regarding human trafficking are unavailable. Further obstacles include inconsistent definitions, reluctance to share data, and a lack of funding for and standardization of data collection. Particularly lacking are estimates on the number of American citizens trafficked within the United States.

The U.S. Department of State estimates that 800,000 people are trafficked across international borders every year, of which 50% are children and 80% are women and girls. The U.S. Department of Justice estimates that 70% of female victims are trafficked into the sex trade, and the other 30% into forced labor. An estimated 50,000 women and children are trafficked into the United States each year according to the Victims of Trafficking and Violence Protection Act of 2000.

State Expenditures: If a local community college decides to waive the out-of-county or out-of-region fee, as early as fiscal 2018, general fund expenditures for the Senator John A. Cade Funding Formula increase by approximately \$80 per additional credit hour taken by individuals who choose to enroll or take additional courses due to the bill. The bill has no impact on BCCC, which does not charge an out-of-county or out-of-region fee.

The Cade formula determines aid to community colleges based on the credit hours taken in the second prior fiscal year. If additional individuals choose to enroll in local community colleges in the 2015-2016 academic year (fiscal 2016) as a result of the bill, spending increases for the formula in fiscal 2018 by approximately \$80 per qualifying credit hour taken. There is little information available on the number of qualified individuals who may choose to enroll or take additional courses due to not being required to pay the out-of-county or out-of-region fee; thus, the general fund expenditure increase cannot be reliably estimated.

However, relatively few individuals are anticipated to apply for the waiver due to there only being a three-month residency requirement to receive in-county tuition rates and the requirement that human trafficking victims share their history with the community college to receive the waiver, despite the requirement this information remain confidential. In addition, community colleges would need to track individuals who receive the waiver, which raises privacy concerns for victims.

If any individuals choose to request documentation about their history as victims of human trafficking from the District Court, the District Court can handle any additional requests with existing resources.

Local Revenues: If a local community college decides to waive the out-of-county or out-of-region fee for a student who is a victim of human trafficking, then tuition revenues for that community college decrease by an average of \$98 for each credit hour attempted

by an eligible individual. State aid for community colleges increases by approximately \$80 per additional credit hour taken by individuals who choose to enroll or take additional courses due to the bill beginning in fiscal 2018. The actual difference between in-county and out-of-county (or out-of-region) tuition and fees for all of the local community colleges for fall 2014 is shown in **Exhibit 2**.

Exhibit 2
In-county and Out-of-county Community College Tuition and Fees
Per Credit Hour
Fall 2014

| <u>Community College</u> | <u>In-county</u> | <u>Out-of-county*</u> | <u>Difference</u> |
|--------------------------|------------------|-----------------------|-------------------|
| Allegany | \$118 | \$214 | \$96 |
| Anne Arundel | 128 | 222 | 94 |
| Baltimore County | 142 | 255 | 113 |
| Carroll | 144 | 208 | 64 |
| Cecil | 108 | 198 | 90 |
| Chesapeake | 144 | 213* | 69 |
| Southern Maryland | 141 | 244* | 103 |
| Frederick | 132 | 264 | 132 |
| Garrett | 120 | 242 | 122 |
| Hagerstown | 123 | 185 | 62 |
| Harford | 125 | 212 | 87 |
| Howard | 148 | 231 | 83 |
| Montgomery | 153 | 297 | 144 |
| Prince George's | 145 | 230 | 85 |
| Wor-Wic | 112 | 236* | 124 |
| Average | \$132 | \$230 | \$98 |

*or out-of-region

Note: Fees are defined as consolidated, registration, student, technology, activity, and parking fees. Lab, graduation, physical education fees, *etc.* are not included.

Source: Maryland Association of Community Colleges

Local Expenditures: If any individuals choose to request documentation about their history as victims of human trafficking from the circuit court, the circuit court can handle any additional requests with existing resources.

Additional Information

Prior Introductions: None.

Cross File: SB 335 (Senator Simonaire, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Baltimore City Community College, Maryland Higher Education Commission, Judiciary (Administrative Office of the Courts), trafficking.org, U.S. Department of State, Department of Legislative Services

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