

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 1087

(Prince George's County Delegation)

Ways and Means

Education, Health, and Environmental Affairs

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**Task Force to Study a Promise Scholarship Program in Prince George's County**  
**PG 438-16**

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This bill establishes the Task Force to Study a Promise Scholarship Program in Prince George's County. The President of Prince George's Community College (PGCC) must chair the task force, and the President's Office must provide staff for the task force. By January 1, 2017, the task force must report its finding and recommendations to the Prince George's County Executive and the General Assembly.

The bill takes effect June 1, 2016, and terminates May 31, 2017.

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**Fiscal Summary**

**State Effect:** State officials who are members of the task force can be reimbursed for travel expenses using existing resources. Revenues are not affected.

**Local Effect:** PGCC can staff the task force using existing resources, but expenditures may increase minimally to reimburse task force members for expenses. Revenues are not affected.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The task force must:

- study the feasibility of creating a Prince George's County Promise Scholarship Program to provide scholarships to pay for tuition and mandatory fees not covered

by federal or State financial aid for graduates of Prince George's County public high schools who enroll at PGCC; and

- make specified recommendations regarding the program.

A member of the task force may not receive compensation but is entitled to reimbursement for standard travel expenses.

**Current Law/Background:** Nationwide there has been much attention on the cost of college and student loan debt. In 2014, the Tennessee General Assembly passed legislation establishing a program, beginning with the class of 2015, offering two years of tuition-free education at 1 of the state's 13 community colleges or 27 technical schools. The program, known as Tennessee Promise, is a last-dollar scholarship, meaning it covers costs of tuition and mandatory fees not met by federal Pell grants, the Tennessee HOPE scholarship, or the Tennessee Student Assistance Award Program. To be eligible, a student must meet a number of requirements, including complete the federal Free Application for Federal Student Aid, enroll in a college full time for up to five consecutive semesters, maintain a 2.0 grade point average, and complete eight hours of community service per semester. To pay for the program, the state created an endowment of \$361.1 million using state lottery reserves; it was estimated to cost about \$34 million the first year.

The full impact of the Tennessee Promise is still unknown. About 58,000 students or 90% of Tennessee's high school graduating class applied for the program in the first year – exceeding expectations by thousands of students. Tennessee Promise estimates that between 16,000 and 18,000 students completed the requirements to enroll in the program during its first semester (fall 2015). An article in *The Atlantic* reported that, even with free tuition, some of the poorest students are still finding attending community college a challenge because they need to work 30 to 40 hours a week to afford books and meet basic living expenses, which can cost between \$5,000 to \$10,000 per year.

The Tennessee Promise program was based on a smaller program at Pellissippi State College, known as Knox Achieves. According to Knox Achieves' program data, matriculation rates at Pellissippi State College increased by 11.5% due to the program. The high matriculation rate is thought to be due, at least in part, to the associated mentoring program.

In 2015, President Obama proposed a similar program to make two years of community college tuition free. Under President Obama's plan, the offer of free tuition would extend to all students if they attend classes at least half time and maintain a grade point average of 2.5 or better. The federal government would cover up to 75% of the costs of the initiative, while states would pick up the remaining quarter. President Obama reiterated his support for such a program during his 2016 State of the Union address.

The in-county tuition and fees for PGCC were \$4,550 in fall 2015. However, tuition and fees are only part of the costs associated with attending a community college. For example, students must obtain books and other educational materials in addition to room and board.

For the 2015-2016 academic year, the maximum federal Pell grant for the most financially needy students is \$5,775, and the minimum is \$577. The Pell grant amount depends on the cost of attendance (including tuition and fees, room and board, books, etc.) at the institution and the expected family contribution, which results in a student's financial need. The State also provides financial assistance to students, totaling \$105.1 million in fiscal 2016 and \$105.2 million in the fiscal 2017 State budget. Most of the aid is distributed based on financial need through the Educational Excellence Awards program.

Students receiving Pell grants are also eligible for State financial aid, such as the 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 in fiscal 2014 was \$16,100, and the maximum award in fiscal 2015 was \$16,500. Students who meet all program criteria, such as enrolling full time directly from high school and family income limits, are guaranteed funding. Students who do not qualify for the GA grant may be eligible to receive an Educational Access grant, which provides up to \$3,000 per year to students attending a Maryland higher education institution full time.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Prince George's County, Prince George's Community College, *The Atlantic*, [tennessean.com](http://tennessean.com), Department of Legislative Services

**Fiscal Note History:** First Reader - March 14, 2016  
min/rhh Revised - Clarification/Updated Budget Information - April 6, 2016

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Analysis by: Caroline L. Boice

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