

Department of Legislative Services

Maryland General Assembly

2020 Session

FISCAL AND POLICY NOTE

Third Reader - Revised

House Bill 506

(Delegate Valentino-Smith, *et al.*)

Appropriations

Education, Health, and Environmental Affairs

**Higher Education - Nonresident Tuition Exemption for Military Personnel,
Spouses, and Dependents - Alterations**

This bill expands the conditions under which a spouse or financially dependent child of an active-duty service member of the U.S. Armed Forces is eligible for resident (*i.e.*, in-state) tuition to also encompass a dependent who was *accepted* to attend a public institution of higher education when the member was stationed, residing, or domiciled in the State. To remain exempt from paying nonresident tuition, a spouse or financially dependent child of an active-duty service member must remain continuously enrolled and remain domiciled in the State during enrollment. The requirement to remain domiciled in the State during enrollment is a new condition for currently eligible individuals. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: The bill is not anticipated to materially impact the number of individuals who qualify for in-state tuition at public four-year institutions of higher education or Baltimore City Community College (BCCC), as explained below. As a result, higher education revenues and expenditures are not materially affected.

Local Effect: No material impact on community college revenues or expenditures.

Small Business Effect: None.

Analysis

Current Law:

State Law – Service Members Eligible for In-state Tuition

Public institutions of higher education in Maryland charge in-state tuition rates to three categories of military individuals: (1) active-duty members of the U.S. Armed Forces who are stationed, reside, or are domiciled in Maryland; (2) the spouses and dependent children of active-duty members of the U.S. Armed Forces; and (3) honorably discharged veterans of the U.S. Armed Forces.

A spouse or financially dependent child of an active-duty member of the U.S. Armed Forces is exempt from nonresident tuition charges if the member is stationed in Maryland, resides in Maryland, or is domiciled in Maryland. If the member ceases to be stationed in Maryland, reside in Maryland, or be domiciled in Maryland, the spouse or child of the member remains qualified for resident tuition if the spouse or child is continuously enrolled at a public institution of higher education.

An honorably discharged veteran of the U.S. Armed Forces is exempt from nonresident tuition if the individual resides in or is domiciled in the State.

In addition, members of the Maryland National Guard are exempt from paying nonresident tuition at public institutions of higher education in Maryland.

Further, each public institution of higher education must comply with federal law relating to nonresident tuition for veterans and veterans' dependents.

Resident Tuition

The general 12-month residency requirement for public four-year institutions and the 3-month residency requirement for community colleges are discussed in **Appendix – Maryland Tuition and Fees**.

Background: The Maryland Higher Education Commission advises that there were more than 4,900 spouses and dependent children of active-duty service members attending public four-year institutions of higher education in fall 2018. Almost 3,800 were enrolled in the University of Maryland University College (now known as the University of Maryland Global Campus), which has well-known online programs. Of the almost 1,200 spouses and dependent children of active-duty service members at the other institutions, approximately 100 (less than 10%) were considered out-of-state residents for tuition purposes.

State/Local Fiscal Effect: The bill allows a spouse or dependent child to retain Maryland resident status for tuition when the active-duty member no longer meets the State residency requirement in the period between the acceptance to a public institution of higher education and enrollment. Thus, the bill affects the dependents of active-duty members who are reassigned to another state after the dependent has been accepted but before enrolling in a public institution of higher education. Active-duty service members often have little control over the timing or location of their assignments.

Since the active-duty member must reside or be domiciled in the State at the time of initial eligibility, the bill is not anticipated to materially increase the number of individuals eligible for resident tuition. Accordingly, this analysis assumes that the majority of individuals who qualify for resident tuition status under the bill would have otherwise qualified since the active-duty member must reside or be domiciled in Maryland at the time of acceptance.

In addition, the bill establishes that, to remain exempt from paying nonresident tuition, a spouse or financially dependent child of an active-duty service member must remain continuously enrolled and remain domiciled in the State. These requirements limit the number of individuals who will remain qualified for nonresident tuition. The requirement to remain domiciled in the State during enrollment is a new condition to maintain eligibility for currently eligible individuals.

To the extent more dependents qualify for resident tuition than anticipated, public four-year institutions of higher education can adjust by admitting more individuals who qualify for out-of-state tuition.

Likewise, very few additional individuals qualify for in-state tuition at BCCC or a local community college under the bill. Therefore, there is no material impact on community college revenues or expenditures.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 458 (Senator Elfreth, *et al.*) - Education, Health, and Environmental Affairs.

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

Fiscal Note History:
rh/rhh

First Reader - February 7, 2020

Third Reader - March 16, 2020

Revised - Amendment(s) - March 16, 2020

Revised - Clarification - March 16, 2020

Analysis by: Caroline L. Boice

Direct Inquiries to:

(410) 946-5510

(301) 970-5510

Appendix – Maryland Tuition and Fees

Tuition Residency Requirements

For institutions within the University System of Maryland (USM), the Board of Regents sets tuition policies, including the determination of which students are eligible for resident (*i.e.*, in-state) tuition. The basic policy, [USM Board of Regents Policy on Student Classification for Admission and Tuition Purposes \(VIII-2.70\)](#), requires students to be identified as permanent residents of Maryland to qualify for resident tuition, meaning they have lived continuously in the State for at least 12 months immediately prior to attendance at a USM institution. An individual who is residing in Maryland primarily for the purpose of attending an educational institution is not considered a permanent resident. The Board of Regents of Morgan State University and the Board of Trustees of St. Mary's College of Maryland set tuition policies for those institutions. The policies for the institutions are very similar to the USM policies. Both institutions require one year of residency in Maryland to qualify for in-state tuition rates.

The [USM Board of Regents Policy on Undergraduate Admissions \(III-4.00\)](#) limits out-of-state undergraduate enrollment to no more than 30% of each institution's total undergraduate enrollment, excluding the University of Maryland Global Campus and students enrolled exclusively in distance education programs.

Typically, there is a three-month residency requirement for community colleges.

Public Four-year Tuition and Fees Proposed for Fall 2020

Proposed fall 2020 in-state and out-of-state tuition and fee rates for full-time undergraduates at public four-year institutions are shown in **Exhibit 1**. Using the simple average, in-state tuition and fees for fall 2020 are approximately \$10,000. The difference between in-state and out-of-state for fall 2020 tuition ranges from more than \$26,000 for the traditional nursing program at the University of Maryland, Baltimore Campus (\$29,376) and the University of Maryland, College Park Campus (\$26,635) to almost \$6,000 at the University of Maryland Global Campus. The difference between the rates at each campus, using the simple average, is almost \$14,300.

Exhibit 1
In-state and Out-of-state Undergraduate Tuition at Public Four-year Institutions
Proposed Fall 2020 Rates

| <u>Institution</u> | <u>In-state</u> | <u>Out-of-state</u> | <u>Difference</u> |
|---|------------------------|----------------------------|--------------------------|
| University System of Maryland Institutions | | | |
| University of Maryland, College Park Campus | \$10,946 | \$37,581 | \$26,635 |
| University of Maryland, Baltimore Campus ¹ | 11,385 | 40,761 | 29,376 |
| Bowie State University | 8,658 | 19,399 | 10,741 |
| Towson University ² | 10,458 | 25,510 | 15,052 |
| University of Maryland Eastern Shore ³ | 8,729 | 19,347 | 10,618 |
| Frostburg State University ² | 9,600 | 24,086 | 14,486 |
| Coppin State University | 6,809 | 13,334 | 6,525 |
| University of Baltimore | 9,356 | 21,964 | 12,608 |
| Salisbury University ² | 10,268 | 20,970 | 10,702 |
| University of Maryland Global Campus ^{4,5} | 9,450 | 15,420 | 5,970 |
| University of Maryland Baltimore County | 12,300 | 28,490 | 16,190 |
| Other Public Four-year Institutions | | | |
| Morgan State University | 8,118 | 18,798 | 10,680 |
| St. Mary's College of Maryland | 15,132 | 31,209 | 16,077 |

¹Reflects tuition and fees for the traditional nursing program. Other undergraduate programs at the University of Maryland, Baltimore Campus have different tuition and fees.

²Towson University, Salisbury University, and the University of Maryland Global Campus have separate, lower out-of-state rates for students enrolled at the University System of Maryland at Hagerstown.

³The University of Maryland Eastern Shore has a separate, lower regional rate for non-Maryland students residing in Delaware and the Eastern Shore of Virginia.

⁴Towson University, Salisbury University, and the University of Maryland Global Campus have separate, lower out-of-state rates for students enrolled at the University System of Maryland at Hagerstown.

⁵Based on 30 credit hours.

Note: Rates are pending final approval.

Source: Morgan State University; St. Mary's College of Maryland; University System of Maryland; Department of Legislative Services

Community College Tuition and Fees Fall 2019

Fall 2019 in-county, out-of-county, and out-of-state tuition rates for community colleges are shown in **Exhibit 2**. The exhibit shows that in-county tuition and fees average approximately \$4,600. As a State institution, Baltimore City Community College has one in-state rate. Generally out-of-state rates at community colleges are two to three times the in-county rates.

Exhibit 2
In-county, Out-of-county, and Out-of-state Tuition and Fees at Community Colleges
Based on 30 Credit Hours Per Year
Fall 2019

| <u>College</u> | <u>In-county</u> | <u>Out-of-county</u> | <u>Out-of-state</u> |
|------------------------|------------------|----------------------|---------------------|
| Allegany | \$4,800 | \$8,250 | \$10,170 |
| Anne Arundel | 4,280 | 7,730 | 12,650 |
| Baltimore City | 3,364 | 3,364 | 7,444 |
| Baltimore County | 4,986 | 8,376 | 12,036 |
| Carroll | 5,100 | 7,838 | 10,447 |
| Cecil | 4,650 | 7,950 | 9,480 |
| Chesapeake | 4,850 | 6,920 | 9,230 |
| College of Southern MD | 4,913 | 8,588 | 11,025 |
| Frederick | 4,579 | 9,019 | 11,929 |
| Garrett | 4,520 | 8,930 | 10,670 |
| Hagerstown | 4,290 | 6,405 | 8,235 |
| Harford | 4,783 | 7,580 | 10,377 |
| Howard | 4,991 | 7,811 | 9,311 |
| Montgomery | 5,322 | 10,254 | 14,034 |
| Prince George's | 4,700 | 7,550 | 10,610 |
| Wor-Wic | 4,170 | 7,800 | 9,630 |

Source: Maryland Association of Community Colleges
