

Department of Legislative Services  
Maryland General Assembly  
2021 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 216  
Appropriations

(Delegate Valentino-Smith)

Education, Health, and Environmental Affairs

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Higher Education - Tuition Exemption for Foster Care Recipients and Homeless Youth - Alterations and Reports

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This bill expands the definition of “homeless youth” who are eligible to receive a tuition waiver at a public institution of higher education by removing the requirements that the youth (1) be “unaccompanied” and (2) qualify as an independent student under federal law. The bill also alters the method by which an individual is determined to be a homeless youth for the purpose of a tuition waiver and repeals the requirement that only a financial aid administrator can verify the status. In addition, a foster care recipient or homeless youth who receives a tuition waiver must receive priority consideration for on-campus housing. Each public institution of higher education must make the application for the tuition waiver available to current and prospective students and notify students about the application. Each public institution must establish an appeals process for the tuition waiver, as specified. Finally, each public institution must designate a homeless and foster student liaison with specified expertise to assist specified students with applying for financial aid. **The bill takes effect July 1, 2021.**

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Fiscal Summary

**State Effect:** Higher education tuition revenues decrease, potentially significantly, due to additional tuition waivers granted beginning in FY 2022. Higher education expenditures increase by an indeterminate amount annually.

**Local Effect:** Tuition revenues at community colleges decrease due to additional tuition waivers granted beginning in FY 2022. Community college expenditures increase annually by an indeterminate amount. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** The bill makes a number of technical and clarifying changes to the definition of “homeless youth” and establishes that a youth determined to be a homeless child or youth, as defined by the federal McKinney-Vento Homeless Assistance Act by specified individuals, during the past 24 months prior to applying is eligible for the tuition waiver. If a public institution of higher education determines that a student is a homeless youth, on request of the student, the institution must notify any public institution in which the student subsequently enrolls of the student’s designation as a homeless youth. The notified institution must then designate the student as a homeless youth.

Each institution’s designated homeless and foster student liaison must have expertise in the financial aid eligibility of homeless and foster students. The liaison must provide assistance to homeless and foster students in applying for federal and State financial aid or other assistance for which they may be eligible. Each public institution must inform current and prospective students about the liaison and the services they provide.

The tuition waiver is clarified to include fall, winter, spring, and summer term.

The information and documents that each public institution of higher education and the Maryland Higher Education Commission (MHEC) must compile and report annually on the tuition waiver are expanded. MHEC must publish the compilation of reports and documents to its website within 30 days after the date on which the compilation is submitted to the General Assembly.

**Current Law:** Specified foster care recipients and unaccompanied homeless youth are eligible for a tuition exemption (also called a waiver) for all credit-bearing and noncredit courses (including mandatory fees) to attend a public institution of higher education in Maryland.

To be eligible, a foster care recipient or unaccompanied homeless youth must (1) enroll at the institution prior to the individual’s twenty-fifth birthday; (2) enroll as a candidate for a vocational certificate, an associate’s degree, or a bachelor’s degree; and (3) file for federal and State financial aid. Specified individuals remain eligible until 10 years after enrolling as a candidate for an associate’s degree or bachelor’s degree or the date the individual is awarded a bachelor’s degree, whichever is earlier. Any scholarship or grants may not be applied to the tuition of an eligible individual.

For the purposes of the waiver, “tuition” includes charges for registration and all fees for credit-bearing and noncredit courses required as a condition of enrollment.

### *Foster Care Recipients Eligible for the Tuition Waiver*

The following foster care recipients are eligible for the tuition waiver:

- a foster care recipient who was placed in an out-of-home placement by the Department of Human Services and resided in an out-of-home placement on the individual's eighteenth birthday or at the time the individual graduated from high school or successfully completed a GED; and
- a foster care recipient who resided in an out-of-home placement on or after the individual's thirteenth birthday for at least one year and was placed into guardianship, adopted, or reunited with at least one of the individual's parents.

Younger siblings of those eligible for the tuition waiver are also eligible if they are concurrently placed into guardianship or adopted out of an out-of-home placement by the same guardianship or adoptive family.

### *Homeless Youth Eligible for the Tuition Waiver*

“Unaccompanied homeless youth” is defined as a child or youth who (1) has had a consistent presence in the State for at least one year before enrollment in a public institution of higher education that is documented as specified; (2) is not in the physical custody of a parent or guardian; (3) is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act; and (4) is determined to be a homeless child or youth by one of several specified individuals. When determining whether a youth is an unaccompanied homeless youth, a financial aid administrator must verify annually that the youth qualifies as an independent student under the federal College Cost Reduction and Access Act.

### *Reporting Requirements*

By June 1 each year, each public institution of higher education must report to MHEC on the specified information on foster care recipients and unaccompanied homeless youth who received tuition waivers. By September 1 of each year, MHEC must compile the reports and submit them to the General Assembly.

**State Fiscal Effect:** Higher education tuition revenues decrease beginning in fiscal 2022 due to the expansion of the homeless youth tuition waiver program and more currently eligible foster care recipients and homeless youth becoming aware of the waiver. It is unknown how many additional homeless youth become eligible and choose to use the waiver due to expanding the eligibility requirements. Nor is it known how many currently eligible individuals will become aware of their eligibility due to the notification requirement in the bill. According to Maryland State Department of Education data, in 2019, 84 foster care recipients and 720 homeless youth graduated from Maryland public

schools. However, it is unclear how these definitions align with those eligible for a tuition waiver, either under current law or under the bill. Higher education expenditures increase due to additional enrollments; the amount cannot be determined as it depends on the number of credits each individual chooses to enroll in.

The average annual tuition and fees for full-time resident undergraduates at public four-year institutions for fall 2021 (fiscal 2022) pending final approval is \$10,300; this excludes Morgan State University, which has not yet published anticipated rates. The actual amount of the revenue decrease per full-time equivalent student (FTES) may be less depending on the number of credits attempted per recipient and the distribution of institutions that waiver recipients choose to attend. According to MHEC data, 142 foster care recipients and 126 unaccompanied homeless youth received a tuition waiver to attend public four-year institutions in fiscal 2019.

Tuition revenues may also decrease at Baltimore City Community College (BCCC), the only State-operated community college, by an estimated \$4,400 per FTES receiving a waiver based on fall 2020 (fiscal 2021) rates. Published fiscal 2019 data is not disaggregated by institution.

The bill requires each public institution of higher education to designate a liaison within its financial aid office or other appropriate office, to assist homeless and foster care students in applying for federal and State financial aid or other assistance for which the students may be eligible. This additional responsibility can likely be covered using existing resources at the current number of recipients, especially since financial aid officers are no longer required to annually verify that the youth qualifies. However, if the number of applicants for the waiver increases significantly, which is possible under the bill, then institutions may need to hire additional staff. Any such impact cannot be reliably estimated.

Institutions of higher education can make a waiver application available, inform students of the application, and establish an appeals process using existing resources.

Future year revenue losses, and expenditure increases, are dependent on the number of additional individuals who are eligible for a waiver and choose to use it, the number of credits attempted per student, the distribution of institutions that waiver recipients choose to attend, and tuition and fee rates.

**Local Fiscal Effect:** Tuition revenues at locally operated community colleges decrease beginning in fiscal 2022. As discussed above, the impact may be significant for an individual college but cannot be reliably quantified. The average annual tuition and fees for full-time in-county students at the community colleges for fall 2020 (fiscal 2021) is \$4,800; tuition and fees for fall 2021 (fiscal 2022) have not been approved yet. The actual amount of the revenue decrease per FTES may be less depending on the number of credits

attempted per student and the distribution of institutions that waiver recipients choose to attend, and may vary each year. According to MHEC data, 299 foster care recipients and 124 unaccompanied homeless youth received a tuition waiver to attend a community college, including BCCC, in fiscal 2019. Community college expenditures also increase, as discussed above, but the amount cannot be determined.

As discussed above, community colleges can designate a liaison using existing resources at the current number of recipients. However, if the number of applicants for the waiver increases significantly, institutions may need to hire additional staff. Any such impact cannot be reliably estimated.

Community colleges can make a waiver application available, inform students of the application, and establish an appeals process using existing resources.

Local school systems can likely provide any required documentation regarding homeless youth to public institutions of higher education using existing resources.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 155 (Senators Washington and Ellis) - Education, Health, and Environmental Affairs.

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

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