

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1396

(Chair, Ways and Means Committee)(By Request -
Departmental - Higher Education Commission)

Ways and Means

Education, Health, and Environmental Affairs

Higher Education - Student Financial Assistance - Dually Enrolled Students

This departmental bill expands eligibility for the Part-Time Grant Program to include students who are dually enrolled in Maryland high schools and an institution of higher education. It clarifies that a dually enrolled student does not need to receive both high school and college credit from a course to be eligible for a Part-Time Grant. The bill permanently reauthorizes the Dual Enrollment Grant Program and renames it the Early College Access Grant Program. In addition to any funds allocated under the Early College Access Grant Program, institutions may use up to 10% of the Part-Time Grant allocation to provide grants to students who are dually enrolled.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: Expanding eligibility for the Part-Time Grant Program does not require additional spending. However, in order for awards to be made to all applicants currently on the waiting list and newly eligible applicants, general fund expenditures increase beginning in FY 2010. Revenues are not affected.

Local Effect: Community colleges enroll the majority of part-time students and receive the majority of Part-Time Grant funding. To the extent State funding for the program increases as a result of this bill, community college revenues and expenditures increase.

Small Business Effect: The Maryland Higher Education Commission (MHEC) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: The Part-Time Grant Program provides grants to undergraduate students taking at least 6 hours but no more than 11 hours of courses each semester. Recipients must be Maryland residents and must demonstrate a definite financial need. Funds for the program are allocated by MHEC to institutions of higher education based on the number of part-time students with demonstrated financial need who are enrolled at the institution. Grants are distributed to students by the institutions based on guidelines established by MHEC.

Background: Chapter 297 of 2007 created the Dual Enrollment Grant to provide financial assistance to students taking courses in both high school and college. Since a program was being created specifically for dually enrolled students, the Part-Time Grant Program, which allowed institutions to use funds for dually enrolled students, was amended to remove all references to dually enrolled students. With this change, the Part-Time Grant Program is now solely for students taking between 6 and 11 credits at an institution of higher education enrolled in a degree-seeking program, while the Dual Enrollment Grant Program is specifically for dually enrolled students. The Dual Enrollment Grant has not been fully funded leaving most institutions, especially community colleges, without funds to assist dually enrolled students. The Dual Enrollment Grant Program is scheduled to expire after June 30, 2009.

Prior to the legislative change of 2007, an institution receiving funds through the Part-Time Grant Program was able to use up to 10% of its allocation to award dually enrolled students. MHEC advises that many institutions chose not to use these funds for dually enrolled students because under MHEC regulations students were required to receive credit in both high school and college for courses completed. Many, if not most, students were not receiving credit in both, making them ineligible. The Dual Enrollment Grant addressed this issue by increasing interest in awarding dually enrolled students; however, funds have not been provided to allocate to institutions. Instead, approximately \$120,000 in carry forward funds have been used in each of fiscal 2008 and 2009 to provide funds to the five community colleges that awarded dually enrolled students under the Part-Time Grant Program.

The Governor's proposed fiscal 2010 budget includes \$5.9 million for the Part-Time Grant Program, the same amount as the fiscal 2009 working appropriation after a decrease of \$89,707 from cost containment action taken by the Board of Public Works. The Dual Enrollment Grant receives no funding in the fiscal 2010 budget since it terminates after fiscal 2009 in current law.

State Expenditures: Funding levels for the Part-Time Grant Program are determined by the State budget; therefore, any additional expenditures for the program resulting from an expansion of the program are only incurred if the annual State budget includes new funding to make additional awards. Further, Legislative Services assumes that the current practice of using approximately \$120,000 in carry forward funds for the Dual Enrollment Grant Program – renamed the Early College Access Grant Program – continues.

If eligibility for the Part-Time Grant Program is expanded without additional funding, the selection of awardees may become more competitive.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City Community College, Maryland Higher Education Commission, Morgan State University, University System of Maryland, Maryland Independent College and University Association, Department of Legislative Services

Fiscal Note History: First Reader - March 18, 2009
mcp/rhh Revised - House Third Reader - April 8, 2009

Analysis by: Caroline L. Boice

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

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Higher Education – Student Financial Assistance – Dually Enrolled Students

BILL NUMBER: HB 1396

PREPARED BY: Maryland Higher Education Commission

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.