

Department of Legislative Services
 Maryland General Assembly
 2013 Session

FISCAL AND POLICY NOTE

House Bill 928 (Delegate Gutierrez, *et al.*)
 Ways and Means

Community Colleges - Dually Enrolled Students - Tuition Waiver

This bill exempts a dually enrolled student from paying tuition to attend a community college if the student (1) is eligible for free and reduced-price meals and (2) is enrolled part time at a community college. A community college may establish guidelines concerning the type of courses that will qualify for the tuition waiver. A community college is not prohibited from granting a tuition waiver to dually enrolled students who are not eligible under the bill.

Fiscal Summary

State Effect: Baltimore City Community College (BCCC) tuition revenues decrease by approximately \$300 per three-credit course taken by an eligible dually enrolled student beginning in FY 2014. Using one set of assumptions, BCCC tuition revenues decrease by a total of at least \$13,800 beginning in FY 2014. Future years reflect a 3% annual tuition increase. Expenditures are not affected.

(in dollars)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Higher Ed Rev.	\$13,800	\$14,200	\$14,600	\$15,100	\$15,500
Expenditure	0	0	0	0	0
Net Effect	\$13,800	\$14,200	\$14,600	\$15,100	\$15,500

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local community college tuition revenues decrease by, on average, \$377 per three-credit course for eligible dually enrolled students beginning in FY 2014. Using one set of assumptions, local community college tuition revenues decrease by a total of at least \$692,800 beginning FY 2014. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: “Tuition” means the basic instructional charge for courses offered at a community college. “Tuition” includes any fees for registration, application, administration, or laboratory work.

“Dually enrolled student” is defined as a student who is dually enrolled in a secondary school in the State and a community college in the State.

Current Law: Dually enrolled students general pay their own tuition and fees.

Background: Chapter 297 of 2007 (HB 538) 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. However, the Dual Enrollment Grant was never fully funded; it only received approximately \$120,200 in carry-forward funds in both fiscal 2008 and 2009.

Chapter 459 of 2009 (HB 1396) expanded eligibility for the Part-time Grant Program to include dually enrolled students. Chapter 459 clarified that a dually enrolled student must receive both high school and college credit from a course to be eligible for a Part-time Grant. Chapter 459 also renamed the Dual Enrollment Grant to be 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 their Part-time Grant allocation to provide grants to students who are dually enrolled. The Governor’s proposed fiscal 2014 budget includes \$5.1 million for the Part-time Grant Program.

The Maryland Higher Education Commission reports that there were 5,064 dually enrolled students in the State in fiscal 2011, of which 4,933 were at community colleges, 51 were at public four-year institutions, and 62 were at nonprofit four-year institutions.

For the 2012-2013 school year, a student from a family of four with an annual income of \$42,643 or less is eligible for free and reduced-price meals. It is projected that approximately 41.8% of public school students in the State will be eligible for free and reduced-price meals in fiscal 2014. However, that figure is generally lower for high schools because high school students, who must apply to receive free and reduced-price meals, are less likely to submit applications.

State Revenue: BCCC tuition revenues decrease by approximately \$300 per three-credit course taken by an eligible dually enrolled student beginning in fiscal 2014. Using one set of assumptions, BCCC tuition revenues decrease by a total of at least \$13,800 beginning in fiscal 2014. The information and assumptions below were used to calculate this estimate.

- There were 55 dually enrolled students at BCCC in fiscal 2011; for the purposes of this estimate it is assumed that the number of dually enrolled students remains stable.
- It is assumed that approximately 83.75% of these students are eligible for free and reduced-price meals, based on the projections for all of Baltimore City. Thus, approximately 46 dually enrolled students attending BCCC are eligible for a tuition waiver.
- It is assumed that each of these students takes one three-credit course each year and that each course costs approximately \$300 (based on fall 2012 in-state tuition and fees per credit hour). Thus, BCCC tuition revenues decrease by at least \$13,800 in fiscal 2014.
- To the extent the dual enrollment population grows at BCCC, or takes more than one three-credit course in a year, the loss of tuition revenues will be higher. This estimate does not include any application or laboratory fees.

Future years assume a 3% annual tuition increase and that students continue to take one three-credit course each year.

Local Revenues: Local community college tuition revenues decrease by, on average, \$377 per three-credit course for eligible dually enrolled students beginning in fiscal 2014. Using one set of assumptions, local community college tuition revenues decrease by a total of at least \$692,805 beginning in fiscal 2014. The information and assumptions below were used to calculate this estimate.

- There were 4,878 dually enrolled students at local community colleges in fiscal 2011; for the purposes of this estimate it is assumed that the number of dually enrolled students remains stable.
- Based on the percentage of students eligible for free and reduced-price meals in each county (as shown below in **Exhibit 1**), approximately 1,841 dually enrolled students attending a local community college are eligible for a tuition waiver.

Exhibit 1
Estimated Number of Dually Enrolled Students Eligible for Tuition Waiver

<u>College</u>	<u>Number of Dually Enrolled Students</u>	<u>% Eligible for FRPM</u>	<u>Number of Dually Enrolled Students Eligible for FRPM</u>
Allegany	625	53.6%	335
Anne Arundel	887	29.3%	260
Baltimore County	778	45.3%	352
Carroll	150	17.3%	26
Cecil	17	40.1%	7
Chesapeake	188	43.5% ¹	82
College of Southern MD	304	28.2% ²	86
Frederick	264	23.8%	63
Garrett	39	47.2%	18
Hagerstown	300	47.1%	141
Harford	337	27.7%	93
Howard	131	17.8%	23
Montgomery	525	31.7%	166
Prince George's	164	58.6%	96
Wor-Wic	169	54.9% ³	93
Total	4,878		1,841

¹Based on the percentage of students eligible for free and reduced-price meals in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties.

²Based on the percentage of students eligible for free and reduced-price meals in Calvert, Charles, and St. Mary's counties.

³Based on the percentage of students eligible for free and reduced-price meals in Somerset, Wicomico, and Worcester counties.

Key: FRPM = Free and Reduced-price Meals

Source: Maryland Higher Education Commission, Department of Legislative Services

- Based on the in-county tuition and fees for one three-credit course during fall 2012 and the estimated distribution of students eligible for a tuition waiver under the bill, local community college tuition revenues decrease by a total of at least \$692,805 in fiscal 2014 (as shown in **Exhibit 2**).

Exhibit 2
Estimated Annual Community College Tuition Revenue Loss Due to Bill

<u>College</u>	<u>Tuition and Fees¹</u>	<u>Number Eligible for Tuition Waiver</u>	<u>Total Revenue Loss</u>
Allegany	\$339	335	\$113,565
Anne Arundel	364	260	94,640
Baltimore County	393	352	138,336
Carroll	391	26	10,166
Cecil	309	7	2,163
Chesapeake	465	82	38,130
College of Southern MD	410	86	35,260
Frederick	393	63	24,759
Garrett	342	18	6,156
Hagerstown	356	141	50,196
Harford	293	93	27,249
Howard	434	23	9,982
Montgomery	444	166	73,704
Prince George's	420	96	40,320
Wor-Wic	303	93	28,179
Total		1,841	\$692,805

¹Based on fall 2012 tuition and fees for a three-credit course. Does not include application or laboratory fees.

Source: Maryland Association of Community Colleges, Department of Legislative Services

- To the extent the dual enrollment population at local community colleges is greater or takes more than one three-credit course in a year, the loss of tuition revenues will be higher. This estimate does not include any application or laboratory fees.

Future years assume a 3% annual tuition increase and students continuing to take one three-credit course each year.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City Community College, Maryland State Department of Education, Maryland Higher Education Commission, Department of Legislative Services

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mc/rhh

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