

Department of Legislative Services  
 Maryland General Assembly  
 2015 Session

FISCAL AND POLICY NOTE

House Bill 364 (Delegate Rosenberg, *et al.*)  
 Ways and Means

Higher Education - College Admissions Outreach Program for High-Achieving Students - Establishment

This bill establishes the College Admissions Outreach Program for High-Achieving Students. The purpose of the program is to encourage more students who qualify for a Guaranteed Access (GA) Grant to enroll in an institution of higher education that is a good academic and financial fit for the student. The Maryland Higher Education Commission (MHEC) and the Maryland State Department of Education (MSDE), in collaboration with local boards of education, local superintendents, and institutions of higher education, must jointly administer the program.

The bill takes effect July 1, 2015.

Fiscal Summary

**State Effect:** General fund expenditures increase by \$61,700 in FY 2016 for MHEC to hire a half-time outreach specialist to implement the College Admissions Outreach Program for High-Achieving Students, design and print two promotional posters for every high school, and produce an informational video. Future years reflect elimination of one-time costs, ongoing expenses, annualization, and inflation. Revenues are not affected.

| (in dollars)   | FY 2016    | FY 2017    | FY 2018    | FY 2019    | FY 2020    |
|----------------|------------|------------|------------|------------|------------|
| Revenues       | \$0        | \$0        | \$0        | \$0        | \$0        |
| GF Expenditure | 61,700     | 50,800     | 52,700     | 54,700     | 56,800     |
| Net Effect     | (\$61,700) | (\$50,800) | (\$52,700) | (\$54,700) | (\$56,800) |

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

**Local Effect:** Local school systems can administer the program using existing resources.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** The program must provide the following information to each eligible student at no cost to the student: (1) information on college admissions and college application fee waivers; and (2) material encouraging students to apply to at least four institutions of higher education during the student's application process.

MHEC and MSDE must adopt regulations to define a "high-achieving student" and may adopt any other regulations necessary to implement the bill. Funds for the program are as provided in the State budget.

**Current Law/Background:** 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 is capped at the cost of education at the highest cost four-year University System of Maryland institution, excluding the University of Maryland, Baltimore and the University of Maryland University College. The maximum award in fiscal 2014 was \$16,100, and the maximum award in fiscal 2015 is \$16,500. Students that meet all program criteria, such as enrolling directly from high school and having certain family income limits, are guaranteed funding.

Qualified applicants must have a cumulative high school grade point average of at least 2.5 on a 4.0 scale. In addition, a recipient must be age 22 or younger at the time of receiving the first award, have successfully completed a college preparatory program in high school, enroll in college as a full-time student, and meet any additional criteria established by MHEC.

MHEC recently extended the income limits for renewals to 150% of the federal poverty level to prevent a student who may work in the summertime from exceeding the original 130% income cap for new awards. Almost all students receiving aid through this program have expected family contributions of \$3,850 or less.

Chapters 315 and 429 of 2002 codified the recommendations of the Task Force to Study College Readiness for Disadvantaged and Capable Students, including establishing the College Readiness Outreach Program. The program allows a ninth or tenth grade student to prequalify on the basis of financial need for a GA Grant, to be awarded at the time of enrollment in an institution of higher education, and established a mentoring and guidance program for those students. However, the program has never received State funding; thus, no high school students have prequalified for a GA Grant or received counseling or mentoring services through the program.

To prequalify for a GA Grant, an eligible student must agree to (1) satisfy the attendance policy at the school the student is attending; (2) refrain from substance abuse; (3) file for federal financial aid each year that the student plans to enroll in postsecondary education; and (4) participate in the College Readiness Outreach Program until graduating from high school and matriculating at an institution of higher education.

If funded, the College Readiness Outreach Program would provide guidance to students who qualify for GA Grants while in ninth or tenth grades to help them graduate from high school and matriculate at institutions of higher education. Under the program, MHEC and MSDE must designate statewide and regional program coordinators who will publicize the program and work with local school systems to provide professional guidance and one-on-one mentoring to participating students. MHEC and MSDE may use existing organizations to provide counseling and mentoring and may supplement professional mentors with postsecondary students receiving work-study assistance and eleventh and twelfth grade students who are successfully completing their high school graduation requirements.

To the extent that funds are provided, the State must provide 50% of the costs associated with the local administration and one-on-one mentoring components of the program or 75% of the cost in “One Maryland” jurisdictions.

The law declared that it was the intent of the General Assembly that the College Readiness Outreach Program be implemented over a five-year period beginning in fiscal 2004.

In fiscal 2014, MHEC received 3,344 on-time GA Grant applications and granted awards to 1,406 individuals. The Governor’s proposed fiscal 2016 State budget includes \$80.0 million for the entire Delegate Howard P. Rawlings Educational Excellence Awards program. The number of GA Grants awarded between fiscal 2008 and 2009 increased by 165, 14.3%, although growth slowed from fiscal 2009 through 2012, before dropping by 148, or 10.2%, in fiscal 2013 for a total of only 1,316 awards. GA Grants grew by 90 awards, or 6.8%, in fiscal 2014, with estimates showing over 1,700 awards expected in fiscal 2016. While the drop in 2013 is related to an unforeseen decline in applications, the total expected growth from fiscal 2008 to the 2016 estimate is just over 50%.

**State Expenditures:** MHEC reports that current outreach efforts for the general student population are funded by a federal College Access Challenge Grant (CACG), which has expired with final expenditures of the current grant expected by September 30, 2015, and a possible one-year extension stretching out to September 30, 2016. The current grant provides funding for two outreach positions, communication materials, and interventions. Specific targeting of high-achieving low-income students is not approved under the current grant. At present, no additional funds have been identified for outreach. Thus, to implement the College Admissions Outreach Program for High-Achieving Students,

MHEC needs to hire a part-time outreach specialist and increase funding for communications and travel.

Currently, MSDE’s college outreach efforts focus on the general student population and are supported by existing staff members. There is no specific target on high-achieving students by MSDE staff. MSDE advises it needs an additional full-time staff member to fully support the program. The Department of Legislative Services advises that, since MHEC has a current GA Grant outreach program (although it is not targeted to high-achieving students) and administers the GA Grant, it is logical for MHEC to lead the effort for the outreach program under the bill. Thus, MSDE does not require additional staff under the bill; however, a more extensive outreach program could require additional MSDE staff. MSDE can provide local school system contact information using existing resources.

General fund expenditures increase by \$27,076 in fiscal 2016 to hire a half-time outreach specialist at MHEC to implement the College Admissions Outreach Program for High-Achieving Students. This estimate assumes an October 1, 2015 start date following a 90-day start-up delay; final expenditures for the CACG positions on September 30, 2015; and a half-time salary, fringe benefits, and ongoing expenses. In addition, MHEC general fund expenditures in fiscal 2016 increase to design and print two posters for each high school in the State (\$13,000) and to produce short-form videos suitable for social media (\$7,000). Ongoing expenses include postage for direct mailing to all high-achieving students receiving free and reduced-price meals and travel for the outreach specialist to visit each high school in the State.

|                                 | <b><u>FY 2016</u></b> | <b><u>FY 2017</u></b> |
|---------------------------------|-----------------------|-----------------------|
| Position                        | 0.5                   |                       |
| Salary and Fringe Benefits      | \$27,076              | \$36,903              |
| Poster Design and Printing      | 13,000                | -                     |
| Video Production                | 7,000                 | -                     |
| Travel                          | 6,000                 | 8,080                 |
| Postage                         | 4,125                 | 5,555                 |
| Operating Expenses              | 220                   | 296                   |
| Start-up Costs                  | <u>4,285</u>          | -                     |
| <b>Total State Expenditures</b> | <b>\$61,706</b>       | <b>\$50,834</b>       |

Future year expenditures reflect elimination of one-time expenses after fiscal 2016, an annualized half-time salary with annual increases in employee turnover as well as annual increases in ongoing operating expenses.

## Additional Information

**Prior Introductions:** HB 854 of 2014 received a hearing in the House Ways and Means Committee, but no further action was taken. Its cross file, SB 766, received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee.

**Cross File:** SB 534 (Senator Madaleno, *et al.*) - Education, Health, and Environmental Affairs.

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

**Fiscal Note History:** First Reader - March 3, 2015  
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