

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 224
Appropriations

(Delegate Lierman)

Education, Health, and Environmental Affairs

Higher Education - AmeriCorps Program Participants - In-State Tuition

This bill waives the 12-month residency requirement to receive in-state tuition at a public four-year institution of higher education for an individual who has completed all service hours for an AmeriCorps program in the State. A student is responsible for the difference between in-state and out-of-state tuition if the student does not retain residence in the State for the remainder of the school year for which in-State tuition was received.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: Due to the ability of the public four-year institutions to control the proportion of in-state and out-of-state students admitted, the impact on public four-year institutions of higher education is minimal. Expenditures are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: 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 tuition. The basic policy 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.

Specified individuals including specified active-duty members of the U.S. Armed Forces, their dependents, specified honorably discharged veterans, members of the Maryland National Guard, and individuals who qualify under the Dream Act are exempt from nonresident tuition.

Background: Nationwide more than 75,000 people serve in AmeriCorps each year. In 2016, approximately 1,800 individuals in Maryland served in AmeriCorps. AmeriCorps comprises three main programs: AmeriCorps Volunteers in Service to America (VISTA); AmeriCorps National Civilian Community Corps (NCCC); and AmeriCorps State and National. Each type of AmeriCorps program has specific service requirements that range between 300 and 1,700 hours.

AmeriCorps VISTA was founded in 1965 as a national service program to fight poverty in America. In 1993, VISTA was incorporated into the AmeriCorps network of programs. AmeriCorps VISTA members make a year-long, full-time commitment to serve on a specific project at a nonprofit organization or public agency to build the organizational, administrative, and financial capacity of organizations that fight illiteracy, improve health services, foster economic development, and otherwise assist low-income communities. In addition to the year-long VISTA program, there is an AmeriCorps VISTA Summer Associates program that offers associates the opportunity to engage through an existing AmeriCorps VISTA project for 8 to 10 weeks.

Founded in 1993, the AmeriCorps NCCC program is a full-time residential program for men and women ages 18 to 24 to address community needs and respond to disasters. The program is divided into the traditional corps and the FEMA Corps. Members serve between 10 and 12 months.

AmeriCorps State and National supports a wide range of local service programs through grants provided to a network of local and national organizations and agencies committed to using national service to address critical community needs in education, public safety, health, and the environment. AmeriCorps State and National members generally serve between 300 and 1,700 hours over one year.

During their period of service, AmeriCorps members receive a modest stipend and health care. Upon completion, they are eligible for Segal AmeriCorps Education Awards that they can use to help pay for college or student loans. The Segal AmeriCorps Education Awards amount depends on the term of service and in 2016 ranged from \$1,230 for an AmeriCorps VISTA summer associate to \$5,815 for an AmeriCorps member who completed 1,700 hours.

The Governor's Office of Service and Volunteerism announced that, for the 2016-2017 grant year, 19 Maryland organizations received \$4.4 million in AmeriCorps grants from the Corporation for National and Community Service. This funding is for the AmeriCorps State programs.

Maryland Tuition Rates

Proposed fall 2017 in-state and out-of-state tuition and fee rates for full-time undergraduates at public four-year institutions are shown in **Exhibit 1**. The difference between in-state and out-of-state for fall 2017 tuition ranges from almost \$23,200 at University of Maryland, College Park (UMCP) to almost \$6,200 at the University of Maryland University College (UMUC). The difference between the rates using the simple average is almost \$11,600.

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 UMUC and students enrolled exclusively in distance education programs.

Exhibit 1
In-state and Out-of-state Undergraduate Tuition at Public Four-Year Institutions
Proposed Fall 2017 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	\$8,481	\$31,672	\$23,191
Bowie State University	5,427	16,016	10,589
Towson University	6,692	18,684	11,992
University of Maryland Eastern Shore	5,207	14,951	9,744
Frostburg State University ¹	6,468	19,816	13,348
Coppin State University	4,468	10,616	6,148
University of Baltimore	6,742	19,356	12,614
Salisbury University	6,982	16,020	9,038
University of Maryland University College ²	8,690	14,970	6,280
University of Maryland Baltimore County	8,368	22,511	14,143
Other Public Four-year Institutions			
Morgan State University	5,264	15,330	10,066
St. Mary's College of Maryland	11,646	26,634	14,988

¹ Frostburg State University has a separate, lower out-of-state rate for non-Maryland students from within 120 miles of campus.

² Based on 30 credit hours

Notes: Rates are pending final approval.

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

State Fiscal Effect: Public four-year institutions have considerable autonomy over admissions and generally maintain fairly stable proportions of in-state and out-of-state students. The bill does not affect that autonomy. Therefore, despite the differences in tuition levels for in-state and out-of-state students, tuition revenues at most institutions are not materially affected. As long as there are no major adjustments to the proportion of students who qualify for in-state tuition, institutions can adjust admissions to avoid any significant loss of tuition revenue.

Moreover, it is assumed that many of the AmeriCorps members who completed all their service hours would meet the 12-month residency requirement during their period of service. However, the residency requirement may not be met by some AmeriCorps members due to the timing of their term of service in relationship to the academic year. In addition, there may be a limited number of students who may return to the State for a period after their service to receive in-state tuition, but that number is not anticipated to be significant.

The fiscal impact of this bill is a potential loss of tuition and fee revenues equal to the difference between in-state and out-of-state tuition and fees for each former AmeriCorps volunteer who served in Maryland and enrolls at a USM institution (except UMUC), Morgan State University, or St. Mary's College of Maryland. At most USM institutions, out-of-state students make up no more than 10% of undergraduates so the impact of the bill is not significant. There may be a minimal impact at campuses with out-of-state enrollment of 20% or more: University of Maryland, Baltimore; UMCP; and University of Maryland Eastern Shore. For these institutions, tuition revenues may decrease if the institutions choose to admit a significant number of former AmeriCorps volunteers who would have not otherwise qualified for in-state tuition. However, to the extent former AmeriCorps volunteers would not have otherwise enrolled because they could not afford or choose not to pay out-of-state tuition, or the institutions increase enrollment overall, the impact may be minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Higher Education Commission; University System of Maryland; St. Mary's College of Maryland; Corporation for National and Community Service; Governor's Office of Service and Volunteerism; Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2017
fn/rhh Third Reader - March 10, 2017

Analysis by: Caroline L. Boice

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