

Department of Legislative Services  
 Maryland General Assembly  
 2019 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 916  
 Appropriations

(Delegate P. Young, *et al.*)

Maryland National Guard - Tuition Assistance Program - Modifications

This bill *requires* the Military Department to provide tuition assistance equal to 100% of the remaining cost of in-state tuition, after any institutional waiver, for any active member of the Maryland National Guard who is (1) enrolled in any regularly scheduled course, as specified, at an eligible institution and (2) certified as eligible by the Adjutant General. **This bill takes effect July 1, 2019.**

Fiscal Summary

**State Effect:** General fund expenditures increase by *at least* \$200,000 annually and potentially significantly more as explained below. Revenues are not affected. **This bill establishes an entitlement program beginning in FY 2021.**

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	200,000	200,000	200,000	200,000	200,000
Net Effect	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)

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

**Local Effect:** None.

**Small Business Effect:** Potential minimal impact on private career schools that are small businesses.

Analysis

**Current Law:** To the extent that funds are provided in the State budget, the Military Department is *authorized* to provide assistance to a National Guard member certified as

eligible by the Adjutant General equal to 50% of the cost of in-state tuition for any regularly scheduled course, as specified. Members who receive the benefit must remain active members for a specified amount of time after the course is completed. However, there are exceptions when a member does not need to remain active.

The Adjutant General may not certify a member as eligible unless the member is committed to serve for a minimum of 24 months following the first day of classes for the semester.

The following are eligible institutions:

- any campus of the University System of Maryland, Morgan State University, St. Mary's College of Maryland, Baltimore City Community College, and any local community college in the State;
- any private institution of higher education that grants a member a tuition waiver of at least 50%;
- any public postsecondary vocational-technical or trade school; or
- any private postsecondary vocational-technical or trade school that grants a member a tuition waiver of at least 50%.

Tuition is defined as the basic instructional charge for undergraduate, graduate, professional, vocational-technical, and trade school credit courses and related fees at an institution. Tuition does not include charges for self-supporting programs.

**Background:** The Military Department is responsible for the Maryland Air National Guard, the Maryland Army National Guard, the Maryland Defense Force, and the Maryland Emergency Management Agency. The Military Department also builds and maintains the armories and other facilities used by the Maryland National Guard.

There are approximately 6,000 Maryland Army National Guard and Maryland Air National Guard members in Maryland. Under the current tuition assistance program, 38 Maryland colleges and universities have partnership agreements with the Maryland National Guard to provide discounted tuition and fees. As shown in **Exhibit 1**, partnership agreements range from 50% off tuition to 15% off tuition. All Maryland community colleges have partnership agreements to offer 50% off tuition to Maryland National Guard members. In addition to the tuition assistance program and the tuition waivers, some Maryland National Guard members qualify for federal programs such as the Post 9/11 GI Bill. The Military Department reports that approximately 300 members take advantage of federal tuition assistance.

---

**Exhibit 1**  
**Maryland Colleges and Universities with Partnership Agreements**  
**Excluding Community Colleges**

**50% Off Tuition**

All-State Career Center  
Capital College  
Coppin State University  
Fortis Institutes  
Loyola University  
McDaniel College  
National University  
St. Mary's College of Maryland  
University of Baltimore  
University of Maryland University College  
Washington College

**50% Off 8 Semester Hours**

Morgan State University

**50% Off 6 Semester Hours**

Bowie State University  
Frostburg State University

**25% Off 6 Semester Hours**

University of Maryland, Baltimore Campus

**15% off Tuition**

Stevenson University

Note: In addition, all 16 community colleges in the State have a partnership agreement to offer 50% off tuition.

Source: Military Department; Department of Legislative Services

---

According to Military Department regulations, there is a priority of acceptance for the current 50% tuition and fees assistance program because acceptance in the program is based on funding available for the program. The priority of acceptance categories is shown in **Exhibit 2**.

Tuition and fees for community colleges and public four-year institutions of higher education are shown in **Appendix – Maryland Tuition and Fees**.

**Exhibit 2**  
**Priority of Acceptance Categories**

<b>Priority</b>	<b>Category</b>	<b>Qualifications</b>
1	Enlisted members in grade E-1 to E-4	a. Has less than 6 years military service b. Is currently pursuing their first degree
2	Officers (O1/O2) Warrant officers (WO1/CW2) Officer and warrant officer candidates	a. Has less than 4 years military service b. Is currently pursuing their first degree
3	All enlisted service members All warrant officers	a. Has less than 10 years military service b. Is currently pursuing their first degree
4	Officers in pay grade of O4 or below All warrant officers All enlisted grades	a. Has more than 10 years military service b. Is currently pursuing their first graduate or professional degree
5	All enlisted service members All warrant officers Officers in grade O4 or below	Nondegree producing accredited courses

Source: Military Department; Department of Legislative Services

**State Expenditures:** Changing the current 50% tuition and fees assistance program to a 100% tuition and fees assistance program will increase general fund expenditures by *at least* \$200,000 annually beginning in fiscal 2020. This estimate is based on the assumption that expenditures double from the current appropriation of \$200,000 to pay for 100% of tuition and fees rather than 50%.

However, general fund expenditures potentially increase significantly more than \$200,000 annually due to removing the budget cap. This increase cannot be reliability qualified. Under the current 50% tuition and fees assistance program, according to the Military Department regulations, when current year funds are insufficient to meet requests, the tuition assistance is capped at \$3,000 per semester per member and may be denied for lower priority members. It is unknown how much removing the cap will increase expenditures; however, it is likely significant.

Under the bill, both the number of awards and the size of awards may increase. The number of awards will increase to meet demand, and there will no longer be priority categories. It is unknown how many additional awards will be requested under the bill. Under the current program, the average semester award is \$1,800. With a 100% tuition assistance program, in addition to receiving 100% tuition, members may decide to attend higher cost institutions, to the extent that they are eligible under the law. Tuition and fees at some nonprofit institutions of higher education in the State can exceed \$30,000 annually.

Nevertheless, it is also assumed that the Military Department will continue to require members by regulation to apply for other federal aid prior to applying for the tuition assistance program and to attend partner institutions to receive the benefit. To the extent that these existing measures are not possible or not used, general fund expenditures increase further, likely significantly.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Higher Education Commission; Department of Budget and Management; Military Department; Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2019  
mm/rhh

---

Analysis by: Caroline L. Boice

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

## Appendix – Maryland Tuition and Fees

---

### *Tuition Residency Requirements*

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 (*i.e.*, in-state) tuition. The basic policy, [USM Board of Regents Policy on Student Classification for Admission and Tuition Purposes \(VIII-2.70\)](#), 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.

The [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 the University of Maryland University College (UMUC) and students enrolled exclusively in distance education programs.

Typically, there is a three-month residency requirement for community colleges.

### *Public Four-year Tuition and Fees Proposed for Fall 2019*

Proposed fall 2019 in-state and out-of-state tuition and fee rates for full-time undergraduates at public four-year institutions are shown in **Exhibit 1**. Using the simple average, in-state tuition and fees for fall 2019 are approximately \$9,700. The difference between in-state and out-of-state for fall 2019 tuition ranges from more than \$26,000 for the traditional nursing program at the University of Maryland, Baltimore Campus (UMB) and the University of Maryland, College Park Campus (UMCP), to \$4,800 at UMUC. The difference between the rates at each campus, using the simple average, is almost \$13,800.

---

**Exhibit 1**  
**In-state and Out-of-state Undergraduate Tuition at Public Four-year Institutions**  
**Proposed Fall 2019 Rates**

<b><u>Institution</u></b>	<b><u>In-state</u></b>	<b><u>Out-of-state</u></b>	<b><u>Difference</u></b>
<b>University System of Maryland Institutions</b>			
University of Maryland, College Park Campus	\$10,807	\$36,918	\$26,111
University of Maryland, Baltimore Campus <sup>1</sup>	11,213	38,060	26,847
Bowie State University	8,421	19,112	10,691
Towson University <sup>2</sup>	10,198	24,334	14,136
University of Maryland Eastern Shore <sup>3</sup>	8,468	18,878	10,410
Frostburg State University <sup>2</sup>	9,410	23,510	14,100
Coppin State University	6,716	13,113	6,397
University of Baltimore	9,096	21,456	12,360
Salisbury University <sup>2</sup>	10,044	20,428	10,384
University of Maryland University College <sup>4,5</sup>	7,176	11,976	4,800
University of Maryland Baltimore County	12,046	28,151	16,105
<b>Other Public Four-year Institutions</b>			
Morgan State University	7,926	18,530	10,604
St. Mary's College of Maryland	15,132	31,209	16,077

<sup>1</sup>Reflects tuition and fees for the traditional nursing program. Other undergraduate programs at the University of Maryland, Baltimore Campus have different tuition and fees.

<sup>2</sup>Towson University, Salisbury University, and the University of Maryland University College have separate, lower out-of-state rates for students enrolled at the University System of Maryland at Hagerstown.

<sup>3</sup>The University of Maryland Eastern Shore has a separate, lower regional rate for non-Maryland students residing in Delaware and the eastern shore of Virginia.

<sup>4</sup>Towson University, Salisbury University, and the University of Maryland University College have separate, lower out-of-state rates for students enrolled at the University System of Maryland at Hagerstown.

<sup>5</sup>Based on 30 credit hours.

Note: Rates are pending final approval.

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

---

*Community College Tuition and Fees Fall 2018*

Fall 2018 in-county, out-of-county, and out-of-state tuition rates for community colleges are shown in **Exhibit 2**. The exhibit shows that in-county tuition and fees are approximately \$4,500. As a State institution, BCCC has one in-state rate. Generally out-of-state rates at community colleges are two to three times the in-county rates.

---

**Exhibit 2**  
**In-county, Out-of-county, and Out-of-state Tuition and Fees at Community Colleges**  
**Based on 30 Credit Hours Per Year**  
**Fall 2018**

<u>College</u>	<u>In-county</u>	<u>Out-of-county</u>	<u>Out-of-state</u>
Allegany	\$4,230	\$7,590	\$9,300
Anne Arundel	4,160	7,370	12,230
Baltimore City	3,196	3,196	7,276
Baltimore County	4,896	8,166	11,736
Carroll	5,160	7,481	10,448
Cecil	4,500	7,710	9,210
Chesapeake	4,760	6,830	9,140
College of Southern MD	4,781	8,325	10,725
Frederick	4,457	8,777	11,627
Garrett	4,430	8,420	9,920
Hagerstown	4,080	6,150	7,950
Harford	4,644	7,360	10,075
Howard	4,919	7,559	9,059
Montgomery	5,178	9,966	13,602
Prince George's	4,700	7,550	10,610
Wor-Wic	4,050	7,800	9,630

Source: Maryland Association of Community Colleges

---