

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 318  
Appropriations

(Delegate Sydnor)

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Public Institutions of Higher Education - Residency Requirement -  
Determination of In-State Tuition Status

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This bill repeals the one-year residency requirement for public four-year institutions to grant a student in-state tuition. Instead, the bill requires all public institutions of higher education to determine that a student meets the residency requirement for in-state tuition, except as provided in Chapter 191 of 2011 (known as the Dream Act), if the student provides evidence that the student (1) graduated from a public or nonpublic high school in the State or received the equivalent of a high school diploma; (2) resides at an address in the State; and (3) possesses a Social Security number. **The bill takes effect July 1, 2019.**

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Fiscal Summary

**State Effect:** Any impact on revenues for public four-year institutions or Baltimore City Community College (BCCC) is minimal, as explained below. General fund expenditures for community colleges, including BCCC, are likely not materially affected.

**Local Effect:** Local community college tuition revenues and State aid are likely not materially affected.

**Small Business Effect:** None.

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## Analysis

### **Current Law:**

#### *Residency Requirements for In-state Tuition*

In statute, “residency requirement” is defined as the requirement of a public four-year higher education institution that a student reside in the State for one year to be considered a resident and receive in-state tuition status.

The general 12-month residency requirement for public four-year institutions and three-month residency requirement for community colleges are discussed in **Appendix – Maryland Tuition and Fees**.

The details of the [University System of Maryland \(USM\) Board of Regents Policy on Student Classification for Admission and Tuition Purposes \(VIII-2.70\)](#) states, “[t]o qualify for in-state status, the student must demonstrate that for at least 12 consecutive months immediately prior to and including the last date available to register for courses for the semester/term for which the student seeks in-state status, the student had the continuous intent to reside in Maryland indefinitely and for a primary purpose other than that of attending an educational institution in Maryland.”

#### *Dream Act Overview*

Chapter 191 of 2011, known as the Dream Act, was petitioned to referendum and approved by Maryland voters in November 2012. Under the Dream Act, an individual who attended a Maryland high school for at least three years and graduated from a Maryland high school or received the equivalent of a high school diploma in the State may pay the same tuition rates that resident students pay. To qualify, students must begin at a Maryland community college, subject to several requirements and conditions. After completing at least 60 credits at a community college, qualifying students may enroll at a public four-year higher education institution and pay the equivalent of in-state tuition.

### **Background:**

#### *Students Impacted by the Bill*

Most students who meet the criteria under the bill are currently eligible for in-state tuition. However the following two types of students who do not meet the current requirements for in-state tuition will qualify under the bill: (1) a student who left Maryland for a period of time and has not reestablished residency in Maryland for 12 months; and (2) a dependent student who cannot confirm the filing of Maryland income taxes by his or her parent(s) for

the past three years. Under current law, any student who left Maryland for a period of time and has not reestablished residency in Maryland for 12 months would likely simply reestablish Maryland residency.

### *Maryland Tuition Rates*

Proposed fall 2019 in-state and out-of-state tuition and fee rates for full-time undergraduates at public four-year institutions are also shown in the appendix.

### **State Fiscal Effect:**

#### *Public Four-year Institutions*

Tuition revenues at public institutions of higher education are likely not materially affected. 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. Salisbury University reports that it would have an additional 15 to 20 students per academic year qualify for in-state tuition under the bill, which is less than 0.3% of total undergraduate enrollment.

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 eligible student who enrolls at a USM institution (except the University of Maryland University College (UMUC)), Morgan State University, or St. Mary's College of Maryland.

At most public four-year institutions except UMUC, out-of-state students make up no more than 20% 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: Coppin State University; University of Maryland, College Park Campus; and Morgan State University. For these institutions, tuition revenues may decrease if the institutions choose to admit a significant number of eligible students who did not previously qualify for in-state tuition. However, to the extent these students 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.

*General Fund Expenditures for Community Colleges*

Due to community colleges having only a three-month residency requirement, State aid for community colleges through the Senator John A. Cade and BCCC funding formulas is likely not materially affected.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Association of Community Colleges; Maryland Higher Education Commission; Baltimore City Community College; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Department of Legislative Services

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## Appendix – Maryland Tuition and Fees

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### *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.

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**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

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*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.

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**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

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