

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 5 (Senator Augustine)
Education, Energy, and the Environment

**Higher Education - University System of Maryland, Morgan State University,
and St. Mary's College of Maryland - Guaranteed Admissions**

This bill requires each public four-year university, as specified, to develop an admission policy that guarantees admission to freshman applicants who graduate from a Maryland public or nonpublic high school who are in the top 10% of the applicant's high school class. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: Likely minimal fiscal effect on public institutions of higher education as it is assumed that institutions of higher education develop admission policies that meet the requirements of the bill while minimizing the fiscal impact. However, a significant effect on higher education revenues and expenditures is possible if there is a significant increase or decrease in Maryland students enrolling at any public four-year institution, as explained below. It is assumed that Baltimore City Community College enrollment is not materially affected.

Local Effect: Local school systems can provide information on class rank using existing resources; however, a uniform definition of class rank must be developed. It is assumed that local community college enrollment is not materially affected.

Small Business Effect: None.

Analysis

Bill Summary: "University" is defined to include the University System of Maryland (USM), including the constituent institutions of USM, Morgan State University, and St. Mary's College of Maryland.

Current Law: “Constituent institutions” means the following public four-year institutions: (1) University of Maryland, which is a strategic partnership between the two distinct campuses within USM, the University of Maryland, Baltimore Campus (UMB) and the University of Maryland, College Park Campus (UMCP); (2) University of Maryland Baltimore County; (3) University of Maryland Eastern Shore; (4) University of Maryland, Global Campus; (5) Bowie State University; (6) Coppin State University; (7) Frostburg State University; (8) Salisbury University; (9) Towson University; and (10) University of Baltimore (UBalt).

Admissions Requirements

There are no laws in Maryland directly related to what an institution may consider for admission standards. However, according to the Maryland Fair Access to Education Act of 2017 (Chapter 2 of 2018), an institution of higher education that receives State funds is generally prohibited from using an undergraduate admissions application that contains questions about the criminal history of the applicant.

According to USM [Policy III-4.00 – Policy on Undergraduate Admissions](#), admission to the constituent institutions of USM must be determined without unlawful discrimination based on race, color, religion, national origin, gender identity and expression, age, sex, sexual orientation, disability, marital status, genetic information, veteran’s status, or other legally protected characteristic. The undergraduate student population of USM institutions should draw from all areas of the State and reflect the diversity of the State’s population. The policy sets forth the minimum criteria for admission to a USM institution. Each institution must publish its own decision criteria, which may be more rigorous than the minimum criteria and must be consistent with State and federal laws.

In general, according to the policy, which was last updated June 2022, the minimum qualifications for regular admission to a USM institution are (1) a high school diploma or its equivalent; (2) a high school grade point average of a C or better; (3) a score on SAT or ACT, if required by the institution, or the institution may be test optional; and (4) achievement at the appropriate level of competencies in the core content associated with specified courses. A grade of a C or better in required courses normally demonstrates the minimum level of preparation for college-level work.

Each institution may admit, up to a maximum of 15% of its entering freshman class, students who do not meet the minimum qualifications outlined in the policy but who show potential for success in postsecondary education. Each institution must develop written guidelines concerning individual admission. For those instances in which applicants have not completed all required courses for admission, each institution must establish a method of assessment by which a student can demonstrate competence, equivalent to having passed a required high school course, to qualify for admission.

State Fiscal Effect: Although higher education revenues and expenditures may be affected, potentially significantly, as explained below, it is assumed that institutions implement the bill in a manner that minimizes the fiscal impact. Thus, the bill likely has minimal fiscal effect on public institutions of higher education. This estimate is based on the information and assumptions discussed below.

Based on 2022 data from the Maryland State Department of Education, approximately 57,900 students graduated from public schools and 7,500 students graduated from private schools in the State. Consequently, public institutions of higher education are required to admit approximately 6,500 students annually to meet the bill's top 10% admission requirement. In fall 2022, these institutions enrolled a total of 17,400 first-time full-time students, with about 13,000 being Maryland residents. The number of Maryland first-time full-time students at each institution varied, ranging from 26 at UBalt to approximately 4,200 at UMCP (excluding UMB, which had zero).

The exact number of Maryland students who would be accepted at each institution is unknown, and the percentage of students accepted who would choose to enroll is also unknown. According to the Maryland Longitudinal Data System Center, approximately 37% of Maryland public high school students who immediately enroll in college do so at a Maryland public four-year institution, while 32% enroll in an out-of-state institution, 24% enroll in a Maryland community college, and 6% enroll in a Maryland State-aided independent institution. It is assumed that, under the bill, some portion of students in the top 10% of their graduating class will continue to choose to enroll at institutions other than public four-year institutions.

However, if the top 10% of all Maryland high school students (6,500 students) opt to enroll at a single institution, such as the flagship UMCP, challenges in accommodating them are likely as this would be approximately 2,300 more Maryland students and 700 more total students than UMCP typically accommodates as first-time full-time students.

In response to the high demand from Maryland students, institutions may implement policies to regulate acceptance rates. These policies might involve measures such as increasing tuition and fees, adjusting acceptance rates for other qualified Maryland students not in the top 10% of their high school class, reducing scholarship awards, refraining from offering housing, or introducing other relevant measures. Considering the tuition premium paid by out-of-state students (nearly \$28,300 at UMCP for the 2022-2023 academic year), it is assumed that institutions strive to maintain enrolling out-of-state students. However, this may be difficult to achieve if too many Maryland students are anticipated to enroll.

To meet demand, UMCP and other popular institutions under the bill may need to explore alternative means of accommodating students, such as offering online courses, increasing class sizes, or scheduling courses at unconventional times.

If measures are not taken to reduce demand, the enrollment of Maryland students at UMCP likely increases. UMCP advises that it costs approximately \$28,000 more than in-state tuition to support each additional student beyond the enrollment plan. Thus, higher education expenditures could increase significantly if measures are not taken or are not successful. To the extent additional Maryland students enroll in an institution without displacing out-of-state students, higher education revenues increase. If out-of-state students are displaced, higher education revenues decrease.

UMCP further advises that it costs an additional \$2.0 million to build a comprehensive program to support unprepared students for college-level coursework based on information from institutions within other states that implemented similar legislation.

Institutions that are currently less competitive in enrolling students who would be accepted to UMCP under the bill advise that they may face a decline in the enrollment of such students and, thus, a decrease in higher education revenues. However, the Department of Legislative Services advises that enrollment can likely be maintained with other admissions policies to attract top-performing students or by appealing to other qualified students.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

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