

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 607
Appropriations

(Delegate Harris)

Education, Energy, and the Environment

Community Colleges - Maryland Community College Promise Scholarship -
Requirements

This bill expands eligibility for the Maryland Community College Promise (MCCP) Scholarship by specifying that certain applicants are exempt from the GPA and Free Application for Federal Student Aid (FAFSA) submission requirements in current law (unless enrolling in a noncredit program for which a federal Pell Grant may be used). The exemption includes individuals who (1) enroll in a noncredit vocational certificate program; (2) enroll in a sequence of noncredit courses leading to licensure or certification; or (3) participate in a registered apprenticeship program. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: Expanding eligibility does not require additional spending; however, without additional spending, more individuals may be added to the waiting list or fewer scholarships may be awarded. Baltimore City Community College (BCCC) can alter eligibility criteria on applications using existing resources. Revenues are not affected.

Local Effect: Local community colleges can alter eligibility criteria on applications using existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: Chapter 554 of 2018 created a scholarship program in Maryland to provide tuition assistance to students who attend a community college in the State and who meet

specified eligibility criteria, including an income limitation. The MCCP Scholarship is a last-dollar award that is applied after State or federal non-loan aid to eligible recipients has been applied; an award cannot exceed \$5,000 annually or actual tuition, whichever is less. Chapter 464 of 2019 specified that, if a local community college offers a Promise Scholarship, an award from the statewide program must be applied before the award of the local scholarship.

To be eligible for the program, a student must:

- be eligible for in-state tuition and enroll at a community college, in an eligible program;
- have earned at least a 2.3 high school GPA at the end of the first semester or the end of the senior year unless the applicant graduated from high school five or more years before the date of application, for an initial award, or have earned at least a 2.5 GPA while enrolled at a community college in the State; and
- have a gross adjusted income of \$100,000 or less if the applicant is single or resides in a single-parent household or of \$150,000 or less if married or resides in a two-parent household.

An applicant also has to attend the applicant's local community college, except under specified circumstances. In addition, an applicant must either enroll as a candidate for a vocational certificate, a certificate, or an associate degree or participate in a registered apprenticeship at a community college in the State. Further, an applicant must enroll in at least six credits per semester or a sequence of credit or noncredit courses that leads to licensure or certificate.

The Governor must appropriate at least \$15.0 million annually for the program. Under Chapter 634 of 2023, each community college in the State, rather than the Maryland Higher Education Commission (MHEC) Office of Student Financial Assistance (OSFA), is responsible for the selection and distribution of awards. Nevertheless, annually, OSFA must allocate MCCP Scholarship funding to each community college in the State based on the proportion of Pell Grant-eligible students at each community college. If a community college does not award all funding allocated, the community college must distribute the remaining funding to other community colleges to make MCCP Scholarship awards in the award year.

Initial awards are made based on greatest demonstrated need. Eligible applicants who do not receive an award are placed on a waiting list. For non-initial awards, priority must be given to prior-year recipients who remain eligible for the program as well as all eligible students who are enrolled in either at least 12 credits per semester or a sequence of credit or noncredit courses that lead to licensure or certification. Then, if any funds remain to be allocated, students enrolled in at least 6 credits per semester may be awarded scholarships.

A recipient can receive the award for a total of three years. To maintain the award, the recipient must complete 6 credits per semester or make satisfactory progress toward a vocational certificate and earn a cumulative GPA of at least 2.5. The recipient must meet the designated income requirements for the program, remain eligible for in-state tuition, apply annually, and continue to make satisfactory academic progress as determined by the community college.

MHEC must contact each school counselor at each public high school in the State with information on the MCCP Scholarship, including eligibility, availability, and deadlines for the scholarship. In addition, MHEC and each community college must post this information in a readily accessible location on their respective websites. Finally, MHEC must annually report to the General Assembly on specified aspects of its implementation of the MCCP Scholarship, including its outreach activities.

State Expenditures: Although individuals enrolled as a candidate for vocational certificates, enrolled in noncredit courses leading to licensure or certification, or participating in registered degree apprenticeships are already eligible for an award under current law, the bill relaxes GPA and FAFSA requirements for individuals enrolled in such programs. Nevertheless, these expanded eligibility provisions do not alter the overall level of State funding for the program, which is set in the State operating budget subject to the requirement that the Governor must appropriate at least \$15.0 million annually. The fiscal 2023 budget and the fiscal 2024 budget both included a \$15.0 million appropriation for the program; in fiscal 2023, the program made approximately \$9.6 million in awards to 3,043 recipients for an average award amount of approximately \$3,100. To the extent that expanded eligibility would cause awards to exceed the available \$15.0 million in funding (such as is in the fiscal 2025 budget as introduced), more individuals may be added to the waiting list or fewer scholarships may be awarded.

Local Fiscal Effect: The bill does not alter the funding amount or distribution processes for MCCP scholarships. Each community college (including State-funded BCCC) continues to receive a portion of the MCCP allocation in the State budget based on a calculation of each college's Pell Grant-eligible population.

Additional Information

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

Designated Cross File: SB 1141 (Senators Lewis Young and Rosapepe) - Rules.

Information Source(s): Maryland Higher Education Commission; Baltimore City Community College; Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2024
km/clb Third Reader - March 19, 2024
Revised - Amendment(s) - March 19, 2024
Revised - Clarification - March 19, 2024

Analysis by: Michael E. Sousane

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