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FISCAL AND POLICY NOTE
Third Reader

House Bill 473
Appropriations

(Delegate Harris)

Education, Energy, and the Environment

Maryland Community College Promise Scholarship Program - Revisions

The bill allows part-time associate’s degree students to receive Maryland Community College Promise (MCCP) Scholarship awards for up to six years while maintaining the three-year maximum for full-time associate’s degree students and other eligible recipients. It also clarifies that students pursuing licensure, certification, or participating in a registered apprenticeship program may receive the award for up to three years. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Maryland Higher Education Commission (MHEC) expenditures minimally increase for software upgrades. Altering the duration of MCCP Awards does not require additional spending, as discussed below. Baltimore City Community College (BCCC) can update award duration information in relevant materials with existing resources. Revenues are not affected.

Local Effect: Local community colleges can update award duration information in relevant materials with existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary/Current Law: Under current law, each recipient may hold the award until the earlier of (1) three years after enrolling as a candidate for a vocational certificate, certificate, or an associate’s degree at a community college in the State or (2) the date that the individual is awarded an associate’s degree.

Under the bill, each recipient may hold the award until the earlier of (1) three years after first enrolling as a candidate for a noncredit vocational certificate, in a sequence of credit or noncredit courses leading to licensure or certification, in credit or noncredit courses that are required for participation in a registered apprenticeship program, as a candidate for a certificate, or as a full-time candidate for an associate's degree at a community college in the State; (2) six years after first enrolling as a part-time candidate for an associate's degree at a community college in the State; or (3) the date that the individual is awarded an associate's degree.

Community College Promise Scholarship Overview

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;
- with certain exemptions, 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 MHEC Office

HB 473/ Page 2

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: Expanding the maximum duration for which an individual may hold an MCCP Scholarship may result in additional years of awards being made to recipients in enrolled programs affected by the bill. Nevertheless, expanding award duration does 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. To the extent that allowing individuals to hold awards for longer periods would cause awards to exceed the available \$15.0 million in funding (such as is in the fiscal 2026 budget as introduced), more individuals may be added to the waiting list or fewer scholarships may be awarded.

MHEC advises that tracking award length differently for full-time and part-time recipients as specified by the bill requires system enhancements to the Maryland College Aid Processing System estimated at \$7,000 in fiscal 2026.

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 269 (Senator Jackson) - Education, Energy, and the Environment.

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

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Analysis by: Michael E. Sousane

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