

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 725 (Delegate Wivell, *et al.*)
Ways and Means and Appropriations

Institutions of Higher Education - Dually Enrolled Students - Alterations

This bill expands the definition of “dually enrolled student” to include a “nonpublic secondary school student” or a “home school” student so that these students are eligible to apply for the Part-time Grant Program and the Early College Access Grant. Further, by expanding the definition of dually enrolled student, the bill specifies that a public institution of higher education may not charge a nonpublic secondary school student or a home school student tuition. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Increasing *eligibility* for the Part-time Grant Program and the Early College Access Grant does not require additional spending; however, to award additional grants, additional funding is required. Public four-year institutions of higher education and Baltimore City Community College (BCCC) higher education revenues may decrease, due to the expansion of the definition of “dually enrolled student” and the existing prohibition against charging a dually enrolled student tuition. Expenditures are not affected.

Local Effect: Local community college revenues may decrease due to the expansion of the definition of “dually enrolled student” and the existing prohibition against charging a dually enrolled student tuition. It is unclear if a local school system is responsible for the cost of tuition for a dually enrolled private or home school student. To the extent a local school system is responsible, local school system expenditures increase. Further, to the extent less grant funding is available for dually enrolled *public school* students, local expenditures may increase; however, any such increase is anticipated to be minimal. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary:

Dual Enrollment

“Dually enrolled student” is defined as a student who is dually enrolled in a secondary (high) school in the State and an institution of higher education in the State. It includes a student enrolled in a credit or noncredit certificate or license program, course, or sequence of courses that leads to certification or licensure at an institution of higher education in the State.

A public institution of higher education may not charge tuition to a dually enrolled student. A public school system must pay 75% of the cost of tuition for a public institution of higher education for its students. If there is an agreement before July 1, 2020, between a public school and a public institution of higher education in which the public institution charges less than 75% of tuition to a dually enrolled student, the local board must pay the cost of tuition under the existing agreement.

Part-time Grant Program

The Part-time Grant Program provides grants to undergraduate students taking at least 3 but no more than 11 hours of courses each semester or who are dually enrolled in a secondary school in the State and an institution of higher education. Recipients must be Maryland residents or eligible for in-state tuition under the Maryland Dream Act and must demonstrate a definite financial need. Funds for the program are allocated by the Maryland Higher Education Commission (MHEC) to institutions of higher education based on the number of part-time students with demonstrated financial need who are enrolled at the institution. Grants are distributed to students by the institutions based on guidelines established by MHEC.

For courses completed under the grant, a recipient is not required to receive credit simultaneously from both a secondary school and an institution of higher education.

An institution of higher education that receives State funds must provide MHEC with an annual audit of the use of the funds.

Early College Access Grant Program

The Early College Access Grant Program is the successor to the Dual Enrollment Grant, which was established by Chapter 297 of 2007 to provide financial assistance to students taking courses in both high school and college. Since a program was being created

specifically for dually enrolled students, the Part-time Grant Program, which allowed institutions to use funds for dually enrolled students, was amended to remove all references to dually enrolled students. However, the Dual Enrollment Grant was never fully funded; it only received approximately \$120,200 in carry-forward funds in both fiscal 2008 and 2009.

Subsequently, Chapter 459 of 2009 expanded eligibility for the Part-time Grant Program to include dually enrolled students and clarified that a dually enrolled student must receive both high school and college credit from a course to be eligible for a Part-time Grant. Chapter 459 also renamed the Dual Enrollment Grant to be the Early College Access Grant Program. In addition to any funds allocated under the Early College Access Grant Program, institutions may use up to 10% of their Part-time Grant allocation to provide grants to students who are dually enrolled.

Accordingly, the Early College Access Grant Program provides financial assistance to dually enrolled students. MHEC must administer the grant in cooperation with institutions of higher education. A recipient of a grant must be a dually enrolled student and demonstrate financial need according to criteria established by MHEC. For courses completed under the grant, a recipient is not required to receive credit simultaneously from both a secondary school and an institution of higher education.

MHEC must formulate guidelines for the awarding of the grant to dually enrolled students and adopt any other guidelines or regulations essential for the effective administration of the program. Grant funding is allocated by MHEC to an institution of higher education based on the number of dually enrolled students receiving credit for courses completed at the institution. Any institution of higher education receiving State funds must furnish MHEC with an annual audit detailing the utilization of the allocated funds. Funds for the grant are as provided by the Governor in the annual budget of MHEC.

Each local board of education is required to extend the opportunity for dual enrollment to all high school students meeting mutually agreed-upon enrollment requirements.

Nonpublic Schools

A noncollegiate educational institution may not operate in Maryland without a certificate of approval from the State Board of Education (SBE). SBE must issue a certificate of approval to a noncollegiate educational institution if it deems that the facilities, entrance and scholarship criteria, as well as educational qualifications and standards, are satisfactory for the institution's intended purposes, programs, training, courses, and the certificates or diplomas it plans to issue. However, SBE is prohibited from issuing a certificate to an institution that practices discrimination based on race, color, or national origin, or an institution lacking a policy against the administration of corporal punishment by its

employees. Notably, these requirements do not apply to institutions operated by *bona fide* church organizations, such as Amish and Mennonite parochial schools, although such institutions without approval cannot receive State funds, with specific exceptions for eligible students in the food service program enrolled in nursery school through grade 8.

Home Instruction Regulations

According to regulations, a parent or guardian who chooses to provide a home instruction program for his or her child must initially sign a form prescribed by the Maryland State Department of Education, as specified, and verify annually the continuation of home schooling for his or her child with the local school superintendent or with the supervising nonpublic school or institution.

The home instruction program must:

- provide regular, thorough instruction in the studies usually taught in the public schools to children the same age;
- include instruction in English, mathematics, science, social studies, art, music, health, and physical education; and
- take place on a regular basis during the school year and be of sufficient duration to implement the instruction program.

The home instruction program may include enrollment on a part-time or full-time basis in courses offered by accredited or unaccredited colleges.

State/Local Fiscal Effect: Under the bill, as under current law, a public institution of higher education is prohibited from charging tuition to a dually enrolled student. The bill expands “dually enrolled student” to include a student who is enrolled in a private or a home school. Thus, public institutions of higher education (*i.e.*, public four-year institutions of higher education and community colleges including BCCC) are prohibited from charging these students tuition. In lieu of tuition, it is assumed that public institutions of higher education are paid a reduced cost of tuition by a local school system (under one possible interpretation of the bill discussed in more detail below) or a fee established by an agreement with a private or home school similar to the arrangements in place for public school students.

Either interpretation *may* lead to reduced higher education revenues for dually enrolled students from private and home schools. However, any such decrease cannot be reliably quantified at this time. Actual higher education revenues decrease depending on the agreements made and the number of credits taken by eligible private and home school students. The agreements do not affect higher education expenditures.

It is unclear if a local school system is responsible for the cost of tuition for a dually enrolled private or home school student under the bill. To the extent the bill is interpreted to require a local board of education to pay the cost of tuition for a dually enrolled private or home school student, local school system expenditures increase. Any such impact cannot be reliably estimated; however, Montgomery County Public Schools advises that, if interpreted this way, its expenditures would increase by approximately \$540 in tuition and fees for a three-credit course, based on current rates, and by approximately \$150 for textbooks and instructional materials for each student.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years. See SB 749 and HB 500 of 2024.

Designated Cross File: SB 879 (Senator Carozza, *et al.*) - Education, Energy, and the Environment.

Information Source(s): Maryland State Department of Education; Maryland Higher Education Commission; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Maryland Independent College and University Association; Baltimore City Public Schools; Baltimore County Public Schools; Montgomery County Public Schools; Prince George's County Public Schools; Department of Legislative Services

Fiscal Note History: First Reader - February 23, 2025
rh/ljm

Analysis by: Caroline L. Boice

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