

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 3
Appropriations

(Delegate Schindler, *et al.*)

Higher Education - Nonresident Tuition - Exemption for Dependents of State or Local Public Safety Employees (Maryland Fallen Heroes Tuition Benefits Act)

This bill requires that, notwithstanding the State or county in which the child resides, a financially dependent child of a State or local public safety employee who dies as a result of or in the course of performance of duties is exempt from paying out-of-state or out-of-county tuition at a public institution of higher education in the State. The Maryland Higher Education Commission (MHEC) must adopt regulations to implement the bill. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: The bill is not anticipated to materially impact the number of individuals who qualify for in-state tuition at public four-year institutions of higher education, Baltimore City Community College (BCCC), and local community colleges. As a result, general fund expenditures through the Senator John A. Cade (Cade) and BCCC funding formulas as well as higher education revenues and expenditures are not materially affected. MHEC can adopt regulations to implement the bill with existing resources.

Local Effect: No material impact on community college revenues or expenditures.

Small Business Effect: None.

Analysis

Current Law:

Public Safety Employees

Under current law pertaining to the Edward T. and Mary A. Conroy and Jean B. Cryor scholarships, a State or local public safety employee means a person who is employed in the State as (1) a career or volunteer member of a fire department, ambulance company or squad, or rescue company or squad; (2) a law enforcement officer; (3) a correctional officer; or (4) a member of the Maryland National Guard who was a resident of the State at the time of death.

Tuition Eligibility Determinations

For institutions within the University System of Maryland (USM), the Board of Regents sets tuition policies, including determining 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 (MSU) and the Board of Trustees of St. Mary's College of Maryland (SMCM) 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, Global Campus (UMGC) and students enrolled exclusively in distance education programs.

Typically, there is a three-month residency requirement for community colleges.

Tuition Exemptions

There are in-state tuition exemptions (or waivers) for public school teachers if the courses are related to or needed for their employment, military personnel and their spouses and dependents in certain circumstances, AmeriCorps volunteers, returned Peace Corps volunteers, and certain undocumented immigrants who have resided in the State in certain circumstances.

Education Article § 15-106.7 also exempts children of State or local nonpublic safety employees who are eligible for a Conroy or Cryor scholarship in accordance with Education article § 18-601(d)(3)(iii) from paying the nonresident tuition rate at a public institution of higher education. However, Chapter 267 of 2020 amended statute relating to the Conroy and Cryor scholarships, which resulted in the renumbering of § 18-601(d) without subsequent updates to § 15-106.7. Nevertheless, USM Board of Regents policy on determination of students eligible for in-state tuition does still extend eligibility to students eligible for a scholarship under § 18-601(d)(3)(ii), which relates to children of public safety employees who sustain an injury in the line of duty that renders the public safety employee 100% disabled. SMCMM policies similarly extend eligibility to students eligible for a scholarship under § 18-601(d)(3)(ii). MSU policies for determination of in-state tuition status continue to cite § 18-601(d)(3)(iii) but specify that in-state tuition may be granted to the offspring of a public safety employee killed in the line of duty.

Senator John A. Cade and Baltimore City Community College Funding Formulas

The formula used for the distribution of funds to community colleges is known as the Cade Funding Formula. The State's annual contribution to the Cade funding formula is determined by enrollment at community colleges and a percentage, set in statute, of the level of funding received by selected public four-year institutions. Specifically, the formula bases per student funding on a set statutory percentage of current year State appropriations per full-time equivalent students (FTES) at the selected four-year institutions, including noncapital appropriations from the Higher Education Investment Fund. The resulting community college per student amount is multiplied by the number of FTES enrolled in the colleges in the second preceding fiscal year or the three-year moving average, beginning with the second preceding year, to identify a total formula amount.

The BCCC funding formula operates in the same fashion, except that the per student amount is multiplied by the number of FTES enrolled in the colleges in the second preceding fiscal year without consideration of a three-year moving average. The BCCC percentage, which is also set in statute, is higher than that for the Cade funding formula, resulting in a higher per FTES amount.

The BCCC funding formulas have a hold harmless provision in current law that ensures each college receives at least as much State funding in total through the formula as in the prior fiscal year. The Cade formulas do not have a hold harmless provision.

In-state Tuition

Using the simple average, in-state tuition and fees proposed for fiscal 2027 are approximately \$11,200. The difference between in-state and out-of-state tuition and fees for fiscal 2027 ranges from about \$30,148 for the University of Maryland, College Park

Campus to \$4,860 at UMGC. The difference between the rates at each campus, using the simple average, is almost \$14,700.

For fall 2025, in-county tuition and fees are approximately \$4,900 at community colleges. 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.

State Fiscal Effect: This analysis assumes that very few individuals are eligible for the exemption under the bill, as most qualifying students already receive in-state or in-county tuition under existing laws and policies (as explained above in Current Law), and the overall number of eligible students eligible under the bill is likely low (as discussed below). Generally, the bill establishes a direct, independent out-of-state and out-of-county tuition exemption for financially dependent child of a State or local public safety employee who dies as a result of or in the course of performance of duties regardless of scholarship eligibility.

MHEC advises that, for fiscal 2025, the Conroy and Cryor scholarships have made awards to only two students who were the surviving spouse or child of a State or local public safety employee killed in the line of duty. Pursuant to § 3-507(e) of the Public Safety Article, the Governor's Office of Crime Prevention and Policy updated its annual report on [Deaths Involving a Law Enforcement Officer](#) in December 2025. That report identifies four deaths of law enforcement officers in the line of duty since 2021: three deaths in 2021, one death in 2022, no deaths in 2023, and no deaths in 2024. Although the combined number of deaths across all eligible public safety employees is unknown, it is also assumed to be minimal.

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.

Nevertheless, the fiscal impact of this bill is a potential minimal 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, MSU, or SMCM.

As discussed below, this estimate anticipates that very few community college students qualify for and take advantage of in-state tuition under the bill. As a result, general fund

expenditures through the Cade and BCCC funding formulas are not anticipated to be materially affected.

Local Fiscal Effect: More out-of-county and out-of-state individuals may qualify earlier for in-county tuition at a community college than under current law (three-month residency requirement). Nevertheless, this analysis assumes very few individuals qualify for and take advantage of the benefit. Thus, community college revenues are not anticipated to be materially impacted.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 1024 and HB 1517 of 2025.

Designated Cross File: SB 212 (Senator Corderman) - Education, Energy, and the Environment.

Information Source(s): 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

Fiscal Note History: First Reader - January 27, 2026
sj/clb

Analysis by: Michael E. Sousane

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