

Department of Legislative Services
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2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 818
Appropriations

(Delegate Embry, *et al.*)

Higher Education - Foster Care Recipients and Homeless Youth - Tuition
Exemption and Associated Benefits

This bill requires public institutions of higher education to provide specified additional benefits to individuals eligible for the foster care recipients or homeless youth tuition waivers. Specifically, the institution must provide, free of charge to the foster care recipient or homeless youth, (1) on-campus room and board or 100% of the public institution of higher education’s estimated cost of room and board for living off campus and (2) required books, course materials, supplies, and equipment. If a foster care recipient or homeless youth receives a scholarship or grant for postsecondary study, the scholarship or grant may be applied to cover all or part of the costs of room and board or required books, course materials, supplies, and equipment for the foster care recipient or homeless youth. The bill makes conforming changes to clarify references to the tuition exemptions *and the accompanying benefits*. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Higher education revenues from room and board payments decrease by an indeterminate, but likely significant, amount beginning FY 2027. Higher education expenditures also increase by an indeterminate, but likely significant, amount beginning FY 2027 to provide additional benefits to waiver-eligible individuals. Revenue decreases and expenditure increases are offset to the extent waiver recipients receive scholarships or grants that can be applied towards the cost of additional benefits.

Local Effect: Local community college revenues from room and board payments decrease by an indeterminate, but likely significant, amount beginning FY 2027. Community college expenditures also increase by an indeterminate, but likely significant, amount beginning FY 2027 to provide additional benefits to waiver-eligible individuals. Revenue decreases and expenditure increases are offset to the extent waiver recipients receive scholarships or grants that can be applied towards the cost of additional benefits. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: Specified foster care recipients and homeless youth are eligible for a tuition exemption (also called a waiver) for all credit-bearing and noncredit courses (including mandatory fees) to attend a public institution of higher education in Maryland.

To be eligible, a foster care recipient or homeless youth must (1) enroll at the institution prior to the individual's twenty-fifth birthday; (2) enroll as a candidate for a vocational certificate, an associate's degree, or a bachelor's degree; and (3) file for federal and State financial aid. Specified individuals remain eligible until 10 years after enrolling as a candidate for an associate's degree or bachelor's degree or the date the individual is awarded a bachelor's degree, whichever is earlier. Any scholarship or grants may not be applied to the tuition of an eligible individual.

For the purposes of the waiver, "tuition" includes charges for registration and all fees for credit-bearing and noncredit courses required as a condition of enrollment.

If a public institution of higher education provides on-campus housing, a foster care recipient or homeless youth who is exempt from tuition under this section must receive priority consideration for on-campus housing at the institution at which the student is enrolled.

Each public institution must designate a homeless and foster student liaison to assist specified students with applying for financial aid. The liaison must have expertise in the financial aid eligibility of homeless and foster students. The liaison must also provide assistance to homeless and foster students in applying for federal and State financial aid or other assistance for which they may be eligible.

Each public institution must inform current and prospective students about the liaison and the services they provide. Each public institution of higher education must also make the application for the tuition waiver available to current and prospective students and notify students about the application. Each public institution must also establish a specified appeals process for the tuition waiver.

Foster Care Recipients Eligible for the Tuition Waiver

The following foster care recipients are eligible for the tuition waiver:

- a foster care recipient who was placed in an out-of-home placement by the Department of Human Services and resided in an out-of-home placement on the individual's eighteenth birthday or at the time the individual graduated from high school or successfully completed a GED; and
- a foster care recipient who resided in an out-of-home placement on or after the individual's thirteenth birthday for at least one year and was placed into guardianship, adopted, or reunited with at least one of the individual's parents.

Younger siblings of those eligible for the tuition waiver are also eligible if they are concurrently placed into guardianship or adopted out of an out-of-home placement by the same guardianship or adoptive family.

Homeless Youth Eligible for the Tuition Waiver

"Homeless youth" is defined as a child or youth who (1) has had a consistent presence in the State for at least one year before enrollment in a public institution of higher education that is documented as specified and (2) is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act, at any time during the 24 months immediately preceding the student's enrollment in a public institution of higher education or while the student is enrolled in a public institution of higher education by specified individuals. If a public institution of higher education determines that a student is a homeless youth, on request of the student, the institution must notify any public institution in which the student subsequently enrolls of the student's designation as a homeless youth. The notified institution must then designate the student as a homeless youth.

Reporting Requirements

By June 1 each year, each public institution of higher education must report to the Maryland Higher Education Commission (MHEC) on the specified information on (1) foster care recipients and homeless youth who received tuition waivers and (2) the forms used in conjunction with the foster care recipients and homeless youth tuition waivers.

State Fiscal Effect: Higher education revenues from room and board payments decrease by an indeterminate, but likely significant, amount beginning fiscal 2027. Higher education expenditures also increase by an indeterminate, but likely significant, amount beginning fiscal 2027 to provide additional benefits to waiver-eligible individuals. Exact amounts of foregone revenues and increased expenditures depend on the needs of waiver recipients as determined by the specific institution they attend, costs of room and board at those institutions, costs of books, and the cost of supplies and materials for the courses of study waiver recipients pursue. These revenue decreases and additional expenditures may be offset to the extent students receive financial assistance that can be applied towards such expenses. Public four-year institutions and Baltimore City Community College (BCCC), a

State-funded community college, are all potentially affected by the additional waivers and requirement to cover additional costs of college attendance.

According to [MHEC data](#), 130 foster care recipients and at least 288 homeless youth received a tuition waiver to attend public four-year institutions in fiscal 2024.

The simple average of board costs and costs for a standard double room at University System of Maryland institutions (except the University of Maryland Global Campus, the Universities at Shady Grove, and the University of Baltimore) is approximately \$12,700 for fiscal 2026. *For illustrative purposes only*, assuming USM institutions are representative of the average room and board costs across all waiver recipients, the 418 tuition waiver recipients 2024 (130 foster care recipients and 288 homeless youth) would represent \$5.3 million in foregone room and board payments across all public four-year institutions of higher education. Actual expenditures for room and board coverage may diverge from this estimate depending on the exact institution waiver recipients choose to attend. Average costs for an on-campus double room and average board costs across all available meal plans total approximately \$6,900 at Morgan State University and \$14,000 at St. Mary's College of Maryland. Higher education revenues therefore decrease to the extent tuition waiver recipients also receive waivers for such room and board costs.

Further, the bill requires that institutions cover on-campus room and board or 100% of the public institution of higher education's estimated cost of room and board for living off campus. An estimate of exact costs for off campus living of waiver recipients is not feasible at this time; however, costs per student may exceed the above estimates for on-campus housing. To the extent institutions of higher education must actively provide for housing costs of tuition waiver recipients, higher education expenditures increase. This includes an institution like BCCC that, as a State-funded community college, does not offer on-campus housing.

Costs of books, course materials, supplies, and equipment vary by institution and course of study pursued by waiver recipients, but may be meaningful. *For illustrative purposes only*, an assuming waiver recipients spend an average of \$1,400 on books, course materials, supplies and equipment (based on a simple average of costs of attendance reported at public institutions of higher education), costs for institutions of higher education to provide those additional benefits to the 418 tuition waiver recipients total \$585,200 across all public four-year institutions of higher education.

Actual levels of foregone revenue and additional expenditures associated with room and board, books, course materials, supplies, and equipment may be lower to the extent waiver recipients receive financial assistance that can be applied towards those costs as expressly allowed by the bill. Additionally, since current law specifies that any scholarship or grants

may *not* be applied to the tuition of waiver recipients, there is a higher likelihood of financial assistance being available to cover foregone revenues associated with room and board or expenditures associated with providing specified additional benefits. According to [dashboards](#) on foster care and homeless youth tuition waivers published by the Maryland Longitudinal Data System Center, from 2011 to 2021, 77% of youth in foster care and 71% of homeless youth received some type of financial aid during their first year of college.

Finally, the bill may also increase participation in the foster care and homeless youth tuition waiver program (and be eligible for the additional benefits established by the bill) and prompt some eligible students to enroll at different public institutions due to the expanded benefits. The magnitude of any participation increase or enrollment shift is unknown.

Local Fiscal Effect: Revenues from room and board payments at locally-funded community colleges decrease by an indeterminate, but likely significant, amount beginning fiscal 2027. Locally-funded community college expenditures also increase by an indeterminate, but likely significant, amount beginning fiscal 2027 to provide additional benefits to waiver-eligible individuals. As discussed above, the impact may be significant for an individual college but cannot be reliably quantified. As also discussed above, any impact may be mitigated to the extent scholarships or grants received by waiver recipients can be applied to the revenues or costs community colleges must waive or cover under the bill. The bill may also increase participation or shift enrollment; however, the effect of these impacts cannot be reliably estimated.

According to MHEC data, 222 foster care recipients received a tuition waiver to attend community colleges in fiscal 2024 at an average cost of \$2,387 per recipient and a total cost of \$529,870; 210 homeless youth received a tuition waiver to attend community colleges in fiscal 2024 at an average cost of \$3,525 per recipient and a total cost of \$740,280.

Additional Information

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

Designated Cross File: None.

Information Source(s): Department of Human Services; Maryland Higher Education Commission; Morgan State University; University System of Maryland; Department of Legislative Services

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caw/clb

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