



HOUSE APPROPRIATIONS COMMITTEE

House Bill 818

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

March 3, 2026

Letter of Concern

Chair Barnes, Vice Chair Kaiser, and members of the committee, thank you for the opportunity to offer testimony on House Bill 818. This bill would expand Maryland's existing tuition-and-fee waiver for eligible foster care recipients and homeless youth by requiring public institutions to also cover room and board (including off-campus allowances), required books, course materials, supplies, and equipment. The bill converts today's tuition and mandatory fee waiver into a full cost-of-attendance benefit for covered students, with institutions funding the difference after other grants and scholarships are applied.

Under House Bill 818, USM institutions anticipate absorbing substantial increased costs, with each institution estimating more than double the costs of the current waiver program. Roughly an additional \$7 million would be needed to support about 450 of USM's over 136,000 undergraduates, nearly 40% of whom received Pell aid. Institutions do their best to help support all high-need students, but gaps remain as many Pell-eligible students receive no State aid. While USM recognizes the special challenges of students who have been in foster care or who have been unhoused, it should be noted that funds for supporting all students will be depleted to provide additional support for those who now receive free tuition and fees. Costs could be even higher if students do not apply for other aid.

In addition to the financial strain, processing full cost-of-attendance support – especially for certified recipients living off campus – will require more labor-intensive manual reviews, new financial aid classifications, detailed eligibility verification, and the careful disbursement and reconciliation of direct funds to students. These steps go well beyond the workload associated with the current tuition-and-fee waiver and would rapidly increase the complexity of financial aid administration.

USM institutions have advised and alerted that these new obligations will unfold in an environment of rising and compounding expenses, particularly in housing, dining, and course materials, where annual cost increases of 3-5 percent are common. Moreover, there's the uncertainty that surrounds how real-world costs will behave, pointing out that total expenditures will vary based on students' living arrangements, their enrollment status in winter and summer terms, and year-to-year shifts in FAFSA completion and eligibility determinations. Thus, the true magnitude of cost exposure will remain unpredictable until implementation.

Campuses provided detailed estimates of the bill's impact. The University of Maryland, College Park anticipates added annual costs of approximately \$1.35 million, based on an estimated 57 students receiving roughly \$23,677 each – in addition to the costs of waived tuition and fees. This figure excludes winter and summer terms and is expected to rise by about 5 percent annually. Like most USM institutions, UMCP notes that while the operational burden is manageable, the financial obligation is substantial.

For the University of Maryland Global Campus (UMGC), the bill would necessitate issuing direct cash payments to students in the amount of its full room-and-board allowance (\$17,256) plus the books and materials allowance (\$698). Using the 2024–25 cohort of 47 students – currently receiving about \$330,000 in tuition waivers – UMGC projects an additional cost of up to \$843,838. UMGC also stresses the administrative risks associated with issuing large direct payments to students, which requires new oversight mechanisms.

At Bowie State University, the estimated annual cost is \$19,506 per student for room, board, certain fees, and supplies; for the current cohort of 25 students, this totals roughly \$487,650. At Salisbury University, the estimated fiscal effect is about \$1.2 million this year alone to meet all costs for foster care and homeless waiver students under House Bill 818. The University of Maryland, Eastern Shore projects an increase from approximately \$195,221 per year under the existing waiver to about \$461,063 under the bill.

Towson University anticipates some of the largest impacts – about \$2.8 million in new annual obligations for housing, food, and books, on top of the \$2.6 million in tuition and fee waivers it already provides. Towson notes that fewer than 50 percent of eligible students live on campus – and less than 1 percent in summer – so most of this aid would be direct gift assistance for off-campus costs rather than waived institutional charges. The university also points out that only 25 percent of these students receive Guaranteed Access Grants and that state aid comprises just 13 percent of total gift aid for this population.

At UMBC, roughly 75 students per year use the current waiver, and the university estimates that expanding coverage under House Bill 818 would cost about \$450,000 annually, with approximately 3 percent growth each year. UMBC also expects additional manual reviews as students receive financial resources mid-year, requiring ongoing adjustments.

Frostburg State University (FSU) notes its homeless and foster care students typically draw heavily on Pell Grants, Guaranteed Access Grants, and institutional aid. FSU raises the concern that if students perceive their costs as fully covered under the bill, they may stop completing the FAFSA or other aid applications, which would reduce available offsets and increase institutional spending. Using a current population of 38 students, FSU estimates a potential additional cost of ~\$643,416, not including \$321,033 already required for tuition and fee waivers – bringing the total close to \$1 million for fewer than 40 students.

The USM shares the bill's goal of removing financial barriers for our most vulnerable students. The data show, however, impactful increased costs. As the Committee weighs House Bill 818, we respectfully flag these fiscal and operational considerations.

We stand ready to work with the sponsors on targeted funding and implementation guardrails, so the promise of access is more durable, accountable, and equitable across our institutions.

The USM appreciates the opportunity to provide this information regarding House Bill 818.

