



HOUSE APPROPRIATIONS COMMITTEE

House Bill 1530

Higher Education – Undocumented Students – Out-of-State Tuition Exemption

Eligibility

March 11, 2026

Information

Chair Barnes, Vice Chair Kaiser, and members of the committee, thank you for the opportunity to offer testimony on House Bill 1530. This bill proposes to eliminate the requirement that individuals present three years of Maryland income taxes to qualify for a non-resident out-of-state-tuition exemption and replaces that requirement with a single year's taxes or providing other "official documentation" that the institution of higher education determines.

The University System of Maryland (USM) is composed of twelve distinguished institutions and three regional centers. We award eight out of every ten bachelor's degrees in the state. Each of USM's institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes three Historically Black Institutions, comprehensive institutions and research universities, and the country's largest public online institution.

USM supports accurate verification practices and appreciates the intent of House Bill 1530 to support student access. There are some challenges, however. The bill, as drafted, ties eligibility for in-state tuition (as an exemption from paying out-of-state tuition) to explicit proof of Maryland residency, including through a Maryland address appearing on income tax filings. Using a direct residency-based standard raises significant federal compliance concerns. Federal law prohibits states from granting benefits – such as in-state tuition – on the basis of state residency in situations where certain non-citizens could qualify based on residency, but U.S. citizens who cannot prove residency would be excluded. To avoid this prohibition, states have structured (non-resident) in-state tuition eligibility around criteria other than residency, such as high school attendance, high school graduation, or other neutral measures. Maryland's existing non-resident tuition exemption framework has followed this approach for precisely this reason.

If House Bill 1530 were interpreted to make residency itself the determining factor, Maryland could inadvertently place itself in the category of states whose statutes have been challenged for conferring a residency-based benefit on students who may be undocumented, while simultaneously denying that same benefit to U.S. citizens living out of state.

Also, to prevent unintended operational issues, the bill could clarify the statute so that a parent's or guardian's income tax return may be used as documentation only if the student is claimed as a dependent on that return. This change would align state law with other financial assistance and residency policies used across higher education and ensures the documentation supplied is relevant to the student's dependency relationship.

The bill also presents implementation challenges by allowing institutions to determine which "official documentation" is acceptable. It is preferable to have a statewide standard, especially as the documentation is to be "official." Allowing institutional variation presents a risk of inequity and litigation.

The current statute has been helpful to many Maryland high school graduates who might otherwise not have been able to attend college. Several schools noted that documentation has not been a challenge, though that ease arguably applies only to those who requested the exemption. By working to expand access, House Bill 1530 would have a fiscal impact on institutions, though it is difficult to estimate. The University of Maryland, College Park notes the number of eligible students has increased each year; currently, about 150 students who qualify. If just 25 more students were to qualify, and if we take the average cost differential between in-state and out-of-state costs to be \$20,000 per student, the fiscal impact would be approximately \$500,000.

The USM appreciates the opportunity to provide this information regarding House Bill 1530. We appreciate the commitment to promoting transparent, consistent, and lawful verification practices, and we look forward to working collaboratively to ensure the policy framework remains both effective and fully compliant with state and federal requirements.

