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March 3, 2026

The Honorable Ben Barnes
Chair, Appropriations Committee
120 Taylor House Office Building
Annapolis, Maryland 21401

Chairman Barnes, Vice Chair Kaiser, and the Honorable Members of the Appropriations Committee,

The Maryland Higher Education Commission (MHEC) respectfully submits this Letter of Information for House Bill 818.

House Bill 818 requires public institutions of higher education to exempt foster care recipients and homeless youth from tuition and to provide associated benefits at no cost to the student, including room and board (or off-campus equivalents), books, and supplies.

MHEC strongly supports efforts to remove barriers to postsecondary access and completion for vulnerable student populations. Foster youth and homeless youth face significant structural and financial challenges in pursuing higher education, and policies that expand stability and support can meaningfully improve persistence and degree attainment outcomes.

While MHEC does not anticipate a revenue impact, the legislation will have operational and expenditure implications for the agency. Specifically, implementation will require 1 Regular State Employee within the Office of Student Financial Assistance (OSFA). Verification of eligibility for foster care and homeless youth status is complex, highly sensitive, and requires coordination across multiple agencies and institutions. This population requires high-touch, individualized support to ensure compliance with statutory requirements and proper coordination of benefits. Existing OSFA personnel cannot absorb these additional responsibilities without affecting current program administration.

Accordingly, MHEC anticipates increased general fund expenditures beginning in Fiscal Year 2027 to support:

- Salary and fringe benefits for 1.0 FTE (Grade 18, Step 8, ~\$79,907)
- Standard start-up equipment costs
- Ongoing operating expenses for supplies and communications

MHEC further notes that the most significant fiscal impact of HB 818 will be borne by public institutions of higher education. In addition to tuition waivers, institutions would be required to cover direct costs associated with housing (including off-campus equivalents), books, and supplies. For

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Maryland's community colleges, which rely heavily on local county appropriations, these mandates may create additional fiscal pressures at the local government level.

The overall institutional fiscal impact could potentially be mitigated if coordination occurs across state agencies to prioritize this population for existing federal and state assistance programs, including housing and food support programs. Leveraging existing assistance structures may reduce the direct financial burden placed on public institutions.

MHEC appreciates the Committee's consideration and remains available to provide additional information as needed.

If you have any questions or concerns, please contact Meghan Music, Executive Director of External and Legislative Affairs.

Yours in Service,

Handwritten signature of Sanjay Rai in blue ink.

Sanjay Rai

Secretary, Maryland Higher Education Commission