

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 700
 Appropriations

(Delegate Ivey)

Rules

Higher Education - Public Senior Higher Education Institutions - Direct Admission Program and Study

This bill establishes a direct admission program at participating public senior (four-year) higher education institutions for eligible high school students, beginning in the 2028-2029 academic year. The Maryland Higher Education Commission (MHEC), the Maryland State Department of Education (MSDE), the University System of Maryland (USM), Morgan State University (MSU), and St. Mary’s College of Maryland (SMCM) must establish minimum eligibility requirements for the program and execute a memorandum of understanding (MOU) specifying those requirements. MSDE and MHEC must jointly establish a process to notify MHEC of eligible students. However, admission through the program does not guarantee a student placement in any specific program or specific college, school, or functional equivalent at the institution. By July 1, 2027, MHEC must study (with MSDE) and report to the General Assembly on how to effectively implement the program, among other things. **The bill takes effect July 1, 2026; the reporting requirement provisions terminate July 31, 2027.**

Fiscal Summary

State Effect: General fund expenditures increase by an estimated \$100,000 in FY 2027 for the required study and report. Implementation, which is required by the bill by FY 2029, results in additional general fund expenditures beginning in FY 2028, but those costs cannot be reliably quantified at this time and will depend on the results of the study and existing technical capabilities. Nevertheless, implementation costs are likely significant, at least initially, and may necessitate general fund expenditures in the millions of dollars, as discussed below. However, as participation by public senior higher education institutions is optional, any costs or revenue changes for the institutions depend on institutional and student participation.

Local Effect: Local school system expenditures and revenues are not directly affected.

Small Business Effect: None.

Analysis

Bill Summary:

Eligible Students

A high school student is eligible for direct admission to a participating public senior higher education institution if the student has completed or is expected to complete all prerequisite courses, meets the eligibility requirements specified in the MOU, has applied for admission as specified, meets other course requirements, if any, and meets additional criteria, if any. The eligibility requirements must include, at minimum, completion of the college and career ready (CCR) standard and a minimum high school grade point average (GPA).

Participating Institutions

If a public senior higher education institution chooses to participate in the direct admission program, the participating institution must (1) agree to the eligibility requirements in the MOU; (2) determine additional courses or criteria for a student to qualify for direct admission to the institution, if any, and report them to MHEC each year; (3) waive the application fee for students who apply for direct admission to the institution; and (4) offer conditional direct admission to each high school student who meets the eligibility criteria specified in the MOU.

A participating institution may verify any information required by the institution and provided by a high school student indicating eligibility for direct admission; it may also revoke a student's offer of direct admission as specified, including for not meeting the eligibility requirements specified in the MOU.

MHEC must establish a process to offer conditional direct admission from each participating institution to each eligible high school student.

Study and Recommendations

MHEC, in collaboration with MSDE, must study and make recommendations on the administration of the direct admission program established by the bill. In conducting the study, MHEC must:

- identify the financial, technical, legal, and operational mechanisms needed to effectively implement the direct admission program;

- evaluate whether a system could be developed to integrate student academic data with financial aid eligibility data to provide simultaneous admission and affordability notifications to students; and
- create an implementation timeline for the direct admission program.

Current Law:

College and Career Ready Standard

The CCR standard is established by the State Board of Education and is intended to measure whether a high school student is prepared to succeed in entry-level, credit-bearing college coursework or postsecondary training at a State community college. A student meets the CCR standard by demonstrating proficiency in English language arts and mathematics, and, when practicable, science.

The State's goal is for students to meet the CCR standard by the end of tenth grade and no later than graduation. Students are assessed no later than tenth grade using assessments adopted by the State board, with the CCR standard periodically reviewed and updated based on empirical studies of college readiness conducted in consultation with the Accountability and Implementation Board.

Students who do not meet the CCR standard by the end of tenth grade must be provided additional instructional supports and transition courses designed to help them achieve readiness. Students who meet the CCR standard are entitled to participate, at no cost, in post-college and career readiness pathways, including college preparatory programs, dual enrollment, and career and technical education programs.

College and Career Ready Standard – Implementation

From the 2021-2022 school year through the 2024-2025 school year, an interim CCR standard, based on math and English scores on standardized assessments, was in effect. Beginning with the 2023-2024 school year, the CCR standard that was adopted by the State Board of Education on January 23, 2024, was used. Under that standard, there were two options: (1) academic success (an unweighted GPA of 3.0 or higher) *and* math mastery (course grade of A, B, or C in Algebra I or proficient score on the Algebra I Maryland Comprehensive Assessment Program (MCAP) assessment); or (2) proficient assessment on both the English 10 MCAP assessment *and* the Algebra I MCAP assessment.

In March 2025, the State board adopted a new CCR standard which expanded the options for students to demonstrate readiness through advanced academics, career and workforce credentials, and other national assessments beginning with the 2025-2026 school year.

Public Senior Higher Education Institutions

The public senior higher education institutions in Maryland are the constituent institutions of USM and the University of Maryland Center for Environmental Science, MSU, and SMCM.

State Expenditures:

Implementation and Feasibility Study

Under the bill, MHEC, in collaboration with MSDE, must study and make recommendations on the administration of a direct admission program, including identifying the financial, technical, legal, and operational mechanisms needed for implementation; evaluating the feasibility of integrating student academic data with financial aid eligibility data to provide simultaneous admission and affordability notifications; and developing an implementation timeline. MHEC must submit a final report to the General Assembly by July 1, 2027.

Accordingly, general fund expenditures increase by an estimated \$100,000 in fiscal 2027 for MHEC and MSDE, combined, to retain consultants to conduct the study. For purposes of this estimate, it is assumed that MHEC and MSDE each incur \$50,000 in consultant costs. Consultant support is assumed for specialized technical analysis (including data system integration and student data privacy considerations), national benchmarking, and stakeholder engagement. MHEC staff are expected to lead the study, including analysis of implementation mechanisms, affordability notifications, and development of the implementation timeline and final report, while MSDE staff provide expertise on student data system and college and career readiness measures, support evaluation of academic data integration, and coordinate with local school systems. Accordingly, existing MHEC and MSDE staff must dedicate significant time to supporting the study, potentially diverting resources from other priorities. Actual costs depend on the scope of work, level of stakeholder engagement, and the extent to which existing research can be leveraged.

Maryland Higher Education Commission

Following completion of the required implementation and feasibility study by July 1, 2027, a direct admission program must be implemented at participating public four-year institutions beginning in the 2028-2029 academic year. Thus, the program must be developed during fiscal 2028. Eligibility requirements for the program – at a minimum, completion of the CCR standard and a minimum high school GPA – must be established through an MOU among MHEC, MSDE, USM, MSU, and SMCM. It is assumed that the MOU, including the establishment of eligibility requirements, can be developed using existing resources based on the findings of the study.

To administer the program, MHEC must use its financial aid system and the Common Application to identify eligible students and facilitate the admissions process. In coordination with MSDE, MHEC must establish a process to receive annual data on students who meet the minimum eligibility requirements – yet to be established in the MOU – and possibly assess which students meet additional eligibility criteria applicable to certain participating institutions – again, yet to be determined. MHEC must also establish a process to extend conditional direct admission offers from participating institutions and generate customized lists for each eligible student identifying institutions offering admission.

General fund expenditures at MHEC increase, potentially significantly, to implement these requirements. Costs are primarily driven by the need to develop or modify systems to integrate student academic data from MSDE with financial aid eligibility data, including data matching, system interoperability, and student data privacy considerations. Additional costs may be incurred to modify the State’s financial aid system and coordinate with the Common Application to support the generation of student-specific admission offers and institutional lists.

MHEC likely also incurs ongoing administrative costs to operate the program, including managing data exchanges with MSDE, verifying student eligibility, coordinating with participating institutions, responding to student and institutional inquiries, and maintaining and updating systems. The magnitude of the increase depends on the complexity of system integration, the number of participating institutions, and the number of students eligible for and participating in the program. To the extent that existing systems and processes can be leveraged, costs may be reduced; however, significant system modifications could result in expenditures in the millions of dollars, potentially annually. Until the implementation and feasibility study is completed July 1, 2027, a more accurate cost estimate is not possible.

Maryland State Department of Education

Following completion of the required implementation and feasibility study by July 1, 2027, MSDE must collaborate with MHEC and public senior institutions to establish baseline eligibility requirements for the direct admission program through an MOU. At a minimum, eligibility must include completion of the CCR standard and a minimum high school GPA. MSDE must also jointly establish, with MHEC, a process to annually identify and notify MHEC of high school students who meet the eligibility requirements specified in the MOU. It is assumed that development of the MOU can be accomplished using existing resources.

To support program implementation, MSDE must identify eligible students based on available academic data, including readiness status and other eligibility criteria – yet to be

established in the MOU, and provide that information to MHEC in a format and timeline sufficient to support the issuance of conditional admission offers. MSDE must also coordinate with local school systems to ensure accurate and timely reporting of student data and support alignment with existing college and career readiness measures.

General fund expenditures at MSDE increase, potentially significantly, to support these activities. Costs are primarily driven by the need to modify or enhance existing data systems and processes to identify eligible students and securely transmit student-level data to MHEC, including data matching, system interoperability, and student data privacy considerations. Additional costs may be incurred to align CCR data collection and reporting timelines with the admissions cycle and to ensure data quality and consistency across local school systems.

MSDE may also incur ongoing administrative costs to coordinate with local school systems, support data validation and troubleshooting, respond to inquiries, and maintain any new or modified data processes. The magnitude of any increase depends on the complexity of system modifications, the timing and availability of CCR and related student data, and the number of eligible students. To the extent that existing data systems and reporting processes can be leveraged, costs may be reduced; however, significant system modifications could result in expenditures in the millions of dollars, potentially annually.

Public Senior Institutions of Higher Education

Participation in the direct admission program by public senior (four-year) higher education institutions, that is USM institutions, MSU, and SMCM, is optional. However, USM, MSU, and SMCM are required to collaborate with MHEC and MSDE to establish baseline eligibility criteria and enter into an MOU. It is assumed that institutions can meet these requirements using existing resources.

Institutions that choose to participate may incur additional administrative costs related to establishing eligibility criteria, coordinating with MHEC, verifying student information, and responding to inquiries; institutions that do not participate incur no fiscal impact. Participating institutions may also experience changes in higher education tuition and fee revenues depending on student enrollment outcomes associated with the program. The extent of any cost increase depends on institutional and student participation levels.

Additional Information

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

Designated Cross File: SB 324 (Senator Augustine) - Education, Energy, and the Environment.

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

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