

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 720 (Delegate Patterson, *et al.*)
 Appropriations

Higher Education - Douglas J. J. Peters Veterans of the Afghanistan and Iraq
 Conflicts Scholarship - Repeal of Termination Date

This bill repeals language preventing the Maryland Higher Education Commission (MHEC) from issuing an initial Douglas J.J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship award after June 30, 2030. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures for Douglas J.J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship are maintained beyond FY 2030; thus, general fund expenditures increase by an estimated \$750,000 beginning in FY 2031. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	0	0	750,000
Net Effect	\$0	\$0	\$0	\$0	(\$750,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Veterans and active service members who served in Afghanistan and Iraq, and members of the reserve who were activated as a result of the conflicts, are eligible for the scholarships, as are their children, stepchildren, and spouses. To qualify, an applicant

must also be a Maryland resident and must be accepted for admission or enrolled in a regular undergraduate program at a Maryland institution of higher education or a two-year terminal certificate program in which the course work is eligible for transfer into a baccalaureate program at a Maryland institution of higher education.

An individual is considered to have served in the Afghanistan or Iraq conflict if the individual was an active service member who served in (1) Afghanistan or contiguous air space, as defined in federal regulations on or after October 24, 2001, or (2) Iraq or contiguous waters or air space as defined in federal regulations on or after March 19, 2003.

A recipient is not required to file for financial aid; however, a recipient who does file for financial aid must file by March 1. A scholarship may supplement, but is not contingent on, any federal education benefits for which a recipient qualifies as a result of an individual's military or military dependent status. Recipients must maintain a grade point average of at least 2.5 on a 4.0 scale and may hold the scholarship for up to five years of full-time study or eight years of part-time study.

The annual amount of a scholarship may not exceed 50% of the equivalent annual tuition, mandatory fees, and room and board at the University System of Maryland institution with the highest annual expenses for full-time resident undergraduates, excluding the University of Maryland, Baltimore Campus and the University of Maryland Global Campus. The Office of Student Financial Assistance (OSFA) in MHEC may not award an initial scholarship under the program after June 30, 2030, although existing scholarships may be renewed after that date.

Funding for the scholarship program is as provided in the annual State budget. In addition, senators and delegates may authorize OSFA to award their senatorial and delegate scholarship funds to eligible recipients of the scholarships. There is a Veterans of the Afghanistan and Iraq Conflicts Scholarship Fund. MHEC may accept gifts or grants for the fund and must report annually on the status of the fund.

State Expenditures: Funding for the Douglas J.J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship is as provided in the State budget. This analysis assumes the program continues to be funded at its historic funding level, \$750,000 in general fund appropriations for the program, indefinitely beginning in fiscal 2031. Actual expenditures depend on annual legislative appropriations.

The fiscal 2027 budget as introduced includes a \$750,000 general fund appropriation to the Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship. In fiscal 2023, the program made 196 awards totaling \$1.0 million for an average award amount of approximately \$5,200, in fiscal 2024, the program made 108 awards totaling

\$613,959 for an average award amount of approximately \$5,685, and in fiscal 2025, the program made 87 awards totaling \$521,566 for an average award amount of nearly \$6,000.

Additionally, MHEC advises that, although extending the scholarship would maintain ongoing administrative responsibilities, such responsibilities would not create a fiscal or operational impact on the agency.

Additional Information

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

Designated Cross File: SB 7 (Senator Simonaire) - Education, Energy, and the Environment.

Information Source(s): Maryland Higher Education Commission; Department of Legislative Services

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Analysis by: Michael E. Sousane

Direct Inquiries to:
(410) 946-5510
(301) 970-5510