

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 845
Appropriations

(Wicomico County Delegation)

Education, Energy, and the Environment

Higher Education - Student Financial Assistance - Alterations to Scholarship Programs

This bill extends eligibility for the Maryland Community College Promise (MCCP) Scholarship to residents of Delmar, Maryland who graduate from Delmar High School in Delaware. The bill also expands eligibility for the Fallen Transportation Workers Scholarship Program to include specified *surviving* transportation workers. Accordingly, the bill adjusts the name of the scholarship, the name of the associated special fund, and the statutory program purpose. The bill also expands the relationships to fallen and surviving transportation workers that qualify an individual for eligibility, as discussed below. Lastly, eligible uses for the Fallen Transportation Workers Scholarship are expanded to include the *total cost of attendance* at any institution of postsecondary education. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures and special fund revenues and expenditures at MHEC increase beginning as early as fiscal 2027 for additional awards made under the expanded Fallen *and Surviving* Transportation Workers Scholarship Program. Expenditures may also increase to the extent the authorization for scholarships to be used for total costs of attendance increases award amounts under the program. MHEC and institutions of higher education can make any needed administrative adjustments associated with the transportation scholarship with existing resources. Expanding eligibility for MCCP does not require additional spending; however, without additional spending, more individuals may be added to the waiting list.

Local Effect: Local community colleges can alter MCCP eligibility criteria on applications as needed using existing resources. Local community colleges can likely identify additional students eligible for the expanded Fallen *and Surviving* Transportation Workers Scholarship Program with existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary:

Program Purpose

Under the bill, the purpose of the Fallen *and Surviving* Transportation Workers Scholarship Program is to provide tuition assistance to a student who was impacted by an accident involving a fallen transportation worker or a surviving transportation worker.

Definitions

Under the bill, “surviving transportation worker” means an individual whose occupation is in the construction, rehabilitation, or operation of a transportation facility or transportation facilities project (as defined under existing provisions of the Transportation Article) in the State and who survived, on or after January 1, 2022, an accident resulting in at least \$100 million in total damages to a transportation facility or transportation facilities project in the State and occurring while the individual was performing any job duty necessary for the construction, maintenance, rehabilitation, or operation of a transportation facility or transportation facilities project in the State. The bill also defines “unmarried partner” as an individual who, at the time of the fallen transportation worker’s death or surviving transportation worker’s accident, was in a committed relationship with the fallen or surviving transportation worker and shared a primary residence with the fallen transportation worker.

Eligibility

Under current law, an individual who is a child, stepchild, or surviving spouse of a fallen transportation worker may apply for a scholarship at an institution of postsecondary education (provided they meet other eligibility criteria). The bill expands eligibility to also include the following individuals (provided they meet the same other eligibility criteria specified in current law for dependents and spouses of fallen transportation workers):

- a surviving transportation worker;
- a child, stepchild, or spouse of a surviving transportation worker
- an unmarried partner of fallen and surviving transportation workers; and
- a child or stepchild of an unmarried partner of fallen and surviving transportation workers

- a sibling of fallen or surviving transportation workers if the fallen or surviving transportation worker does not have a surviving child, stepchild, spouse, or unmarried partner.

The bill maintains current law eligibility requirements for *all* recipients (including newly eligible individuals under the bill) as being (1) accepted for admission or enrolled in a regular undergraduate, graduate, or professional program at an institution of postsecondary education and (2) at least 16 years old.

Scholarship Uses

Under the bill, a Fallen and Surviving Transportation Workers Scholarship may be used for the *total cost of attendance* at any institution of postsecondary education.

Current Law:

Maryland Community College Promise Scholarship

Chapter 554 of 2018 created a scholarship program in Maryland to provide tuition assistance to students who attend a community college in the State and who meet specified eligibility criteria, including an income limitation. The MCCP Scholarship is a last-dollar award that is applied after State or federal non-loan aid to eligible recipients has been applied; an award cannot exceed \$5,000 annually or actual tuition, whichever is less. Chapter 464 of 2019 specified that, if a local community college offers a Promise Scholarship, an award from the statewide program must be applied before the award of the local scholarship.

To be eligible for the program, a student must:

- be eligible for in-state tuition, have graduated high school or completed a GED in the State, and enroll at a community college, in an eligible program;
- with certain exemptions, have earned at least a 2.3 high school GPA at the end of the first semester or the end of the senior year unless the applicant graduated from high school five or more years before the date of application, for an initial award, or have earned at least a 2.5 GPA while enrolled at a community college in the State; and
- have a gross adjusted income of \$100,000 or less if the applicant is single or resides in a single-parent household or of \$150,000 or less if married or resides in a two-parent household.

An applicant also has to attend the applicant's local community college, except under specified circumstances. In addition, an applicant must either enroll as a candidate for a vocational certificate, a certificate, or an associate degree or participate in a registered apprenticeship at a community college in the State. Further, an applicant must enroll in at least six credits per semester or a sequence of credit or noncredit courses that leads to licensure or certificate.

Under Chapters 377 and 378 of 2025, each recipient of a MCCP Scholarship may hold the award until the earlier of (1) three years after first enrolling as a candidate for a noncredit vocational certificate, in a sequence of credit or noncredit courses leading to licensure or certification, in credit or noncredit courses that are required for participation in a registered apprenticeship program, as a candidate for a certificate, or as a full-time candidate for an associate's degree at a community college in the State; (2) six years after first enrolling as a part-time candidate for an associate's degree at a community college in the State; or (3) the date that the individual is awarded an associate's degree.

The Governor must appropriate at least \$13.5 million annually for the program. Under Chapter 634 of 2023, each community college in the State, rather than the Maryland Higher Education Commission (MHEC) Office of Student Financial Assistance (OSFA), is responsible for the selection and distribution of awards. Nevertheless, annually, OSFA must allocate MCCP Scholarship funding to each community college in the State based on the proportion of Pell Grant-eligible students at each community college. If a community college does not award all funding allocated, the community college must distribute the remaining funding to other community colleges to make MCCP Scholarship awards in the award year.

Initial awards are made based on greatest demonstrated need. Eligible applicants who do not receive an award are placed on a waiting list. For non-initial awards, priority must be given to prior-year recipients who remain eligible for the program as well as all eligible students who are enrolled in either at least 12 credits per semester or a sequence of credit or noncredit courses that lead to licensure or certification. Then, if any funds remain to be allocated, students enrolled in at least 6 credits per semester may be awarded scholarships. A recipient can receive the award for a total of three years (or up to six years for a part-time student). To maintain the award, the recipient must complete 6 credits per semester or make satisfactory progress toward a vocational certificate and earn a cumulative GPA of at least 2.5. The recipient must meet the designated income requirements for the program, remain eligible for in-state tuition, apply annually, and continue to make satisfactory academic progress as determined by the community college.

MHEC must contact each school counselor at each public high school in the State with information on the MCCP Scholarship, including eligibility, availability, and deadlines for the scholarship. In addition, MHEC and each community college must post this

information in a readily accessible location on their respective websites. Finally, MHEC must annually report to the General Assembly on specified aspects of its implementation of the MCCP Scholarship, including its outreach activities.

Fallen Transportation Workers Scholarship Program

On March 26, 2024, the Francis Scott Key Bridge collapsed after being struck by a container vessel. In response to the incident, the Maryland General Assembly passed the PORT Act, Chapters 2 and 3 of 2024, to provide for a variety of relief measures relating to the collapse and resulting impacts to the operations of the Port of Baltimore. Chapters 2 and 3 also established the Fallen Transportation Workers Scholarship Program to provide tuition assistance to students who were dependents of or are surviving spouses of a fallen transportation worker.

“Fallen transportation worker” means an individual whose occupation is in the construction, rehabilitation, or operation of a transportation facility or transportation facilities project (as defined under existing provisions of the Transportation Article) in the State and who died on or after January 1, 2022, as a result of an accident occurring while the individual was performing any job duty necessary for the construction, maintenance, rehabilitation, or operation of a transportation facility or transportation facilities project in the State. To the extent practicable, the Maryland Department of Transportation (MDOT), a local department of transportation, or a contractor that employed fallen transportation workers must provide to MHEC the names and contact information for the families of the fallen transportation workers.

Eligibility

An individual who was a dependent of or is the surviving spouse of a fallen transportation worker may apply for a scholarship at an institution of postsecondary education. To apply, an individual must be (1) accepted for admission or enrolled in an undergraduate, graduate, or professional program at an institution of postsecondary education; (2) at least 16 years old; and (3) the child, stepchild, or surviving spouse of a fallen transportation worker. Each institution of postsecondary education must determine the eligibility of individuals who apply to the institution for the Fallen Transportation Workers Scholarship Program.

Scholarship Awards

Scholarship awards may be used to cover tuition and mandatory fees at *any* institution of postsecondary education, but they may not exceed the equivalent annual tuition and mandatory fees of an undergraduate student at a four-year institution within the University System of Maryland (USM) (other than the University of Maryland, Baltimore Campus

(UMB) and the University of Maryland Global Campus (UMGC)) with the highest annual expenses for a full-time undergraduate. Also, scholarship awards may not be less than the lesser of \$3,000 or the equivalent tuition and mandatory fees of the institution attended by the scholarship recipient. Each scholarship recipient may hold the award for five years of full-time study or eight years of part-time study

Subject to the availability of funds, funds for scholarship awards must be allocated by MHEC to each institution of postsecondary education based on the number of eligible recipients attending each institution, as reported semi-annually by each institution and verified by MHEC. If funds cannot be allocated in the fiscal year in which awards are made, priority must be given to allocating funds for those awards in the immediately following fiscal year.

Special Fund

The Fallen Transportation Workers Scholarship Fund is established as a special, nonlapsing fund administered by MHEC. The fund consists of (1) money appropriated in the State budget to the fund; (2) interest earnings of the fund; and (3) any other money from any other source accepted for the benefit of the fund. Funding for the program is as provided in the State budget.

State Expenditures:

Maryland Community College Promise Scholarship

MHEC advises that Maryland residents who graduate from Delmar High School are ineligible for a MCCP scholarship under current law. Although these students are eligible for in-State tuition, they did not graduate a high school *in the State* because Delmar High School is located in Delmar, *Delaware*. Students who live in Delmar, Maryland have historically been permitted to attend Delmar High School.

Expanding eligibility for the MCCP scholarship does not alter the overall level of State funding for the program, which is set in the State operating budget the Budget Reconciliation and Financing Act (BRFA) of 2025 (Chapter 604) reduced subject to the requirement that the Governor must appropriate at least \$13.5 million annually. Prior to fiscal 2026, the program was mandated to receive \$15 million annually, however the amount that the Governor must annually provide from \$15.0 million to \$13.5 million beginning in fiscal 2026. The fiscal 2026 budget included \$13.5 million for the program. The fiscal 2027 budget as passed by the General Assembly includes a \$2.0 million reduction to the fiscal 2026 amount to align the appropriation with actual spending levels for the scholarship.

The BRFA of 2026 includes language that would again reduce the mandated appropriation by \$1.0 million to \$12.5 million. The fiscal 2027 as passed by the General includes a \$12.5 million appropriation to the program.

In fiscal 2025, the MCCC awarded \$9.3 million in scholarships to 3,494 recipients for an average award amount of \$2,648.

Fallen Transportation Workers Scholarship Program

General fund expenditures increase beginning as early as fiscal 2027 to the extent funds are appropriated to the Fallen and Surviving Transportation Workers Scholarship Fund to fund scholarship awards to eligible students. Special fund revenues to and expenditures from the Fallen and Surviving Transportation Workers Scholarship Fund increase accordingly. The total number of additional awards likely to be awarded under an expanded program is unknown. The amount of such expenditures depends on the number and timing of scholarship awards. One transportation worker survived Francis Scott Key Bridge collapse, however the total number of additional unmarried partners, dependents of unmarried partners, and siblings of all fallen and surviving transportation workers remains unknown at this time.

As discussed above, the maximum amount of each scholarship award is based on the equivalent annual tuition and mandatory fees of an undergraduate student at a four-year institution within USM (other than UMB or UMGC) with the highest annual expenses for a full-time undergraduate at the time the award is made. While a precise estimate remains infeasible at this time, the Department of Legislative Services notes that the scholarship expansion likely applies to a limited number of individuals and, depending on the ages of eligible individuals, program expenditures may be delayed several years and spread over at least 20 years.

MHEC advises that the Fallen Transportation Works Scholarship has not made any awards to date. However, for the 2026-2027 academic year, eligible individuals may apply to their institution for the scholarship by July 15, 2026. Given the short timeframe between the bill's July 1 effective date and July 15 application deadline, any new scholarship awards under the bill are likely to begin with the 2027-2028 academic year in fiscal 2028, though additional awards in fiscal 2027 remain possible.

To the extent the authorization for awards to be used for the total cost of attendance at universities increases award sizes, general fund expenditures increase. Although, awards under the bill still may not exceed the equivalent annual tuition and mandatory fees of a full-time undergraduate Maryland resident at a four-year institution within USM – other than UMB and UMGC – with the highest annual expenses for a full-time resident undergraduate.

Local Fiscal Effect: The bill does not alter the funding amount or distribution processes for MCCP scholarships. Each community college (including State-funded Baltimore City Community College) continues to receive a portion of the MCCP allocation in the State budget based on a calculation of each college’s Pell Grant-eligible population.

Additional Comments: MHEC advises that the bill’s language authorizing scholarships to be used for the “total cost of attendance” may result in financial control concerns. Specifically, MHEC advises that, since expenses beyond the direct cost of attendance are generally processed as direct refunds to students, these transactions are difficult to audit to confirm whether a student appropriately utilized the funds for true educational expenses.

Additional Information

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

Designated Cross File: SB 728 (Senators Carozza and Mautz) - Education, Energy, and the Environment.

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

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Analysis by: Michael E. Sousane

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