

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 728 (Senators Carozza and Mautz)
Education, Energy, and the Environment

**Higher Education - Community College Promise Scholarship Eligibility - Delmar
High School Graduates**

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 takes effect July 1, 2026.**

Fiscal Summary

State Effect: Expanding eligibility does not require additional spending; however, without additional spending, more individuals may be added to the waiting list. Revenues are not affected.

Local Effect: Local community colleges can alter eligibility criteria on applications as needed using existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: 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.

State Expenditures: 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 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 Budget Reconciliation and Financing Act (BRFA) of 2025 (Chapter 604) reduced 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 introduced 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 budget as introduced includes a \$13.5 million appropriation to the program and a \$1.0 million reduction to the fiscal 2027 amount contingent on the passage of legislation reducing the mandate (the BRFA of 2026).

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

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 Information

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

Designated Cross File: HB 845 (Wicomico County Delegation) - Appropriations.

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

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caw/clb

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