

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 948

(Delegate Kaiser, *et al.*)

Ways and Means

Education, Health, and Environmental Affairs

Higher Education - Part-Time Grant Program - Eligibility

This bill reduces the number of semester hours required to qualify for the Part-Time Grant Program from six credits to three credits. An institution of higher education may use up to 10% of its Part-Time Grant allocation to provide grants to students who are enrolled in at least three but less than six semester hours of courses each semester.

Fiscal Summary

State Effect: Expanding eligibility for the Part-Time Grant Program and authorizing institutions to use a portion of their allocation for newly eligible students does not require additional spending. However, in order for awards to be made to all applicants currently on the waiting list and newly eligible applicants, general fund expenditures increase beginning in FY 2010. Revenues are not affected.

Local Effect: Community colleges enroll the majority of part-time students and receive the majority of part-time grant funding. To the extent State funding for the program increases as a result of this bill, community college revenues and expenditures increase.

Small Business Effect: None.

Analysis

Current Law: The Part-Time Grant Program provides grants to undergraduate students taking at least 6 but no more than 11 hours of courses each semester. Recipients must be Maryland residents and must demonstrate a definite financial need. Funds for the program are allocated by the Maryland Higher Education Commission (MHEC) to institutions of higher education based on the number of part-time students with

demonstrated financial need who are enrolled at the institution. Grants are distributed to students by the institutions based on guidelines established by MHEC.

Background: The Governor's proposed fiscal 2010 budget includes \$5.9 million for the Part-Time Grant Program, a decrease of \$89,707 from the fiscal 2009 legislative appropriation.

State Expenditures: Funding levels for the Part-Time Grant Program are determined by the State budget; therefore, any additional expenditures for the program resulting from an expansion of the program are only incurred if the annual State budget includes new funding to make additional awards.

MHEC estimates that the bill increases the number students eligible for part-time grants by at least 2,173 students annually using the following information. In fiscal 2008, 10,866 students were enrolled for less than six credit hours in eligible Maryland institutions of higher education. If it is assumed that 20% of these students are now qualified to participate in the Part-Time Grant Program, there are 2,173 additional eligible students. Given the average fiscal 2008 part-time grant award amount of \$688 and 2,173 additional eligible students, a total of \$14.3 million may be needed to award all students eligible under the bill; \$12.8 million to award grants to all 18,620 students eligible under current law and \$1.5 million to award grants to additional students eligible under the bill.

If eligibility for the Part-Time Grant Program is expanded without additional funding or if institutions use a portion of their allocations for newly eligible students, the selection of awardees may become more competitive.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City Community College, Maryland Higher Education Commission, Maryland Independent College and University Association, Morgan State University, University System of Maryland, Department of Legislative Services

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