

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 728 (Senator Muse)
Education, Health, and Environmental Affairs

**Higher Education - Tuition Waiver - Children of Law Enforcement Officers
Killed in the Line of Duty**

This bill waives tuition and mandatory fees for children of State or local law enforcement officers killed in the line of duty who attend a public institution of higher education beginning with the 2012 fall semester. The Maryland Higher Education Commission (MHEC) must adopt regulations to implement the bill.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: Higher education tuition revenues at public four-year institutions of higher education decrease by approximately \$8,100 per full-time equivalent student (FTES) qualifying for the tuition waiver beginning in FY 2013. Tuition revenues at Baltimore City Community College (BCCC) decrease by approximately \$3,000 per FTES qualifying for the tuition waiver beginning in FY 2013. Beginning in FY 2013, general fund expenditures for the Edward T. Conroy Memorial Scholarship Program may decrease if eligible individuals choose to use a tuition waiver rather than the scholarship.

Local Effect: Tuition revenues at community colleges decrease by approximately \$3,600 per FTES qualifying for the tuition waiver beginning in FY 2013. Expenditures are not affected.

Small Business Effect: None.

Analysis

Bill Summary: To be eligible, a child of a State or local law enforcement officer killed in the line of duty must:

- enroll at the institution on or before the date that the child turns 25 years old;
- enroll as a candidate for an associate's degree or a bachelor's degree; and
- file for federal and State financial aid annually by March 1.

If a recipient receives a scholarship or grant, the recipient may not be required to pay the difference between the amount of the scholarship or grant and the amount of the tuition and mandatory fees.

The tuition waiver is available until the earlier of five years after first enrolling as a candidate for an associate's degree or bachelor's degree at a public institution of higher education in the State or the date the child is awarded a bachelor's degree.

Current Law: The Edward T. Conroy Memorial Scholarship Program awards postsecondary education financial assistance to the following categories of students:

- the child of a member of the armed forces who died or suffered a service-connected 100% permanent disability;
- the child of a member of the armed forces who was declared to be a prisoner of war or missing in action as a result of the Vietnam conflict;
- an individual who was a prisoner of war as a result of the Vietnam conflict;
- the child or surviving spouse of a State or local public safety employee who was killed in the line of duty or who suffered an injury in the line of duty resulting in 100% disability;
- a public safety employee who is disabled;
- a veteran who suffers a service-related disability of 25% or greater and has exhausted all federal veterans' educational benefits; and
- the child or surviving spouse of a victim of the September 11, 2001 terrorist attacks.

Applicants must be a resident of Maryland, or have been a resident of the State at the time of the event that made the applicant primarily eligible for the scholarship.

Awards may not exceed tuition and mandatory fees of a full-time undergraduate Maryland resident at a four-year institution within the University System of Maryland, other than the University of Maryland University College and the University of Maryland, Baltimore, with the highest annual expenses for a full-time resident undergraduate. Awards also may not be less than \$3,000 or the equivalent annual tuition and mandatory fees of the institution attended by the recipient of the scholarship, whichever is the least. Scholarships may be used at private or public four-year institutions or community colleges, and they may be used for undergraduate or graduate study.

Each recipient of a scholarship may hold the award for five years of full-time study or eight years of part-time study. Not more than 15 scholarships each year may go to veterans who have a service-connected disability of 25% or more and have exhausted or are no longer eligible for federal veterans' educational benefits.

Chapters 607 and 608 of 2009 decentralized the Edward T. Conroy Memorial Scholarship from the Office of Student Financial Assistance in MHEC to the postsecondary institutions beginning in fiscal 2011. Therefore, MHEC has only renewed scholarships and not granted new scholarships since June 30, 2010. Postsecondary institutions verify eligibility and award scholarships to eligible students.

Chapter 397 of 2011 created the Need-Based Student Financial Assistance Fund (NBSFAF) to retain unspent student financial assistance awards to be awarded in future years for need-based aid, as specified in statute, including the Conroy Scholarship Program.

Background:

Edward T. Conroy Memorial Scholarship Program

The Governor's proposed fiscal 2013 budget includes \$570,474 for the Edward T. Conroy Memorial Scholarship Program, the same amount as fiscal 2012. In fiscal 2011, \$540,474 was appropriated for the scholarship, and an additional \$400,000 in general funds was transferred to the scholarship program from other scholarships. In fiscal 2012, 146 awards were made, 9 of which were to the children of State or local law enforcement officers killed in the line of duty, with an average award amount of \$5,115.

Chapters 607 and 608 decentralized the scholarship program to the postsecondary institutions so there is no longer a waiting list for the program, and MHEC reimburses postsecondary institutions. Currently, the expenditures exceed the appropriation for the program; however, MHEC is able to transfer funds via a budget amendment from NBSFAF into the Edward T. Conroy Memorial Scholarship Program in order to cover expenditures. MHEC advises that, under the current eligibility requirements, no additional general funds will be required to reimburse institutions for Conroy scholarships as the current appropriation and NBSFAF funds are sufficient.

State Revenues: Higher education tuition revenues decrease beginning in fiscal 2013 due to establishing a tuition waiver program for the children of law enforcement officers killed in the line of duty. The exact impact cannot be reliably quantified because it is unknown how many individuals will be eligible for and choose to use the waiver.

Using the proposed fall 2012 rates, the average annual tuition and fees for full-time resident undergraduates at public four-year institutions for fiscal 2013 is approximately \$8,100. The actual amount of the revenue decrease per FTES may be less depending on the number of credits attempted per recipient and the distribution of institutions waiver recipients choose to attend. According to the 2010 Uniform Crime Report, four law enforcement officers were killed in the line of duty in 2010, and according to MHEC during the 2010-2011 academic year there were nine children of State or local law enforcement killed in the line of duty receiving the Conroy scholarship, which has similar eligibility standards.

Tuition revenues also decrease at BCCC, the only State-operated community college, by up to \$3,000 per FTES receiving a waiver in fiscal 2013.

Future year revenue losses are dependent on the number of additional recipients who are eligible for a waiver and choose to use it, the number of credits attempted per student, and the distribution of institutions that waiver recipients choose to attend.

State Expenditures: Beginning in fiscal 2013, general fund expenditures for the Edward T. Conroy Memorial Scholarship Program may decrease if eligible individuals choose to use a tuition waiver rather than the scholarship. MHEC reports that for the 2010-2011 academic year (fiscal 2012), nine children of State or local law enforcement officers killed in the line of duty were receiving a Conroy scholarship. The average award amount for the Conroy scholarship for fiscal 2012 was \$5,115. Therefore, in fiscal 2012 a total of the approximately \$46,035 in Conroy scholarship funds were for individuals who would be eligible for the tuition waiver established by the bill. Any actual decrease in general fund expenditures depends on the number of eligible individuals as well as whether those who are eligible choose the tuition waiver rather than a Conroy scholarship.

Local Revenues: Tuition revenues at locally operated community colleges decrease beginning in fiscal 2013 if eligible individuals choose to use a tuition waiver rather than the scholarship. The average annual tuition and fees for full-time in-county students at the community colleges for fiscal 2012 was \$3,575. The actual amount of the revenue decrease per FTES may be less depending on the number of credits attempted per student and the distribution of institutions waiver recipients choose to attend.

Future year revenue losses are dependent on the number of additional recipients who are eligible for a waiver and choose to use it, the number of credits attempted per student, and the distribution of institutions that waiver recipients choose to attend.

Additional Information

Prior Introductions: None.

Cross File: HB 1016 (Delegate Alston, *et al.*) - Appropriations.

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

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