

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 185 (Senator McFadden)

Education, Health, and Environmental Affairs

Ways and Means

**Higher Education - Workforce Shortage Student Assistance Grants for Child
Care Providers - Hattie N. Harrison Memorial Scholarship**

This bill names the existing Workforce Shortage Student Assistance Grant for child care providers to be the Hattie N. Harrison Memorial Scholarship.

Fiscal Summary

State Effect: None. Child care providers are already eligible for Workforce Shortage Student Assistance Grants. The Maryland Higher Education Commission (MHEC) can handle the name change using existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Workforce Shortage Student Assistance Grants provide financial aid to students who agree to work in Maryland in designated critical shortage fields upon completion of their studies. The program requires grant recipients to work for one year in Maryland in workforce shortage fields for each year that they receive the grants. The following workforce shortage fields must be included in the grant program, unless MHEC decides that the field no longer qualifies as a workforce shortage field: (1) school teachers (the grant to be known as the Sharon Christa McAuliffe Memorial Teacher Scholarship); (2) social workers (the grant to be known as the Ruth M. Kirk Public Social Work Scholarship); (3) nurses; (4) child care providers; (5) developmental disabilities, mental health, child welfare, and juvenile justice providers (the grant to be known as the Ida G. and L. Leonard Ruben Scholarship); (6) physical and occupational therapists and assistants;

and (7) public servants (the grant to be known as the William Donald Schaefer Scholarship and the grant to be known as the Parren J. Mitchell Public Service Scholarship). Within the Parren J. Mitchell Public Service Scholarship, MHEC must annually select eligible students and offer grants to students who plan to pursue a career in public service and assist in providing (1) social work services to low-income residents in the State; (2) nursing services in nursing shortage areas in the State; or (3) other services in the public or nonprofit sectors in which there is a shortage of qualified practitioners to low-income or underserved residents or areas of the State.

Annual grant awards fall within a range, starting at a low of at least \$1,000, up to 12.5% of the cost of attendance for a part-time student attending an eligible two-year institution and increasing to a high of \$4,000, or 50% of the cost of attendance for a full-time student attending an eligible four-year institution. Each year MHEC determines the number of grants to be awarded in eligible workforce shortage fields based on the priority of the shortage field, the severity of the shortage, and the availability of funds.

Background: Hattie N. Harrison served in the Maryland General Assembly from 1973 until her death in 2013. Delegate Harrison was the chairperson of the Maryland House of Delegates Rules and Executive Nominations Committee, and she was the first African-American woman to chair a legislative committee in Maryland. At the time of her death, she was the longest serving delegate to the Maryland House of Delegates. Prior to serving in the Maryland House of Delegates, Delegate Harrison served on the Democratic Central Committee and was involved with the formation of the Eastside Democratic Organization.

Child care providers care for children when parents and other family members are unavailable due to work or other reasons. They supervise and monitor the safety of children and organize activities or implement a curriculum that help children learn about the world. Some child care providers help preschool-age children prepare for kindergarten, and some are licensed teachers. The training and education needed to become a child care provider in Maryland depends on the specific job and setting.

According to the U.S. Bureau of Labor Statistics, nationwide the median hourly wage for child care workers was \$9.38 in May 2012. The lowest 10% earned less than \$7.85, and the top 10% earned more than \$14.19. Pay varies with the worker's education and work setting. Typically, those in formal child care settings and those with more education earn higher wages.

MHEC advises that, in fiscal 2015, it issued seven initial and nine renewal child care grants under the Workforce Shortage Student Assistance Grants.

The Governor's proposed fiscal 2016 budget includes \$1.3 million for the Workforce Shortage Student Assistance Grants. There are currently 134 individuals on the waiting list for the Workforce Shortage Student Assistance Grants. Using fall 2014 tuition rates, the most a grant for the 2014-2015 academic year (fiscal 2015) could be was approximately \$5,200.

State Fiscal Effect: MHEC reports that changing the bill requires a name change to be performed to the Maryland College Aid Processing System (MDCAPS) by its software developers. According to MHEC, name changes to MDCAPS are considered a system enhancement, and such a change is estimated to cost \$1,600. The Department of Legislative Services advises that the name change can be absorbed within existing resources.

Additional Information

Prior Introductions: None.

Cross File: HB 1 (Delegate Glenn) - Ways and Means.

Information Source(s): Maryland Higher Education Commission, Maryland State Department of Education, University System of Maryland, *Washington Post*, U.S. Bureau of Labor Statistics, Department of Legislative Services

Fiscal Note History: First Reader - February 4, 2015
md/rhh Revised - Senate Third Reader - March 25, 2015

Analysis by: Caroline L. Boice

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