

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1786
 Ways and Means

(Delegate Jackson, *et al.*)

Education, Health, and Environmental Affairs

Higher Education - Richard W. Collins III Leadership With Honor Scholarship - Establishment

This bill establishes the Richard W. Collins III Leadership with Honor Scholarship Program. To be eligible, an individual must be (1) eligible for in-state tuition; (2) a member of a Reserve Officer Training Corps (ROTC) program; (3) a minority student or a student who is a member of another group historically underrepresented in ROTC programs; and (4) a student at a historically black college or university (HBCU) in the State. The Office of Student Financial Assistance (OSFA) within the Maryland Higher Education Commission (MHEC) must make the awards, following specified criteria, and must adopt procedures or regulations necessary to implement the bill. The Governor may include in the State budget an annual appropriation for scholarships under the program. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: General fund expenditures increase by an *estimated* \$1.0 million annually beginning in FY 2019 to administer and award scholarships under the program. Revenues are not affected.

(\$ in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1.0	1.0	1.0	1.0	1.0
Net Effect	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: OSFA must:

- award 25% of its total annual grant money to students at Bowie State University (BSU);
- award 75% of its total annual grant money to students at HBCUs other than BSU;
- determine the amount of each award;
- select the recipient of each award; and
- prioritize students with financial need in selecting recipients of each award.

Current Law/Background:

Richard W. Collins III

Richard W. Collins III was a ROTC student at BSU. He was days from graduating from BSU with a business degree to join the U.S. Army when he was stabbed to death at a bus stop at the University of Maryland, College Park Campus in May 2017. According to his obituary, the 24-year-old was commissioned as a second lieutenant in the U.S. Army a few days before his death. In addition to his interest in the U.S. Army, Collins was instrumental in starting the first lacrosse team at BSU.

Reserve Officers' Training Corps

ROTC is a group of college-based officer training programs for training commissioned officers of the U.S. Armed Forces. There are three separate ROTC programs run by the U.S. Armed Forces: Army ROTC; Navy ROTC, which also trains Marines Corps officers; and Air Force ROTC. The Coast Guard does not have an ROTC program, instead it has a split training program. There are [Army ROTC programs](#) at the following HBCUs in the State: BSU and Morgan State University (MSU). In addition, students at Coppin State University can take ROTC courses at MSU. There are no [Navy ROTC programs](#) at HBCUs in Maryland. BSU has the only [Air Force ROTC program](#) at an HBCU in the State.

There are military and college scholarships available to ROTC members. The amount of the scholarship depends on a number of factors including the ROTC branch, the institution, and the number of years an individual has been in the program. For example, the Army ROTC program offers two-, three-, and four-year scholarships, which pay full tuition and fees, including a separate allowance for books and a monthly stipend of up to \$5,000 a year. Some institutions offer free room and board to ROTC scholarship recipients who maintain a certain grade point average. However, ROTC scholarships are competitive and not all individuals who participate in ROTC receive a scholarship.

ROTC programs also have service obligations. For example, for the Army ROTC program, individuals who enroll in the ROTC Advanced Course (the second two years of college) must serve in the U.S. Army for three years. Scholarship recipients must serve for four years.

State Expenditures: Beginning in fiscal 2019, general fund expenditures increase by an *estimated* \$1.0 million for the scholarship and related administrative costs. This funding is not mandated but, for the purposes of this analysis, it is assumed that a viable scholarship of this type requires an annual appropriation of approximately \$1.0 million. The actual expenditures depend on the amount of funding the Governor includes in the budget, which may be more or less than \$1.0 million annually.

Further, the estimate reflects the cost of hiring one half-time administrative specialist to administer the scholarship program, which includes prioritizing students with financial need and ensuring they meet other specified conditions, and one-time programing costs to add the new scholarship to the Maryland College Aid Processing System (MDCAPS) scholarship system. For purposes of this analysis, administrative costs are encompassed within the assumed \$1.0 million appropriation. However, MHEC administrative costs increase by approximately the amount shown below, regardless of the total amount of funding provided.

Position	0.5
Salary and Fringe Benefits	\$36,911
MDCAPS Programming	60,000
Other One-time and Ongoing Operating Costs	5,203
Scholarship Grant Awards	<u>897,886</u>
Total MHEC Expenditures in FY 2019	\$1,000,000

Future year expenditures reflect a half-time salary with an annual increase and employee turnover and ongoing operating expenses. Due to elimination of the one-time operating costs and MDCAPS programming costs, the amount of residual funding available for scholarship awards increases – to more than \$962,100 in fiscal 2020 – assuming \$1.0 million is provided for *all* program costs each year. Accordingly, annually thereafter, the residual funding available for scholarship awards is slightly reduced.

Additional Information

Prior Introductions: None.

Cross File: SB 1202 (Senator Peters, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland Higher Education Commission; Department of Budget and Management; U.S. Army; U.S. Navy; U.S. Air Force; Department of Legislative Services

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