Department of Legislative Services

Maryland General Assembly 2024 Session

FISCAL AND POLICY NOTE First Reader

House Bill 529 Appropriations (Delegate Crosby)

Edward T. and Mary A. Conroy Memorial Scholarship Program - Veterans - Number of Eligible Recipients

This bill repeals the existing 15-person limit, and prohibits any restriction, on the number of Edward T. and Mary A. Conroy Memorial Scholarships that may be awarded to veterans who suffer a service-connected disability of 25% or greater and have exhausted or are no longer eligible for federal veterans' educational benefits. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: Although the number of additional awards made under the bill cannot be reliably estimated, expanding eligibility may increase general fund expenditures and Edward T. Conroy and Jean B. Cryor Scholarship Fund special fund revenues and expenditures by an estimated \$9,200 per award annually, as discussed below.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Edward T. and Mary A. Conroy Memorial Scholarship Program makes awards to specified public safety personnel and their eligible dependents to attend an eligible postsecondary institution in the State for five years of full-time study or eight years of part-time study. The Jean B. Cryor Memorial Scholarship Program makes the same type of financial assistance available to the child or surviving spouse of a public or nonpublic school employee who, as a result of an act of violence, died in the line of duty or is 100%

disabled due to an injury sustained in the line of duty. There is an Edward T. Conroy and Jean B. Cryor Scholarship Fund. Chapter 23 of 2022 mandates at least \$4.0 million in funding for the Edward T. Conroy and Jean B. Cryor Scholarship Fund beginning in fiscal 2024.

Scholarships may be used at private or public four-year institutions, community colleges, or private career schools and they may be used for undergraduate or graduate study. Under current law, to apply for a Conroy or a Cryor scholarship, the following individuals are required to be a resident of Maryland at the time of application or the disabling or fatal event:

- the child or surviving spouse of a member of the U.S. Armed Forces who, after December 7, 1941, died or suffered a service-connected 100% permanent disability;
- the child or surviving spouse of a member of the U.S. 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;
- a veteran who suffers a service-connected disability of 25% or greater and has exhausted all federal veterans' educational benefits;
- the child or surviving spouse of a victim of the September 11, 2001 terrorist attacks; and
- the child or surviving spouse of a school employee who, as a result of violence, died in the line of duty or suffered a 100% permanent disability in the line of duty.

Individuals who are not required to be a resident of Maryland at the time of application or the disabling or fatal events under current law include (1) the child or surviving spouse of any State or local public safety officer killed in the line of duty; (2) a disabled public safety employee; or (3) the child or surviving spouse of a disabled public safety employee who sustains an injury in the line of duty that renders the public safety employee 100% disabled.

To be eligible, an applicant also must be accepted for admission or enrolled in the regular undergraduate, graduate, or professional program at an eligible institution or be enrolled in a two-year terminal certificate program in which the course work is acceptable for transfer credit for an accredited baccalaureate program.

Postsecondary institutions include public, private nonprofit, and for-profit institutions of higher education, as well as private career schools. Prior to Chapter 23, which specified the eligibility of private career schools in statute, private career schools were not necessarily considered eligible institutions due to other parameters of the scholarship programs. Postsecondary institutions verify eligibility and award the scholarships to eligible students. In October and February of each year, each postsecondary institution

reports to the Maryland Higher Education Commission (MHEC) the number of students eligible for a Conroy or a Cryor scholarship. After verifying the number of eligible students for both programs, MHEC allocates the funds for awards to the postsecondary institutions. If funds cannot be allocated in the fiscal year in which awards are made, priority must be given to allocating funds for those awards in the following fiscal year.

Awards are subject to both a ceiling and a floor. They may not exceed the equivalent annual tuition and mandatory fees of a full-time undergraduate Maryland resident at a four-year institution within the University System of Maryland (USM) – other than the University of Maryland, Baltimore Campus (UMB) and the University of Maryland Global Campus (UMGC) – with the highest annual expenses for a full-time resident undergraduate. They may not be less than either \$3,000 or the equivalent annual tuition and mandatory fees of a resident of the institution attended by the recipient of the scholarship, whichever is the least.

Each recipient may hold the award for five years of full-time study or eight years of part-time study. No more than 15 eligible recipients of a scholarship may be veterans who suffer a service-connected disability of 25% or greater and have exhausted or are no longer eligible for federal veterans' educational benefits.

State Fiscal Effect: In fiscal 2023, 626 scholarships were awarded under the Edward T. and Mary A. Conroy Memorial Scholarship representing over \$5.7 million in funding. Therefore, expanding eligibility may increase expenditures by an estimated \$9,200 per award annually, based on current scholarship awards. However, each scholarship award may be up to the tuition and mandatory fees of a full-time undergraduate Maryland resident at the four-year public institution with the highest annual expenses for a full-time resident undergraduate within USM, other than UMB and UMGC. As noted above, Chapter 23 mandates at least \$4.0 million for the Edward T. Conroy and Jean B. Cryor Scholarship Fund beginning in fiscal 2024; even so, funding still must be allocated based on the number of eligible individuals and can exceed the mandated \$4.0 million.

The fiscal 2025 budget as introduced includes \$7.0 million for the Edward T. Conroy and Jean B. Cryor Scholarship Fund. Repealing the 15-person limit for specified veterans is expected to increase the number of annual award recipients beginning in fiscal 2025. Because current funding for the program is greater than the awards made in fiscal 2023, expanding eligibility does not necessarily require additional funding in the short term.

Although unknown, the number of additional individuals who may receive a scholarship under the bill may be significant. According to the <u>U.S. Department of Veterans Affairs</u>, approximately 97,855 veterans were receiving disability compensation in Maryland as of fiscal 2021. According to the U.S. Census Bureau's American Communities Survey, as of 2022, there are 86,731 veterans with a service-connected disability for civilian veterans

age 18 or older, with an estimated 60,532 of those veterans having a disability rating of 30% or greater. The number of individuals from this eligible pool of individuals who would apply for a Conroy scholarship is unknown.

Additional Information

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

Designated Cross File: None.

Information Source(s): U.S. Census Bureau; U.S. Department of Veterans Affairs; Maryland Higher Education Commission; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Maryland Independent College and University Association; Department of Legislative Services

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