

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 75 (Delegate R. Baker)  
Ways and Means

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**Higher Education - Athletic Scholarship Recipients**

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This bill requires public higher education institutions to allow undergraduate athletic scholarship recipients who leave school before obtaining a degree to re-enroll within three years and receive financial assistance to complete the degree requirement. In order to be eligible, the student must have received an athletic scholarship for three academic years at that institution prior to terminating enrollment. The re-enrolled student is entitled to receive the lesser of: (1) the cost of a resident undergraduate student for two academic years; or (2) the amount needed to pay for the academic credits needed for the student to be graduated.

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**Fiscal Summary**

**State Effect:** General fund expenditures could increase by up to \$55,400 in FY 1997. Future year expenditures change with inflation and number of students affected. Revenues are not affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GF Expenditures	55,400	77,500	40,700	42,700	44,900
Net Effect	(\$55,400)	(\$77,500)	(\$40,700)	(\$42,700)	(\$44,900)

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

**Local Effect:** None.

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## **Fiscal Analysis**

**State Expenditures:** Morgan State University advises that general fund expenditures could increase by an estimated \$194,198 in fiscal 1997, which reflects the bill's October 1, 1996 effective date. This estimate reflects the cost of hiring two faculty positions to maintain a full-time equivalent (FTE) faculty to FTE student ratio of 15:1. It includes salaries of \$100,000, fringe benefits, and financial assistance of \$75,024 for 24 re-enrolled students.

The Department of Fiscal Services advises, however, general fund expenditures could increase by up to \$55,350 in fiscal 1997. A 15:1 ratio can be maintained without adding any new faculty positions, since the fiscal 1997 student FTE will be 5,694 with the additional 24 students and the number of FTE faculty is 378. Moreover, the 15:1 ratio at Morgan State University is lower than that for other four-year comprehensive institutions, which typically have ratios of 17:1 or 18:1. In addition, a maximum of 18 students will be eligible for financial assistance in fiscal 1997 under the bill's requirements. The information and assumptions Fiscal Services used in calculating the financial assistance estimate are stated below:

- an average of six students with athletic scholarships drop out each year;
- if each student who is eligible re-enrolls, the number of students eligible for financial assistance in fiscal 1997 will be six from each of the preceding three years, for a total of 18;
- the fiscal 1997 financial assistance per student is \$3,075 for in-State tuition and fees;
- each student receives financial assistance for two years;
- future year tuition rates reflect 5% annual increases; and
- the future year number of eligible students is 24 in fiscal 1998 and 12 in each of the subsequent years.

The University of Maryland System Administration notes that the bill's requirements can be handled with existing budgeted resources, but that institutions offering athletic scholarships will have to use approximately \$22,000 in funds set aside for other operating areas for the proposed scholarships.

St. Mary's College does not offer athletic scholarships.

**Information Source(s):** Department of Fiscal Services, Maryland Higher Education Commission, St. Mary's College, University of Maryland System Administration, Morgan State University

**Fiscal Note History:** First Reader - January 22, 1996

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Analysis by: Sue Friedlander

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710