

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

Senate Bill 790 (Senator Bromwell)

Economic and Environmental Affairs

Accelerated Nursing Scholarship Program

This bill requires the Board of Nursing to establish and administer an accelerated nursing scholarship program.

Fiscal Summary

State Effect: General and/or special fund expenditures may increase by \$125,000 in FY 2001. Future year expenditures reflect inflation.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Revenues	\$0	\$0	\$0	\$0	\$0
GF/SF/Exp.	\$125,000	\$125,000	\$137,500	\$137,500	\$151,300
Net Effect	(\$125,000)	(\$125,000)	(\$137,500)	(\$137,500)	(\$151,300)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: In order for a registered nursing education program to qualify to offer the scholarship program, the education program must: (1) be accelerated to last no more than 18 months; and (2) have a minimum of 25 students interested in receiving the scholarship. The board may award scholarships of up to \$5,000 to nursing students. In addition, the awards must be adjusted every two years to reflect changes in the cost of living and tuition. A student who participates in the accelerated program must commit to work in Maryland

immediately after licensure for at least three years and in areas of nursing that are identified by the Department of Health and Mental Hygiene (DHMH) to be experiencing nursing shortages. A nursing student who fails to meet the program's requirements must repay the scholarship with interest.

Funding for the accelerated nursing scholarship program must be included in DHMH's annual budget and may be provided through the Cigarette Restitution Fund.

Current Law: There is no statutory provision for an accelerated nursing scholarship program.

Background: Currently, there are no educational institutions that offer an accelerated nursing program that takes 18 months or less to complete and awards an R.N. degree.

The Cigarette Restitution Act of 1999 outlined nine legislative spending priorities for the Cigarette Restitution Fund addressing health- and tobacco-related issues. While the statute mandates that at least 50% of the spending should be focused on the nine priority areas, the Governor has considerable latitude in constructing a budget proposal for the use of the funds. The Governor's proposed fiscal 2001 budget (including Supplemental Budget #1) meets the statutory requirements, with \$90.5 million, or 59% of the settlement funds, allocated to health- and tobacco-related programs. The total fiscal 2001 allowance for the Cigarette Restitution Fund is \$153.5 million. The accelerated nursing scholarship program could be either funded with general funds or through the Cigarette Restitution Fund. The bill does not specifically require the Governor to fund the program out of the Cigarette Restitution Fund.

State Fiscal Effect: Assuming that an 18-month accelerated nursing program could be created, general and/or special fund expenditures for DHMH may increase by \$125,000 in fiscal 2001. This estimate assumes that one college will establish an 18-month nursing program that qualifies to receive scholarships from the accelerated nursing scholarship program. It assumes that 25 students will enroll in this educational program each year and each be awarded the maximum \$5,000 per year scholarship.

Future year expenditures assume the number of new applicants remains constant and assumes 5% cost of living and tuition inflation. A portion of the expenditures could be recaptured in later years to the extent that students fail to fulfill the service requirements.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene (Board of Nursing),
Department of Legislative Services

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