

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 63 (Delegate Leonold. *et al.*)

Ways and Means

Maryland Science and Technology Scholarships

This bill provides that, between September 1 and October 31 of each year, if funds remain for the Maryland Science and Technology Scholarship Program after completing awards to eligible secondary school students, the State Scholarship Administration must allocate the funds to students currently enrolled in undergraduate programs at institutions of higher education in the State who have the greatest potential for academic success. The funds must be allocated 50% to students who are in the fourth year of a four-year program and 50% to students who are in the second year of a two-year program. A recipient must have a grade point average of at least 3.0 on a 4.0 scale, be enrolled as a full-time student, be a Maryland resident, and have been a Maryland resident at the time of graduating from secondary school in addition to satisfying other conditions attached to the award.

The State Scholarship Administration must establish procedures for: (1) publicizing the availability of remaining funds; (2) distributing applications to and accepting applications from current undergraduate students; and (3) ranking and making awards to eligible undergraduate students.

The bill takes effect June 1, 2000.

Fiscal Summary

State Effect: General fund expenditures would increase by \$11,000 in FY 2001 for one contractual worker for the Maryland Higher Education Commission (MHEC), postage, and copying. Out-year expenditures would reflect inflation.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: Under the Maryland Science and Technology Scholarship Program, awards are made to secondary school students who meet the following qualifications:

- graduated from a Maryland secondary school;
- earned a grade point average of at least 3.0 on a 4.0 scale in high school;
- is a Maryland resident;
- plans to enroll as a full-time student at a Maryland college or community college;
- intends to pursue an eligible academic program in the fields established as critical shortage areas by MHEC; and
- agrees either to work in the State upon graduation for one year for each year that the scholarship was awarded or to repay the funds received plus interest.

The scholarship award is \$3,000 for a student enrolled at a four-year institution of higher education and \$1,000 for a student enrolled at a two-year institution. A student may receive renewal awards in subsequent years if the student continues to meet eligibility requirements.

Currently, any funds remaining in the program after awards are made for a fiscal year revert to the general fund.

Background: The Maryland Science and Technology Scholarship Program was created in 1998 to assist the State in meeting the need for highly skilled workers in shortage areas.

Fiscal 2000 is the first year of operation for the program; 752 awards were made for a total award amount of \$2,128,000. The program is currently limited to students majoring in computer science, information technology, or engineering.

State Fiscal Effect: It is expected that, for fiscal 2001 and beyond, a limited amount of funds will remain in the Maryland Science and Technology Scholarship Program after awards are made to eligible secondary students and renewing scholarship recipients. In fiscal 2001, the program will be expanded to include students majoring in physics, chemistry, mathematics, biological sciences, and physical sciences. The total number of awards to eligible students is estimated to be 1,555 at a cost of \$4.5 million for fiscal 2001. The Governor's proposed fiscal 2001 budget contains an allowance of \$4,509,502 for the program.

MHEC advises that it would need to hire one part-time contractual worker to meet the bill's requirements each year. This individual would be responsible for inputting data and coordinating mass mailings. The cost of hiring this contractual worker would be \$5,000 in fiscal 2001. MHEC would also incur \$6,000 in postage and reproduction costs in fiscal 2001. These expenditures would increase to \$11,180 in fiscal 2002; out-year expenditures would reflect inflation.

General fund revenues would decrease to the extent that funds are reallocated to currently enrolled students pursuant to the bill. Scholarship expenditures would increase commensurately so that all budgeted funds are spent.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Higher Education Commission, Department of Legislative Services

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