

Department of Legislative Services  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

Senate Bill 525 (Senator Green. *et al.*)

Economic and Environmental Affairs

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**Higher Education - Teacher Shortage Tuition and Fee Waivers**

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This bill provides that any student at a State public institution of higher education who agrees to teach in a Maryland public elementary or secondary school upon graduation shall be exempt from payment of tuition and fees. A student who receives a waiver must teach in the geographical and subject areas that the Maryland Department of Education has identified as experiencing teacher shortages for at least the number of years that the student received the waiver. A waiver recipient who does not fulfill the service requirements must repay the tuition and fees plus interest.

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**Fiscal Summary**

**State Effect:** State public institutions of higher education could lose a total of approximately \$24.8 million in tuition and fee revenues in FY 2001. Out-year costs would increase with rising enrollment and tuition and fee increases. Institutions would incur additional expenditures to administer the waivers.

**Local Effect:** No direct fiscal effect, but the bill could increase the pool of qualified teachers for hiring by local school boards.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Maryland currently has no tuition waiver similar to that proposed by the bill. State public institutions provide various tuition waivers for senior citizens, university employees and their spouses and children, national guard members, displaced homemakers, and the disabled.

Fiscal 2000 is the first year of operation for the Maryland Teacher Scholarship Program, which was designed to assist the State in increasing the number of teachers in primary and secondary education. To qualify for a scholarship under this program, a student must:

- be a Maryland resident;
- be accepted for admission as a full-time undergraduate student or be currently enrolled at a State institution of higher education as a full-time undergraduate student pursuing a course of study leading to a Maryland professional teacher's certificate;
- have earned a grade point average of at least 3.0 on a 4.0 scale; and
- agree to work as a public school teacher in the State after graduation for one year for each year that the scholarship was awarded or repay the funds received plus interest.

The scholarship amount is currently \$1,000 per year for community college students and \$3,000 per year for students attending four-year institutions. The Governor's proposed fiscal 2001 budget includes \$9,767,076 in general funds for the Maryland Teacher Scholarship Program, \$3,842,667 of which is contingent on the enactment of SB 205 and HB 281 (which propose to increase the award amounts to \$2,000 and \$5,000).

**State Fiscal Effect:** Based upon information supplied by the Maryland Higher Education Commission, the University System of Maryland, and St. Mary's College of Maryland, it is estimated that the bill could result in a total of approximately \$24.8 million in foregone tuition and fee revenues for waivers granted to 5,876 undergraduate and graduate students by State public institutions of higher education in fiscal 2001. A portion of these foregone revenues could be recovered in later years due to students failing to fulfill the bill's service requirement. Institutions would incur additional expenses to administer the bill.

Scholarship funds could be saved to the extent that students choose to receive tuition waivers in lieu of receiving financial aid.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 6, 2000

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