

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE
 Revised

Senate Bill 686 (Senator Pinsky)

Economic and Environmental Affairs

Teacher Shortage - Second Career Teacher Education Assistance Grants

This bill expands the Economic Development Assistance Grant Program to provide awards to individuals who change careers and enroll in a program of study leading to certification to teach in areas of critical or geographic shortage.

Fiscal Summary

State Effect: General fund expenditures for scholarship awards would total up to \$1 million for FY 2002, up to \$2 million for FY 2003, and up to \$3 million for FY 2004. In addition, the Maryland Higher Education Commission (MHEC) would incur a maximum of \$20,000 annually for contractual assistance and marketing for the program.

| (in millions) | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|-----------------|---------|----------|----------|----------|---------|
| GF Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF Expenditures | \$0 | \$1.02 | \$2.02 | \$3.02 | \$0 |
| Net Effect | \$0 | (\$1.02) | (\$2.02) | (\$3.02) | \$0 |

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

Local Effect: No direct fiscal impact, although the bill could result in a larger pool of qualified teachers for employment by local school boards.

Small Business Effect: None.

Analysis

Bill Summary: A recipient of a Second Career Teacher Education Assistance Grant must:

- have an undergraduate or graduate degree;
- be enrolled in or sign a letter of intent to enroll in courses leading to certification to teach in an area of critical or geographic shortage;
- agree to enroll full-time in an eligible institution;
- complete the required studies in one year; and
- perform the service obligation upon completion of required studies.

The grant amount is \$10,000. The State Scholarship Administration must award up to 100 grants in fiscal 2002, up to 200 grants in fiscal 2003, and up to 300 grants in fiscal 2004.

Recipients who do not complete the required studies within one year or fail to perform the service obligation must repay the funds awarded.

The bill takes effect October 1, 2000 and sunsets September 30, 2004.

Current Law: The Economic Development Student Assistance Grant Program (EDSAG) provides financial assistance to students who pledge to work in fields of geographic or critical shortage in the State upon completion of their studies. EDSAG is composed of the University of Maryland School of Medicine Program, the Sharon Christa McAuliffe Memorial Teacher Education Program, the Maryland State Nursing Program, the Physical and Occupational Therapy Program, and the Child Care Providers Program. The Governor's proposed fiscal 2001 budget includes \$2,497,837 in general funds for EDSAG.

The Sharon Christa McAuliffe Memorial Teacher Education Program provides funding to full-time or part-time students to pursue teacher certification in a critical shortage subject area. A recipient must be a Maryland resident with a 3.0 GPA and be attending or plan to attend an eligible Maryland postsecondary institution. The amount of the award for academic year 2000-2001 is approximately \$11,500. Awards are renewable. A recipient must teach in a critical shortage area in the State for one year for each year that an award was received. The Governor's proposed fiscal 2001 budget includes \$1,792,837 in general funds for the McAuliffe program.

State Expenditures: Award amounts under the program proposed by the bill would total up to \$1 million for fiscal 2002, up to \$2 million for fiscal 2003, and up to \$3 million for fiscal 2004.

MHEC advises that it would need to hire one program manager to administer the program at a cost of approximately \$57,183 during the program's first year of operation. Legislative

Services believes, however, that due to the small size and limited duration of the program, and its similarity to the McAuliffe program and other MHEC-administered programs, MHEC could administer the program using existing budgeted resources or by hiring contractual help. It is expected that marketing and contractual assistance for the program would cost MHEC no more than \$20,000 annually.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 6, 2000
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