

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1229 (Delegate Guns. *et al.*)

Appropriations

Higher Education - Waiver of Tuition and Fees - Certain Disabled Veterans and Dependents of Veterans

This bill requires a State public institution of higher education to admit a disabled veteran or a dependent spouse or child of a disabled or deceased veteran to any scheduled course and waive the tuition and mandatory fees. Veterans and dependents admitted pursuant to the bill must meet the academic standards of the relevant institution.

The governing board of each institution must report to the budget committees of the General Assembly on how many veterans and dependents were granted waivers pursuant to the bill by December 31 of each year.

Fiscal Summary

State Effect: The amount of foregone tuition and fees revenues for State public institutions of higher education depends on a variety of factors. For illustrative purposes only, if 30 waiver recipients attend the University of Maryland, College Park, foregone revenues could total \$154,080 in FY 2001. Actual losses to any one institution are expected to be less than that amount. The bill is also expected to result in a general fund reversion of approximately \$88,000 from unused funds in the Edward T. Conroy Memorial Scholarship Program.

Local Effect: Minimal foregone revenues for community colleges (which are partially funded by local governments).

Small Business Effect: None.

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.

Section 18-601 of the Education Article establishes the Edward T. Conroy Memorial Scholarship Program, which provides scholarships for:

- children of members of the armed services who were killed or permanently disabled in combat, or who were declared to be prisoners of war or missing in action;
- prisoners of war during the Vietnam conflict;
- children and surviving spouses of State or local public safety employees killed in the line of duty; and
- disabled public safety employees.

Scholarship funds from this program can be used toward tuition and fees. The program is administered by the Maryland Higher Education Commission (MHEC).

State Fiscal Effect: MHEC advises that for fiscal 2000, approximately 51 students qualified for the Edward T. Conroy Memorial Scholarship Program, 41 of whom are dependents of deceased or disabled veterans. The program has awarded a total of \$131,189 in scholarship funds to these students. The average award is \$2,572. Due to budgetary constraints, the program is not able to cover full tuition and fees for all scholarship recipients. The majority of current Conroy scholarship recipients attend the University of Maryland, College Park (UMCP). The Governor's proposed fiscal 2001 budget includes \$164,944 in general funds for the program.

The bill would result in foregone revenues for public higher education institutions. The estimated fiscal 2001 full-time resident undergraduate tuition and fees for UMCP is \$5,136. Estimated fiscal 2001 full-time resident undergraduate tuition and fees for the other four-year public institutions range from \$3,370 (Coppin State College) to \$7,360 (St. Mary's College of Maryland). The fiscal 2000 average full-time resident tuition and fees for the community colleges is \$2,238. The amount of tuition revenue that would be foregone by the individual institutions is not known, because it is not known which institutions the waiver recipients would attend and what kind of course loads they would carry. It is expected, however, that UMCP would experience the greatest amount of foregone revenue among the affected institutions. By way of example, if 30 waiver recipients were to attend UMCP full-time in fiscal 2001, UMCP would forego \$154,080 in tuition revenue. Actual losses to any one institution are expected to be less than that amount.

The bill could cause a significant decrease in the number of qualified applicants for the Conroy scholarship program, resulting in general fund reversions. By law, any money

appropriated to the program that is not used by the end of the fiscal year reverts to the State treasury. Assuming that only 15 applicants each receive the maximum award permitted under the Conroy program (UMCP tuition and fees) in fiscal 2001, approximately \$88,000 would revert to the general fund.

Local Fiscal Effect: A portion of community college costs are paid by local governments. In view of the discussion above, the total impact of the bill on any one local government is not expected to be significant.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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cm/jr

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