

**Department of Legislative Services**  
 Maryland General Assembly  
 2001 Session

**FISCAL NOTE**

House Bill 412 (Delegate D'Amato, *et al.*)  
 Ways and Means

**Higher Education - Teachers - Career Change and Teaching Assistants  
 Scholarships**

This bill establishes two new teacher scholarship programs, the Maryland Career Change Teacher Scholarship Program and the Maryland Teacher Scholarships for Teaching Assistants Program.

The bill is effective June 1, 2001.

**Fiscal Summary**

**State Effect:** General fund expenditures could increase by an estimated \$1.14 million in FY 2002 to implement two new scholarship programs and to add one new administrative position at the Maryland Higher Education Commission. Future year expenditures reflect continued participation in the program, annualization, salary increases, and inflation.

(\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1.14	1.14	1.15	1.15	1.15
Net Effect	(\$1.14)	(\$1.14)	(\$1.15)	(\$1.15)	(\$1.15)

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

**Local Effect:** Local finances would not be directly affected.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** Both the Maryland Career Change Teacher Scholarship Program and the Maryland Teacher Scholarships for Teaching Assistants Program will be administered by the State Scholarship Administration (SSA). SSA will annually select individuals eligible for the programs and offer a scholarship to be used towards tuition and mandatory fees at a Maryland institution of higher education. A recipient of either scholarship must be a Maryland resident and must pledge to work in the State after graduation as a public elementary or secondary school teacher for one year for each year that a scholarship is received. A recipient of one of the scholarships who does not satisfy the degree requirements, does not perform the service obligation, or does not become professionally certified to teach in Maryland within the time period established by the Maryland Higher Education Commission (MHEC) and the Maryland State Department of Education (MSDE) must repay the scholarship award plus interest.

The Maryland Career Change Teacher Scholarship Program will provide scholarships to college graduates who are accepted into and enroll in part-time or full-time graduate courses of study leading to a Maryland Professional Teacher's Certificate. A recipient may not be currently enrolled in an eligible institution or hold a Maryland Professional Teacher's Certificate. Scholarship awards are \$5,000 for full-time students or an appropriate equivalent amount for part-time students. A scholarship recipient may renew the award so long as the recipient remains a resident of the State, continues the course of study at a Maryland institution, takes at least 12 semester hours of courses each semester, maintains a cumulative grade point average of at least 3.0, and makes satisfactory progress towards a graduate degree.

The Maryland Teacher Scholarships for Teaching Assistants Program will provide scholarships to teaching assistants who have worked in the State for two years and who are accepted into or currently enrolled in undergraduate courses of study leading to Maryland Professional Teacher's Certificates. A recipient who is currently enrolled in an institution must have a grade point average of at least 3.0. A recipient may not be a college graduate or hold a Maryland Professional Teacher's Certificate. Scholarship awards are \$2,000 for a full-time student attending a two-year institution, \$5,000 for a full-time student attending a four-year institution, or an appropriate equivalent amount for a part-time student. A scholarship recipient may renew the award so long as the recipient remains a resident of the State, continues the course of study at a Maryland institution, takes at least 12 semester hours of courses each semester, maintains a cumulative grade point average of at least 3.0, and makes satisfactory progress towards a degree. Except for an Educational Excellence Award or a Distinguished Scholar Award, a recipient of a Maryland Teacher Scholarships for Teaching Assistants scholarship may not hold any other scholarship.

Funding for the programs will be as provided in the annual State budget. MHEC must adopt regulations to implement the two scholarship programs and must publicize the availability of the scholarships.

**Current Law:** There is no Maryland Career Change Teacher Scholarship Program or Maryland Teacher Scholarships for Teaching Assistants Program.

The Maryland Teacher Scholarship Program provides scholarships to full-time undergraduate and graduate education students. A Maryland Teacher Scholarship recipient must be a Maryland resident and must have a grade point average of at least 3.0. An award recipient must agree to work full-time as a teacher in a Maryland elementary or secondary school upon completion of the undergraduate or graduate degree, or pay back the scholarship awards plus interest. Awards are \$2,000 for a full-time undergraduate student attending a two-year institution or \$5,000 for a full-time undergraduate or graduate student attending a four-year institution.

**Background:** The *Maryland Teacher Staffing Report, 2000 - 2002* notes that the State Board of Education projected a shortage of certified teachers for all 24 of Maryland's school systems. The board also acknowledged a shortage of male teachers and minority teachers and recognized several fields -- including art, computer science, mathematics, science, and special education -- as critical shortage areas. Several State initiatives are designed to attract and retain more qualified teachers, including a low-interest mortgage program for teachers, stipends for teachers who earn certification from the National Board for Professional Teaching Standards, signing bonuses for teachers who graduate in the top 10% of their class, tuition tax credits for teachers who attend graduate school, exemption from earnings limitations for retired teachers reemployed in schools, and teacher mentoring programs.

In addition, there are currently three State scholarship programs specifically targeted to education students: the Maryland Teacher Scholarship Program, the Sharon Christa McAuliffe Memorial Teacher Education Tuition Assistance Program, and a special component of the Distinguished Scholar Program. These programs target high-achieving students who are residents of Maryland and all require a one-year service commitment for each year that a scholarship is received.

**State Expenditures:** General fund expenditures could increase by an estimated \$1.14 million in fiscal 2002 to implement the two new programs and to hire one new administrative specialist at MHEC.

### *Maryland Career Change Teacher Scholarship Program*

A full-time student who is eligible for the Maryland Career Change Teacher Scholarship Program would also be eligible for the Maryland Teacher Scholarship Program. The bill effectively adds part-time students who are not currently teaching in Maryland to those that would be eligible to receive teacher scholarships. The estimated cost of scholarships for these students is \$112,500. This estimate is based on the following assumptions and calculations.

- It is assumed that the average award for a part-time graduate student would be \$2,500.
- There are approximately 2,300 part-time graduate students currently enrolled in teacher education programs in Maryland. Assuming it takes about four years to complete an advanced degree while attending school part-time, approximately 600 students enter part-time graduate teacher programs each year.
- It is assumed that the majority of part-time education students are currently working as Maryland school teachers, and therefore would not be eligible for the program. Assuming 10% of students entering graduate programs do not have a Maryland Professional Teacher's Certificate, an estimated 60 part-time graduate students annually would be eligible to participate in the program.
- Assuming 75% of the eligible students would be interested in the program, there would be about 45 participants annually at a cost of \$112,500.
- Part-time students would have to become full-time students in order to renew the award, so the cost of the program in future years would not reflect scholarship renewals. Therefore, it is assumed that the number of part-time graduate students participating annually in the scholarship program would be relatively stable.

If the implementation of a Maryland Career Change Teacher Scholarship Program results in additional part-time graduate students pursuing teacher education degrees, the costs could be higher. Funding for the program would be as provided in the annual State budget, so the number and amount of scholarship awards would depend on the budgeted appropriation.

### *Maryland Teacher Scholarships for Teaching Assistants Program*

A full-time student who is eligible for the Maryland Teacher Scholarships for Teaching Assistants Program would also be eligible for the Maryland Teacher Scholarship

Program. The bill effectively adds teaching assistants who are part-time students and are not college graduates to those that would be eligible to receive teacher scholarships. The estimated cost of scholarships for these students is \$987,500. This estimate is based on the following assumptions and calculations.

- It is assumed that the average award for a part-time undergraduate student would be \$2,500.
- According to MSDE, there are approximately 7,900 teaching assistants in Maryland. Data is not maintained on their educational background or years of service as teaching assistants.
- Assuming that about 5% of current teaching assistants would be eligible and interested in pursuing a teaching degree through the program, the cost to support the 395 part-time students would be approximately \$987,500.
- Part-time undergraduate students would have to become full-time students in order to renew the award, so the cost of the program in future years would not reflect scholarship renewals. Therefore, it is assumed that the number of teaching assistants who participate annually in the program as part-time undergraduate students would remain relatively stable.

If the implementation of a Maryland Teacher Scholarships for Teaching Assistants Program results in additional part-time undergraduate students pursuing teacher education degrees, the costs could be higher. Funding for the program would be as provided in the annual State budget, so the number and amount of scholarship awards would depend on the budgeted appropriation.

#### *Administrative Costs for the Maryland Higher Education Commission*

One additional employee would be needed in order to meet the increased administrative demands that adding two new teacher scholarship programs would impose on MHEC. To fund this position, general fund expenditures would increase by an estimated \$35,752 in fiscal 2002, which accounts for a 120-day start-up delay and the bill's June 1, 2001 effective date. The estimate reflects the cost of hiring one administrative specialist to review scholarship applications and track scholarship recipients. The estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salary and Fringe Benefits	\$30,821
One-Time Costs and Ongoing Operating Expenses	<u>4,931</u>
<b>Total FY 2002 State Personnel Expenditures</b>	<b>\$35,752</b>

Future year expenditures reflect: (1) a full salary with a 6.5% increase in fiscal 2003 and a 4.5% increase each year thereafter, with 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

**Local Fiscal Effect:** The bill would not have a direct effect on local government expenditures or revenues. Local governments would benefit indirectly, however, if the bill results in increases to the number of available school teachers and to the number of service obligation years.

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

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