

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

**FISCAL NOTE**

House Bill 635      (Delegate Cryor)  
Ways and Means

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**Higher Education - Maryland Teacher Scholarships - Service Obligation**

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This bill allows a recipient of a Maryland Teacher Scholarship to perform the service obligation as a certified teacher in any Maryland elementary or secondary school. The service obligation must be performed for one year for each year that the scholarship is received.

The bill is effective June 1, 2001.

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**Fiscal Summary**

**State Effect:** Potential minimal increase in scholarship applicants and awards. No effect on revenues.

**Local Effect:** No direct impact on local finances.

**Small Business Effect:** Potential minimal.

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**Analysis**

**Current Law:** A Maryland Teacher Scholarship recipient must pledge to teach full time in the State as a teacher in a Maryland public elementary or secondary school for one year for each year that the scholarship is received. A Maryland Teacher Scholarship recipient must be a Maryland resident and must have a grade point average of at least 3.0. 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* noted 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. The Maryland Teacher Scholarship Program is one of the programs the State has implemented to combat this shortage. Fiscal 2001 is the second year of operation for the program, and 1,871 scholarships were awarded for the year. Other State incentive programs designed to attract and retain more qualified teachers include a low-interest mortgage program for teachers, stipends for teachers who earn certification from the National Board for Professional Teaching Standards or who agree to teach in challenging schools, signing bonuses for teachers who graduated 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.

The Governor's proposed fiscal 2002 budget includes \$11.9 million for the Maryland Teacher Scholarship Program.

**State Fiscal Effect:** The eligibility criteria and qualifications for the Maryland Teacher Scholarship Program are not altered. To the extent that expanding the service obligation to include service as a private school teacher increases the number of eligible candidates pursuing a scholarship, the number of applicants and awards could increase. Any increase is expected to be minimal and would not significantly affect program expenditures.

**Local Fiscal Effect:** The bill would not have a direct effect on local government expenditures or revenues. Local governments benefit indirectly, however, from the service obligation attached to the Maryland Teacher Scholarship Program. It is assumed that the primary effect of the legislation would be a reduction in the number of scholarship recipients who perform their service obligation in a public school. This could require local boards of education to work harder to attract and retain teachers.

**Small Business Effect:** Certified teachers that must fulfill a Maryland Teacher Scholarship service obligation could choose to fulfill the obligation in a private school rather than a public school. This could help private schools attract qualified teachers.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – February 21, 2001  
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