

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

**FISCAL NOTE**  
**Revised**

Senate Bill 206 (The President, *et al.*) (Administration)  
 Economic and Environmental Affairs

Ways and Means

**Higher Education - Student Financial Assistance - Maryland Teacher  
 Scholarship**

This Administration bill expands the eligibility criteria for the Maryland Teacher Scholarship Program to allow part-time graduate students to participate in the program. The annual scholarship award for a part-time graduate student is \$2,500, and a scholarship recipient may not hold a Maryland Professional Teacher's Certificate. Like other program participants, a part-time graduate student accepting an award under the program must agree to work in a Maryland public elementary or secondary school for one year for each year that a scholarship is received.

The bill is effective July 1, 2001.

**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$432,500 in FY 2002 due to an increased number of scholarship awards under the Maryland Teacher Scholarship Program. No effect on revenues.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	432,500	432,500	432,500	432,500	432,500
Net Effect	(\$432,500)	(\$432,500)	(\$432,500)	(\$432,500)	(\$432,500)

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

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

**Small Business Effect:** A small business impact statement was not provided by the Administration in time for inclusion in this fiscal note. A revised fiscal note will be issued when the Administration's assessment becomes available.

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## **Analysis**

**Current Law:** Only full-time students are eligible to receive scholarships under the Maryland Teacher Scholarship Program. 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 public 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 full-time undergraduate students attending two-year institutions or \$5,000 for full-time undergraduate or graduate students attending four-year institutions. Awards may be renewed up to three times if recipients maintain the eligibility criteria.

**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.

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 so far, about 2,500 awards totaling approximately \$10 million have been accepted. Other State incentive programs designed to attract and retain more qualified teachers include a low-interest mortgage program for teachers, signing bonuses for teachers who graduated in the top 10% of their class, exemption from earnings limitations for retired teachers reemployed in schools, and teacher mentoring programs.

Maryland has also initiated several programs designed to improve the quality and professionalism of teachers. Through the State and Local Aid Program for Certification by the National Board of Professional Teaching Standards, a public school teacher pursuing national certification can have the certification fee paid by the State and the local school system. If a teacher achieves national certification, the State provides a \$2,000 per year salary enhancement. Many local school systems also provide additional monetary incentives for teachers with national certification. Teacher Certification Grants offer professional development opportunities for the purpose of reducing the number of provisionally certified teachers working in Maryland's public schools. Teacher Development Grants, established by the State in 1998, enhance training for teachers in dealing with at-risk students. The State also provides funds to eight regional professional

development networks operating around the State. Teachers with advanced or professional teaching certificates who attend graduate school are eligible for tuition tax credits.

This summer, the University of Maryland University College (UMUC) is launching an online Master of Arts in Teaching program for part-time students. While taking UMUC teaching courses online, students will gain classroom experience by interning in local public schools that have partnered with UMUC to implement the program. This will allow students who are presently unable to travel to a university program to pursue teaching degrees. Over the next five years, UMUC expects that the program will attract approximately 1,000 students, most of whom will be making career changes to enter the teaching profession.

The Governor's proposed fiscal 2002 budget includes \$11.9 million for the Maryland Teacher Scholarship Program. Assuming the fiscal 2001 average award amount (\$4,485) is stable, there is enough funding for 2,653 awards.

**State Expenditures:** There are approximately 2,300 part-time students in Maryland pursuing graduate degrees in teacher education programs. It is estimated that about 90% of these students are currently working as Maryland school teachers and therefore would not be eligible for the scholarship program. Assuming that 75% of the eligible candidates would be interested in the program, approximately 173 scholarships would be awarded annually at a cost of \$432,500. If the bill encourages more individuals to pursue graduate teaching degrees, the costs could be greater.

The Maryland Higher Education Commission and the State Scholarship Administration could make additional awards and track additional award recipients with existing budgeted resources.

**Local Fiscal Effect:** Locally, salaries for teachers with Master's degrees average about \$2,000 to \$4,000 more than salaries for teachers with similar experience but only a Bachelor's degree. If more individuals with advanced teacher education degrees are hired by local boards of education, local school expenditures for teacher salaries could increase.

Local school systems would benefit from any increase in the number of service obligation years owed by scholarship recipients.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 299 (The Speaker, *et al.*) – Ways and Means.

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

**Fiscal Note History:** First Reader – February 9, 2001  
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