

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

House Bill 117
Ways and Means

(Delegate Leopold, *et al.*)

Higher Education - Maryland Science and Technology Scholarships - Eligibility

This bill provides that, between September 1 and October 31 of each year, if funds remain for the Maryland Science and Technology Scholarship Program after awards to eligible secondary school students have been completed, the State Scholarship Administration must allocate the remaining funds. Half of the remaining funds must be used to offer scholarships to full-time higher education students who are in their final year of a two-year, four-year, or five-year undergraduate program and who have a grade point average of at least 3.0. The other half of the remaining funds must be used to offer scholarships to students who have been accepted into an academic program at a Maryland higher education institution but are not currently enrolled. Scholarship recipients must reside in Maryland and must sign an agreement to work in the State after graduation for one year for each year that the scholarship was awarded.

The bill is effective June 1, 2001.

Fiscal Summary

State Effect: General fund revenues would decrease to the extent that unused funds are reallocated to new candidates rather than reverting to the State general fund. Science and technology scholarship expenditures would increase so that all budgeted funds are spent.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: Under the Maryland Science and Technology Scholarship Program, a secondary school graduate qualifies for a scholarship if the graduate:

- is a Maryland resident and was a Maryland resident at the time of high school graduation;
- earned a grade point average of at least 3.0 in high school;
- plans to enroll as a full-time student at a Maryland institution of higher education;
- is accepted for admission to a regular undergraduate program at a Maryland institution;
- begins attending an eligible institution within two years of completing high school;
- intends to pursue a degree in a science or technology program designated as a critical shortage area by the Maryland Higher Education Commission (MHEC); and
- agrees to work in the State upon graduation for one year for each year that the scholarship was awarded.

The scholarship award is \$3,000 for a student enrolled at a four-year institution and \$1,000 for a student enrolled in a two-year institution. A student may receive renewal awards in subsequent years if the student continues to meet eligibility requirements.

Through the budget amendment process, MHEC may transfer to other scholarship programs any funds that remain in the Maryland Science and Technology Scholarship Program after awards are made. Any remaining funds that are not awarded by the end of a fiscal year revert to the State general fund.

Background: The Maryland Science and Technology Scholarship Program was created in 1998 to assist the State in meeting the need for highly skilled workers in critical shortage areas. The scholarships are limited to students majoring in computer science, biological science, physical science, mathematics, information technology, or engineering. Fiscal 2001 is the second year of operation for the program, and in its first two years, approximately 1,900 awards totaling about \$5.5 million have been awarded.

State Fiscal Effect: In fiscal 2000, \$371,500 initially allocated for the program eventually reverted to the State general fund. For fiscal 2001, MHEC estimated that it

would award \$4.5 million through the Maryland Science and Technology Program. However, only \$3.3 million has been awarded, and \$1.1 million was transferred to other scholarship programs. The Governor's proposed fiscal 2002 budget contains an allowance of \$4.9 million for the program.

General fund revenues would decrease to the extent that unused funds are reallocated to new candidates rather than reverting to the State general fund. Science and technology scholarship expenditures would increase so that all budgeted funds are spent. MHEC could advertise the availability of the remaining scholarship funds and distribute the remaining funds with existing personnel and resources.

Additional Information

Prior Introductions: A similar bill, HB 63 of 2000, would have utilized funds remaining in the Maryland Science and Technology Scholarship Program to offer scholarships to students in their final year of college. The bill passed the Senate and the House and was assigned to a conference committee, but the House and Senate versions were not reconciled.

Cross File: None.

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

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