

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

House Bill 267 (Delegate Hixson, *et al.*)

Ways and Means

Higher Education - Graduate Scholarships - University of Maryland, Baltimore - Davidge Scholars Program

This bill establishes the Davidge Scholars Program at the University of Maryland, Baltimore to enhance access to advanced professional degrees at the university and to respond to changing health and human services needs in the State. To be eligible for a scholarship award under the program, a student must be seeking a postbaccalaureate degree in the field of health, law, or social work. The Governor must provide \$1 million for Davidge scholarship awards in the fiscal 2002 budget and must increase this amount by \$1 million in each of the next three fiscal years to reach a level of \$4 million annually for the awards beginning in fiscal 2005.

The bill is effective June 1, 2001.

Fiscal Summary

State Effect: General fund expenditures would increase by \$1.04 million in FY 2002 due to new scholarship awards and the cost of adding one administrative specialist at the Maryland Higher Education Commission. Future year expenditures reflect increasing scholarship awards, annualization, salary increases, and inflation. No effect on revenues.

(\$ in thousands)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1,036	2,043	3,046	4,048	4,051
Net Effect	(\$1,036)	(\$2,043)	(\$3,046)	(\$4,048)	(\$4,051)

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The State Scholarship Administration (SSA) is required to administer the Davidge Scholars Program and must make scholarship awards under the program based on the recommendation of the President of the University of Maryland, Baltimore (UMB). UMB must establish guidelines for the program and must review annually the desired program outcomes and the areas of study that qualify for awards. UMB will maintain data on Davidge scholarship recipients and report annually to SSA and the General Assembly on the progress of the program.

To be eligible for a scholarship under the Davidge Scholars Program, an applicant must: (1) submit the required application; (2) demonstrate a financial need; (3) not be in default of any higher education loan; (4) be in good academic standing and recommended by the dean of the applicable school; and (5) pursue either a public service career or a doctoral degree. Awards may be made for up to four full-time equivalent years of study at UMB.

Award recipients pursuing a public service career must perform a service obligation for one year for each full-time equivalent year the award is made. SSA will determine the activities that constitute fulfillment of the public service obligation, taking into account service in State and local government, service in areas of geographic shortages, service to underserved or underrepresented citizens, and service in fields with workforce shortages. Scholarship recipients on the public service career track receive 50% of the cost of tuition and mandatory fees.

Award recipients pursuing a doctoral degree must be enrolled full time in a qualifying doctoral program after completion of a professional degree or in a qualifying dual degree program leading to a professional and doctoral degree. They must also meet additional requirements set by the dean of the applicable school and must agree to pursue research training grants, support competitive research awards, publish scholarly papers on research endeavors, and present research at national meetings. Scholarship recipients on the doctoral degree track receive an amount equal to the cost of tuition and mandatory fees.

Current Law: None applicable.

Background: UMB contains seven schools: medicine, dental, law, nursing, pharmacy, social work, and graduate. There are 42 graduate and four professional degree programs at the university.

Davidge Hall, located on the university's campus, is the oldest building in the United States that has been in continuous use for medical education. It was constructed in 1812 and is a National Historic Landmark. The building was named for Dr. John Beale Davidge, the first dean of the UMB School of Medicine.

State Expenditures: General fund expenditures could increase by an estimated \$1.04 million in fiscal 2002, which accounts for the bill's June 1, 2001 effective date and a 120-day start-up delay for an administrative specialist within the Maryland Higher Education Commission who would oversee the program and act as a liaison between SSA and UMB. The estimate includes scholarship award money, a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Scholarship Award Funds	\$1,000,000
Salary and Fringe Benefits	30,821
Operating Expenses	<u>4,931</u>
Total FY 2002 State Expenditures	\$1,035,752

Future year expenditures reflect: (1) full salaries with a 6.5% increase in fiscal 2003 and a 4.5% increase each year thereafter, with 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) an additional \$1 million added annually to the program in order to increase total scholarship awards to \$4 million beginning in fiscal 2005. UMB could develop guidelines for the Davidge Scholars Program with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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