

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 727 Delegate Cole, et al.)

Ways and Means

Economic and Environmental Affairs

Higher Education - Financial Assistance - Nursing Students

This bill allows the recipient of an award from the Maryland State Nursing Scholarship Program, under the Economic Development Student Assistance Grant Program, to also receive a Senatorial Scholarship, a Delegate Scholarship, or a Distinguished Scholar Award.

The bill is effective July 1, 2001.

Fiscal Summary

State Effect: Allowing recipients of nursing scholarships to receive additional scholarships would not materially affect the number and amount of scholarship awards. The State Scholarship Administration could continue to track and award scholarships with existing resources.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: Students who receive aid through the Economic Development Student Assistance Grant Program, which includes the nursing scholarships, may not receive any other State-sponsored financial assistance except Educational Excellence Awards. Nursing students studying in a designated nursing shortage area are eligible to receive up to \$2,400 annually in scholarship funds. The competitive awards are made by the State Scholarship Administration to students with grade point averages of 3.0 or better.

Recipients must agree to work in Maryland after graduation for one year for each year that the scholarships were received.

Background: Projections for the next ten years suggest a growing disparity between health care needs and the availability of qualified personnel to meet increasing demands. Nursing is one of the areas with a critical need for more professionals due to an aging nursing population, fewer individuals enrolling in nursing programs, and high turnover rates among registered nurses. Chapter 257 of 2000 established the Statewide Commission on the Crisis in Nursing. In its report, submitted February 5, 2001, greater flexibility for nursing scholarships was one of the commission's recommendations. The commission also recommended that award amounts for nursing scholarships be increased and that scholarships be granted for each semester rather than annually.

Exhibit 1 below shows the projected number of recipients of the nursing scholarships and the three other scholarships that nursing scholarship recipients would be eligible to receive under the bill. The table also shows the average award amount received for each scholarship and the appropriation for each scholarship program in the Governor's proposed fiscal 2002 budget.

Exhibit 1
Projected Scholarship Awards
Fiscal 2001 and 2002

	Fiscal 2001			Fiscal 2002			Budget Proposal
	Number	Average Award	Total	Number	Average Award	Total	
Nursing	446	\$2,193	\$978,078	446	\$2,193	\$978,078	\$980,000
Senatorial	6,020	1,017	6,122,340	6,237	1,040	6,486,480	6,486,000
Delegate	3,186	722	2,300,292	3,975	750	2,981,250	2,981,179
Distinguished Scholar	1,413	3,000	4,239,000	1,400	3,000	4,200,000	4,200,000

Source: State Scholarship Administration; Fiscal 2002 Maryland Operating Budget Proposal

State Fiscal Effect: In fiscal 2000, almost \$1.2 million reverted to the State general fund from the Maryland State Nursing Scholarship Program (\$168,377), the Senatorial Scholarship Program (\$437,000), the Delegate Scholarship Program (\$544,344), and the Distinguished Scholar Program (\$22,500). To the extent that this bill results in more scholarships within these programs, scholarship expenditures could increase and general fund revenues would decrease accordingly due to a decrease in reversions. Any impact on the number and amount of scholarship awards is expected to be minimal.

Additional Information

Prior Introductions: None.

Cross File: SB 96 (Senator Baker) – Economic and Environmental Affairs.

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

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