

Department of Legislative Services
 Maryland General Assembly
 2001 Session

FISCAL NOTE
Revised

Senate Bill 357 (Senator Hogan, *et al.*)

Economic and Environmental Affairs

Ways and Means

Higher Education - Maryland Science and Technology Scholarships - Eligibility

This bill expands the eligibility for the Maryland Science and Technology Scholarship Program by allowing any qualified student who is enrolled in an eligible course of study to receive an award rather than requiring that a student initially qualify for the award before entering college. In addition, to qualify for the awards students must begin college within five years of completing high school instead of within two years.

The bill is effective June 1, 2001.

Fiscal Summary

State Effect: General fund expenditures could increase by an estimated \$1.8 million annually to award additional Maryland Science and Technology Scholarships. No effect on revenues.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1,793,300	1,793,300	1,793,300	1,793,300	1,793,300
Net Effect	(\$1,793,300)	(\$1,793,300)	(\$1,793,300)	(\$1,793,300)	(\$1,793,300)

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

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: To qualify for a Maryland Science and Technology Scholarship, a high school graduate must:

- intend to enroll as a full-time student in an eligible academic program;
- begin attending a Maryland higher education institution within two years of completing high school;
- be a Maryland resident;
- have a high school grade point average of at least 3.0; and
- agree 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 in a four-year institution and \$1,000 for a student enrolled in a two-year institution. A student may receive renewal awards for up to three years subsequent to the year of the initial award if the student continues to meet eligibility requirements.

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; in its first two years, approximately 1,900 scholarships totaling about \$5.5 million have been awarded. The fiscal 2002 State budget contains \$4.9 million for the program.

State Fiscal Effect: In fiscal 2000 (the first year of the program), 743 students received Maryland Science and Technology Scholarships out of an estimated 5,500 freshmen who were eligible, an award rate of 13.5%. The Maryland Higher Education Commission (MHEC) estimates that there are currently a total of 17,400 students who would be eligible for the scholarships under this bill if all students enrolled in eligible programs could receive awards. Assuming the same 13.5% award rate, approximately 2,350 students could receive Maryland Science and Technology Scholarships in fiscal 2002. This is an increase of 631 awards over the fiscal 2002 MHEC estimate of 1,719 awards. Using the fiscal 2001 average annual award amount of \$2,842, program funding could increase by an estimated \$1.8 million in fiscal 2002. It is assumed that the number of scholarships awarded in future years would remain relatively stable.

The Maryland Science and Technology Scholarship Program has not fully utilized the funding it received during its first two years. In fiscal 2000, \$371,500 initially allocated for the program was not awarded and 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 Scholarship Program. However, only \$3.3 million has been awarded, and \$1.1 million was transferred to other scholarship programs. If the fiscal 2002 estimate is again high, there would be some funding available in the State budget for additional scholarships awarded under this bill.

Additional Information

Prior Introductions: A somewhat 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

Fiscal Note History: First Reader – February 21, 2001
mld/jr Revised – Enrolled Bill – May 9, 2001

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