

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 332
Appropriations

(Delegate Hixson, *et al.*)

Higher Education - Children of Active Guard and Reserve Duty Military
Personnel - Waiver of Tuition Charges

This bill exempts the child of a Maryland citizen who is on active National Guard and Reserve duty from tuition and fees at a public institution of higher education in the State. To qualify for the exemption, the child must be enrolled in the institution by the time the individual turns 21 and must be enrolled as a candidate for an associate's degree or a bachelor's degree. If the child is receiving a scholarship or grant for postsecondary study, the child is exempt from tuition amounts above the scholarship or grant. The tuition exemption lasts until five years after the child first enrolled as a candidate for an associate's or bachelor's degree, or until the child receives a bachelor's degree, whichever comes first.

Fiscal Summary

State Effect: Tuition and fees revenues at public institutions of higher education would decrease depending on the number of students qualifying for tuition waivers. The aggregate FY 2003 effect for all institutions is estimated at less than \$1 million. Future year revenue losses would depend on the number of Maryland citizens on active guard or reserve duty.

Local Effect: Tuition and fees revenues at community colleges would decrease depending on the number of individuals qualifying for tuition waivers.

Small Business Effect: None.

Analysis

Current Law: The governing boards of the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College must develop a policy for the waiver of tuition for faculty and employees of public institutions of higher education in the State. In addition, qualifying foster care recipients are eligible for tuition waivers.

Background: According to www.september11victims.com, there were approximately 3,016 victims of the September 11 terrorist attacks, including 49 Maryland residents. In response to the attacks, reservists and National Guard members have been mobilized across the country to help ensure national security. At present, approximately 1,800 Maryland citizens are on active reserve duty and 2,000 Maryland citizens are on active National Guard duty. The majority of these citizens have been deployed in response to the terrorist attacks.

State and Local Revenues: The Maryland Military Department reports that there are 1,818 Maryland citizens on active reserve duty and more than 2,000 active Maryland National Guard members. Information on the number of these citizens who have children who would qualify for the tuition waiver is not immediately available; however, it is estimated that it would be a relatively small proportion. If 5% of active National Guard and Reserve members have children who attend public institutions of higher education in Maryland and would qualify for a tuition waiver, tuition and fees would be waived for approximately 200 students. Tuition and fees at University System of Maryland (USM) institutions average approximately \$4,750; the rates at community colleges are lower. Assuming 200 students receive waivers of tuition and fees that average \$4,500, revenues at public institutions of higher education would decrease by an estimated \$900,000 in fiscal 2003.

The revenue loss would be shared by 27 State colleges and universities, depending on the number of qualifying students at each institution. Not including community colleges, the proposed fiscal 2003 State budget estimates more than \$720 million in tuition revenues for public institutions of higher education.

Due to the terrorist attacks in September, there are presently more active reservists and National Guard members than is usual. For example, prior to September 11 there were only 270 Maryland citizens on active reserve duty. If the present deployment pattern continues, it is assumed that the estimated revenue decrease would continue in future years. If the numbers of active guard and reserve members return to pre-September 11 levels, the revenue decrease would be less substantial. If national or international events

dictate the need for greater mobilization of reservists and National Guard members, the revenue loss could be greater in future years than what is projected here.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Military Department, University System of Maryland, Maryland Higher Education Commission, Kent County, Montgomery County, Prince George's County, Washington County, Department of Legislative Services

Fiscal Note History: First Reader - February 8, 2002
lsc/jr

Analysis by: Mark W. Collins

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510