

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE
Revised

Senate Bill 174

(Senator Hollinger)

Education, Health, and Environmental Affairs

Ways and Means

Higher Education - Developmental Disabilities and Mental Health Tuition Assistance Program

This bill changes the name of the Developmental Disabilities and Mental Health Workforce Tuition Assistance Program to the Developmental Disabilities, Mental Health, Child Welfare, and Juvenile Justice Workforce Tuition Assistance Program. The bill allows the recipient of an award under the program to take classes during summer sessions that count towards the 12 annual credit hours required for the program. In addition, the bill allows program participants to satisfy the program's employment obligation by working in a for-profit community program licensed by the Developmental Disabilities Administration or approved by the Mental Hygiene Administration. Beginning in October 2003, award recipients may also fulfill the employment obligation by working in a residential child care program licensed by the Department of Human Resources or the Department of Juvenile Justice.

Fiscal Summary

State Effect: General fund expenditures could increase by an estimated \$181,600 in FY 2003 due to an increased number of students receiving tuition assistance. Future year expenditure increases reflect award renewals. No effect on revenues.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	181,600	325,100	437,700	526,600	597,500
Net Effect	(\$181,600)	(\$325,100)	(\$437,700)	(\$526,600)	(\$597,500)

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

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: The Developmental Disabilities and Mental Health Tuition Assistance Program provides assistance of up to \$3,000 annually for human services students who are working or agree to work as direct service employees in nonprofit community programs licensed by the Developmental Disabilities Administration or approved by the Mental Hygiene Administration. A student may receive tuition assistance for up to five years. A student must repay assistance received under the program if the student fails to earn at least 12 credit hours in an academic year in which assistance was received, fails to make satisfactory progress toward earning a degree, or fails to complete the employment obligation. Funding for the tuition assistance program is as provided in the State budget.

Background: For the 2001-2002 academic year, there are 859 projected recipients of assistance under the Developmental Disabilities and Mental Health Tuition Assistance Program, and the average award is estimated at \$1,746. The program provides assistance to students in human services programs such as nursing, occupational therapy, physical therapy, psychology, rehabilitation, social work, and special education. The proposed fiscal 2003 State budget includes \$1.5 million for the program.

State Expenditures: The Maryland Higher Education Commission estimates that the inclusion of credit hours earned during summer sessions towards the required 12 annual credit hours could result in 100 additional awards through the Developmental Disabilities, Mental Health, Child Welfare, and Juvenile Justice Workforce Tuition Assistance Program in fiscal 2003. Based on the estimated fiscal 2003 average award of \$1,816, awards for these students would cost approximately \$181,600 in fiscal 2003. Allowing students to fulfill their employment obligations by working in for-profit community programs or residential child care programs is not expected to further impact the number of program applicants or participants.

In future years, it is assumed that there will be 100 new tuition assistance recipients annually. In addition, the new recipients from fiscal 2003 and from each subsequent fiscal year would be eligible to renew the awards up to four times. Therefore, the students receiving aid under the bill could increase in each of the four fiscal years following fiscal 2003. The fiscal 2001 to 2002 renewal rate for the program was 79%. Assuming this rate remains relatively stable, the additional costs associated with awards for new participants and renewing participants are shown in **Exhibit 1**.

Exhibit 1
Estimated Cost of SB 174

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Average Award	\$1,816	\$1,816	\$1,816	\$1,816	\$1,816
Cost of:					
New participants	\$181,600	\$181,600	\$181,600	\$181,600	\$181,600
Renewing participants	0	143,464	256,056	345,040	415,864
Total Cost	\$181,600	\$325,064	\$437,656	\$526,640	\$597,464

Funding for the Developmental Disabilities, Mental Health, Child Welfare, and Juvenile Justice Workforce Tuition Assistance Program is as provided in the State budget, and therefore the expenditure increases shown here would only be incurred if the annual State budgets include the new funding. If eligibility for the program is expanded without additional funding, the average award amount could be reduced, or the State Scholarship Administration could be more selective when choosing from eligible applicants.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Maryland Higher Education Commission, Department of Legislative Services

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