

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 399

(Delegates Hixson and Giannetti)

Ways and Means

Education, Health, and Environmental Affairs

Higher Education - Student Financial Assistance - Eligibility

This bill allows a college student to receive any number and combination of State scholarships and grants. The total amount of all awards received by a student may not exceed: (1) the total cost of education; and (2) the equivalent annual expenses of a full-time resident undergraduate at the University System of Maryland (USM) institution, excluding the University of Maryland University College and the University of Maryland, Baltimore, with the highest annual expenses. A student must meet the individual eligibility requirements of each scholarship and grant program from which an award is received. If a student receives an award from more than one program that includes a service obligation, the student must fulfill each obligation and may not fulfill the obligations concurrently.

The bill is effective July 1, 2002.

Fiscal Summary

State Effect: Potential increase in general fund expenditures beginning in FY 2003 due to potential increases in award amounts for some State scholarship and grant programs. Future year expenditures could also reflect increased award amounts.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill also changes the maximum annual award for Guaranteed Access Grants, Delegate Scholarships, Edward T. Conroy Memorial Scholarships, tuition reimbursements for firefighters and ambulance and rescue squad workers, and Sharon Christa McAuliffe Memorial Teacher Education Awards. Annual awards under these programs may not exceed the equivalent annual expenses or the mandatory tuition and fees of a full-time resident undergraduate at the USM institution, excluding the University of Maryland University College and the University of Maryland, Baltimore, with the highest annual expenses. In addition, the eligibility for the Conroy Scholarship Program is expanded to include veterans who suffered a service-related disability of 25% or greater and have exhausted their federal educational benefits.

Finally, the bill allows an individual who currently holds multiple State scholarship and grant awards in excess of the limits established in the bill to maintain the awards as long as the individual continues to meet the eligibility criteria for the awards.

Current Law: Several State scholarship and grant programs prohibit participants from receiving awards under other State financial aid programs. Several programs also limit the annual award amounts to annual costs at the University of Maryland, College Park (UMCP). Some programs limit award amounts to the equivalent annual educational expenses, which includes room and board and book costs, of full-time resident undergraduates at UMCP. Other programs limit award amounts to the annual tuition and mandatory fees of full-time resident undergraduates at UMCP. In general, an award amount may not exceed the costs at the institution that the award recipient attends.

A veteran who suffers a service-related disability of 50% or greater and has exhausted or is no longer eligible for federal veterans' educational benefits may qualify for an award under the Edward T. Conroy Memorial Scholarship Program.

Background: The Maryland Higher Education Commission projects that nearly 50,000 awards are being provided under State scholarship and grant programs in the 2001-2002 academic year. The awards total more than \$80 million.

State Expenditures: Under current law, annual awards from several State financial aid programs are limited to the equivalent annual expenses or the equivalent annual tuition and mandatory fees at UMCP. The bill would expand this limitation to equal the cost of expenses or tuition and fees at the USM institution with the highest annual costs. In fiscal 2003, UMCP has the highest annual expenses for full-time resident undergraduates, but the University of Maryland, Baltimore County (UMBC) has the highest tuition and mandatory fees. Therefore, fiscal 2003 awards could increase for students who attend

UMBC and receive scholarships that are based on the costs of tuition and fees. If annual educational expenses at UMBC or some other USM institution surpass expenses at UMCP in the future, scholarship costs could increase for programs that are based on total educational expenses. The bill could also result in expenditure reductions for some students due to the limits placed on the total award amounts received by students who are awarded multiple scholarships and grants.

Under current law, only veterans with 50% or greater disabilities are eligible to receive Conroy Scholarships. Expanding eligibility to include veterans with disabilities of at least 25% would have a negligible impact on awards for the Conroy Scholarship program.

Allowing scholarship and grant recipients to receive awards from other financial aid programs would not materially affect the number and amount of awards. The State Scholarship Administration could continue to track and award scholarships and grants with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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