

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

House Bill 899 (Chairman, Commerce and Government Matters Committee)
 (Departmental – Military)

Commerce and Government Matters Education, Health, and Environmental Affairs

Maryland National Guard - Tuition Assistance

This departmental bill authorizes the Military Department to provide tuition assistance equal to 50% of the cost of in-state tuition for postsecondary vocational-technical or trade course work to members of the Maryland National Guard.

The bill is effective July 1, 2002.

Fiscal Summary

State Effect: General fund expenditures would increase by approximately \$20,400 in FY 2003. Future year expenditures reflect inflation and a constant number of tuition assistance grants. Revenues would not be affected.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	20,400	20,700	20,900	21,100	21,300
Net Effect	(\$20,400)	(\$20,700)	(\$20,900)	(\$21,100)	(\$21,300)

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

Local Effect: None.

Small Business Effect: The Maryland Military Department has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: The Maryland Military Department is authorized to provide, to any active member of the Maryland National Guard certified eligible by the Maryland Adjutant General, tuition assistance equal to 50% of the cost of in-state tuition for any regularly scheduled undergraduate credit course at any campus of the University System of Maryland, any community college, Morgan State University, St. Mary's College, or any private institution of higher education that grants a guard member a tuition waiver of at least 50%.

Background: The Maryland Military Department advises that Maryland National Guard members have been seeking tuition assistance for postsecondary vocational-technical education and training and certification for information technology. The Maryland Military Department further advises that: (1) 100 applications for State tuition assistance in the vocational-technical and information technology fields have been rejected in the last three years; (2) recent surveys of its membership reveals that tuition benefits are the most popular reason individuals elect to join and remain in the guard; and (3) State tuition assistance is a useful recruiting and retention tool.

The cost of training for vocational-technical and information technology courses is generally more expensive at private learning centers and private institutions of higher education than at community colleges and other public institutions of higher education. However, the Military Department advises that most private institutions do not offer 50% tuition waivers to National Guard members; accordingly, National Guard members would not be eligible to apply for tuition assistance for courses taken at most private institutions. The Military Department expects that additional requests for tuition assistance for vocational-technical and information technology courses will not differ from current tuition assistance requests.

State Fiscal Effect: The department advises that approximately 960 guard members are reimbursed for tuition in any year and that the average annual tuition assistance per guard member participating in the program is \$584.

Assuming 35 members of the Maryland National Guard apply for tuition assistance for vocational-technical and information technology courses, State expenditures would increase by approximately \$20,440 annually.

The fiscal 2003 State budget for the Maryland Military Department includes \$500,000 for tuition assistance grants for certain higher education coursework. The Military Department is expected to fully disburse budgeted tuition assistance funds to existing

eligible individuals. Accordingly, additional State funding would be necessary to extend the eligibility for tuition assistance to additional individuals.

Additional Comments: Federal funding for the Maryland Military Department would be indirectly affected if the department is able to recruit and retain more National Guard members due to a larger enrollment increasing federal assistance to the Maryland National Guard.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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ncs/hlb

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