

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 291 (Senator McFadden)
Education, Health, and Environmental Affairs

Higher Education - Student Financial Assistance - Maryland Teacher Scholarships

This bill allows a recipient of a Maryland Teacher Scholarship to perform the required service obligation as a teacher in a nonpublic elementary or secondary school that holds a certificate of approval from the State Board of Education or is registered with the State Board of Education.

Fiscal Summary

State Effect: The number of scholarship applicants could increase minimally but would not impact the overall expenditures for Maryland Teacher Scholarships. No effect on revenues.

Local Effect: No direct impact on local finances.

Small Business Effect: Minimal.

Analysis

Current Law: The service obligation component of the Maryland Teacher Scholarship must be fulfilled by working in a public primary or secondary school. Scholarship recipients must pledge to teach full time for one year for each year that the scholarship was received. If the service obligation is not fulfilled, a recipient must repay the State for the scholarship amounts plus interest.

The annual scholarship amounts are \$2,000 for full-time students at community colleges; \$5,000 for full-time students at four-year institutions; \$1,000 for part-time students at community colleges; and \$2,500 for part-time students at four-year institutions.

Background: The Maryland Teacher Scholarship Program was established in 1999 (Chapters 704 and 705) to address the State's shortage of teachers. In its *Maryland Teacher Staffing Report, 2002-2004*, released in August 2002, the State Board of Education projects teacher shortages for all 24 of Maryland's public school systems. The report also declares shortages of male teachers and minority teachers and recognizes several fields – career and technology, computer science, English for speakers of other languages, mathematics, science, and special education – as critical shortage areas.

To further complicate the teacher shortage, the federal No Child Left Behind legislation enacted in January 2002 requires all teachers to be “highly qualified” by the 2005-2006 school year. In effect, this means all public school teachers must meet the State's professional certification requirements and must demonstrate a high level of competence in the subjects they teach. Maryland was not meeting this goal as of October 2001, the most recent date for which comprehensive data is available. At that time, local school systems employed more than 5,600 teachers who did not hold professional certification (approximately 10% of the teaching workforce).

The proposed fiscal 2004 State budget includes \$13.8 million for the Maryland Teacher Scholarship Program, a decrease of \$950,000 from the fiscal 2003 appropriation. The Maryland Higher Education Commission projects that this funding level will support 3,109 scholarship awards in fiscal 2004, an increase of approximately 40 awards over fiscal 2003.

State Fiscal Effect: The eligibility criteria and qualifications for the Maryland Teacher Scholarship Program are not altered. To the extent that expanding the service obligation to include service as a teacher in a nonpublic school increases the number of eligible candidates pursuing a scholarship, the number of applicants and awards could increase. Any increase is expected to be minimal and would not materially affect program expenditures.

Local Fiscal Effect: The bill would not have a direct effect on local government expenditures or revenues. Local governments benefit indirectly, however, from the service obligation attached to the Maryland Teacher Scholarship Program. It is assumed that the primary effect of the legislation would be a reduction in the number of scholarship recipients who perform their service obligations in public schools. This could require local boards of education to expand teacher recruitment and retention efforts.

Additional Information

Prior Introductions: A similar bill was introduced in 2001 as HB 635. The bill was not reported out of the House Ways and Means Committee.

Cross File: None.

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

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