

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 1164
Ways and Means

(Delegate Hixson, *et al.*)

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, 2003-2005*, released in August 2003, 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 high levels of competence in the subjects they teach. Maryland was not meeting this goal as of October 2002, the most recent date for which comprehensive data is available. At that time, local school systems employed nearly 5,800 teachers who did not hold professional certification, approximately 10% of the teaching workforce. This percentage does not include teachers who are fully certified but are teaching outside their areas of expertise. Later this year, Maryland is due to begin reporting the percentage of classes being taught by teachers who meet the federal standard.

The proposed fiscal 2005 State budget includes approximately \$8.7 million for Maryland Teacher Scholarships, a decrease of \$2.9 million from fiscal 2004. The Maryland Higher Education Commission advises that the funding is sufficient to cover the costs of an estimated 1,940 scholarship renewals; however, no new scholarship applicants are expected to receive awards.

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 at the 2003 session as SB 291 and at the 2001 session as HB 635. SB 291 was not reported out of the Senate Education, Health, and Environmental Affairs Committee, and HB 635 was not reported out of the House Committee on Ways and Means.

Cross File: SB 17 (Senator McFadden) – Education, Health, and Environmental Affairs.

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

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