

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1247
Ways and Means

(Delegate Marriott, *et al.*)

Education, Health, and Environmental Affairs

Higher Education - Alcohol and Drug Workforce - Tuition Assistance Program

This bill expands the employment options that satisfy the service obligation associated with the Developmental Disabilities, Mental Health, Child Welfare, and Juvenile Services Workforce Tuition Assistance Program. Recipients of an award under the program may fulfill the service obligation by providing direct care or acting as first-line supervisors in a program certified by the Office of Health Care Quality to provide alcohol and drug treatment services.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: Expanding eligibility for student financial assistance does not require additional spending. However, general fund expenditures could increase beginning in FY 2008 to continue making awards to students who are currently eligible and to provide financial assistance to an expanded population of eligible applicants. In FY 2006, the average award amount under the program is \$1,800.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: To receive tuition assistance under the Developmental Disabilities, Mental Health, Child Welfare, and Juvenile Services Workforce Tuition Assistance

Program, an individual must work as a direct service employee in a community-based program or must agree to work as a direct service employee in an eligible community-based program in the future. The number of work hours needed to fulfill the service obligation depends on the total amount of tuition assistance that is received. A recipient must work 2,000 hours for total awards up to \$1,999; 3,000 hours for awards that total between \$2,000 and \$3,999; and 4,000 hours for awards that total between \$4,000 and \$6,000. A recipient may not receive more than \$6,000 under the program.

Background: The Student Financial Assistance Reform Act of 2005 (Chapter 429) required the Maryland Higher Education Commission to establish a workgroup to study the consolidation of work-based shortage grants into a single grant program. As required by the legislation, the workgroup submitted a final report in December 2005. The report recommends that an advisory group be established to suggest the addition of new workforce shortage fields and the removal of employment fields no longer experiencing shortages. In addition, the report recommends consolidating workforce shortage grants into a single program with standardized eligibility requirements and service obligations.

The proposed fiscal 2007 State budget includes \$832,500 for the Developmental Disabilities, Mental Health, Child Welfare, and Juvenile Services Workforce Tuition Assistance Program, the same amount that was appropriated in fiscal 2006. The Office of Student Financial Assistance (OSFA) advises that approximately 470 students are receiving awards under the program in the 2005-2006 academic year, and that another 116 students are on the waiting list for the program.

State Fiscal Effect: Funding for this tuition assistance program is as provided in the annual State budget. Extending eligibility to alcohol and drug counselors would only result in increased expenditures if the State budget includes new funding to make awards to additional applicants.

General fund expenditures could increase by an estimated \$1,800 per additional award in fiscal 2008. The number of additional awards that would be needed to serve all applicants cannot be reliably estimated, but would not be insignificant relative to the current number of program awardees. The Developmental Disabilities, Mental Health, Child Welfare, and Juvenile Services Workforce Tuition Assistance Program is the only student financial assistance program that allows a student to perform the service obligation while receiving the award and taking college courses. It is assumed that the individuals who will be most affected by this legislation are drug and alcohol counselors who are taking courses towards a degree while they work. OSFA reports that in 2004 more than half of the students receiving awards under the program were working to fulfill the service obligation at the same time. If 100 additional students apply and qualify for awards, program costs could increase by \$180,000.

If eligibility for the tuition assistance program is expanded without additional funding, the waiting list for the program would grow longer. The wait list currently includes 116 eligible applicants. Alternatively, the average award amount for the program could decrease.

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

Fiscal Note History: First Reader - March 16, 2006
mll/rhh Revised - House Third Reader - March 29, 2006

Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510