

Small Business Effect: The Maryland Higher Education Commission (MHEC) has determined that this bill has minimal or no impact on small businesses. Legislative Services concurs with this assessment.

Analysis

Current Law: An out-of-state student attending a public institution of higher education in Maryland and enrolled in a program leading to an occupation as a licensed registered nurse or a licensed practical nurse pays the in-state tuition rate at the institution if the student agrees to work in the State for four years following graduation.

Under the Cade and BCCC formulas, individuals who are considered Maryland residents for tuition purposes at community colleges are included in the enrollment counts used to determine State funding for the colleges.

Background: MHEC advises that institutions of higher education have responded to the increasing demand for nurses by implementing accelerated nursing programs that allow nurses to get into the workforce more quickly. As a result, an out-of-state nursing student may complete a degree through an accelerated program in one year but would still be required under the tuition reduction program to work for four years in Maryland after graduation. MHEC suggests that this may create a disincentive for participation in the program at a time when the State is experiencing a shortage of nurses.

State Expenditures: If the bill is successful in attracting more out-of-state students into nursing programs at public institutions of higher education in Maryland, general fund expenditures for the Cade and BCCC formulas could increase beginning in fiscal 2011. The increase in expenditures would depend on the increase in the number of full-time equivalent out-of-state nursing students who attend Maryland's community colleges at resident tuition rates. From fiscal 2011 to 2013, funding for the Cade formula is estimated at \$3,000 to \$3,500 per student and funding for the BCCC formula is estimated at \$7,300 to \$8,200 per student. The impact of the bill on the number of out-of-state nursing students enrolling in Maryland community colleges is not expected to be large.

Local Fiscal Effect: If the bill results in additional out-of-state students pursuing nursing degrees at community colleges in Maryland, community college expenses for nursing programs could increase. Any cost increases are expected to be minimal and would be at least partially offset by additional tuition revenues and additional State aid provided through the Cade formula. Cade formula funding lags community college

enrollment data by two years and is estimated at \$3,000 to \$3,500 per full-time equivalent student from fiscal 2011 to 2013.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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