

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 802

(Senator Klausmeier, *et al.*)

Education, Health, and Environmental Affairs

Appropriations and Ways and Means

Higher Education - Edward T. Conroy Memorial Scholarship Program -
Alterations

This bill authorizes eligible postsecondary institutions rather than the Office of Student Financial Aid in the Maryland Higher Education Commission (MHEC) to determine eligibility and award Edward T. Conroy Memorial Scholarships.

Fiscal Summary

State Effect: General fund administrative expenditures at the public four-year institutions of higher education and Baltimore City Community College may increase minimally to determine eligibility and award Edward T. Conroy Memorial Scholarships. If State funds cannot be allocated in the fiscal year in which awards are made, higher education tuition revenues may decrease minimally during that fiscal year. It is assumed any higher education revenues lost due to insufficient fund allocation will be reimbursed the following fiscal year.

Local Effect: Community college administrative expenditures may increase minimally to determine eligibility and award Edward T. Conroy Memorial Scholarships. If State funds cannot be allocated in the fiscal year in which awards are made, community college tuition revenues may decrease minimally. It is assumed any community college revenues lost due to insufficient fund allocation will be reimbursed the following fiscal year.

Small Business Effect: Minimal.

Analysis

Bill Summary: In October and February of each year, each postsecondary institution must report to MHEC the number of students eligible for an Edward T. Conroy Memorial Scholarship. After verifying the number of eligible students, MHEC must allocate the funds for awards to the postsecondary institutions. If funds cannot be allocated in the fiscal year in which awards are made, priority must be given to allocating funds for those awards in the following fiscal year.

No more than 15 scholarships may be awarded each year by institutions to veterans who have a service-connected disability of 25% or more and have exhausted or are no longer eligible for federal veterans' educational benefits.

The Office of Student Financial Assistance in MHEC may not award an initial Edward T. Conroy Memorial Scholarship or grant under the student financial assistance programs after June 30, 2010. The office may renew a scholarship or grant after June 30, 2010, if the individual received an initial scholarship or grant before that date.

Current Law: The Edward T. Conroy Memorial Scholarship program awards postsecondary education financial assistance to the following categories of students:

- the child of a member of the armed forces who died or suffered a service-connected 100% permanent disability;
- the child of a member of the armed forces who was declared to be a prisoner of war or missing in action as a result of the Vietnam conflict;
- an individual who was a prisoner of war as a result of the Vietnam conflict;
- the child or surviving spouse of a State or local public safety employee killed in the line of duty;
- a public safety employee who is disabled;
- a veteran who suffers a service-related disability of 25% or greater and has exhausted all federal veterans' educational benefits; and
- the child or spouse of a victim of the September 11, 2001 terrorist attacks.

Awards may not exceed tuition and mandatory fees of a full-time undergraduate Maryland resident at the four-year public institution of higher education within the University System of Maryland, other than the University of Maryland University College and the University of Maryland, Baltimore, with the highest annual expenses for a full-time resident undergraduate. Awards also must be less than the lesser of \$3,000 or the equivalent annual tuition and mandatory fees of the institution attended by the recipient of the scholarship. Scholarships may be used at private or public four-year institutions of higher education or community colleges. Scholarships may be used for undergraduate or graduate study.

Each recipient of a scholarship may hold the award for five years of full-time study or eight years of part-time study. The Office of Student Financial Aid may not award more than 15 scholarships annually to veterans who have a service-connected disability of 25% or more and have exhausted or are no longer eligible for federal veterans' educational benefits.

Certain foster care recipients are eligible for tuition waivers to attend a public institution of higher education.

Background: Chapter 221 of 1990 established the Edward T. Conroy Memorial Scholarship. The Governor's proposed fiscal 2010 budget includes \$570,474 for the Edward T. Conroy Memorial Scholarship program. In fiscal 2009 the program's appropriation is \$677,008. Since 2007, MHEC has awarded 100% of the eligible award amount. Eligible students that are not funded are placed on a wait list and funded later in the year as cancellations occur and funds are transferred into the program to award to wait-list students. MHEC has awarded all wait-list students in previous years when funds became available during the academic year.

Additional Comments: Expenditures may increase minimally at eligible institutions to administer scholarships. It is assumed that any tuition revenue loss due to insufficient funds in a fiscal year will be reimbursed the following year.

Additional Information

Prior Introductions: None.

Cross File: HB 710 (Delegate Aumann, *et al.*) - Appropriations and Ways and Means.

Information Source(s): Maryland Higher Education Commission, Military Department, Department of State Police, Morgan State University, St. Mary's College, University System of Maryland, Department of Veterans Affairs, Department of Legislative Services

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