

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1465

(Chair, Appropriations Committee)(By Request -
Departmental - Military)

Appropriations

Education, Health, and Environmental Affairs

Maryland National Guard Tuition Assistance Program

This departmental bill expands the types of courses for which the Military Department may provide tuition assistance to include graduate and professional credit courses for active members of the Maryland National Guard. The bill also clarifies that tuition includes vocational-technical and trade school credit courses and expands the definition to include graduate and professional credit courses. A member who receives tuition assistance for an undergraduate credit, vocational-technical, or trade course is required to remain an active member for at least two years following the completion of the course. A member who receives assistance for a graduate or professional credit course is required to remain an active member for at least four years following the completion of the course.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: Expanding the courses eligible for tuition assistance does not require additional spending. Revenues may increase, by a negligible amount, to the extent discharged National Guard members are required to repay tuition assistance provided under the bill.

Local Effect: None.

Small Business Effect: The Military Department has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: To the extent that funds are provided in the State budget, the Military Department may provide tuition assistance equal to 50% of the cost of in-state tuition for any regularly scheduled undergraduate credit course, vocational-technical course, or trade course for any active member of the National Guard attending an eligible institution. To be eligible for tuition assistance, a member must have at least 24 months of service remaining. If a member who receives tuition assistance is discharged for a reason designated by the Adjutant General, the assistance terminates and the member must reimburse the Military Department the tuition assistance received for that semester within 30 days of discharge.

Background: The Maryland National Guard consists of the Maryland National Army and the Maryland National Air Guard. National Guard members serve in times of natural disaster or civil disturbance within the country and alongside U.S. active forces in overseas conflicts. Enlisted members typically sign six-year contracts to serve one weekend a month and two weeks of annual training. According to the Military Department, soldiers and airmen are joining the military with higher levels of education attained in civilian life than in the past and more education and training are required of today's soldiers and airmen to fight current wars.

The National Guard tuition assistance program received an estimated \$500,000 in fiscal 2009, and the fiscal 2010 budget includes \$437,000 for the program. In calendar year 2008, 290 soldiers received tuition assistance benefits.

State Fiscal Effect: Funding levels for the National Guard tuition assistance program are determined by the State budget; therefore, any additional expenditures for the program resulting from an expansion of the program are only incurred if the annual State budget includes new funding to make additional awards. To the extent active members are discharged and required to repay any tuition assistance provided under the bill, general fund revenues increase minimally.

If eligibility for the National Guard tuition assistance program is expanded without additional funding, the selection of awardees may become more competitive.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 25, 2009
mcp/rhh Revised - Enrolled Bill - May 21, 2009

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland National Guard Tuition Assistance Program

BILL NUMBER: HB 1465

PREPARED BY: Military

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

☒ WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

☐ WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.