

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 639 (Senator Pugh, *et al.*)
Education, Health, and Environmental Affairs

**Higher Education - Death of Police Officer or Firefighter - Edward T. Conroy
Memorial Scholarship Program**

This bill essentially eliminates the waiting list for the Edward T. Conroy Memorial Scholarship for children of State or local public safety employees killed in the line of duty. The bill does this by requiring that if funds cannot be allocated in the fiscal year in which an award is made to these applicants, the Governor must include in the following fiscal year's budget the amount of the prior fiscal year's expenditures for the award plus an additional 7%. In addition, the postsecondary institution that made the award must waive tuition for the student who received an "unallocated" award for one year and allow the student to enroll in the regular program at the institution and attend classes for credit.

Fiscal Summary

State Effect: General fund expenditures increase to either allocate funds for an eligible student during the year an award is made, or to allocate the amount awarded by the institution plus 7%. Higher education tuition revenues at public four-year institutions decrease by approximately \$7,600 per student during a year in which enough funds are not allocated; tuition revenues will increase the following year by the same amount plus 7% of the award amount. Likewise, Baltimore City Community College tuition revenues decrease by approximately \$3,100 per student during a year that insufficient funds are allocated; tuition revenues will increase the following year by the same amount plus 7% of the award amount. **This bill establishes a mandated appropriation beginning in FY 2012.**

Local Effect: Community college tuition revenues decrease by approximately \$3,200 per student during a year that insufficient funds are allocated; tuition revenues will increase the following year by the same amount plus 7%.

Small Business Effect: None.

Analysis

Current Law: Chapters 607 and 608 of 2009 decentralized the Edward T. Conroy Memorial Scholarship from the Office of Student Financial Assistance (OSFA) in the Maryland Higher Education Commission (MHEC) to the postsecondary institutions in fiscal 2011. The office may not award an initial Edward T. Conroy Memorial Scholarship 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.

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.

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 may not be less than \$3,000 or the equivalent annual tuition and mandatory fees of the institution attended by the recipient of the scholarship, whichever is the least. 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. Not more than 15 scholarships each year may go 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.

Background: The Governor's proposed fiscal 2011 budget includes \$540,474 for the Edward T. Conroy Memorial Scholarship program, the same amount as fiscal 2010. In fiscal 2008, 100% of eligible applicants received awards. In fiscal 2009, only 97.8% of eligible applicants received awards. One hundred percent of applicants are estimated to receive awards in fiscal 2010 and 2011.

State Effect: The fiscal effect is dependent on the number of children of State or local public safety employees killed in the line of duty that would have been waitlisted for the Edward T. Conroy Memorial Scholarship program, which is dependent on the number of State or local public safety employees killed in the line of duty who had children, and the annual appropriation for the scholarship. Any impact is assumed to be minimal in fiscal 2012. General fund expenditures potentially increase to either allocate funds for an eligible applicant during the year an award is made, or to allocate the amount awarded by the institution plus 7% for the next year, if enough funds cannot be allocated in a fiscal year.

Instead of paying the 7% penalty for waitlisting of children of State or local public safety employees killed in the line of duty, OSFA may choose to waitlist other individuals eligible for the scholarship, likely resulting in no fiscal impact. In the event that the State does waitlist these children of State or local public safety employees killed in the line of duty, the impact in the next year would likely result in waitlisting additional other individuals in order to cover the tuition and penalty from the prior year.

Higher education tuition revenues decrease by approximately \$7,554 per student during a year that enough funds cannot be allocated; however, tuition revenues will increase the following year by the same amount plus 7% of the award amount (approximately \$529). Likewise, Baltimore City Community College tuition revenues decrease by

approximately \$3,090 per student during a year that enough funds cannot be allocated; however, tuition revenues will increase the following year by the same amount plus 7% of the award amount (approximately \$216).

Local Effect: Community college tuition revenues decrease by approximately \$3,228 per student during a year that enough funds cannot be allocated; however, tuition revenues will increase the following year by the same amount plus 7% of the award amount (approximately \$226).

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City Community College, Maryland Higher Education Commission, Maryland Independent College and University Association, Morgan State University, University System of Maryland, Department of Legislative Services

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