

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 623 (Delegate Hornberger, *et al.*)
 Ways and Means

Higher Education - Senatorial and Delegate Scholarships - Reimbursement of
 Certificate and License Programs

This bill authorizes a recipient of a senatorial or delegate scholarship who is currently enrolled, or was enrolled within the last two years, in a certificate or license program at a community college to use the scholarship to reimburse specified educational expenses. The bill also exempts an applicant for a senatorial scholarship from specified examination and enrollment requirements if the applicant is or was enrolled in a certificate or license program at a community college.

Fiscal Summary

State Effect: General fund expenditures for the Maryland Higher Education Commission (MHEC) increase by \$76,000 in FY 2018 for one-time contractual costs associated with updating MHEC’s scholarship system. Expanding *eligibility* for the senatorial and delegate scholarships does not require additional spending. Senators and delegates receive a set amount of scholarship money, which is not changed by the bill. It is assumed that legislators will confirm individuals’ eligibility; thus, MHEC’s ongoing expenditures do not increase. Revenues are not affected.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	76,000	0	0	0	0
Net Effect	(\$76,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Senatorial Scholarships

Each senator may award \$138,000 in scholarship funds each year. A senator must award scholarships prior to September 1 of each year. Any funding that a senator has not awarded by the September 1 deadline is distributed by MHEC to eligible applicants from the senator's district. To qualify for an award, an individual must be a resident of Maryland and demonstrate a definite financial need. In addition, except as otherwise specified, an applicant must (1) take a complete examination administered by MHEC and (2) be accepted for admission in the regular undergraduate, graduate, or professional program at an eligible institution or be enrolled in a two-year terminal certificate program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution. An applicant is exempt from the examination if the applicant (1) is attending an eligible institution and has completed at least one year in good academic standing at the institution; (2) graduated from high school at least five years before application for a senatorial scholarship; (3) is accepted for admission to a private career school, if the institution's curriculum is approved by MHEC, and the institution is accredited by a national accrediting association approved by the U.S. Department of Education; or (4) is planning to attend or is attending a Maryland community college.

Each senator must consider an applicant's financial need. An award under the program may not be less than \$400 and may not exceed the tuition and mandatory fees at the University System of Maryland (USM) institution with the highest annual tuition and fees, not including the University of Maryland University College (UMUC) and the University of Maryland, Baltimore Campus (UMB). A scholarship may be held for up to four years of full-time study or eight years of part-time study. Under certain circumstances, a senator may award a scholarship for a fifth undergraduate year or an additional undergraduate semester.

Except for specified off-campus housing and specified programs not available in Maryland (discussed further below), a senatorial scholarship may only be used at any undergraduate, graduate, or professional school in the State. A senatorial scholarship may be used at a degree-granting institution of higher education, if the curriculum is approved by MHEC; a hospital diploma school for training registered nurses; or to attend a private postsecondary proprietary institution that is accredited by a national accrediting association approved by the U.S. Department of Education as a full-time student.

Each senator may award at most 10% of his or her scholarship funds to applicants planning to attend accredited undergraduate, graduate, or professional institutions outside of the

State. Those students must be studying an academic area that is not available in the State or be a person with a hearing impairment who will be studying at an institution outside the State that makes special provisions for persons with a hearing impairment.

The scholarship may be used for educational expenses as defined by MHEC, including tuition and mandatory fees and room and board. If on-campus housing is available, a senatorial scholarship may not be used to pay for off-campus housing.

Delegate Scholarships

During a term in office, each delegate may award the equivalent of four four-year full-time scholarships or two part-time scholarships for each full-time scholarship available. A delegate may select scholarship recipients on any basis he or she considers appropriate. The annual amount of a scholarship for any one recipient may not exceed the tuition and mandatory fees at the USM institution with the highest annual tuition and fees, not including UMUC and UMB. A scholarship award may be used to pay tuition and mandatory fees at a Maryland institution of postsecondary education or, when the desired program of study or appropriate accommodations are not available in Maryland, an out-of-state institution. Instead of awarding the scholarships himself or herself, a delegate may authorize MHEC to award funding to eligible applicants under the Delegate Howard P. Rawlings Educational Excellence Awards program.

A delegate scholarship may be used at an in-state institution of higher education whose primary campus is located in Maryland and whose authority to grant degrees is conferred in Maryland for a program of undergraduate, graduate, or professional studies. If the applicant will be studying in an academic area that is not available in the State or under certain circumstances where the applicant is disabled, the scholarship may be used at an accredited undergraduate, graduate, or professional studies institution outside the State. The scholarship may also be used at a private career school within the State that is approved by MHEC and that is accredited by a national accrediting association that is approved by the U.S. Department of Education.

Background: In addition to associate's degree programs, community colleges offer a number of credit and noncredit certificate and license programs ranging from dental assistant to truck driving to web design to welding. In 2014-2015, [according to MHEC](#), community colleges issued 4,689 lower division certificates for credit courses. In addition, community colleges offer 165 different noncredit certificate and license programs that are not regulated by MHEC. According to the 2015 [annual report](#) of the Maryland Community College Association for Continuing Education and Training, 56,751 students registered for 93,449 courses leading to licensure or certification in 2014-2015.

The Governor's proposed fiscal 2018 budget includes \$6.5 million for senatorial scholarships (\$138,000 per senator) and \$6.7 million for delegate scholarships (\$47,865 per delegate).

State Expenditures: General fund expenditures increase by \$76,000 in fiscal 2018 for one-time contractual costs associated with enhancements to MHEC's scholarship system necessitated by the bill. MHEC advises that the scholarship system must be upgraded to allow legislators to make reimbursement awards. In addition, system enhancements include creating new program types for each legislator for awards made as a reimbursement and creating new student records for a student receiving a reimbursement (who likely does not have existing records in the system).

Expanding *eligibility* for the senatorial and delegate scholarships does not require additional spending. Senators and delegates receive a set amount of scholarship money, which is not changed by the bill. MHEC advises that the use of carryover funds to cover renewal awards may be affected if senators make new awards to students eligible under the bill during the current term.

Additional Information

Prior Introductions: None.

Cross File: SB 959 (Senator Salling, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland Higher Education Commission; Maryland Community College Association for Continuing Education and Training; Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2017
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