

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 18 (Senator Waugh, *et al.*)
Education, Health, and Environmental Affairs

Ways and Means

Higher Education - Senatorial Scholarships - Private Career Schools

This emergency bill authorizes senatorial scholarships to be used at *any* private career school in the State or at an out-of-state private career school under specified circumstances, rather than limiting use to an in-state private career school that meets specified requirements.

Fiscal Summary

State Effect: None. Expanding eligibility for a senatorial scholarship does not require additional spending. Revenues are not affected.

Local Effect: None.

Small Business Effect: Minimal. Private career school revenues increase to the extent that more individuals attend in-state private career schools due to the scholarship.

Analysis

Bill Summary: A senatorial scholarship may be used at an out-of-state private career school under the same circumstances as for other types of schools and is subject to the same limitations. As under current law, each recipient attending a private career school may hold the scholarship for the completion of one program if the student remains a resident of Maryland and a full-time student. A recipient must also complete the program within the length of time prescribed by the private career school for doing so. The scholarship may be used for specified education expenses.

Current Law/Background:

Private Career School

A “private career school” is defined in statute as “a privately owned and privately operated institution of postsecondary education other than an institution of higher education that furnishes or offers to furnish programs, whether or not requiring a payment of tuition or fee, for the purpose of training, retraining, or upgrading individuals for gainful employment as skilled or semiskilled workers or technicians in recognized occupations or in new and emerging occupations.”

To operate in Maryland, a private career school must be approved by the Maryland Higher Education Commission (MHEC); some are also accredited by national associations.

In fiscal 2015, approximately 26,500 students enrolled in 226 programs at 140 private career schools in the State. Private career school programs generally provide training in one of the following areas: allied health, audio visual methods, cosmetology, barbering, bartending, computers, massage, Montessori Teacher methods, real estate, truck driving, or mechanics. There are also programs in cooking, dog grooming, dry cleaning, maritime studies, photography, polygraph, travel, and trade schools.

Senatorial Scholarships

Until June 30, 2019, each senator may award \$138,000 in scholarship funds each year. Beginning on July 1, 2019, that amount will grow by the increase in tuition and mandatory fees over the previous year at the University System of Maryland (USM) institution with the highest annual expenses for a full-time resident undergraduate student other than University of Maryland University College (UMUC) and University of Maryland, Baltimore Campus (UMB).

To qualify for an award, an individual must be a resident of Maryland and demonstrate a definite financial need. In addition, a senatorial scholarship may be awarded to an individual who is on active duty with the U.S. military and domiciled in the legislative district of the State from which the applicant seeks an award. 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 USM institution with the highest annual tuition and fees, not including UMUC and UMB. Except under certain circumstances, a scholarship may be held for up to four years of full-time study or eight years of part-time study.

A senatorial scholarship may be used at any undergraduate, graduate, or professional school in the State or at select in-state private career schools that offer two-year certificate

programs that can transfer to a baccalaureate degree, including (1) at a degree-granting institution of higher education, if the curriculum is approved by MHEC; (2) at a hospital diploma school for training registered nurses; or (3) to attend as a full-time student a private postsecondary proprietary institution that is accredited by a national accrediting association approved by the U.S. Department of Education.

Each senator may award at most 10% of 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. A senatorial scholarship may also be used at an out-of-state institution of higher education if the applicant is an individual who is on active duty with the U.S. military and domiciled in the State.

The scholarship may be used for educational expenses as defined by the Office of Student Financial Assistance within 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.

During the 2015-2016 academic year, eight senatorial scholarships for a total of \$2,600 were awarded to students attending private career schools.

Delegate Scholarships and Private Career Schools

In addition to other institutions, delegate scholarships may 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.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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