

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 4

(Senator Hester)

Education, Health, and Environmental Affairs

Appropriations

Cybersecurity Scholarship Program - Alterations

This bill expands the Cybersecurity Public Service Scholarship Program by (1) allowing part-time students to apply under specified conditions; (2) increasing the number of years an individual may hold an award; and (3) expanding the positions that fulfill the program's work and teaching obligations. The Maryland State Department of Education must provide information on the scholarship to certain high school students. The bill also makes a technical change to clarify the conditions under which a student must repay the Maryland Higher Education Commission (MHEC) scholarship funds. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: General fund expenditures increase for one-time costs, \$15,900 in FY 2023, and for expanded eligibility under the scholarship beginning in FY 2023. However, as explained below, currently budgeted funds are likely sufficient in the near term to fully fund the program, including the one-time costs. Revenues are not materially affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: Beginning with the 2023-2024 program application period, a part-time student may apply to the Office of Student Financial Assistance (OSFA) for a scholarship under the Cybersecurity Public Service Scholarship Program. To hold an award, a part-time student must continue to be eligible for in-state tuition and take at least six semester hours

of courses each semester leading to a cybersecurity relevant degree or certificate. OSFA must determine an award amount that is appropriately prorated for the part-time status of a student and must, by January 1, 2023, adopt regulations to administer the Cybersecurity Public Service Scholarship Program to part-time students.

A scholarship recipient must be within three, rather than two, years of graduation to apply. The scholarship may be held by a full-time student for three years, or by a part-time student for six years.

A recipient of the Cybersecurity Public Service Scholarship must work in the State for one year for each year the recipient receives a scholarship (1) in a local education agency, public high school, or community college; (2) in a unit of State, county, city, or municipal government; or (3) as a teacher at a public high school or community college in the State in a program that is directly relevant to cybersecurity.

On or before January 1, 2023, OSFA must adopt guidelines establishing a work obligation appropriately prorated for a part-time student. The work obligation for a part-time student must be equivalent to the amount of time needed for a full-time student to complete certification and may not exceed three years.

Current Law:

Cybersecurity Public Service Scholarship Program

Eligible Individuals: An individual eligible for in-state tuition who is enrolled as a full-time student in an eligible institution in an approved degree or certificate program directly relevant to cybersecurity may apply if within two years of graduation. An applicant must have maintained a cumulative grade point average of at least 3.0 on a 4.0 scale. Further, an applicant can neither have received a federal CyberCorps Scholarship for Service nor have applied for but not received a federal CyberCorps Scholarship for Service.

Eligible Institutions: The award may be used at a public or private nonprofit institution of higher education in the State that possesses a certificate of approval from MHEC or is approved under operation of law.

Scholarship Award: A scholarship award may be used to pay for education expenses as defined by OSFA within MHEC, including tuition, mandatory fees, room, and board. A scholarship recipient must continue to maintain a grade point average of at least 3.0 on a 4.0 scale. Each recipient of a scholarship may hold the award for two years of full-time study.

Work Obligation and Repayment: For each year a recipient receives a scholarship, the recipient must complete a one-year service obligation by working for a unit of State government in the cybersecurity field or teaching in a public high school in the State in an education program that is directly relevant to cybersecurity.

A scholarship recipient must repay MHEC the scholarship funds received if the recipient does not (1) earn credit as a full-time student; (2) complete an approved degree program that is directly relevant to cybersecurity at an eligible institution; and (3) perform the work obligation.

Generally, a recipient must begin repayment at any time during the period that the recipient is no longer performing the required work obligation. Also, repayment must be made to the State within six years after the repayment period begins and adhere to a repayment schedule established by OSFA. However, OSFA may waive or defer repayment if the recipient is unable to fulfill the work obligation due to disability or extended sickness.

Office of Student Financial Assistance

OSFA administers the Cybersecurity Public Service Scholarship Program and must adopt regulations that identify qualifying degree or certificate programs and define the number of credits a recipient must earn as a full-time student.

OSFA also administers various other loan assistance repayment programs targeted at specified professions.

State Expenditures: General fund expenditures increase by an estimated \$15,903 in fiscal 2023 for one-time contractual costs related to updating the Maryland College Aid Processing System to incorporate changes to the application process under the bill.

The fiscal 2023 operating budget, as enacted, includes a \$1.0 million general fund appropriation for the scholarship program, an increase of \$840,000 from the program's fiscal 2022 appropriation of \$160,000. This analysis assumes continued annual appropriations of \$1.0 million for the program.

Demand for the expanded Cybersecurity Public Service Scholarship Program cannot be reliably estimated, in part because the scholarship program is relatively new, having been established in 2018 with initial awards made in fiscal 2019. In fiscal 2021, OSFA awarded 21 scholarships under the program, with an average award amount of \$5,143 and \$108,000 in total disbursed. Even though the appropriation for the scholarship program has been exceeding disbursements, each year the total disbursed as awards has increased. Nevertheless, the greater flexibility under the scholarship program may allow the appropriation to be fully expended.

With the additional \$840,000 for the scholarship program, it is assumed that OSFA can use existing budgeted resources to cover the one-time costs and to make awards under the expanded scholarship program. However, if the appropriation is reduced in fiscal 2023 or beyond, the expanded Cybersecurity Public Service Scholarship may necessitate a waitlist and/or lower scholarship awards should demand be greater than appropriated funds.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 24 (Delegate Luedtke) - Appropriations.

Information Source(s): Department of Information Technology; Maryland Association of Counties; Maryland Municipal League; Maryland State Department of Education; Maryland Higher Education Commission; Department of Budget and Management; Department of Legislative Services

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