

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
Third Reader

Senate Bill 1178

(Senator Bailey, *et al.*)

Education, Energy, and the Environment

Appropriations

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Higher Education - Douglas J. J. Peters Veterans of the Afghanistan and Iraq  
Conflicts Scholarship - Repeal of Service Terminal Date

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This emergency bill expands eligibility for the Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship by repealing the terminal dates of eligibility, which are as prescribed by the U.S. Secretary of Defense for service in Iraq or Afghanistan. Under the bill, individuals are eligible for a Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship provided such an individual, in addition to other eligibility requirements, served in (1) Afghanistan or contiguous air space, as defined in federal regulations, on or after October 24, 2001, or (2) Iraq or contiguous waters or air space, as defined by federal regulations on or after March 19, 2003.

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**Fiscal Summary**

**State Effect:** Expanding *eligibility* for the Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship does not necessitate additional spending, as discussed below. The Maryland Higher Education Commission (MHEC) can make needed administrative changes with existing resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Veterans and active-duty members of the U.S. Armed Forces who served in Afghanistan and Iraq, and members of the reserve or Maryland National Guard who were activated as a result of the conflicts, are eligible for the scholarships, as are their

children, stepchildren, and spouses. To qualify, an applicant must also be a Maryland resident and must be accepted for admission or enrolled in a regular undergraduate program at a Maryland institution of higher education or a two-year terminal certificate program in which the course work is eligible for transfer into a baccalaureate program at a Maryland institution of higher education.

An individual is considered to have served in the Afghanistan or Iraq conflict if the individual was a member of the uniformed services of the United States who served in (1) Afghanistan or contiguous air space, as defined in federal regulations on or after October 24, 2001, and before a terminal date prescribed by the U.S. Secretary of Defense or (2) Iraq or contiguous waters or air space as defined in federal regulations on or after March 19, 2004, and before a terminal date prescribed by the U.S. Secretary of Defense. Therefore, individuals are considered eligible if they served (1) in Afghanistan in Operation Enduring Freedom through December 28, 2014, or Operation Freedom Sentinel through September 30, 2021, or (2) in Iraq in Operation Iraqi Freedom through August 31, 2010, or Operation New Dawn through December 15, 2011.

A recipient is not required to file for financial aid; however, a recipient who does file for financial aid must file by March 1. A scholarship may supplement, but is not contingent on, any federal education benefits for which a recipient qualifies as a result of an individual's military or military dependent status. Recipients must maintain a grade point average of at least 2.5 on a 4.0 scale and may hold the scholarship for up to five years of full-time study or eight years of part-time study.

The annual amount of a scholarship may not exceed 50% of the equivalent annual tuition, mandatory fees, and room and board at the University System of Maryland institution with the highest annual expenses for full-time resident undergraduates, excluding the University of Maryland, Baltimore Campus and the University of Maryland Global Campus. The Office of Student Financial Assistance (OSFA) in MHEC may not award an initial scholarship under the program after June 30, 2030, although existing scholarships may be renewed after that date.

Funding for the scholarship program is as provided in the annual State budget. In addition, senators and delegates may authorize OSFA to award their senatorial and delegate scholarship funds to eligible recipients of the scholarships. There is a Veterans of the Afghanistan and Iraq Conflicts Scholarship Fund. MHEC may accept gifts or grants for the fund and must report annually on the status of the fund.

**State Expenditures:** The fiscal 2025 budget as introduced includes a \$750,000 general fund appropriation to the Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship. MHEC advises that, from fiscal 2021 to 2024, the average number of applicants awarded was 133 with an average award of \$5,300 and an average total

amount awarded of \$735,000. However, in fiscal 2023 alone (the latest full year of data available), the program made 196 awards totaling \$1.0 million for an average award amount of approximately \$5,200.

MHEC further advises that, for the current fiscal 2024 application cycle, nine applicants were identified as ineligible due to their service falling outside the start and terminal dates for the scholarship. *For illustrative purposes only*, expanding eligibility to nine additional applicants each year would necessitate just under \$47,000 in additional annual spending to the extent existing appropriated funds are insufficient to cover the additional awards. Otherwise, individuals can be added to the Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship waiting list with existing resources.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - March 11, 2024  
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