

**Department of Legislative Services**  
Maryland General Assembly  
2008 Session

**FISCAL AND POLICY NOTE**

Senate Bill 284 (Senator Kittleman)  
Education, Health, and Environmental Affairs

**Robert Kittleman Scholarship Reform Act**

This bill eliminates senatorial and delegate scholarships.

**Fiscal Summary**

**State Effect:** General fund expenditures would decrease by an estimated \$11.5 million in FY 2010 due to the deletion of funding for senatorial and delegate scholarships. Future year expenditure reductions reflect projected growth in funding for delegate scholarships. Revenues would not be affected.

| (\$ in millions) | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|------------------|---------|---------|---------|---------|---------|
| Revenues         | \$0     | \$0     | \$0     | \$0     | \$0     |
| GF Expenditure   | 0       | (11.5)  | (11.7)  | (12.0)  | (12.2)  |
| Net Effect       | \$0     | \$11.5  | \$11.7  | \$12.0  | \$12.2  |

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

**Local Effect:** None.

**Small Business Effect:** Minimal.

**Analysis**

**Current Law:** Each Senator may award \$138,000 in scholarship funds each year. To qualify for an award, an individual must be a resident of Maryland and demonstrate a definite financial need. Each Senator makes the final determination of an applicant's financial need. An award under the program may not be lower than \$400 and may not exceed the tuition and mandatory fees at the University System of Maryland institution

with highest annual tuition and fees, not including the University of Maryland University College and the University of Maryland, Baltimore. The scholarships may be held for up to four years of full-time study or eight years of part-time study. A scholarship award may be used to pay educational expenses 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. 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 the Maryland Higher Education Commission to eligible applicants from the Senator's district.

During a term in office, each Delegate may award the equivalent of four four-year full-time scholarships. Delegates may select scholarship recipients on any basis they consider appropriate. The annual amount of a scholarship for any one recipient may not exceed the tuition and mandatory fees at the USM institution with highest annual tuition and fees, not including the University of Maryland University College and the University of Maryland, Baltimore. 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 themselves, Delegates may authorize MHEC to award funding to eligible applicants under the Delegate Howard P. Rawlings Educational Excellence Awards program.

**Background:** As early as 1924, some version of senatorial scholarships appeared in the Maryland Code. At that time, scholarship recipients were appointed by local boards of school commissioners (*i.e.*, school boards), with the advice and consent of the local Senators. Scholarship recipients were required to teach in Maryland for two years after their college graduations. Although the specific requirements have changed over time, eligibility for a senatorial scholarship has always included a financial need component.

Delegate scholarships were established later, and by 1959 each Delegate was authorized to grant a scholarship for the University of Maryland, College Park to one resident of the Delegate's district. Although students who received delegate scholarships initially had to demonstrate a financial need, that part of scholarship eligibility was later removed. By the mid-1970s, the use of delegate scholarships was no longer limited to the University of Maryland, College Park.

Only relatively minor changes have been made to legislative scholarships in the last 15 years. The proposed fiscal 2009 State budget includes \$6.5 million for senatorial scholarships (\$138,000 per Senator) and \$4.9 million for delegate scholarships (\$34,488 per Delegate).

**State Expenditures:** General fund expenditures would decrease by \$11.5 million in fiscal 2010, which reflects the bill's October 1, 2008 effective date and assumes that the final senatorial and delegate scholarships would be awarded in fiscal 2009. Annual appropriations for senatorial scholarships are stable at \$6.5 million, but delegate scholarships generally increase each year due to escalating higher education costs. Assuming 4% annual growth in delegate scholarship funding levels, the savings for future years would increase to \$12.2 million by fiscal 2013.

**Additional Comments:** Some Senators and Delegates make multi-year scholarship awards. Savings could be reduced in the first year or two if the multi-year awards are phased out.

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### **Additional Information**

**Prior Introductions:** An identical bill was introduced last year as SB 179. The bill received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but the committee took no further action on the bill.

Among a number of provisions, SB 127/HB 148 of 2005 would have eliminated senatorial and delegate scholarships and transferred the funding to need-based student financial aid programs. Hearings were held for the bills, but no further action was taken on either of them.

**Cross File:** None.

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

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ncs/rhh

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Analysis by: Mark W. Collins

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510