

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1310 (Ways and Means Committee)
Ways and Means

Senatorial and House of Delegates Scholarship Programs - Abolition and Transfer of Funds

This bill abolishes the Senatorial Scholarship and House of Delegates Scholarship programs and transfers the funds to the HOPE Scholarship Program.

The abolishment of the legislative scholarships takes effect on October 1, 1997. The requirement that the Governor include a fiscal 1999 appropriation in the HOPE Scholarship Program in an amount equal to the fiscal 1998 allowance for the legislative scholarship programs takes effect June 1, 1997.

Fiscal Summary

State Effect: None. The bill transfers funds currently appropriated for legislative scholarships to the HOPE Scholarship Program.

Local Effect: None.

Small Business Effect: None. The bill would not directly affect small businesses.

Fiscal Analysis

Additional Comments: The proposed fiscal 1998 budget includes \$9.0 million for the legislative scholarships: \$6.5 million for the Senatorial Scholarships Program and \$2.5 million for the House of Delegates Scholarships Program. It is assumed that the bill's provisions are contingent upon enactment of SB 231 or HB 493 (Higher Education - Maryland HOPE Scholarships). HOPE Scholarship Program costs are estimated to range from \$17 million to \$36 million in fiscal 1999.

The bill is silent as to whether a current recipient of a legislative scholarship award would

continue to receive the scholarship during the four-year eligibility period. Assuming that the bill's intent is to continue to pay for legislative scholarship renewals, **Exhibit 1** shows the amount of new funds that would be available for the HOPE Scholarship Program each year, once renewals are taken into account.

Exhibit 1
New Funds Available for the HOPE Scholarship Program

(In millions)	FY 1999	FY 2000	FY 2001	FY 2002
Legislative Scholarship Renewals	\$6.9	\$4.6	\$2.4	\$0.0
New Funds Available for HOPE	2.1	4.4	6.6	9.0
TOTAL	\$9.0	\$9.0	\$9.0	\$9.0

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

Fiscal Note History: First Reader - March 3, 1997
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