

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 1231 (Delegate Kopp. *et al.*)

Appropriations

Higher Education - Student Financial Assistance - Retention of Unused Funds

This bill provides that all State scholarship appropriations that are not used by the end of the fiscal year may not revert to the State treasury, but must be used to make awards to students under specified scholarship programs during subsequent fiscal years and may not be used for administrative expenses.

The bill takes effect July 1, 2000.

Fiscal Summary

State Effect: Estimated decrease in general fund scholarship revenue of between \$80,000 and \$425,000 annually, with a commensurate increase in funds for scholarship awards in subsequent years.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: With the exception of the Educational Excellence Award Program, State scholarship appropriations that are not used by the end of the fiscal year revert to the State treasury. Legislation was enacted in 1999 to allow carry-forward of funds remaining in the Educational Excellence Award Program.

State Fiscal Effect: The Governor's proposed fiscal 2001 budget includes a total of \$67.3 million in scholarship funds. The amount of money reverted from scholarship programs to

the State treasury varies from year to year. In fiscal 1999, \$1,134,630 in scholarship funds reverted to the general fund, \$709,628 of which was from the Educational Excellence Award Program. In fiscal 1998, \$306,692 in scholarship funds reverted to the general fund, \$74,540 of which was from the Educational Excellence Award Program. In fiscal 1997, \$322,289 in scholarship funds reverted to the general fund, \$242,941 of which was from the Educational Excellence Award Program. Therefore, it is estimated that the bill could result in a decrease in general fund scholarship reversion revenue of between \$80,000 and \$425,000 annually, and a commensurate increase in funds for scholarship awards in subsequent years. It is not known whether subsequent year scholarship allowances would be adjusted downward to compensate for the carry-forward.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 1, 2000
jir/jr Revised - House Third Reader - March 27, 2000

Analysis by: Claire E. Rooney

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510