

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 604

(Senator Forehand)

Education, Health, and Environmental Affairs

Ways and Means

Higher Education - Senatorial Scholarships

This bill increases the maximum annual award under the Senatorial Scholarship Program from \$2,000 to the equivalent annual tuition and mandatory fees for a full-time resident undergraduate student at the University System of Maryland institution with the highest annual expenses, excluding the University of Maryland University College and the University of Maryland, Baltimore. With the increase, the \$8,000 limit on the amount a student may receive over multiple years is likewise eliminated. The bill also repeals limitations on the use of senatorial scholarship funds for summer study.

Fiscal Summary

State Effect: None. The total amount that each Senator may award each year is not altered.

Local Effect: None.

Small Business Effect: None.

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 applicant must also take a competitive examination administered by OSFA unless the applicant qualifies for an exemption from the exam.

An award under the Senatorial Scholarship Program ranges from \$400 to \$2,000 per year and may be held for up to four years of full-time study or eight years of part-time study. In total, a recipient may not receive more than \$8,000 in awards for undergraduate, graduate, or professional study. A recipient may use up to one-half of an annual award for summer school if the recipient is scheduled to graduate immediately after the fall semester following summer school.

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, and scholarship recipients were required to teach in Maryland for two years after their college graduations. Although the specific requirements and the amounts that Senators may award have changed over time, eligibility for a senatorial scholarship has always included a financial need component.

According to MHEC, the average award for a senatorial scholarship has been around \$900 for the last three years. In fiscal 2007, MHEC estimates that approximately 6,600 scholarships with an average award amount of \$984 will be distributed through the Senatorial Scholarship Program. The proposed fiscal 2008 State budget includes \$6.5 million for the program, enough for each Senator to award \$138,000 in scholarships.

The proposed fiscal 2008 budget includes \$15.4 million to freeze in-State tuition rates at fall 2005 rates for the second consecutive year. The highest tuition and mandatory fees for a full-time, in-State, undergraduate student in fall 2007 will be \$8,708 at the University of Maryland Baltimore County pending approval by the University System of Maryland Board of Regents.

State Fiscal Effect: The bill would not impact the annual appropriation for senatorial scholarships. If the average award amount increases as a result of the bill, fewer students would be awarded senatorial scholarships each year.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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