

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 179 (Senators Kittleman and Brochin)
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 2009 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 2008	FY 2009	FY 2010	FY 2011	FY 2012
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 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 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 (MHEC) 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 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. 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 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 2008 State budget includes \$6.5 million for senatorial scholarships and \$4.9 million for delegate scholarships.

State Expenditures: General fund expenditures would decrease by \$11.5 million in fiscal 2009, which reflects the bill's October 1, 2007 effective date and assumes that the final senatorial and delegate scholarships would be awarded in fiscal 2008. Annual appropriations for senatorial scholarships are stable at \$6.5 million, but delegate

scholarships generally increase each year due to escalating higher education costs. The savings for future years, therefore, would increase to \$12.2 million by fiscal 2012.

Additional Information

Prior Introductions: Among a variety of changes to State funding statutes, 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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nas/rhh

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