

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 739

(Senator Simonaire, *et al.*)

Education, Health, and Environmental Affairs

Ways and Means

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**Legislative Scholarships Integrity Act of 2007**

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This bill prohibits Senators and Delegates from awarding legislative scholarships to their relatives and from knowingly awarding legislative scholarships to the relatives of other members of the General Assembly who represent the same district. If a member awards a scholarship in violation of this prohibition, the scholarship recipient may continue to use the award until the end of the school year and the Office of Student Financial Assistance (OSFA) must send a letter to the member and the recipient stating that the award may not be renewed. Senatorial and delegate scholarships that are awarded by OSFA, rather than by Senators and Delegates, are not subject to the prohibition.

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**Fiscal Summary**

**State Effect:** Assuming that close monitoring of the awards made by Senators and Delegates would not be necessary, the bill would not impact State finances. OSFA could notify Senators, Delegates, and scholarship recipients of any violations with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The bill defines “relative” as:

- a spouse;

- a parent or stepparent;
- a sibling or stepsibling;
- a child or stepchild;
- a mother- or father-in-law;
- a son- or daughter-in-law;
- a grandparent; or
- a grandchild.

The bill states that “relative” does not include a foster child or ward.

**Current Law:** There are eligibility requirements for senatorial and delegate scholarships, but there is no statutory prohibition against a legislator awarding a legislative scholarship to a family member or the relative of another legislator serving the district. OSFA must announce publicly the names of all senatorial scholarship recipients, but there is no equivalent requirement for delegate scholarships.

**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.

Anecdotally, the Maryland Higher Education Commission (MHEC) reports that it has received phone calls, typically from Common Cause or similar groups focused on open government, informing the commission about legislators who have awarded scholarships to family members. MHEC does not attempt to verify the claims.

**State Fiscal Effect:** The bill would not impact the annual appropriations for senatorial and delegate scholarships.

MHEC advises that it currently has no way of tracking awards that may be made to the relatives of legislators. Assuming that the bill would not require close scrutiny of awards made by Senators and Delegates, the bill could be implemented with existing personnel and resources. If more intense scrutiny of scholarship awardees would be required, MHEC may need additional personnel to monitor the awards.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 19, 2007  
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