

Department of Legislative Services
 Maryland General Assembly
 2012 Session

FISCAL AND POLICY NOTE

House Bill 1267 (Delegate Frank)
 Ways and Means

Senatorial and Delegate Scholarships - Posting of Award Recipients

This bill requires the Office of Student Financial Assistance (OSFA) in the Maryland Higher Education Commission (MHEC) to post on its website and to make available a list of names and addresses of recipients of senatorial and delegate scholarships awarded as well as the name and district number of the awarding senator or delegate.

Fiscal Summary

State Effect: MHEC general fund expenditures increase by approximately \$7,500 in FY 2013 for one-time programming costs to change its financial aid processing system to link the senatorial and delegate scholarship awardees to the awarding senator or delegate.

(in dollars)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	7,500	0	0	0	0
Net Effect	(\$7,500)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

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 must consider an applicant's financial need. An award under the program may not be lower than \$400 and may not exceed the tuition and

mandatory fees at the University System of Maryland (USM) institution with the highest annual tuition and fees, not including the University of Maryland University College (UMUC) and the University of Maryland, Baltimore (UMB). The scholarships may be held for up to four years of full-time study or eight years of part-time study. A scholarship award may be used to pay educational expenses at a public or private Maryland institution of postsecondary education or, when the desired program of study or appropriate accommodations are not available in Maryland, up to 10% of each senator's funds may be used for scholarships at 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 MHEC to eligible applicants from the senator's district. OSFA is required to notify each senator of the applicants to whom it awards the senator's scholarships and announce publicly the names of all recipients.

During a term in office, each delegate may award the equivalent of four four-year full-time scholarships or two part-time scholarships for each full-time scholarship available. 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 USM institution with the highest annual tuition and fees, not including UMUC and UMB. 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 Delegate Howard P. Rawlings Educational Excellence Awards program.

Background: As early as 1924, some version of senatorial scholarships appeared in Maryland statutes. 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 graduation. 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 (UMCP) 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 UMCP.

Only relatively minor changes have been made to legislative scholarships in the last 16 years. The Governor's proposed fiscal 2013 budget includes \$6,486,000 for senatorial

scholarships (\$138,000 per senator) and \$5,300,486 for delegate scholarships (\$37,592 per delegate).

State Expenditures: MHEC reports that there will be one-time contractual costs between \$5,000 and \$10,000 associated with changing its financial aid processing system, known as Maryland College Aid Processing System (MD CAPS) in fiscal 2013 to link the senatorial and delegate scholarship awardees to the awarding senator or delegate. This estimate assumes that it will cost \$7,500 to update MD CAPS.

Additional Information

Prior Introduction: SB 477 of 2011 received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee.

Cross File: SB 573 (Senator Kittleman) - Education, Health, and Environmental Affairs.

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

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ncs/rhh

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