

have been significant reversions of funds appropriated for the various scholarship programs. The largest reversions have been from the General and Senatorial programs, amounting in Fiscal Year 1975 to over \$400,000 of the \$490,000 total reversion.

The major cause of these funds remaining unused has been the withdrawal of students receiving awards during the school year, and the delay in the colleges notifying the Board of these withdrawals. Most of the withdrawals occur in the fall, between September and November.

Two other bills were passed this year concerning the scholarship programs that I have signed into law. Senate Bill 857 requires the colleges to notify the State Scholarship Board within 30 days of a withdrawal, and the Board must then notify the appointing authority within 10 days. This will, I am advised, be of great help in allowing the Board to reaward these funds in time for the spring semester. Senate Bill 975 allows awards under the General State Scholarship Program to be made by legislative district, rather than by political subdivision, which would also assist in the reawarding of unused scholarship funds, particularly in Baltimore City, where most of the unmet need appears to be.

This year, the State Scholarship Board made a concerted effort to avoid reversions by reawarding, in the spring, funds made available by withdrawals in the fall. As a result, the reversion for Fiscal Year 1976 is not expected to exceed \$50,000. I am advised further that if Senate Bills 857 and 975 had been in effect, the unused funds could have been reawarded so that all eligible applicants would have received awards for at least part of the school year, and the reversion, if any, would be de minimis.

It would therefore appear that most of the problem that engendered Senate Bill 891, save perhaps some administrative inconvenience in making awards in the spring, has or will be dissipated by the enactment of Senate Bills 857 and 975 and the commendably efficient operation of the Board. Outweighing whatever inconvenience may be involved in reawarding scholarships in the spring is the poor precedent of authorizing a State agency to accumulate annual appropriations where some special need for such accumulation does not exist. Such an exemption from standard budget and fiscal procedures necessarily involves some loss of budgetary control, and ought to be granted only where there is a clear and compelling need for it.

I am aware that provisions similar to those in Senate Bill 891 were included in the bills sponsored by the Administration to revise generally the State