

(2) One quarter of the funds available for annual initial scholarships shall be awarded equally among legislative districts to qualified applicants on the basis of greatest financial need.

(3) At least one-tenth of the funds available for annual initial scholarships shall be awarded from the statewide list on the basis of low and moderate family income.

(4)] All [remaining] funds for annual initial [scholarships] GRANTS shall be awarded from the statewide list on the basis of greatest financial need.

(c) [After all eligible applicants from a district have been processed, the Administration shall use any money allocated to that legislative district, but not awarded, to make awards from the statewide list of eligible candidates in the manner provided in subsection (b)(3) of this section.

(d)] On or before ~~June~~ MAY 1 of each year, the Administration shall send each Senator AND EACH DELEGATE a list of individuals in each legislative district to whom [general State scholarships] ~~FREE STATE~~ EDUCATIONAL EXCELLENCE AWARDS are awarded.

18-307.

(a) In this section "school" means an institution that meets the requirements of § 18-304(a)(1) of this subtitle.

(b) The Administration may enter into reciprocal scholarship agreements with other states. However, the Administration shall give priority to entering into reciprocal agreements with contiguous and nearby states.

(c) If scholarships are awarded to students for use in schools in other states, the total value of all of these awards may not be more than 10 percent of the total funds budgeted for the [general State scholarship] ~~FREE STATE~~ EDUCATIONAL EXCELLENCE AWARD program.

(d) The Administration shall submit an annual report on the reciprocal scholarship program to the Commission, the Governor, and, subject to § 2-1312 of the State Government Article, to the General Assembly.

18-308.

FOR ANY FISCAL YEAR, IF THE FUNDS APPROPRIATED FOR THE ~~FREE STATE~~ EDUCATIONAL EXCELLENCE AWARD PROGRAM ARE INSUFFICIENT TO SATISFY FULLY ALL AWARDS AS CALCULATED UNDER § 18-303 OF THIS SUBTITLE, THE AMOUNT PAID TO EACH RECIPIENT OF A ~~FREE STATE~~ AN EDUCATIONAL EXCELLENCE AWARD SHALL BE A PERCENTAGE OF THAT AWARD, AS DETERMINED IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE COMMISSION THAT ESTABLISH A SCHEDULE OF REDUCTIONS ESTABLISHED BY THE COMMISSION FOR THIS PURPOSE.