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By: Delegates Kaiser, Barkley, Bozman, Cryor, Goldwater, Gutierrez, Healey, Heller, Hixson, King, Madaleno, Marriott, Nathan-Pulliam, Patterson, Ramirez, Ross, and Sossi Sossi, Boschert, Cardin, C. Davis, Elmore, Gilleland, Goodwin, Gordon, Howard, McKee, and Myers

Introduced and read first time: February 11, 2005

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Student Financial Assistance Reform Act of 2005**

3 FOR the purpose of ~~altering the eligibility requirements for the Sharon Christa~~  
 4 ~~McAuliffe Memorial Teacher Education Tuition Assistance Program; altering~~  
 5 ~~the number of years certain students may receive a grant under the Program;~~  
 6 altering the service obligation requirements to enable certain recipients of the  
 7 Maryland State Nursing Scholarship Program to perform certain service  
 8 obligations working ~~as a~~ in certain full-time or part-time ~~nurse nursing or~~  
 9 faculty positions; establishing the Distinguished Scholar Program for  
 10 Community College Transfer Students in the Maryland Higher Education  
 11 Commission; establishing eligibility criteria for scholarships awards and award  
 12 amounts under the Program; authorizing awards to be used for certain  
 13 purposes; requiring the Governor to include a certain amount in the annual  
 14 budget submission for ~~certain programs for a certain program for a certain fiscal~~  
 15 ~~years year~~; requiring the Maryland Higher Education Commission to establish a  
 16 certain workgroup to study the consolidation of certain grant programs;  
 17 requiring the workgroup to include certain representatives; requiring the  
 18 Commission to issue a certain report; ~~declaring the intent of the General~~  
 19 ~~Assembly~~ altering a certain definition; and generally relating to student  
 20 financial assistance programs administered by the Maryland Higher Education  
 21 Commission.

22 BY repealing and reenacting, with amendments,

23 Article - Education

24 Section ~~18-703(e)(1), (f), and (h) and 18-706(c) and (f) 18-701(d)(1) and (2)(i)~~

1 and (e) and 18-706(a) and (c)  
2 Annotated Code of Maryland  
3 (2004 Replacement Volume and 2004 Supplement)

4 BY repealing and reenacting, without amendments,  
5 Article - Education  
6 Section ~~18-703(b)(1) and (2)~~ and 18-706(b) and (d)  
7 Annotated Code of Maryland  
8 (2004 Replacement Volume and 2004 Supplement)

9 BY adding to  
10 Article - Education  
11 Section 18-1106 to be under the amended subtitle "Subtitle 11. Distinguished  
12 Scholar Programs"  
13 Annotated Code of Maryland  
14 (2004 Replacement Volume and 2004 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Education**

18 18-701.

19 (d) (1) The recipient of an Economic Development Student Assistance Grant  
20 shall repay the Commission the funds received as set forth in § 18-112 of this title if  
21 the recipient does not:

22 (i) Complete the specified degree, attain the licensure or  
23 certification required, or fulfill other requirements as provided in this subtitle; and

24 (ii) [Perform] EXCEPT AS PROVIDED IN § 18-706 OF THIS SUBTITLE,  
25 PERFORM the service obligation as specified in each section of this subtitle for 1 year  
26 for each year that the recipient has a grant awarded under this subtitle.

27 (2) (i) Except as otherwise provided in this section AND IN § 18-706 OF  
28 THIS SUBTITLE, the Office shall waive the repayment of the grant award at the rate  
29 of 1 year for each year that the recipient performs the service obligation.

30 (e) [The] EXCEPT AS PROVIDED IN § 18-706 OF THIS SUBTITLE, THE  
31 repayment of the grant award by a recipient who is not yet required by the provisions  
32 of this subtitle to begin repayment of the award and who accepts employment that  
33 fulfills the service obligation shall be forgiven, for the purposes of this subtitle, at a  
34 rate of 1 year for each year that the recipient performs the service obligation.

1 ~~48-703.~~

2 (b) (1) ~~Economic Development Student Assistance Grants to be known as~~  
3 ~~the Sharon Christa McAuliffe Memorial Teacher Education Award may be awarded as~~  
4 ~~teacher education tuition assistance grants.~~

5 (2) ~~The Office shall award annually to eligible applicants tuition~~  
6 ~~assistance grants for the education of persons to teach in areas of critical or~~  
7 ~~geographic shortage.~~

8 (c) ~~A recipient of a tuition assistance grant shall:~~

9 (1) ~~Qualify as follows:~~

10 (i) ~~Have earned [60] 30 credits of undergraduate collegiate~~  
11 ~~education and be enrolled in or sign a letter of intent to enroll in a program leading to~~  
12 ~~certification to teach in an area of critical or geographic shortage and be selected by~~  
13 ~~the Office on a competitive basis among qualified applicants based on academic~~  
14 ~~criteria, not limited to standardized tests, established by the State Board of~~  
15 ~~Education; or~~

16 (ii) ~~Have an undergraduate or graduate degree and be enrolled in~~  
17 ~~or sign a letter of intent to enroll in courses leading to certification to teach in an area~~  
18 ~~of critical or geographic shortage and be selected among qualified applicants on a~~  
19 ~~competitive basis based on academic criteria established by the State Board of~~  
20 ~~Education; or~~

21 (iii) ~~Persons who are already teachers shall:~~

22 1. ~~Be nominated by the superintendent of schools of the~~  
23 ~~system in which the person teaches or intends to teach; and~~

24 2. ~~Enroll as a student in courses required for teacher~~  
25 ~~certification in an academic area in which there is a critical or geographic shortage of~~  
26 ~~teachers; and~~

27 3. ~~Be selected by the Office on a competitive basis among~~  
28 ~~qualified applicants based on criteria established by the State Board of Education;~~

29 (f) (1) ~~A nondegreed recipient may renew an award for [1 year] 2 YEARS if~~  
30 ~~the recipient:~~

31 (i) ~~Remains an undergraduate student in an area of critical or~~  
32 ~~geographic shortage; and~~

33 (ii) ~~Maintains a grade point average of at least 3.0 on a 4.0 scale~~  
34 ~~and advances in academic standing at least 1 year for each year for which an award~~  
35 ~~is renewed.~~

1           (2)     A degreed recipient and a teacher recipient may renew an award for  
2 1-year if that recipient maintains a grade point average of at least 3.0 on a 4.0 scale.

3           (h)     (1)     ~~[Funds] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~  
4 ~~SUBSECTION, FUNDS for the SHARON CHRISTA MCAULIFFE MEMORIAL Teacher~~  
5 ~~Education Tuition Assistance Program shall be as provided in the annual budget of~~  
6 ~~the Commission by the Governor.~~

7           (2)     ~~FOR FISCAL YEARS 2007 THROUGH 2009, THE GOVERNOR SHALL~~  
8 ~~INCLUDE IN THE ANNUAL BUDGET SUBMISSION FOR THE SHARON CHRISTA~~  
9 ~~MCAULIFFE MEMORIAL TEACHER EDUCATION TUITION ASSISTANCE PROGRAM AN~~  
10 ~~AMOUNT EQUAL TO THE SUM OF:~~

11           (1)     ~~THE APPROPRIATION INCLUDED IN THE BUDGET SUBMISSION~~  
12 ~~FOR FISCAL YEAR 2006; AND~~

13           (II)    ~~\$500,000.~~

14 18-706.

15           (a)     In this section the following words have the meanings indicated.

16           (1)     "Eligible organization" means an institution, including a licensed  
17 hospital, nursing home, adult day care center, public health agency, home health  
18 agency, or other organization authorized by the Secretary of Health and Mental  
19 Hygiene.

20           (2)     "Eligible institution" means an institution of postsecondary  
21 education:

22           (i)     Approved to operate by the Maryland Higher Education  
23 Commission; and

24           (ii)    That awards nursing degrees or diplomas.

25           (3)     "Nursing shortage area" means a recognized area of nursing service  
26 or specialization determined by the Secretary of Health and Mental Hygiene to be an  
27 area where there exists a shortage of qualified nurses in eligible organizations.

28           (4)     "Nursing student" means a student enrolled in a postsecondary  
29 nursing education degree or diploma program at an eligible institution.

30           (5)     "Service obligation" means employment as:

31           (I)     [a] A nurse in a nursing shortage area in an eligible  
32 organization; OR

33           (II)    A FACULTY MEMBER IN A NURSING PROGRAM AT AN ELIGIBLE  
34 INSTITUTION.

1 (b) (1) Economic Development Student Assistance Grants may be awarded  
2 as scholarships for nursing students in nursing shortage areas.

3 (2) (i) The nursing scholarship awarded under this section shall be in  
4 the amount of tuition and fees not to exceed \$3,000 annually for a full-time student or  
5 a prorated award according to the number of credit hours taken by a part-time  
6 student.

7 (ii) Each award shall be renewable on an annual basis up to a  
8 maximum amount of \$12,000, if the recipient:

- 9 1. Remains a resident of this State;
- 10 2. Enrolls in an eligible institution;
- 11 3. Maintains a grade point average of at least 3.0 on a 4.0  
12 scale or its equivalent; and
- 13 4. Makes satisfactory progress toward the nursing degree or  
14 diploma according to the standards of the eligible institution attended.

15 (3) (i) For a nursing student enrolled in a nursing program, including  
16 mandatory summer academic sessions that are a required part of the approved  
17 curriculum, the nursing scholarship awarded under this section shall be in the  
18 amount of tuition and fees not to exceed \$4,500 per calendar year.

19 (ii) Each award shall be renewable on an annual basis up to a  
20 maximum amount of \$12,000, if the recipient:

- 21 1. Remains a resident of the State;
- 22 2. Enrolls in a nursing program at an eligible institution;
- 23 3. Maintains a grade point average of at least 3.0 on a 4.0  
24 scale or its equivalent; and
- 25 4. Makes satisfactory progress toward the nursing degree or  
26 diploma according to the standards of the eligible institution attended.

27 (c) Each recipient of the nursing scholarship awarded under this section shall:

28 (1) Be a nursing student;

29 (2) Have a grade point average of at least 3.0 on a 4.0 scale or its  
30 equivalent;

31 (3) Be selected by the Office on a competitive basis from among the  
32 qualified applicants based on academic criteria established by the Commission; and

33 (4) Perform the service obligation ~~AS~~ IN A:

1 (I) FULL-TIME NURSE POSITION AT A RATE OF 1 YEAR FOR EACH  
2 YEAR THAT THE RECIPIENT RECEIVES A GRANT AWARDED UNDER THIS SUBTITLE;  
3 OR

4 (II) PART-TIME NURSE POSITION AT A RATE OF 2 YEARS FOR EACH  
5 YEAR THAT THE RECIPIENT RECEIVES A GRANT AWARDED UNDER THIS SUBTITLE.

6 (d) (1) Each recipient of a nursing scholarship awarded under this section  
7 may be entitled, based on financial need, to an additional grant to meet living costs  
8 not to exceed \$3,000 annually for a full-time student or a prorated award according to  
9 the number of credit hours taken by a part-time student.

10 (2) Each additional grant shall be renewable on an annual basis up to a  
11 maximum amount of \$12,000, if the recipient meets the requirements for continuing  
12 the scholarship award under subsection (b)(2)(ii) of this section.

13 (3) The Office shall require a recipient of a nursing scholarship who  
14 seeks an additional grant for living costs to provide information to the Office  
15 sufficient to assure that the student has a definite financial need.

16 ~~(f) (1) [Funds] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~  
17 ~~SUBSECTION, FUNDS for the nursing scholarships awarded under this section shall be~~  
18 ~~as provided in the annual budget of the Commission by the Governor.~~

19 ~~(2) FOR FISCAL YEARS 2007 THROUGH 2009, THE GOVERNOR SHALL~~  
20 ~~INCLUDE IN THE ANNUAL BUDGET SUBMISSION FOR THE MARYLAND STATE~~  
21 ~~NURSING SCHOLARSHIP PROGRAM AN AMOUNT EQUAL TO THE SUM OF:~~

22 ~~(1) THE APPROPRIATION INCLUDED IN THE BUDGET SUBMISSION~~  
23 ~~FOR FISCAL YEAR 2006; AND~~

24 ~~(1) \$1,000,000.~~

25 Subtitle 11. Distinguished Scholar [Program] PROGRAMS.

26 18-1106.

27 (A) THERE IS A DISTINGUISHED SCHOLAR PROGRAM FOR COMMUNITY  
28 COLLEGE TRANSFER STUDENTS TO BE AWARDED BY THE OFFICE TO RESIDENTS OF  
29 THE STATE IN THE MANNER PROVIDED IN THIS SECTION FOR USE AT 4-YEAR  
30 INSTITUTIONS OF HIGHER EDUCATION IN THE STATE.

31 (B) THE OFFICE SHALL ANNUALLY SELECT THE COMMUNITY COLLEGE  
32 STUDENTS WHO HAVE THE GREATEST POTENTIAL FOR ACADEMIC SUCCESS IN  
33 HIGHER EDUCATION AS DETERMINED BY CRITERIA ESTABLISHED BY THE OFFICE  
34 AND OFFER A SCHOLARSHIP TO EACH OF THESE STUDENTS TO BE USED AT ANY  
35 MARYLAND 4-YEAR INSTITUTION OF HIGHER EDUCATION OF THE STUDENT'S  
36 CHOICE, IF THE STUDENT MEETS THE FOLLOWING QUALIFICATIONS:

1 (1) HAS A COMMUNITY COLLEGE TRANSCRIPT INDICATING AN OVERALL  
2 ACADEMIC GRADE POINT AVERAGE OF AT LEAST 3.0 ON A 4.0 SCALE OR ITS  
3 EQUIVALENT GRADE POINT AVERAGE;

4 (2) HAS COMPLETED AT LEAST 60 CREDIT HOURS OR AN ASSOCIATE  
5 DEGREE PROGRAM AT A COMMUNITY COLLEGE IN THE STATE;

6 (3) QUALIFIES AS A MARYLAND RESIDENT;

7 (4) APPLIES THE SCHOLARSHIP WITHIN 1 YEAR OF COMPLETING THE  
8 REQUIRED CREDIT HOURS OR AN ASSOCIATE DEGREE PROGRAM; AND

9 (5) ATTENDS THE 4-YEAR INSTITUTION OF HIGHER EDUCATION AS A  
10 FULL-TIME STUDENT.

11 (C) THE OFFICE SHALL AWARD SCHOLARSHIPS UNDER THIS SECTION TO  
12 RECIPIENTS WHO HAVE ATTENDED COMMUNITY COLLEGES FROM ACROSS THE  
13 STATE.

14 (D) (1) THE SCHOLARSHIP AWARD SHALL BE IN THE AMOUNT OF \$3,000 PER  
15 ACADEMIC YEAR.

16 (2) EACH AWARD SHALL BE RENEWABLE FOR A MAXIMUM OF 1 YEAR  
17 SUBSEQUENT TO THE ORIGINAL AWARD IF THE RECIPIENT:

18 (I) CONTINUES TO MEET THE QUALIFICATIONS SPECIFIED IN  
19 SUBSECTION (B) OF THIS SECTION; AND

20 (II) MAINTAINS A 3.0 GRADE POINT AVERAGE ON AN ACADEMIC  
21 YEAR BASIS.

22 (E) AN AWARD GRANTED UNDER THIS SUBTITLE MAY BE USED FOR:

23 (1) TUITION AND MANDATORY FEES;

24 (2) ROOM AND BOARD; AND

25 (3) BOOKS AND SUPPLIES.

26 (F) THIS SCHOLARSHIP AWARD IS IN ADDITION TO ANY OTHER STATE  
27 SCHOLARSHIPS THAT ARE AVAILABLE TO THE STUDENT.

28 (G) THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET SUBMISSION  
29 FOR THE DISTINGUISHED SCHOLAR PROGRAM FOR COMMUNITY COLLEGE TRANSFER  
30 STUDENTS:

31 ~~(1) FOR FISCAL YEAR 2007 \$500,000; AND~~

32 ~~(2) FOR FISCAL YEARS 2008 AND 2009 \$1,000,000~~ \$ 250,000 IN FISCAL  
33 YEAR 2007.

1 SECTION 2. AND BE IT FURTHER ENACTED, That:

2 (1) The Maryland Higher Education Commission shall establish a  
3 workgroup to study the consolidation of economic development student assistance  
4 grants and work-based shortage grants into a single grant program. The grant  
5 program should, to the extent practicable, establish uniform criteria for grant  
6 eligibility, award amounts, and service obligation requirements. The program should  
7 include a methodology for prioritizing work-based shortage grants on an annual  
8 basis.

9 (2) The Commission shall include in the workgroup representatives  
10 from:

- 11 (i) the Department of Legislative Services;
- 12 (ii) public 4-year institutions of higher education;
- 13 (iii) the Maryland Independent College and University Association;
- 14 (iv) community colleges; and
- 15 (v) the Governor's Workforce Investment Board.

16 (3) The Commission shall report its findings and recommendations to  
17 the Governor and, in accordance with § 2-1246 of the State Government Article, to  
18 the General Assembly by November 15, 2005.

19 ~~SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the~~  
20 ~~General Assembly that the appropriations to the Sharon Christa McAuliffe Memorial~~  
21 ~~Teacher Education Tuition Assistance Program, Maryland State Nursing Scholarship~~  
22 ~~Program, and Distinguished Scholar Program for Community College Transfer~~  
23 ~~Students required under Section 1 of this Act shall be funded through a reduction in~~  
24 ~~the appropriation to the HOPE Scholarship Programs of not less than \$2,000,000 in~~  
25 ~~fiscal year 2007.~~

26 SECTION 4. 3. AND BE IT FURTHER ENACTED, That this Act shall take  
27 effect July 1, 2005.