

Chapter 339

(Senate Bill 785)

AN ACT concerning

Higher Education – 2+2 Transfer Scholarship

FOR the purpose of renaming the Community College Transfer Scholarship to be the 2+2 Transfer Scholarship and altering certain elements of the scholarship program; altering the ~~institutions at which the scholarship may be used~~, qualifications for the scholarship, and the annual amount of the award; specifying that the scholarship may be used for a certain period of time; altering the requirements for maintaining the award; repealing a certain employment obligation associated with the scholarship; requiring certain funds to be transferred from a certain fund for certain purposes under certain circumstances; and generally relating to the 2+2 Transfer Scholarship.

BY repealing and reenacting, without amendments,

Article – Education

Section 10–101(c) and (m) and 18–101(c)

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 18–107(c); and 18–2501 through 18–2506 to be under the amended subtitle “Subtitle 25. HOPE for Nontraditional Students – 2+2 Transfer Scholarship Program”

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY repealing

Article – Education

Section 18–2507

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY adding to

Article – Education

Section 18–2507

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

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

Article – Education

10–101.

(c) “Commission” means the Maryland Higher Education Commission.

(m) “Public senior higher education institution” means:

(1) The constituent institutions of the University System of Maryland and the University of Maryland Center for Environmental Science;

(2) Morgan State University; and

(3) St. Mary’s College of Maryland.

18–101.

(c) “Office” means the Office of Student Financial Assistance.

18–107.

(c) (1) In this subsection, “Fund” means the Need–based Student Financial Assistance Fund.

(2) There is a Need–based Student Financial Assistance Fund.

(3) The purpose of the Fund is to allow money appropriated for student financial assistance programs that is not used in a fiscal year to be retained for need–based awards in future fiscal years.

(4) The Commission shall administer the Fund.

(5) (i) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(ii) The State Treasurer shall hold the Fund and the Comptroller shall account for the Fund.

(6) The Fund consists of:

(i) Money distributed to the Fund under subsection (b) of this section; and

(ii) Any other money from any other source accepted for the benefit of the Fund.

(7) (i) The Fund may be used only for making need-based financial assistance awards to students as provided in §§ 18-301, 18-601, 18-604, 18-706(f), 18-1401, 18-14A-01, 18-1501, **18-2507**, and 18-2601 of this title.

(ii) The Fund may not be used for administrative expenses.

(8) (i) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(ii) Any investment earnings on the funds in the account shall be paid into the General Fund of the State.

(9) Expenditures from the Fund may be made only in accordance with the State budget.

Subtitle 25. HOPE for Nontraditional Students – [Community College] **2+2** Transfer Scholarship Program.

18-2501.

There is a [Community College] **2+2** Transfer Scholarship Program in the State under which scholarships are awarded under this subtitle.

18-2502.

A [Community College] **2+2** Transfer Scholarship awarded under this subtitle may be used only at a [4-year public or private nonprofit institution of higher education] **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION** in the State.

18-2503.

To qualify for a [Community College] **2+2** Transfer Scholarship, an applicant shall:

(1) Be a resident of the State;

(2) Be a student at a community college in the State;

(3) Maintain a cumulative [3.0] **2.5** grade point average on a 4.0 scale while a student at a community college in the State;

(4) Have [completed at least 60 credits at a community college in the State or have] earned an associate's degree **FROM A COMMUNITY COLLEGE IN THE STATE** by the end of the semester in which the applicant plans to transfer;

(5) Be accepted for admission in a degree program at a [4-year public or private nonprofit institution of higher education in the State] **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE**;

(6) Intend to enroll in a [4-year public or private nonprofit institution of higher education in the State] **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE** in order to complete a bachelor's degree program;

(7) [Enroll] **ON OR AFTER THE FALL SEMESTER OF 2014, ENROLL** as a full-time student in [that 4-year institution] **A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE** **BY THE FALL SEMESTER FOLLOWING COMPLETION OF THE ASSOCIATE'S DEGREE**;

[(8) Have an annual total family income of not more than \$95,000; and]

(8) IN THE CASE OF AN INDIVIDUAL WHO IS REQUIRED TO REGISTER WITH THE SELECTIVE SERVICE SYSTEM, HAVE COMPLIED WITH THE REGISTRATION REQUIREMENT;

(9) HAVE COMPLETED THE FEDERAL FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA);

(10) HAVE DEMONSTRATED FINANCIAL NEED, DEFINED AS A FEDERALLY CALCULATED EXPECTED FAMILY CONTRIBUTION (EFC) OF \$10,000 OR LESS AS REPORTED ON THE STUDENT'S FAFSA; AND

[(9)] **(11)** Accept any other conditions or satisfy any additional criteria that the Commission or the Office may establish.

18-2504.

(a) **(1)** [The] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE** annual amount of the [Community College] **2+2** Transfer Scholarship awarded under this subtitle shall be [\$3,000] **\$1,000**.

(2) FOR A STUDENT WHO ENROLLS IN A SCIENCE, TEACHING, ENGINEERING, COMPUTER SCIENCE, MATHEMATICS, OR NURSING PROGRAM AT A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE, THE ANNUAL AMOUNT OF THE 2+2 TRANSFER SCHOLARSHIP AWARDED UNDER THIS SUBTITLE SHALL BE \$2,000.

(b) A [Community College] 2+2 Transfer Scholarship may be used for tuition and mandatory fees **FOR 3 YEARS OF STUDY, OR SIX SEMESTERS OF STUDY, WHICHEVER IS LONGER.**

(c) [(1) Subject to paragraphs (2) and (3) of this subsection, to] **TO** retain a [Community College] 2+2 Transfer Scholarship, the recipient shall:

[(i)] (1) Remain a resident of the State;

[(ii)] (2) Continue to be enrolled as an undergraduate student in a degree program at a [4-year public or private nonprofit institution of higher education in the State] **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE;**

[(iii)] (3) Maintain a [3.0] **2.5** grade point average on a 4.0 scale each academic year the individual is enrolled at a [4-year public or private nonprofit institution of higher education in the State] **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE** or provide evidence satisfactory to the Office of extenuating circumstances; and

[(iv)] (4) Maintain the standards of the eligible institution that the individual attends.

[(2) A recipient of a Community College Transfer Scholarship awarded under this subtitle shall receive the award for each year that the recipient is eligible if the recipient signs an agreement at the time of the initial award to:

(i) Remain a resident of the State and:

1. Except as provided in paragraph (3)(ii) of this subsection, continue full-time employment in the State after completion of undergraduate studies for 1 year for each year that the Scholarship was awarded; or

2. Except as provided in paragraph (3)(ii) of this subsection, commence full-time employment in the State within 1 year after completion of undergraduate studies and thereafter continue employment in the State for 1 year for each year that the Scholarship was awarded; and

(ii) Repay the State the amounts awarded under this subtitle as set forth in § 18–112 of this title for any portion of the award if the recipient does not:

1. Satisfy the degree requirements of the eligible institution or fulfill other requirements as provided in this subtitle; and

2. Maintain State residency and satisfy the employment obligation required under this paragraph.

(3) (i) The residency and employment obligation required by paragraph (2) of this subsection begins after graduation and cannot be fulfilled prior to graduation from an eligible institution.

(ii) A recipient of a Community College Transfer Scholarship awarded under this subtitle may fulfill the employment obligation required under paragraph (2)(i)1 and 2 of this subsection out of State if the recipient:

1. Was employed out of State at the time the recipient received the Scholarship;

2. Continues employment with the same employer while receiving the Scholarship; and

3. Continues employment with the same employer after completion of the recipient's undergraduate studies.]

18–2505.

On or before July 1 of each year, the Office shall send to each member of the Maryland General Assembly a list of individuals in each legislative district to whom [Community College] **2+2** Transfer Scholarships are awarded.

18–2506.

The Office shall publicize the availability of [Community College] **2+2** Transfer Scholarships under this subtitle.

[18–2507.

Funds for the Community College Transfer Scholarship Program established under this subtitle shall be as provided in the annual budget of the Office.]

18–2507.

(A) FUNDING FOR THE PROGRAM SHALL BE AS PROVIDED IN THE STATE BUDGET.

(B) IF THE STATE BUDGET DOES NOT INCLUDE AT LEAST \$2,000,000 FOR THE 2+2 TRANSFER SCHOLARSHIP PROGRAM IN ANY FISCAL YEAR, FUNDS SHALL BE TRANSFERRED FROM THE NEED-BASED STUDENT FINANCIAL ASSISTANCE FUND, ESTABLISHED UNDER § 18-107 OF THIS TITLE, IN AN AMOUNT THAT PROVIDES A TOTAL OF AT LEAST \$2,000,000 TO MAKE AWARDS UNDER THE 2+2 TRANSFER SCHOLARSHIP PROGRAM EACH YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.