

SB0676/859832/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 676
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, after “of” insert “prohibiting certain public institutions of higher education from referring certain delinquent student accounts or debts to the Central Collection Unit under certain circumstances; requiring certain public institutions of higher education to allow certain students with certain unpaid balances on certain student accounts to register for certain courses under certain circumstances; repealing a certain requirement that up to a certain percentage of a certain Part-Time Grant Program allocation be used for a certain purpose;”; in the same line, after “Board” insert “to develop and implement a certain marketing plan; requiring the Board to submit a certain marketing plan on or before a certain date; requiring the Board”; in line 13, after “circumstances;” insert “requiring certain account holders to make a certain contribution within a certain period of time to qualify for a certain State contribution;”; in line 19, after “assurance;” insert “providing for the recapture of a certain tax credit under certain circumstances;”; in line 24, after “credits;” insert “providing for a certain subtraction modification under certain circumstances;”; and strike beginning with “requiring” in line 28 down through “period;” in line 30 and substitute “establishing certain award amounts for certain financial assistance grants for certain semesters subject to certain conditions;”.

On page 2, in line 2, after “date;” insert “requiring the Commission, in consultation with the Department of Legislative Services, to retain a certain consultant to conduct a certain evaluation of the Office of Student Financial Assistance in the Commission; requiring the Commission and the Department of Legislative Services to report certain findings and recommendations on or before a certain date;”; after line 4, insert:

“BY repealing and reenacting, with amendments,
Article - State Finance and Procurement

(Over)

**SB0676/859832/1 Budget and Taxation Committee
Amendments to SB 676
Page 2 of 12**

Section 3-302(a)
Annotated Code of Maryland
(2015 Replacement Volume)

BY adding to

Article - Education
Section 15-119, 18-114, 18-1905.1, and 18-19A-04.1
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)”;

in line 7, after “18-302,” insert “18-303(a) and (b), 18-1401,”; in line 12, strike “18-303(a) and (b),” and substitute “18-304,”; in the same line, after “18-306,” insert “18-1402,”; strike in their entirety lines 15 through 19, inclusive; in line 22, after “Section” insert “10-207(a) and”; and in line 32, after “Section” insert “10-207(cc) and”.

AMENDMENT NO. 2

On page 2, after line 36, insert:

“Article – State Finance and Procurement

3–302.

(a) (1) Except as otherwise provided in subsection (b) of this section, PARAGRAPH (2)(II) OF THIS SUBSECTION, or in other law, the Central Collection Unit is responsible for the collection of each delinquent account or other debt that is owed to the State or any of its officials or units.

(2) (I) [An] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN official or unit of the State government shall refer to the Central Collection Unit each debt for which the Central Collection Unit has collection responsibility under this subsection and may not settle the debt.

(II) A PUBLIC INSTITUTION OF HIGHER EDUCATION MAY NOT REFER A DELINQUENT STUDENT ACCOUNT OR DEBT TO THE CENTRAL COLLECTION UNIT UNLESS, IN ACCORDANCE WITH § 15-119 OF THE EDUCATION ARTICLE:

1. THE DELINQUENT ACCOUNT OR DEBT HAS NOT BEEN SETTLED BY THE END OF THE LATE REGISTRATION PERIOD OF THE SEMESTER AFTER THE STUDENT ACCOUNT BECAME DELINQUENT; OR

2. THE STUDENT HAS NOT ENTERED INTO OR MADE TIMELY PAYMENTS TO SATISFY AN INSTALLMENT PAYMENT PLAN.

(3) For the purposes of this subtitle, a community college or board of trustees for a community college established or operating under Title 16 of the Education Article is a unit of the State.”;

and after line 37, insert:

“15-119.

(A) A PUBLIC INSTITUTION OF HIGHER EDUCATION SHALL ALLOW AN INDIVIDUAL WITH AN UNPAID BALANCE OF \$250 OR LESS ON A STUDENT ACCOUNT TO REGISTER FOR COURSES AT THE INSTITUTION IF THE INDIVIDUAL SETTLES THE BALANCE ON THE STUDENT ACCOUNT BY THE END OF THE LATE REGISTRATION PERIOD FOR THE NEXT SEMESTER.

(B) (1) A PUBLIC INSTITUTION OF HIGHER EDUCATION SHALL ALLOW AN INDIVIDUAL WITH AN UNPAID BALANCE OF MORE THAN \$250 ON A STUDENT ACCOUNT TO REGISTER FOR COURSES AT THE INSTITUTION IF THE INDIVIDUAL

(Over)

ENTERS INTO AN INSTALLMENT PAYMENT PLAN BEFORE THE END OF THE LATE REGISTRATION PERIOD FOR THE CURRENT SEMESTER.

(2) THE INSTALLMENT PAYMENT PLAN UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL REQUIRE THE INDIVIDUAL TO MAKE PAYMENTS TO SETTLE THE UNPAID BALANCE ON THE STUDENT ACCOUNT BY THE AGREED ON DATE.

18-1401.

(a) In this section, "part-time student" means a student who:

(1) Is enrolled in a degree-granting program at an eligible institution and taking at least 3 but no more than 11 semester hours of courses each semester; or

(2) Is dually enrolled in a secondary school in the State and an institution of higher education.

(b) In cooperation with the institutions of higher education in the State, the Commission shall establish and administer a grant program for undergraduate part-time students.

(c) A recipient of a part-time grant shall:

(1) Be a resident of the State; and

(2) Have demonstrated a definite financial need according to criteria established by the Commission.

(d) For courses completed under the program, a recipient who is dually enrolled in a secondary school in the State and an institution of higher education may

SB0676/859832/1 Budget and Taxation Committee
Amendments to SB 676
Page 5 of 12

not be required to receive credit from a secondary school and an institution of higher education at the same time.

18-1402.

(a) **[(1)]** Funds for the Part-Time Grant Program shall be allocated by the Commission to each institution of higher education based upon the number of undergraduate part-time students with demonstrated financial need who are enrolled in degree-granting programs at the institution.

[(2)] An institution of higher education may use up to 10% of the part-time grant allocation to provide grants to students who are enrolled in at least 3 but less than 6 semester hours of courses each semester.

(b) In addition to the funds provided under § 18-14A-02(b) of this title, institutions may use up to 10% of the part-time grant allocation to provide grants to students who are dually enrolled.

(c)] (B) Funds for the grant program for part-time students shall be as provided in the annual budget of the Commission by the Governor.

18-1905.1.

(A) (1) THE BOARD SHALL DEVELOP AND IMPLEMENT A MARKETING PLAN TO INCREASE PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND.

(2) (I) THE MARKETING PLAN SHALL IDENTIFY METHODS TO INCREASE GENERAL PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND.

(Over)

(II) THE BOARD SHALL COORDINATE WITH THE BOARD OF TRUSTEES OF THE MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS AND LOCAL SCHOOL SYSTEMS, RESPECTIVELY, TO IDENTIFY METHODS TO INCREASE PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND AMONG:

1. STATE EMPLOYEES THAT PARTICIPATE IN OTHER STATE TAX SAVINGS PROGRAMS; AND

2. FAMILIES OF STUDENTS IN LOCAL SCHOOL SYSTEMS WITH LOWER RATES OF PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND THAN THE STATE POPULATION.

(B) ON OR BEFORE DECEMBER 1, 2016, AND EVERY 3 YEARS THEREAFTER, THE BOARD SHALL SUBMIT THE MARKETING PLAN REQUIRED UNDER SUBSECTION (A) OF THIS SECTION TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE, THE HOUSE COMMITTEE ON WAYS AND MEANS, AND THE HOUSE APPROPRIATIONS COMMITTEE.”.

AMENDMENT NO. 3

On page 6, in line 4, strike “ACCOUNT HOLDER OR”; in line 6, after “BOARD” insert “OR ITS DESIGNEE”; and strike beginning with “NO” in line 7 down through “YEAR” in line 8 and substitute “BETWEEN JANUARY 1 AND JUNE 1 OF EACH YEAR”.

On page 7, in line 19, after “(E)” insert “(1) AN ACCOUNT HOLDER WHO HAS BEEN APPROVED TO RECEIVE A STATE CONTRIBUTION SHALL MAKE A CONTRIBUTION BETWEEN JULY 1 AND NOVEMBER 1 OF EACH YEAR IN ORDER TO QUALIFY FOR THE STATE CONTRIBUTION.”

**SB0676/859832/1 Budget and Taxation Committee
Amendments to SB 676
Page 7 of 12**

(2);

in the same line, strike “IN” and substitute “**BY DECEMBER 31 OF**”; and in line 20, strike “**FOLLOWING THE CONTRIBUTION OF THE ACCOUNT HOLDER**” and substitute “**IN WHICH THE ACCOUNT HOLDER MADE THE CONTRIBUTION**”.

AMENDMENT NO. 4

On page 6, in line 10, strike “**\$225,000**” and substitute “**\$175,000**”; in line 22, strike “**\$100,000**” and substitute “**\$75,000**”; in line 28, strike “**\$100,000**” and substitute “**\$75,000**”; and in the same line, strike “**\$175,000**” and substitute “**\$125,000**”.

On page 7, in lines 2 and 3, in each instance, strike “**LESS**” and substitute “**NO GREATER**”; in line 3, strike “**\$175,000**” and substitute “**\$125,000**”; and in the same line, strike “**\$225,000**” and substitute “**\$175,000**”.

AMENDMENT NO. 5

On page 8, after line 16, insert:

“Article – Education

18-114.

THE COMMISSION AND THE DEPARTMENT SHALL WORK COLLABORATIVELY TO DEVELOP AN APPLICATION FOR USE ON DIGITAL DEVICES THAT PROVIDES:

(1) INFORMATION ABOUT STATE FINANCIAL AID PROGRAMS;

(Over)

(2) CALENDAR NOTIFICATIONS FOR DATES AND DEADLINES ASSOCIATED WITH APPLYING FOR FINANCIAL AID; AND

(3) ANY OTHER INFORMATION THE COMMISSION AND THE DEPARTMENT DETERMINE TO BE NECESSARY OR HELPFUL TO PARENTS AND STUDENTS REGARDING FINANCIAL AID IN THE STATE.

On page 11, strike in their entirety lines 8 through 16, inclusive.

On page 8, after line 17, insert:

“10-207.

(a) To the extent included in federal adjusted gross income, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(CC) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES AN AMOUNT CONTRIBUTED BY THE STATE INTO AN INVESTMENT ACCOUNT UNDER § 18-19A-04.1 OF THE EDUCATION ARTICLE.

AMENDMENT NO. 6

On page 10, after line 7, insert:

“(III) 1. THE TOTAL AMOUNT OF THE CREDIT CLAIMED UNDER THIS SECTION SHALL BE RECAPTURED IF THE INDIVIDUAL DOES NOT USE THE CREDIT APPROVED UNDER THIS SECTION FOR THE REPAYMENT OF THE INDIVIDUAL’S UNDERGRADUATE STUDENT LOAN DEBT WITHIN 2 YEARS FROM THE CLOSE OF THE TAXABLE YEAR FOR WHICH THE CREDIT IS CLAIMED.

2. THE INDIVIDUAL WHO CLAIMED THE CREDIT SHALL PAY THE TOTAL AMOUNT OF THE CREDIT CLAIMED AS TAXES PAYABLE TO THE STATE FOR THE TAXABLE YEAR IN WHICH THE EVENT REQUIRING RECAPTURE OF THE CREDIT OCCURS.

AMENDMENT NO. 7

On page 12, strike beginning with “AT” in line 21 down through “IN” in line 22; in line 22, strike the brackets; and after line 25, insert:

“18-304.

(a) (1) Except as provided in § 18-307 of this subtitle, the Office shall determine the amount of each Delegate Howard P. Rawlings Educational Excellence Award based on the financial need of the applicant.

(2) In determining the amount of financial need, the Office shall consider regional cost-of-living differences.

(3) In determining the percent of financial need used to calculate an award for a community college student receiving a Delegate Howard P. Rawlings Educational Excellence Award, the Commission shall use the following percentages:

(i) For fiscal year 2007, not less than 55%; and

(ii) For fiscal year 2008 and each fiscal year thereafter, not less than 60%.

(b) (1) Except as provided in [paragraph (2)] PARAGRAPHS (2) AND (3) of this subsection, a Delegate Howard P. Rawlings Educational Excellence Award may be awarded in \$100 increments [and the award for a single year may not be less than \$400 or more than \$3,000].

(Over)

(2) (i) THE AMOUNT OF AN EDUCATIONAL ASSISTANCE GRANT MADE TO A STUDENT IN THE STUDENT'S FIRST 2 SEMESTERS OF ENROLLMENT MAY NOT BE LESS THAN \$400 OR MORE THAN \$3,000.

(ii) BEGINNING IN THE THIRD SEMESTER OF ENROLLMENT AND FOR EACH SEMESTER THEREAFTER:

1. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST 15 CREDITS IN THE PRIOR SEMESTER, THE AMOUNT OF AN EDUCATIONAL ASSISTANCE GRANT MADE TO A STUDENT MAY NOT BE LESS THAN \$400 OR MORE THAN \$3,000; OR

2. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST 12 BUT LESS THAN 15 CREDITS IN THE PRIOR SEMESTER, THE AWARD AMOUNT SHALL BE EQUAL TO THE AMOUNT THE STUDENT WOULD HAVE OTHERWISE RECEIVED MULTIPLIED BY THE RATIO OF THE NUMBER OF CREDITS SUCCESSFULLY COMPLETED DIVIDED BY 15.

[(2)](3) (i) All applicants who fulfill the requirements established in § 18-303(a) and (b) of this subtitle shall receive a Guaranteed Access Grant.

(ii) The amount of a Guaranteed Access Grant MADE TO A STUDENT IN THE STUDENT'S FIRST 2 SEMESTERS OF ENROLLMENT shall be equal to 100 percent of the student's financial need as determined by the Office, not to exceed the equivalent annual expenses of a full-time resident undergraduate at the 4-year public institution of higher education within the University System of Maryland, other than the University of Maryland University College and University of Maryland, Baltimore, with the highest annual expenses for a full-time resident undergraduate.

**(III) BEGINNING IN THE THIRD SEMESTER OF ENROLLMENT
AND FOR EACH SEMESTER THEREAFTER:**

1. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST 15 CREDITS IN THE PRIOR SEMESTER, THE AWARD AMOUNT SHALL BE EQUAL TO 100 PERCENT OF THE STUDENT'S FINANCIAL NEED AS DETERMINED BY THE OFFICE, NOT TO EXCEED THE EQUIVALENT ANNUAL EXPENSES OF A FULL-TIME RESIDENT UNDERGRADUATE AT THE 4-YEAR PUBLIC INSTITUTION OF HIGHER EDUCATION WITHIN THE UNIVERSITY SYSTEM OF MARYLAND, OTHER THAN THE UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE AND UNIVERSITY OF MARYLAND, BALTIMORE, WITH THE HIGHEST ANNUAL EXPENSES FOR A FULL-TIME RESIDENT UNDERGRADUATE; OR

2. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST 12 BUT LESS THAN 15 CREDITS IN THE PRIOR SEMESTER, THE AWARD AMOUNT SHALL BE EQUAL TO 100 PERCENT MULTIPLIED BY THE RATIO OF THE NUMBER OF CREDITS SUCCESSFULLY COMPLETED DIVIDED BY 15."

On page 13, strike beginning with "ENROLLED" in line 1 down through "SEMESTER," in line 2; and in lines 1 and 3, in each instance, strike the brackets.

AMENDMENT NO. 8

On page 14, after line 8, insert:

"SECTION 5. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Higher Education Commission, in consultation with the Department of Legislative Services, shall retain a consultant to conduct an independent evaluation of the effectiveness of the operation of the Office of Student Financial Assistance in the Maryland Higher Education Commission;

(Over)

SB0676/859832/1 Budget and Taxation Committee
Amendments to SB 676
Page 12 of 12

(b) In addition to the evaluation required under subsection (a) of this section, the consultant shall make recommendations on how to implement Section 3 of this Act and how to overcome any impediments the Office of Student Financial Assistance may encounter in implementing Section 3 of this Act; and

(c) On or before October 1, 2017, the Maryland Higher Education Commission and the Department of Legislative Services shall report the findings and recommendations required under subsections (a) and (b) of this section to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee, the Senate Education, Health, and Environmental Affairs Committee, the House Committee on Ways and Means, and the House Appropriations Committee.”;

in line 9, strike “5.” and substitute “6.”; in line 11, strike “2015” and substitute “2016”; and in the same line, strike “2017-2018” and substitute “2018-2019”.