HOUSE BILL 231

By: Delegates Stein, Brooks, Cullison, Ebersole, Frush, Hettleman, Korman, Lierman, Luedtke, McCray, Morhaim, Platt, Valentino-Smith, Vallario, and A. Washington

Introduced and read first time: January 25, 2016
Assigned to: Appropriations

A BILL ENTITLED

AN ACT concerning

Public Institutions of Higher Education – Financial Aid – Reduction Prohibited

FOR the purpose of prohibiting financial aid that is awarded to a student by a public institution of higher education from being reduced by any other form of financial aid awarded to the student beginning in a certain academic year; prohibiting a public institution of higher education from considering certain scholarships when assembling certain financial aid packages; authorizing financial aid awarded by a public institution of higher education to be reduced in a certain order under certain circumstances; defining certain terms; and generally relating to financial aid at public institutions of higher education.

BY adding to
Article – Education
Section 15–119
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

15–119.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
(2) “Cost of Attendance” means the cost for a student to attend an institution of higher education, including:

(i) Tuition and fees;

(ii) Room and board;

(iii) Books and supplies; and

(iv) Personal and transportation expenses.

(3) “Financial aid” includes scholarships, grants, loans, and work study.

(4) “Private scholarships” means scholarships awarded by companies, private foundations, and service groups.

(B) (1) Subject to paragraph (2) of this subsection and except as provided in subsection (c) of this section, beginning in the 2016–2017 academic year, if a student is awarded financial aid by the public institution of higher education that the student attends or plans to attend, the amount of financial aid awarded by the institution may not be reduced by any other form of financial aid awarded to the student.

(2) When assembling a student’s initial financial aid package, a public institution of higher education may not consider a student’s private scholarships.

(C) If the total amount of financial aid awarded to a student exceeds the student’s cost of attendance, to make the student’s total amount of financial aid equal to the student’s cost of attendance, the amount of financial aid awarded by the public institution of higher education may be reduced in the following order:

(1) Loans;

(2) Work study; and

(3) Grants and scholarships.

Section 2. And be it further enacted, That this Act shall take effect July 1, 2016.