

Chapter 719

(House Bill 360)

AN ACT concerning

Maryland Loan Assistance Repayment Program for ~~Orphans and~~ Foster Care Recipients

FOR the purpose of establishing the Maryland Loan Assistance Repayment Program for ~~Orphans and~~ Foster Care Recipients; establishing eligibility requirements for participation in the Program; providing for the *funding*, amount, duration, renewal, and uses of certain awards; requiring the Office of Student Financial Assistance to adopt certain regulations; *requiring the Department of Budget and Management to provide State employees information about the Program; requiring the local governing body of each county and municipality in the State to provide their employees with information about the Program;* defining certain terms; providing for the application of this Act; *requiring the Maryland Higher Education Commission to ~~make~~ submit a certain report on or before a certain date;* and generally relating to the Maryland Loan Assistance Repayment Program for ~~Orphans and~~ Foster Care Recipients.

BY adding to

Article – Education

Section 18–3101 through ~~18–3106~~ *18–3107* to be under the new subtitle “Subtitle 31. Maryland Loan Assistance Repayment Program for ~~Orphans and~~ Foster Care Recipients”

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

SUBTITLE 31. MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ~~ORPHANS AND~~ FOSTER CARE RECIPIENTS.

18–3101.

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

(B) “FOSTER CARE RECIPIENT” MEANS AN INDIVIDUAL WHO WAS PLACED IN AN OUT-OF-HOME PLACEMENT BY A STATE’S OR UNIT OF A STATE GOVERNMENT’S DEPARTMENT OF SOCIAL SERVICES FOR 3 YEARS OR MORE.

(C) **“HIGHER EDUCATION LOAN”** MEANS ANY LOAN FOR UNDERGRADUATE ~~OR GRADUATE, PROFESSIONAL, OR GRADUATE~~ STUDY THAT IS OBTAINED FOR TUITION, EDUCATIONAL EXPENSES, OR LIVING EXPENSES FROM:

(1) AN INSTITUTION OF HIGHER EDUCATION, GOVERNMENT, OR COMMERCIAL SOURCE; OR

(2) AN ORGANIZATION, AN INSTITUTION, AN ASSOCIATION, A SOCIETY, OR A CORPORATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE OF 1986.

~~(D) “ORPHAN” MEANS A CHILD WHO HAS BEEN LEGALLY DETERMINED NOT TO HAVE PARENTS BECAUSE OF THE PARENTS’:~~

~~(1) DEATH OR DISAPPEARANCE;~~

~~(2) ABANDONMENT OR DESERTION OF THE CHILD; OR~~

~~(3) SEPARATION FROM THE CHILD.~~

~~(E) (D)~~ **“PROGRAM”** MEANS THE MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ~~ORPHANS AND FOSTER CARE RECIPIENTS.~~

18-3102.

(A) THERE IS A MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ~~ORPHANS AND FOSTER CARE RECIPIENTS~~ IN THE STATE.

(B) THE OFFICE SHALL ASSIST IN THE REPAYMENT OF HIGHER EDUCATION LOANS OWED BY ~~AN ORPHAN OR~~ A FOSTER CARE RECIPIENT WHO:

(1) IS EMPLOYED ~~ON A FULL TIME OR PART TIME BASIS~~ FOR A MINIMUM OF 20 HOURS PER WEEK BY THE STATE OR A COUNTY OR MUNICIPALITY OF THE STATE;

(2) RECEIVED ~~A GRADUATE, PROFESSIONAL, OR~~ AN UNDERGRADUATE OR A GRADUATE DEGREE FROM ~~AN A PUBLIC AN~~ AN INSTITUTION OF HIGHER EDUCATION IN THE STATE; AND

(3) MEETS ANY OTHER REQUIREMENT ESTABLISHED BY THE OFFICE.

(C) AN APPLICANT FOR ASSISTANCE IN THE REPAYMENT OF A COMMERCIAL LOAN SHALL DEMONSTRATE TO THE OFFICE THAT THE COMMERCIAL LOAN WAS

USED FOR TUITION, EDUCATIONAL EXPENSES, OR LIVING EXPENSES FOR ~~GRADUATE, PROFESSIONAL, OR UNDERGRADUATE~~ OR GRADUATE STUDY.

(D) ASSISTANCE IN THE REPAYMENT OF A LOAN FROM AN ENTITY SET FORTH IN § 18-1601(C)(2) OF THIS TITLE SHALL REQUIRE THE APPROVAL OF THE OFFICE.

18-3103.

~~THE~~ (A) SUBJECT TO THE AVAILABILITY OF FUNDS APPROPRIATED UNDER SUBSECTION (B) OF THIS SECTION, THE AWARD AMOUNT UNDER THE PROGRAM SHALL BE EQUAL TO THE LESSER OF:

(1) \$5,000; OR

(2) 10% OF THE ELIGIBLE INDIVIDUAL'S TOTAL HIGHER EDUCATION LOAN DEBT FOR EACH YEAR THE INDIVIDUAL QUALIFIES FOR THE PROGRAM.

(B) THE GOVERNOR ANNUALLY SHALL INCLUDE AN APPROPRIATION OF \$100,000 IN THE STATE BUDGET FOR THE COMMISSION TO DISBURSE ASSISTANCE UNDER THIS SUBTITLE.

18-3104.

(A) EACH RECIPIENT OF AN AWARD UNDER THE PROGRAM MAY HOLD THE AWARD FOR 3 YEARS IF THE RECIPIENT:

(1) CONTINUES TO MEET THE QUALIFICATIONS SPECIFIED UNDER § 18-3102 OF THIS SUBTITLE; AND

(2) SIGNS AN AGREEMENT AT THE TIME OF THE AWARD TO REMAIN EMPLOYED BY THE STATE OR A COUNTY OR MUNICIPALITY OF THE STATE FOR AT LEAST 1 YEAR AFTER THE EXPIRATION OF THE TERM OF THE AWARD.

(B) EACH AWARD UNDER THE PROGRAM SHALL BE RENEWABLE ON THE EXPIRATION OF THE TERM OF THE AWARD.

18-3105.

AN AWARD UNDER THE PROGRAM SHALL BE USED ONLY FOR REPAYMENT OF THE HIGHER EDUCATION LOANS OWED BY THE RECIPIENT.

18-3106.

THE OFFICE SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SUBTITLE.

18-3107.

(A) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL PROVIDE TO STATE EMPLOYEES INFORMATION ABOUT THE PROGRAM.

(B) THE LOCAL GOVERNING BODY OF EACH COUNTY AND MUNICIPALITY OF THE STATE SHALL PROVIDE THEIR EMPLOYEES WITH INFORMATION ABOUT THE PROGRAM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect any individual who meets the eligibility requirements of the Maryland Loan Assistance Repayment Program for Orphans and Foster Care Recipients of Title 18, Subtitle 31 of the Education Article, as enacted by Section 1 of this Act, on or after July 1, 2010.

~~SECTION 3. AND BE IT FURTHER ENACTED, That on or before December 1, 2019, the Maryland Higher Education Commission shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the number of individuals who received loan assistance repayment during the previous 3 years under the Maryland Loan Assistance Repayment Program for Foster Care Recipients under Title 18, Subtitle 31 of the Education Article, as enacted by Section 1 of this Act.~~

SECTION 3. AND BE IT FURTHER ENACTED, That on or before September 1, 2020, the Maryland Higher Education Commission shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly regarding:

(1) how many individuals receive assistance annually under Title 18, Subtitle 31 of the Education Article, as enacted by Section 1 of this Act;

(2) the amount of each award; and

(3) how many individuals, if any, are placed on a waiting list or denied assistance under Title 18, Subtitle 31 of the Education Article, as enacted by Section 1 of this Act.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.