

Chapter 485

(House Bill 824)

AN ACT concerning

Financial Aid – Guaranteed Access Grants – Verification and Administration by Institutions of Higher Education

FOR the purpose of authorizing certain institutions of higher education to verify certain eligibility for, and on verification administer, Guaranteed Access Grants under the Delegate Howard P. Rawlings Program of Educational Excellence Awards under certain circumstances; requiring certain recipients to demonstrate a definite financial need to certain institutions, rather than only to the Office of Student Financial Assistance in the Maryland Higher Education Commission, under certain circumstances; prohibiting certain institutions from considering certain amounts of money as income under certain circumstances; requiring certain institutions to verify certain qualifications, evaluate certain income eligibility, maintain certain records, and provide the Commission with a certain audit as part of the verification and administration process; authorizing a certain verification to be used at certain institutions, subject to a certain adjustment under certain circumstances; ~~making this Act an emergency measure; requiring the Financial Aid Advisory Council in the Commission to study a certain process and report certain recommendations to the Commission and to participating institutions on or before a certain date; providing for the termination of certain provisions of this Act;~~ providing for a delayed effective date for certain provisions of this Act; and generally relating to the verification and administration of Guaranteed Access Grants by institutions of higher education.

BY repealing and reenacting, without amendments,

Article – Education

Section 18–301(a) and (b)(1) and 18–303(b) and (c)

Annotated Code of Maryland

(2018 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 18–303(a) and (d)

Annotated Code of Maryland

(2018 Replacement Volume and 2018 Supplement)

BY adding to

Article – Education

Section 18–303.3

Annotated Code of Maryland

(2018 Replacement Volume and 2018 Supplement)

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

Article – Education

18–301.

(a) There is a Delegate Howard P. Rawlings Program of Educational Excellence Awards in this State that are awarded under this subtitle.

(b) The Program shall consist of the following types of awards:

(1) Guaranteed Access Grants that are awarded to the neediest students to ensure that 100 percent of educational costs, as defined by regulations adopted by the Commission, are paid; and

18–303.

(a) Subject to subsection (e) of this section, each recipient of a Delegate Howard P. Rawlings Educational Excellence Award shall:

(1) Be accepted for admission in the regular undergraduate program at an eligible institution or be enrolled in a 2–year associate degree program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution;

(2) Except as provided in § 18–303.2 of this subtitle, be a resident of this State;

(3) Demonstrate **A DEFINITE FINANCIAL NEED** to:

(I) FOR AN EDUCATIONAL ASSISTANCE GRANT, the Office [a definite financial need]; OR

(II) FOR A GUARANTEED ACCESS GRANT, THE OFFICE OR AN INSTITUTION OF HIGHER EDUCATION THAT COMPLIES WITH § 18–303.3 OF THIS SUBTITLE; and

(4) Accept any other conditions attached to the award.

(b) Except as provided in subsection (c) of this section, each recipient of a Guaranteed Access Grant shall:

(1) Have attained a grade point average of at least 2.5 on a 4.0 scale or its equivalent at the end of the first semester of the senior year in high school and have

completed high school or, failing to do so, on the recommendation of the recipient's high school principal, provide evidence satisfactory to the Office of extenuating circumstances;

(2) Begin college within 1 year of completing high school or, failing to do so, provide evidence satisfactory to the Office of extenuating circumstances;

(3) Be under the age of 22 years at the time of receiving the first award;

(4) Have successfully completed a college preparatory program in high school;

(5) Enroll in college as a full-time student;

(6) Subject to subsection (d) of this section, have an annual family income below a poverty index determined by the Commission; and

(7) Satisfy any additional criteria the Commission may establish.

(c) (1) Subject to paragraph (2) of this subsection, an individual who has successfully obtained a high school diploma by examination under § 11-808 of the Labor and Employment Article is exempt from the requirements of subsection (b) of this section.

(2) An individual described under paragraph (1) of this subsection is eligible for a Guaranteed Access Grant if the individual:

(i) Has scored a passing score of at least 165 per module on the diploma by examination;

(ii) Begins college within 1 year of achieving the score described under item (i) of this paragraph or, failing to do so, provides evidence satisfactory to the Office of extenuating circumstances;

(iii) Is under the age of 26 years at the time of receiving the first award;

(iv) Enrolls in college as a full-time student; and

(v) Subject to subsection (d) of this section, has an annual family income below a poverty index determined by the Commission.

(d) To determine the annual family income eligibility of an applicant for a Guaranteed Access Grant, the Office **OR AN INSTITUTION OF HIGHER EDUCATION THAT COMPLIES WITH § 18-303.3 OF THIS SUBTITLE** may not consider an amount received by the applicant as an earned income credit under § 32 of the Internal Revenue Code.

18-303.3.

(A) A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE, OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION THAT IS ELIGIBLE FOR STATE AID UNDER § 17-103 OF THIS ARTICLE, MAY VERIFY THE ELIGIBILITY OF AN APPLICANT FOR, AND ON VERIFICATION OF THE ELIGIBILITY ADMINISTER, A GUARANTEED ACCESS GRANT IN ACCORDANCE WITH THIS SECTION.

(B) AN INSTITUTION MAY VERIFY:

(1) THE ELIGIBILITY OF AN APPLICANT WHO:

(I) IS IDENTIFIED BY THE OFFICE AS POTENTIALLY ELIGIBLE FOR A GUARANTEED ACCESS GRANT UNDER § 18-303 OF THIS SUBTITLE; AND

(II) APPLIES FOR ADMISSION TO THE INSTITUTION; OR

(2) THE RENEWAL ELIGIBILITY OF A STUDENT WHO:

(I) RECEIVED A GUARANTEED ACCESS GRANT UNDER § 18-303 OF THIS SUBTITLE IN THE PRIOR AWARD YEAR; AND

(II) IS AN ADMITTED STUDENT AT THE INSTITUTION IN THE CURRENT AWARD YEAR.

(C) AN INSTITUTION SHALL:

(1) VERIFY THAT AN APPLICANT QUALIFIES FOR A GUARANTEED ACCESS GRANT UNDER THE REQUIREMENTS OF § 18-303 OF THIS SUBTITLE;

(2) EVALUATE THE APPLICANT'S INCOME ELIGIBILITY CRITERIA USING FEDERAL V1 STANDARD VERIFICATION AND IN ACCORDANCE WITH THE INCOME ELIGIBILITY CRITERIA ESTABLISHED BY THE OFFICE;

(3) MAINTAIN RECORDS USED BY THE INSTITUTION TO DETERMINE THE ELIGIBILITY OF APPLICANTS FOR A PERIOD OF 5 YEARS AFTER THE END DATE OF THE AWARD YEAR ASSOCIATED WITH THE STUDENT'S LAST AWARD; AND

(4) PROVIDE THE COMMISSION WITH AN AUDIT, IN ACCORDANCE WITH RULES ADOPTED BY THE COMMISSION, TO SHOW THAT AWARDS VERIFIED AND ADMINISTERED UNDER THIS SECTION HAVE BEEN MADE PROPERLY.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A VERIFICATION OBTAINED BY AN APPLICANT UNDER SUBSECTION (B) OF THIS

SECTION MAY BE USED AT ANY ELIGIBLE INSTITUTION DESCRIBED UNDER § 18-305 OF THIS SUBTITLE.

(2) THE AMOUNT OF THE GUARANTEED ACCESS GRANT AWARDED TO AN APPLICANT MAY BE ADJUSTED IN ACCORDANCE WITH THE COST OF ATTENDANCE AT THE INSTITUTION AT WHICH THE APPLICANT USES THE AWARD.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.~~ That, on or before December 31, 2019, the Financial Assistance Advisory Council in the Maryland Higher Education Commission shall study the financial aid verification process described in Section 1 of this Act and shall make recommendations to the Commission and to participating institutions on the implementation of this Act. The Council shall consider issues relating to the dissemination of information to applicants, limiting inconsistencies and duplication of efforts in the application process, and the prioritization of awards.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect July 1, 2020.

~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2019. It shall remain effective for a period of 2 years and, at the end of June 30, 2021, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.~~

SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect July 1, 2020 2019.

Approved by the Governor, May 13, 2019.