

**Maryland General Assembly  
Department of Legislative Services**

**Proposed Regulation  
Maryland Higher Education Commission  
(DLS Control No. 15-346)**

---

**Overview and Legal and Fiscal Impact**

The regulations implement the Workforce Shortage Student Assistance Grant Program.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

**Regulations of COMAR Affected**

**Maryland Higher Education Commission:**

Financial Aid: Workforce Shortage Student Assistance Grant Program:  
COMAR 13B.08.14.01-.15

---

**Legal Analysis**

**Background**

In order to increase transparency with its scholarship and financial aid programs, the Office of Student Financial Assistance in the Maryland Higher Education Commission has initiated an ongoing process to convert all financial aid program guidelines into regulations by the end of 2015. The Workforce Shortage Student Assistance Grant Program provides financial aid to students who agree to work in Maryland in designated critical shortage fields when their studies are completed.

**Summary of Regulations**

The regulations implement the Workforce Shortage Student Assistance Grant Program and are consistent with the requirements contained in § 18-708 of the Education Article, which establishes and governs the Workforce Shortage Student Assistance Grant Program. An individual must meet certain criteria to be eligible to receive a Workforce Shortage Student Assistance Grant; for example, the individual must be a State resident enrolled at an eligible institution at least part-time as a degree seeking undergraduate or graduate student in an eligible workforce shortage major who agrees to perform a required service obligation or repay the State if the service obligation is not performed.

As required by statute, the regulations set forth guidelines for the annual grant awards under this program. The regulations require the Secretary of Higher Education to appoint an Advisory Council on Workforce Shortage to make recommendations every two years regarding the workforce shortage fields that should be included in the program.

The regulations include eight majors and occupational areas, which is generally consistent with the statute, although the statute lists only seven workforce shortage categories. The regulations separate out the “public servants” category listed in statute into two categories: (1) the William Donald Schaefer Scholarship and (2) the Parren J. Mitchell Public Service Scholarship. Consistent with the statute, the regulations set forth the application procedures, selection of recipients, and eligible majors by service area. The regulations specify the renewal and continuation of awards, the service obligation, repayment, and deferral or waiver of the service obligation.

Consistent with the statute, the regulations require a recipient to perform a service obligation in the recipient’s field of critical shortage at a ratio of one year in a full-time position for each year the recipient received a grant award and two years in a part-time position for each year of the grant. The regulations require a recipient to repay the scholarship if the recipient does not meet the obligations of the program. The regulations allow a recipient to request a deferral or waiver of the service obligation under certain circumstances. The regulations also allow a student to appeal if the student’s financial circumstances change after the filing of the student’s application.

## **Legal Issues**

The regulations present no legal issues of concern.

## **Statutory Authority and Legislative Intent**

The commission cites §§ 11-105(u) 18-204(c), and 18-708 of the Education Article as statutory authority for the regulations. Section 11-105(u) gives the commission authority to adopt any rule or regulation necessary to carry out its powers and duties. Section 18-204(c) states that the Office of Student Financial Assistance may adopt any rule or regulation necessary to carry out its powers and duties, one of which is to administer student financial assistance programs such as the Workforce Shortage Student Assistance Grant Program.

More relevant statutory authority is § 18-708 of the Education Article, which establishes and governs the Workforce Shortage Student Assistance Grant Program. Subsection (d) sets forth the requirements for a recipient; for example, the applicant must be a Maryland resident, sign a letter of intent to enroll in an eligible program in which there is a critical shortage, and sign a letter of intent to perform the service obligation.

Subsection (e) requires the commission to work with the Advisory Council on Workforce Shortage to designate workforce shortage fields eligible for the grant program and to remove fields that no longer qualify as a workforce shortage. This subsection requires the following workforce shortage fields to be included in the grant program, unless the commission

decides that the field no longer qualifies as a workforce shortage field: (1) school teachers (the Sharon Christa McAuliffe Memorial Teacher Scholarship); (2) social workers (the Ruth M. Kirk Public Social Work Scholarship); (3) nurses; (4) child care providers (the Hattie N. Harrison Memorial Scholarship); (5) developmental disabilities, mental health, child welfare, and juvenile justice providers (the Ida G. and L. Leonard Ruben Scholarship); (6) physical and occupational therapists and assistants; and (7) public servants (the William Donald Schaefer Scholarship and the Parren J. Mitchell Public Service Scholarship).

Subsection (g) requires the commission to select recipients based on academic accomplishment and financial need based on standards established by the commission and states that each grant is renewable for a maximum of five years if the recipient continues to meet satisfactory academic progress standards. Subsection (i) sets forth ranges for annual grant awards based on part-time or full-time attendance and two-year or four-year institutions and requires the commission to establish the annual grant awards in guidelines. Subsection (j) authorizes a grant award to be used for tuition, mandatory fees, and room and board. Subsection (k) requires a recipient to perform a service obligation in the recipient's field of critical shortage at a ratio of one year in a full-time position for each year the recipient received a grant award and two years in a part-time position for each year of the grant. Subsection (l) requires a grant recipient to repay the grant if the specified degree is not completed or the service obligation is not performed. This subsection specifies when the repayment of a grant award may be waived or deferred. Subsection (r) requires the commission to adopt guidelines or regulations necessary to implement this section.

This authority is correct and complete. The regulations comply with the legislative intent of the law.

### **Technical Corrections and Special Notes**

The regulations that were submitted to the Department of Legislative Services on November 9, 2015, were not published in the *Maryland Register* after the department raised questions prior to the intended date of publication. In response to suggestions from the department, staff for the commission agreed to make the following changes to the regulations:

- (1) clarifying that program recipients must sign a letter of intent to enroll at an eligible institution and must sign a letter of intent to perform a service obligation (Regulation .02B and D);
- (2) specifying that the grant award may be used for room and board, in addition to tuition and fees (Regulation .03G);
- (3) adding the Kirk Social Work Scholarship and the Mitchell Public Service Scholarship to the list of eligible majors (Regulation .04H);
- (4) adding child welfare and juvenile justice to the description of the service area for the Ruben Scholarship (Regulation .08C(2)(b));

- (5) clarifying that a grant recipient in a workforce shortage field that is removed from the grant program may continue to receive renewal awards (Regulation .10E);
- (6) specifying the rate at which a recipient's service obligation waives the requirement to repay a grant award and specifying that repayment must be made within six years after the repayment period begins (Regulation .12E and F); and
- (7) making several technical corrections to Regulations .05B and .15A(4) and C(4).

## **Fiscal Analysis**

There is no fiscal impact on State or local agencies.

### **Agency Estimate of Projected Fiscal Impact**

The commission advises that the regulations codify existing guidelines and practices (both written and unwritten) developed by the commission regarding the Workforce Shortage Student Assistance Grant Program and have no impact on State or local governments. The Department of Legislative Services concurs to the extent that the regulations do not modify current practice/law. The Workforce Shortage Student Assistance Grant Program was established by Chapter 367 of 2006; however, no regulations regarding the program have been promulgated until now.

### **Impact on Budget**

There is no impact on the State operating or capital budget. The fiscal 2016 operating budget includes \$1,254,775 for Workforce Shortage Student Assistance Grants.

### **Agency Estimate of Projected Small Business Impact**

The commission advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

## **Contact Information**

**Legal Analysis:** Dana Tagalicod – (410) 946/(301) 970-5350

**Fiscal Analysis:** Caroline L. Boice – (410) 946/(301) 970-5510