

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Maryland Higher Education Commission**
(DLS Control No. 15-369)

Overview and Legal and Fiscal Impact

These regulations set forth the policies and procedures that implement the Delegate Howard P. Rawlings Program of Educational Excellence Awards, a need-based scholarship assistance program administered by the Office of Student Financial Assistance in the Maryland Higher Education Commission.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulation of COMAR Affected

Maryland Higher Education Commission:

Financial Aid: Delegate Howard P. Rawlings Program of Educational Excellence Awards:
COMAR 13B.08.15.01-.16

Legal Analysis

Background

In order to increase transparency with its scholarship and financial aid programs, the office has initiated an ongoing process to convert financial aid program guidelines into regulations. The Delegate Howard P. Rawlings Program of Educational Excellence Awards provides need-based scholarship assistance through two types of financial aid awards: Guaranteed Access (GA) Grants for the lowest income students in the State; and Educational Assistance (EA) Grants for low and moderate income students in the State.

Summary of Regulations

The regulations implement the Delegate Howard P. Rawlings Program of Educational Excellence Awards. More specifically, the regulations:

- establish the purpose of the program;
- establish the eligibility criteria for an applicant to receive financial assistance under the program;

- establish application procedures;
- establish parameters and priorities for disbursement and distribution of awards;
- specify that award recipients must be notified in writing by the office;
- require an EA recipient to provide written acceptance of an award (a GA award is automatically accepted but must be rejected in writing);
- set forth qualifications for the renewal of an award;
- state that an award will be canceled if an EA recipient fails to sign and return a verification letter, a recipient fails to pass verification requirements, or an institution reports that a recipient is not enrolled as a full-time undergraduate, is not making satisfactory academic progress, is not a resident of Maryland, or is in default or owes a refund on a loan or other financial assistance;
- require the office to verify the accuracy of specified applications;
- require the office to consider students for late awards if funds become available;
- authorize recipients to appeal the eligibility requirements under specified circumstances and set forth the procedures by which to appeal; and
- set forth procedures for the allocation of funds to institutions for (late) campus-based awards.

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 Title 18, Subtitle 3 of the Education Article as statutory authority for the regulations. Section 11-105(u) authorizes the commission to adopt regulations necessary to carry out its powers and duties. Section 18-204(c) authorizes the office to adopt regulations to carry out its powers and duties, one of which is to administer student financial assistance programs. Title 18, Subtitle 3 establishes the Delegate Howard P. Rawlings Program of Educational Excellence Awards, requires the office to publicize the availability of the awards, and sets forth the qualifications of recipients and the amount, use, and duration of the awards.

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

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 Delegate Howard P. Rawlings Program of Educational Excellence Awards 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.

Impact on Budget

There is no impact on the State operating or capital budget. The fiscal 2016 operating budget includes \$80.0 million in general funds for the Delegate Howard P. Rawlings Program of Educational Excellence Awards. In prior years, special funds from the Need-Based Student Financial Assistance Fund have supplemented the general fund budget.

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.

Additional Comments

The Department of Legislative Services notes that Regulation .01D states that the program shall use general funds. Although that is not incorrect, as noted above, the program also utilizes special funds. Furthermore, the provision could be interpreted to mean that only general funds may be used to fund the Program, which is incorrect. In addition, the regulations do not include requirements in Section 18-303(c) and (d) of the Education Article, respectively, that federal earned income credits be excluded from annual family income, and that a student in ninth or tenth grade who applies and qualifies for a Guaranteed Access Grant on the basis of financial need, as established by the commission, shall prequalify for a Guaranteed Access Grant to be used at the time of enrollment at an institution of higher education, subject to certain conditions.

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