
By: **Delegate Zirkin**

Introduced and read first time: February 8, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Education - College Loan Payment - Maryland Student Service Corporation**

3 FOR the purpose of establishing the Maryland Student Service Corporation;
4 specifying the purpose and powers of the Corporation; establishing a Board of
5 Directors to manage and carry out the powers of the Corporation; specifying the
6 composition, appointment, terms, and powers of the Board; specifying the
7 appointment and terms of certain officers; specifying eligibility requirements of
8 participants; specifying certain benefits a participant in an approved program
9 will receive; requiring that participants in approved programs carry out certain
10 activities; establishing certain reporting requirements for the Corporation;
11 defining certain terms; and generally relating to the nature and powers of the
12 Maryland Student Service Corporation.

13 BY adding to

14 Article - Education

15 Section 18-2101 through 18-2112, inclusive, to be under the new subtitle

16 "Subtitle 21. Maryland Student Service Corporation"

17 Annotated Code of Maryland

18 (1997 Replacement Volume and 1998 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Education**

22 **SUBTITLE 21. MARYLAND STUDENT SERVICE CORPORATION.**

23 18-2101.

24 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS

25 INDICATED.

26 (B) "APPROVED PROGRAM" MEANS A SERVICE PROGRAM CREATED BY THE
27 CORPORATION OR AN INDEPENDENT SERVICE PROGRAM REVIEWED AND APPROVED
28 BY THE CORPORATION.

1 (C) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE MARYLAND STUDENT
2 SERVICE CORPORATION.

3 (D) "COLLEGE" MEANS ANY INSTITUTION OF HIGHER EDUCATION THAT:

4 (1) IS RECOGNIZED AND APPROVED BY THE STATE ACCREDITING
5 AGENCY FOR THE STATE WHERE IT IS LOCATED; AND

6 (2) OFFERS A COURSE OF STUDY LEADING TO A POST SECONDARY
7 DEGREE OR DIPLOMA.

8 (E) "CORPORATION" MEANS THE MARYLAND STUDENT SERVICE
9 CORPORATION.

10 (F) "EDUCATION AWARD" MEANS A MONETARY AWARD THAT SHALL BE USED
11 FOR THE REPAYMENT OF A COLLEGE LOAN.

12 18-2102.

13 THERE IS A NONPROFIT CORPORATION KNOWN AS THE MARYLAND STUDENT
14 SERVICE CORPORATION.

15 18-2103.

16 THE PURPOSE OF THE CORPORATION IS TO PROVIDE FINANCIAL ASSISTANCE
17 TO COLLEGE GRADUATES BY GRANTING EDUCATION AWARDS THAT SHALL BE USED
18 FOR THE REPAYMENT OF A COLLEGE GRADUATE'S EDUCATIONAL LOANS IN
19 EXCHANGE FOR THE GRADUATE'S PARTICIPATION IN A COMMUNITY SERVICE
20 PROGRAM APPROVED BY THE CORPORATION.

21 18-2104.

22 TO CARRY OUT ITS PURPOSE, THE CORPORATION MAY:

23 (1) CREATE, MODIFY, OR TERMINATE FULL-TIME OR PART-TIME
24 STUDENT SERVICE CORPS PROGRAMS SUBJECT TO THE REQUIREMENTS OF THIS
25 SUBTITLE;

26 (2) REVIEW AND APPROVE EXISTING SERVICE PROGRAMS THAT MEET
27 THE REQUIREMENTS OF THIS SUBTITLE;

28 (3) SUBJECT TO APPROVAL BY THE BOARD, MAKE CONTRACTS WITH THE
29 FEDERAL GOVERNMENT, ANY STATE OR LOCAL GOVERNMENT, OR ANY PRIVATE
30 AGENCY, FOR THE PURPOSE OF RECEIVING FUNDS OR SERVICES;

31 (4) SUE AND BE SUED;

32 (5) ADOPT REGULATIONS GOVERNING THE:

33 (I) CREATION OF APPLICATION AND ELIGIBILITY PROCEDURES;

1 (II) ASSIGNMENT OF PARTICIPANTS TO APPROVED PROGRAMS;

2 (III) DETERMINATION OF EDUCATION AWARDS FOR FULL-TIME AND
3 PART-TIME PARTICIPANTS; AND

4 (IV) ADMINISTRATION OF ANY FUNDS OR PROPERTY THE
5 CORPORATION HOLDS; AND

6 (6) DO ANY OTHER ACT NOT INCONSISTENT WITH LAW, THAT IS
7 APPROPRIATE TO PROMOTE THE CORPORATION'S PURPOSE.

8 18-2105.

9 (A) THE BOARD OF DIRECTORS OF THE CORPORATION SHALL CONSIST OF THE
10 FOLLOWING 12 MEMBERS:

11 (1) THE SECRETARY OF HIGHER EDUCATION, OR THE SECRETARY'S
12 DESIGNEE;

13 (2) THE CHANCELLOR OF THE UNIVERSITY SYSTEM OF MARYLAND, OR
14 THE CHANCELLOR'S DESIGNEE;

15 (3) THE CHAIRMAN OF THE MARYLAND HIGHER EDUCATION
16 COMMISSION, OR THE CHAIRMAN'S DESIGNEE; AND

17 (4) NINE MEMBERS, TWO OF WHOM SHALL BE REPRESENTATIVES OF
18 THE GENERAL PUBLIC, APPOINTED BY THE GOVERNOR.

19 (B) (1) THE TERM OF AN APPOINTED MEMBER IS 3 YEARS.

20 (2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A
21 SUCCESSOR IS APPOINTED AND QUALIFIES.

22 (3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
23 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
24 QUALIFIES.

25 (C) THE GOVERNOR MAY REMOVE AN APPOINTED MEMBER FOR
26 INCOMPETENCE OR MISCONDUCT.

27 (D) EACH MEMBER OF THE BOARD:

28 (1) SERVES WITHOUT COMPENSATION; AND

29 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
30 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

31 (E) THE BOARD SHALL:

32 (1) GOVERN THE CORPORATION;

1 (2) EXERCISE THE CORPORATION'S POWERS;

2 (3) APPOINT AND REMOVE OFFICERS IN ACCORDANCE WITH § 18-2106(B)
3 OF THIS SUBTITLE;

4 (4) PROVIDE FOR HOLDING REGULAR AND SPECIAL MEETINGS; AND

5 (5) ADOPT BYLAWS FOR THE CORPORATION.

6 18-2106.

7 (A) EACH YEAR THE GOVERNOR SHALL APPOINT TWO MEMBERS OF THE
8 BOARD AS ITS CHAIRMAN AND VICE CHAIRMAN. THESE OFFICERS MAY BE
9 REAPPOINTED AT WILL BY THE GOVERNOR.

10 (B) EACH YEAR THE BOARD MAY:

11 (1) APPOINT AND REMOVE ANY OTHER OFFICER IT CONSIDERS
12 ADVISABLE WITHOUT REGARD TO THE PROVISIONS OF THE STATE PERSONNEL AND
13 PENSIONS ARTICLE; AND

14 (2) DETERMINE THE DUTIES OF THE OFFICER.

15 18-2107.

16 AT ANY MEETING, SEVEN BOARD MEMBERS CONSTITUTE A QUORUM.

17 18-2108.

18 AN INDIVIDUAL WHO PARTICIPATES IN AN APPROVED PROGRAM SHALL:

19 (1) BE AN ADULT;

20 (2) BE A CITIZEN OR NATIONAL OF THE UNITED STATES OR A LAWFUL
21 PERMANENT RESIDENT ALIEN OF THE UNITED STATES; AND

22 (3) (I) HAVE GRADUATED FROM ANY MARYLAND HIGH SCHOOL AND
23 ANY ACCREDITED COLLEGE; OR

24 (II) HAVE GRADUATED FROM ANY MARYLAND COLLEGE.

25 18-2109.

26 (A) PARTICIPATION IN THE PROGRAM MAY BE EITHER ON A FULL-TIME BASIS
27 OR ON A PART-TIME BASIS, AS DEFINED BY THE CORPORATION.

28 (B) A PARTICIPANT MAY NOT REMAIN ENROLLED IN THE PROGRAM FOR MORE
29 THAN 24 MONTHS.

1 18-2110.

2 (A) A PARTICIPANT WHO IS INVOLVED IN AN APPROVED PROGRAM, EITHER
3 FULL-TIME OR PART-TIME, FOR A 10-MONTH PERIOD SHALL RECEIVE AN
4 EDUCATION AWARD.

5 (B) FOR A FULL-TIME PARTICIPANT, THE BOARD SHALL:

6 (1) PAY ANY INTEREST ON THE PARTICIPANT'S COLLEGE LOANS THAT
7 ACCRUES WHILE THE PARTICIPANT IS IN THE APPROVED PROGRAM;

8 (2) OFFER HEALTH INSURANCE TO A PARTICIPANT WHO DOES NOT
9 OTHERWISE HAVE ACCESS TO HEALTH INSURANCE; AND

10 (3) PAY A MODEST LIVING ALLOWANCE, AS DETERMINED BY THE
11 BOARD.

12 (C) (1) PART OF THE LIVING ALLOWANCE MAY BE DEDUCTED BY THE
13 BOARD IF THE APPROVED PROGRAM PROVIDES ANY ROOM OR LIVING EXPENSES.

14 (2) SUCH A DEDUCTION SHALL BE USED SOLELY TO DEFRAY THE COSTS
15 OF PAYING A LIVING ALLOWANCE TO OTHER PARTICIPANTS.

16 18-2111.

17 A PARTICIPANT IN AN APPROVED PROGRAM SHALL CARRY OUT ACTIVITIES
18 THAT FOCUS ON:

19 (1) THE CONSERVATION AND IMPROVEMENT OF WILDLIFE HABITAT,
20 PARKS, WETLANDS, RECREATIONAL AREAS, AND MARYLAND WATERWAYS,
21 INCLUDING THE CHESAPEAKE BAY;

22 (2) HISTORICAL AND CULTURAL SITE PRESERVATION;

23 (3) ROAD AND TRAIL MAINTENANCE AND IMPROVEMENT;

24 (4) EROSION, FLOOD, DROUGHT, AND STORM DAMAGE ASSISTANCE AND
25 CONTROLS;

26 (5) ENERGY CONSERVATION PROJECTS, RENEWABLE RESOURCE
27 ENHANCEMENT, AND RECOVERY OF BIOMASS;

28 (6) POLLUTION CONTROL AND RECYCLING;

29 (7) SERVING INDIVIDUALS WITH DISABILITIES, INCLUDING MAKING
30 PUBLIC FACILITIES ACCESSIBLE TO INDIVIDUALS WITH DISABILITIES;

31 (8) PARTICIPANT SERVICE IN STATE, COUNTY, AND MUNICIPAL
32 GOVERNMENTAL AGENCIES;

1 (9) PARTICIPANT SERVICE IN NURSING HOMES, HOSPICES, SENIOR
2 CENTERS, HOSPITALS, CHILD AND ADULT DAY CARE CENTERS, AND DRUG AND
3 ALCOHOL ABUSE PROGRAMS;

4 (10) PARTICIPANT SERVICE IN SCHOOLS, PUBLIC LIBRARIES, AND
5 LITERACY PROGRAMS;

6 (11) PARTICIPANT SERVICE IN LAW ENFORCEMENT AGENCIES AND
7 PENAL AND PROBATION SYSTEMS;

8 (12) ACTIVITIES THAT FOCUS ON REHABILITATION OR IMPROVEMENT OF
9 PUBLIC FACILITIES OR NEIGHBORHOOD IMPROVEMENTS, INCLUDING
10 WEATHERIZATION AND BASIC REPAIRS TO LOW INCOME HOUSING; OR

11 (13) ANY OTHER NONPARTISAN CIVIC ACTIVITY OR SERVICE THAT THE
12 CORPORATION DETERMINES TO BE OF A SUBSTANTIAL SOCIAL BENEFIT IN MEETING
13 UNMET HUMAN, EDUCATIONAL, OR ENVIRONMENTAL NEEDS.

14 18-2112.

15 THE CORPORATION SHALL SUBMIT AN ANNUAL REPORT CONCERNING ITS
16 ACTIVITIES AND FINDINGS TO THE GOVERNOR, AND, SUBJECT TO § 2-1246 OF THE
17 STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 1999.