

---

By: **Delegate Rudolph**

Introduced and read first time: January 29, 2001

Assigned to: Ways and Means

---

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education - Maryland Teacher Loan and Loan-Forgiveness Program**

3 FOR the purpose of establishing the Maryland Teacher Loan and Loan-Forgiveness  
4 Program for certain students; providing for the award of certain loans; setting  
5 certain eligibility standards; providing for debt forgiveness and loan repayment;  
6 providing for the renewal of a loan award for certain students under certain  
7 circumstances; establishing a certain amount for a loan award; providing for  
8 certain expenses for which a loan award may be used; providing funding for the  
9 Program; requiring the State Scholarship Administration to publicize the  
10 availability of Program loan awards; requiring the Maryland Higher Education  
11 Commission to submit a certain plan by a certain date; providing for a delayed  
12 effective date for certain provisions of this Act; providing for the termination of  
13 certain provisions of this Act; defining certain terms; and generally relating to  
14 the Maryland Teacher Loan and Loan-Forgiveness Program.

15 BY adding to

16 Article - Education

17 Section 18-2601 through 18-2609, inclusive, to be under the new subtitle

18 "Subtitle 26. Maryland Teacher Loan and Loan-Forgiveness Program"

19 Annotated Code of Maryland

20 (1999 Replacement Volume and 2000 Supplement)

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

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

23 **Article - Education**

24 **SUBTITLE 26. MARYLAND TEACHER LOAN AND LOAN-FORGIVENESS PROGRAM.**

25 18-2601.

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

27 INDICATED.

1 (B) "ELIGIBLE INSTITUTION" MEANS A 4-YEAR OR GRADUATE PUBLIC OR  
2 PRIVATE INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT POSSESSES A  
3 CERTIFICATE OF APPROVAL FROM THE COMMISSION.

4 (C) (1) "SERVICE OBLIGATION" MEANS TO TEACH FULL TIME AS A  
5 CERTIFIED TEACHER IN A MARYLAND PUBLIC ELEMENTARY OR SECONDARY  
6 SCHOOL.

7 (2) "SERVICE OBLIGATION" DOES NOT MEAN EMPLOYMENT AS A  
8 TEACHING ASSISTANT, VOLUNTEER SERVICE, A PAID FELLOWSHIP, OR AN  
9 INTERNSHIP.

10 18-2602.

11 THERE IS A MARYLAND TEACHER LOAN AND LOAN-FORGIVENESS PROGRAM  
12 THAT AWARDS LOANS UNDER THIS SUBTITLE TO STUDENTS WHO PLEDGE TO WORK  
13 ON GRADUATION AS PUBLIC ELEMENTARY AND SECONDARY SCHOOL TEACHERS IN  
14 THE STATE FOR 5 CONSECUTIVE YEARS.

15 18-2603.

16 (A) THE ADMINISTRATION ANNUALLY SHALL SELECT ELIGIBLE LOAN  
17 APPLICANTS AND OFFER A PROGRAM LOAN AWARD OF \$5,000 TO BE USED AT AN  
18 ELIGIBLE INSTITUTION.

19 (B) A RECIPIENT OF A PROGRAM LOAN AWARD SHALL:

20 (1) BE CURRENTLY ENROLLED AT OR ACCEPTED FOR ADMISSION TO AN  
21 ELIGIBLE INSTITUTION AS A FULL-TIME THIRD-YEAR UNDERGRADUATE,  
22 FOURTH-YEAR UNDERGRADUATE, OR GRADUATE STUDENT;

23 (2) BE PURSUING A COURSE OF STUDY OR PROGRAM IN AN ACADEMIC  
24 DISCIPLINE LEADING TO A MARYLAND PROFESSIONAL TEACHER'S CERTIFICATE;

25 (3) SIGN A LETTER OF INTENT TO PERFORM THE SERVICE OBLIGATION  
26 ON GRADUATION FOR 5 CONSECUTIVE YEARS;

27 (4) ACCEPT ANY OTHER CONDITIONS ATTACHED TO THE AWARD; AND

28 (5) SATISFY ANY ADDITIONAL CRITERIA THAT THE COMMISSION MAY  
29 ESTABLISH.

30 (C) A RECIPIENT OF A PROGRAM LOAN MAY NOT HOLD OR BE ELIGIBLE FOR A  
31 MARYLAND PROFESSIONAL TEACHER'S CERTIFICATE.

32 18-2604.

33 (A) THE ADMINISTRATION SHALL FORGIVE THE PROGRAM LOAN AWARDS OF  
34 A RECIPIENT IN AN AMOUNT EQUAL TO ONE-FIFTH OF THE TOTAL LOAN AWARDS  
35 FOR EACH YEAR THAT THE RECIPIENT FULFILLS THE SERVICE OBLIGATION.

1 (B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE RECIPIENT OF A  
2 PROGRAM LOAN SHALL REPAY THE COMMISSION THE FUNDS RECEIVED PLUS  
3 INTEREST, AT A RATE ESTABLISHED BY THE COMMISSION, CALCULATED FROM THE  
4 DATE OF THE FIRST PAYMENT OF THE LOAN AWARD UNDER THIS SUBTITLE FOR ANY  
5 PORTION OF THE LOAN NOT FORGIVEN IF THE RECIPIENT DOES NOT:

6 (1) SATISFY THE DEGREE REQUIREMENTS OF THE ELIGIBLE COURSE OF  
7 STUDY OR PROGRAM OR FULFILL OTHER REQUIREMENTS AS PROVIDED IN THIS  
8 SUBTITLE;

9 (2) PERFORM THE SERVICE OBLIGATION FOR 5 CONSECUTIVE YEARS; OR

10 (3) BECOME PROFESSIONALLY CERTIFIED TO TEACH IN THE STATE  
11 WITHIN THE TIME PERIOD SPECIFIED BY THE COMMISSION IN CONSULTATION WITH  
12 THE DEPARTMENT.

13 (C) THE ADMINISTRATION SHALL FORGIVE A RECIPIENT OF A PROGRAM LOAN  
14 AWARD IN AN AMOUNT EQUAL TO TWO-FIFTHS OF THE LOAN AWARD IF:

15 (1) THE RECIPIENT HAS TAKEN THE TEACHER CERTIFICATION  
16 EXAMINATION, APPROVED BY THE STATE BOARD, IN 2 CONSECUTIVE YEARS; AND

17 (2) THE RECIPIENT FAILS TO PASS THE TEACHER CERTIFICATION  
18 EXAMINATION WITHIN THE TIME PERIOD SPECIFIED BY THE COMMISSION UNDER  
19 SUBSECTION (B)(3) OF THIS SECTION.

20 18-2605.

21 THE ANNUAL LOAN AWARD SHALL BE IN THE AMOUNT OF \$5,000.

22 18-2606.

23 A RECIPIENT OF A PROGRAM LOAN AWARD WHO WILL BE A FOURTH-YEAR  
24 UNDERGRADUATE STUDENT MAY APPLY TO RENEW THE LOAN AWARD IF THE  
25 RECIPIENT:

26 (1) CONTINUES TO BE A FULL-TIME STUDENT AT AN ELIGIBLE  
27 INSTITUTION AND TAKES AT LEAST 12 SEMESTER HOURS OF COURSES EACH  
28 SEMESTER OR ITS EQUIVALENT, AS DETERMINED BY THE ADMINISTRATION;

29 (2) IN THE JUDGMENT OF THE ELIGIBLE INSTITUTION, IS MAKING  
30 SATISFACTORY PROGRESS TOWARD A DEGREE; AND

31 (3) MAINTAINS THE STANDARDS OF THE ELIGIBLE INSTITUTION.

32 18-2607.

33 A PROGRAM LOAN AWARD MAY BE USED FOR:

34 (1) TUITION AND MANDATORY FEES AT AN ELIGIBLE INSTITUTION; AND

1 (2) ROOM AND BOARD.

2 18-2608.

3 FUNDS FOR THE PROGRAM SHALL BE AS PROVIDED IN THE ANNUAL BUDGET OF  
4 THE COMMISSION BY THE GOVERNOR.

5 18-2609.

6 THE ADMINISTRATION SHALL PUBLICIZE THE AVAILABILITY OF PROGRAM  
7 LOAN AWARDS.

8 SECTION 2. AND BE IT FURTHER ENACTED, That:

9 (a) The Maryland Higher Education Commission shall draft a plan to  
10 administer the Maryland Teacher Loan and Loan-Forgiveness Program.

11 (b) The plan shall include a 3-year schedule, beginning July 1, 2002, for the  
12 progressive implementation of the Maryland Teacher Loan and Loan-Forgiveness  
13 Program.

14 (c) The Commission shall submit the plan for the implementation of the  
15 Maryland Teacher Loan and Loan-Forgiveness Program to the Governor and the  
16 Legislative Policy Committee of the General Assembly by October 31, 2001.

17 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
18 take effect June 1, 2002.

19 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in  
20 Section 3 of this Act, this Act shall take effect June 1, 2001. Section 2 of this Act shall  
21 remain effective for a period of 5 months and at the end of October 31, 2001, with no  
22 further action required by the General Assembly, Section 2 of this Act shall be  
23 abrogated and of no further force and effect.