

ENROLLED BILL
-- Appropriations/Finance --

Introduced by **Delegates Rosenberg, Bohanan, Hixson, and Niemann**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **State Personnel - Student Loan Repayment Pilot Program**

3 FOR the purpose of authorizing the head of certain participating units of State
4 government to establish, for a certain purpose, a Student Loan Repayment Pilot
5 Program under which the participating unit agrees to repay certain student
6 loans previously taken out by certain employees of the participating unit;
7 establishing certain requirements for and limitations on payments made under
8 the Program; establishing certain eligibility requirements for benefits under the
9 Program; requiring the repayment of benefits provided under the Program
10 under certain circumstances; authorizing the State to recover certain amounts
11 in a certain manner; authorizing the head of a participating unit to waive a right
12 of recovery under certain circumstances; requiring that benefits provided under
13 the Program be in addition to salary and other compensation payable to an
14 employee; requiring the Secretary of Budget and Management to adopt certain
15 regulations in a certain manner; establishing certain reporting requirements;
16 defining certain terms; *providing for the termination of this Act*; and generally
17 relating to a Student Loan Repayment Pilot Program for employees of certain

1 units of State government.

2 BY adding to

3 Article - State Personnel and Pensions

4 Section 10-501 through 10-507, inclusive, to be under the new subtitle "Subtitle

5 5. Student Loan Repayment Pilot Program"

6 Annotated Code of Maryland

7 (2004 Replacement Volume)

8 Preamble

9 WHEREAS, To facilitate the recruitment and retention of highly qualified
10 employees, the federal government has established a program under which a federal
11 agency may repay the student loans of its merit employees; and

12 WHEREAS, Authorizing the Department of Budget and Management ~~and~~ the
13 Department of Legislative Services, and the Department of Juvenile Services to offer
14 a similar program on a pilot basis that would demonstrate how such a program could
15 enhance the State's ability to recruit and retain highly qualified employees; now,
16 therefore,

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

19 **Article - State Personnel and Pensions**

20 **SUBTITLE 5. STUDENT LOAN REPAYMENT PILOT PROGRAM.**

21 10-501.

22 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
23 INDICATED.

24 (B) "INSTITUTION OF HIGHER EDUCATION" HAS THE MEANING STATED IN §
25 10-101 OF THE EDUCATION ARTICLE.

26 (C) "PARTICIPATING UNIT" MEANS THE DEPARTMENT OF BUDGET AND
27 MANAGEMENT ~~OR~~ THE DEPARTMENT OF LEGISLATIVE SERVICES, OR THE
28 DEPARTMENT OF JUVENILE SERVICES.

29 (D) "PROGRAM" MEANS A STUDENT LOAN REPAYMENT PILOT PROGRAM
30 ESTABLISHED UNDER § 10-503 OF THIS SUBTITLE.

31 (E) "STUDENT LOAN" MEANS A LOAN MADE:

32 (1) BY THE STATE OR FEDERAL GOVERNMENT; AND

33 (2) TO A STUDENT TO PAY EXPENSES RELATED TO THE STUDENT'S
34 ATTENDANCE AT AN INSTITUTION OF HIGHER EDUCATION.

1 10-502.

2 THIS SUBTITLE APPLIES TO AN EMPLOYEE OF THE DEPARTMENT OF BUDGET
3 AND MANAGEMENT ~~OR~~, THE DEPARTMENT OF LEGISLATIVE SERVICES, OR THE
4 DEPARTMENT OF JUVENILE SERVICES WHO IS IN:

5 (1) THE SKILLED SERVICE OR PROFESSIONAL SERVICE OF THE STATE
6 PERSONNEL MANAGEMENT SYSTEM; OR

7 (2) A POSITION IN THE LEGISLATIVE BRANCH OF STATE GOVERNMENT
8 THAT IS COMPARABLE TO A POSITION IN THE SKILLED SERVICE OR PROFESSIONAL
9 SERVICE OF THE STATE PERSONNEL MANAGEMENT SYSTEM.

10 10-503.

11 (A) TO RECRUIT OR RETAIN HIGHLY QUALIFIED PERSONNEL, THE HEAD OF A
12 PARTICIPATING UNIT MAY ESTABLISH A STUDENT LOAN REPAYMENT PILOT
13 PROGRAM UNDER WHICH THE PARTICIPATING UNIT AGREES TO REPAY, BY DIRECT
14 PAYMENTS MADE ON BEHALF OF AN EMPLOYEE OF THE PARTICIPATING UNIT, A
15 STUDENT LOAN PREVIOUSLY TAKEN OUT BY THE EMPLOYEE.

16 (B) ANY PROGRAM ESTABLISHED BY A PARTICIPATING UNIT SHALL BE
17 CONSISTENT WITH THE PROVISIONS OF THIS SUBTITLE AND ANY REGULATIONS
18 ADOPTED UNDER § 10-506 OF THIS SUBTITLE.

19 10-504.

20 PAYMENTS UNDER A PARTICIPATING UNIT'S PROGRAM:

21 (1) SHALL BE MADE FROM EXISTING RESOURCES OF THE
22 PARTICIPATING UNIT;

23 (2) SHALL BE MADE SUBJECT TO THE TERMS, LIMITATIONS, AND
24 CONDITIONS THAT ARE MUTUALLY AGREED TO BY THE PARTICIPATING UNIT AND
25 THE EMPLOYEE APPLYING FOR BENEFITS;

26 (3) MAY NOT EXCEED A TOTAL OF \$125,000, ANNUALLY; AND

27 (4) MAY NOT BE MADE TO REIMBURSE AN EMPLOYEE FOR PAYMENTS
28 MADE ON THE EMPLOYEE'S STUDENT LOAN.

29 10-505.

30 (A) TO BE ELIGIBLE FOR BENEFITS UNDER A PARTICIPATING UNIT'S
31 PROGRAM, AN EMPLOYEE MUST AGREE IN WRITING THAT:

32 (1) UNLESS THE EMPLOYEE IS INVOLUNTARILY SEPARATED FROM
33 SERVICE, THE EMPLOYEE WILL REMAIN IN THE SERVICE OF THE PARTICIPATING
34 UNIT FOR THE PERIOD SPECIFIED IN THE AGREEMENT, WHICH MAY NOT BE LESS
35 THAN 3 YEARS; AND

1 (2) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE EMPLOYEE
2 WILL REPAY TO THE STATE THE AMOUNT OF ANY BENEFITS PROVIDED UNDER THE
3 PROGRAM IF THE EMPLOYEE IS SEPARATED FROM SERVICE VOLUNTARILY, OR
4 INVOLUNTARILY BECAUSE OF MISCONDUCT, BEFORE THE TIME SPECIFIED IN THE
5 AGREEMENT.

6 (B) AN EMPLOYEE WHO VOLUNTARILY TRANSFERS FROM THE
7 PARTICIPATING UNIT TO ANOTHER UNIT OF STATE GOVERNMENT BEFORE THE DATE
8 SPECIFIED IN THE AGREEMENT MAY NOT BE REQUIRED TO REPAY BENEFITS TO THE
9 STATE UNLESS, BEFORE THE EFFECTIVE DATE OF THE TRANSFER, THE HEAD OF THE
10 PARTICIPATING UNIT THAT PROVIDED THE BENEFITS NOTIFIES THE EMPLOYEE
11 THAT REPAYMENT IS REQUIRED.

12 (C) (1) IF AN EMPLOYEE FAILS TO REPAY ANY AMOUNT OWED TO THE
13 STATE UNDER SUBSECTION (A)(2) OF THIS SECTION, THE STATE MAY RECOVER THE
14 AMOUNT OUTSTANDING BY:

15 (I) SETOFF AGAINST ACCRUED COMPENSATION, RETIREMENT
16 BENEFITS, OR ANY OTHER AMOUNT OWED TO THE EMPLOYEE BY THE STATE; AND

17 (II) ANY OTHER METHOD PROVIDED BY LAW.

18 (2) THE HEAD OF THE PARTICIPATING UNIT THAT PROVIDED BENEFITS
19 TO AN EMPLOYEE UNDER A PROGRAM MAY WAIVE, IN WHOLE OR IN PART, A RIGHT
20 OF RECOVERY UNDER THIS SUBSECTION IF RECOVERY WOULD BE INEQUITABLE OR
21 AGAINST PUBLIC POLICY.

22 (D) AN EMPLOYEE IS INELIGIBLE FOR CONTINUED BENEFITS UNDER A
23 PROGRAM IF THE EMPLOYEE:

24 (1) SEPARATES FROM THE PARTICIPATING UNIT PROVIDING THE
25 BENEFITS; OR

26 (2) DOES NOT MAINTAIN AN ACCEPTABLE LEVEL OF PERFORMANCE, AS
27 DETERMINED UNDER STANDARDS AND PROCEDURES ESTABLISHED BY THE
28 PARTICIPATING UNIT.

29 (E) BENEFITS PROVIDED TO AN EMPLOYEE UNDER A PROGRAM SHALL BE IN
30 ADDITION TO THE SALARY AND ANY OTHER COMPENSATION PAYABLE TO THE
31 EMPLOYEE.

32 10-506.

33 (A) THE SECRETARY OF BUDGET AND MANAGEMENT SHALL ADOPT
34 REGULATIONS ESTABLISHING STANDARDS, REQUIREMENTS, AND PROCEDURES
35 THAT THE SECRETARY CONSIDERS NECESSARY TO PROVIDE REASONABLE
36 UNIFORMITY AMONG PROGRAMS ESTABLISHED UNDER § 10-503 OF THIS SUBTITLE.

1 (B) THE REGULATIONS SHALL BE ADOPTED AFTER CONSULTATION WITH THE
2 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LEGISLATIVE SERVICES AND THE
3 SECRETARY OF JUVENILE SERVICES.

4 10-507.

5 ON OR BEFORE JANUARY 1 OF EACH YEAR, THE ~~HEAD OF A PARTICIPATING~~
6 ~~UNIT THAT ESTABLISHES A PROGRAM~~ SECRETARY OF BUDGET AND MANAGEMENT
7 AND THE SECRETARY OF JUVENILE SERVICES SHALL EACH REPORT TO THE
8 GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT
9 ARTICLE, TO THE GENERAL ASSEMBLY THE FOLLOWING INFORMATION FOR THE
10 IMMEDIATELY PRECEDING FISCAL YEAR:

11 (1) THE NUMBER OF EMPLOYEES SELECTED TO RECEIVE BENEFITS
12 UNDER THE PROGRAM;

13 (2) THE POSITION CLASSIFICATIONS OF THE EMPLOYEES WHO
14 RECEIVED BENEFITS UNDER THE PROGRAM; AND

15 (3) THE COST OF PROVIDING THE BENEFITS.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2005. It shall remain effective for a period of 4 years and, at the end of
18 September 30, 2009, with no further action required by the General Assembly, this
19 Act shall be abrogated and of no further force and effect.