
By: **Delegates Rosenberg, Bohanan, Hixson, and Niemann**

Introduced and read first time: January 27, 2005

Assigned to: Appropriations

A BILL ENTITLED

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; and generally relating to a Student Loan Repayment
17 Pilot Program for employees of certain units of State government.

18 BY adding to
19 Article - State Personnel and Pensions
20 Section 10-501 through 10-507, inclusive, to be under the new subtitle "Subtitle
21 5. Student Loan Repayment Pilot Program"
22 Annotated Code of Maryland
23 (2004 Replacement Volume)

24 Preamble

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

28 WHEREAS, Authorizing the Department of Budget and Management and the
29 Department of Legislative Services to offer a similar program on a pilot basis that
30 would demonstrate how such a program could enhance the State's ability to recruit
31 and retain highly qualified employees; now, therefore,

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

3 **Article - State Personnel and Pensions**

4 SUBTITLE 5. STUDENT LOAN REPAYMENT PILOT PROGRAM.

5 10-501.

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (B) "INSTITUTION OF HIGHER EDUCATION" HAS THE MEANING STATED IN §
9 10-101 OF THE EDUCATION ARTICLE.

10 (C) "PARTICIPATING UNIT" MEANS THE DEPARTMENT OF BUDGET AND
11 MANAGEMENT OR THE DEPARTMENT OF LEGISLATIVE SERVICES.

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

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

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

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

18 10-502.

19 THIS SUBTITLE APPLIES TO AN EMPLOYEE OF THE DEPARTMENT OF BUDGET
20 AND MANAGEMENT OR THE DEPARTMENT OF LEGISLATIVE SERVICES WHO IS IN:

21 (1) THE SKILLED SERVICE OR PROFESSIONAL SERVICE OF THE STATE
22 PERSONNEL MANAGEMENT SYSTEM; OR

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

26 10-503.

27 (A) TO RECRUIT OR RETAIN HIGHLY QUALIFIED PERSONNEL, THE HEAD OF A
28 PARTICIPATING UNIT MAY ESTABLISH A STUDENT LOAN REPAYMENT PILOT
29 PROGRAM UNDER WHICH THE PARTICIPATING UNIT AGREES TO REPAY, BY DIRECT
30 PAYMENTS MADE ON BEHALF OF AN EMPLOYEE OF THE PARTICIPATING UNIT, A
31 STUDENT LOAN PREVIOUSLY TAKEN OUT BY THE EMPLOYEE.

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

4 10-504.

5 PAYMENTS UNDER A PARTICIPATING UNIT'S PROGRAM:

6 (1) SHALL BE MADE FROM EXISTING RESOURCES OF THE
7 PARTICIPATING UNIT;

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

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

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

14 10-505.

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

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

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

26 (B) AN EMPLOYEE WHO VOLUNTARILY TRANSFERS FROM THE
27 PARTICIPATING UNIT TO ANOTHER UNIT OF STATE GOVERNMENT BEFORE THE DATE
28 SPECIFIED IN THE AGREEMENT MAY NOT BE REQUIRED TO REPAY BENEFITS TO THE
29 STATE UNLESS, BEFORE THE EFFECTIVE DATE OF THE TRANSFER, THE HEAD OF THE
30 PARTICIPATING UNIT THAT PROVIDED THE BENEFITS NOTIFIES THE EMPLOYEE
31 THAT REPAYMENT IS REQUIRED.

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

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

1 (II) ANY OTHER METHOD PROVIDED BY LAW.

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

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

8 (1) SEPARATES FROM THE PARTICIPATING UNIT PROVIDING THE
9 BENEFITS; OR

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

13 (E) BENEFITS PROVIDED TO AN EMPLOYEE UNDER A PROGRAM SHALL BE IN
14 ADDITION TO THE SALARY AND ANY OTHER COMPENSATION PAYABLE TO THE
15 EMPLOYEE.

16 10-506.

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

21 (B) THE REGULATIONS SHALL BE ADOPTED AFTER CONSULTATION WITH THE
22 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LEGISLATIVE SERVICES.

23 10-507.

24 ON OR BEFORE JANUARY 1 OF EACH YEAR, THE HEAD OF A PARTICIPATING
25 UNIT THAT ESTABLISHES A PROGRAM SHALL EACH REPORT TO THE GOVERNOR AND,
26 IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE
27 GENERAL ASSEMBLY THE FOLLOWING INFORMATION FOR THE IMMEDIATELY
28 PRECEDING FISCAL YEAR:

29 (1) THE NUMBER OF EMPLOYEES SELECTED TO RECEIVE BENEFITS
30 UNDER THE PROGRAM;

31 (2) THE POSITION CLASSIFICATIONS OF THE EMPLOYEES WHO
32 RECEIVED BENEFITS UNDER THE PROGRAM; AND

33 (3) THE COST OF PROVIDING THE BENEFITS.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 2005.