

HOUSE BILL 298

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0lr1459

By: **Delegates Morhaim, Nathan–Pulliam, and Stein**

Introduced and read first time: January 27, 2010

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Office of Student Financial Assistance – Service Obligation – Waiver**

3 FOR the purpose of requiring the Office of Student Financial Assistance in the
4 Maryland Higher Education Commission to grant a waiver from the remaining
5 service obligation component of certain scholarships under certain
6 circumstances; requiring the Office to adopt certain regulations; and generally
7 relating to the waiver of a service obligation commitment by the Office of
8 Student Financial Assistance.

9 BY adding to
10 Article – Education
11 Section 18–206
12 Annotated Code of Maryland
13 (2008 Replacement Volume and 2009 Supplement)

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

16 **Article – Education**

17 **18–206.**

18 **(A) THE OFFICE SHALL GRANT A WAIVER FROM THE REMAINING**
19 **SERVICE OBLIGATION COMPONENT OF A SCHOLARSHIP AWARDED UNDER THIS**
20 **TITLE TO AN INDIVIDUAL WHO:**

21 **(1) HAS COMPLETED OR WILL COMPLETE 50% OF THE**
22 **INDIVIDUAL’S SERVICE OBLIGATION COMPONENT ON OR BEFORE THE DATE THE**
23 **INDIVIDUAL TERMINATES THE SCHOLARSHIP CONTRACT;**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) COMPLIED WITH ALL THE TERMS OF THE SCHOLARSHIP**
2 **AWARD WHILE PERFORMING THE SERVICE OBLIGATION COMPONENT;**

3 **(3) HAS NOT RECEIVED THE AWARD MONEY THE INDIVIDUAL**
4 **WOULD HAVE RECEIVED IF THE INDIVIDUAL HAD PERFORMED THE SERVICES OF**
5 **THE REMAINING 50% OF THE SERVICE OBLIGATION;**

6 **(4) SUBMITS TO THE OFFICE:**

7 **(I) WRITTEN NOTICE OF THE INDIVIDUAL'S INTENTION TO**
8 **TERMINATE THE SCHOLARSHIP CONTRACT BEFORE THE DATE SET FORTH IN**
9 **THE CONTRACT; AND**

10 **(II) DOCUMENTATION OF A BONA FIDE OFFER OF**
11 **EMPLOYMENT FROM A FEDERAL, STATE, OR LOCAL GOVERNMENT ENTITY,**
12 **NONPROFIT HEALTH ORGANIZATION, OR FEDERALLY QUALIFIED HEALTH**
13 **CENTER; AND**

14 **(5) PAYS TO THE OFFICE AN EARLY CONTRACT TERMINATION**
15 **FINANCIAL PENALTY THAT IS EQUAL TO 5% OF THE VALUE OF THE AMOUNT OF**
16 **OBLIGATED SERVICE TIME NOT SERVED WITHIN A REASONABLE PERIOD OF**
17 **TIME, AS DETERMINED BY THE OFFICE.**

18 **(B) THE OFFICE SHALL ADOPT REGULATIONS TO CARRY OUT THE**
19 **PROVISIONS OF THIS SECTION.**

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2010.