

# SENATE BILL 80

F2

(0lr0090)

## *ENROLLED BILL*

— *Education, Health, and Environmental Affairs/Ways and Means* —

Introduced by **Chair, Education, Health, and Environmental Affairs Committee**  
(By Request – Departmental – Higher Education Commission)

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.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Higher Education Commission – Office of Student Financial**  
3 **Assistance**

4 FOR the purpose of revising and clarifying certain provisions relating to student  
5 financial assistance administered by the Office of Student Financial Assistance  
6 in the Maryland Higher Education Commission; repealing provisions relating to  
7 the enforcement of certain bonds given by scholarship recipients; authorizing  
8 the Office of Student Financial Assistance to adopt rules and regulations that  
9 include certain provisions; and generally relating to administration of student  
10 financial assistance by the Office of Student Financial Assistance in the  
11 Maryland Higher Education Commission.

12 BY repealing and reenacting, with amendments,  
13 Article – Education

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics* indicate opposite chamber/conference committee amendments.



1 Section 18–102, 18–103, 18–106 through 18–108, 18–110(a), 18–111 through  
2 18–113, 18–204, and 18–205  
3 Annotated Code of Maryland  
4 (2008 Replacement Volume and 2009 Supplement)

5 BY repealing  
6 Article – Education  
7 Section 18–109  
8 Annotated Code of Maryland  
9 (2008 Replacement Volume and 2009 Supplement)

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

12 **Article – Education**

13 18–102.

14 Except as otherwise provided in this title, the provisions of this subtitle apply to  
15 any scholarship, grant, [or] loan, **OR OTHER STUDENT FINANCIAL ASSISTANCE**  
16 awarded [under this title] **BY THE OFFICE**.

17 18–103.

18 A scholarship, grant, [or] loan, **OR OTHER STUDENT FINANCIAL ASSISTANCE**  
19 [issued under this title] **AWARDED BY THE OFFICE** may be used at any public or  
20 private institution of higher education in this State that possesses a certificate of  
21 approval from the [Maryland Higher Education] Commission.

22 18–106.

23 (a) If, during an academic year, a student who is receiving any **STUDENT**  
24 **FINANCIAL ASSISTANCE** award [under this title] withdraws from the institution at  
25 which the award is used or otherwise fails to remain eligible for the award, the  
26 institution shall make a pro rata refund to the Office or other donor on the same terms  
27 that it makes refunds to students.

28 (b) Any refund may be reawarded on an interim basis under this title until  
29 the end of the academic year. Any requirement of an examination is waived for the  
30 recipient of an interim award.

31 18–107.

32 (a) (1) Each year, money for each [award] **STUDENT FINANCIAL**  
33 **ASSISTANCE** program [under this title] **ADMINISTERED BY THE OFFICE** shall be  
34 included in the State budget.

1           (2) Each year, the Governor shall include in the State budget at least  
2 80 percent of the funds appropriated in the prior fiscal year for need-based programs  
3 as provided in §§ 18-301, 18-706(f), 18-1401, 18-1501, and 18-2601 of this title.

4           (b) (1) Except as otherwise provided in this title, money appropriated  
5 under this title that is not used by the end of the fiscal year may not revert to the  
6 State Treasury.

7           (2) All money retained under paragraph (1) of this subsection shall be  
8 used to make awards to students during subsequent fiscal years as provided in  
9 §§ 18-301, 18-601, 18-604, 18-706(f), 18-1401, 18-14A-01, 18-1501, and 18-2601 of  
10 this title and may not be used for administrative expenses.

11 18-108.

12           Any college student or other individual, who is under 18 years old and is eligible  
13 for or is receiving benefits from any State scholarship, loan, tuition grant, remission of  
14 fixed charges, fellowship, [or] federal or State student loan program [under this title],  
15 **OR ANY OTHER STUDENT FINANCIAL ASSISTANCE:**

16           (1) May execute notes, contracts, or agreements necessary to obtain  
17 these benefits in the same manner and with the same effect as though he were 18  
18 years old; and

19           (2) May not assert the disability of infancy as a defense in any action  
20 brought against him with respect to these benefits.

21 [18-109.

22           (a) The Office shall review and investigate each bond given by a recipient of  
23 a scholarship.

24           (b) If the Office determines that any recipient has failed or refused to comply  
25 with the conditions of the bond, the Office may refer the matter to the Attorney  
26 General, who shall do anything necessary and proper to enforce the bond.

27           (c) The Attorney General shall account for any money received from  
28 enforcement of a bond and the money shall revert to the State Treasury.]

29 18-110.

30           (a) Any student attending a public institution of higher education who is not  
31 a resident of this State and who is enrolled in an education course or program leading  
32 to an occupation as a licensed registered nurse or a licensed practical nurse shall pay  
33 only the tuition fees and other mandatory fees payable by a resident of this State if the

1 student furnishes a [surety bond or] promissory note to this State, with security  
 2 satisfactory to the [Maryland Higher Education] Commission, that, on completion of  
 3 the education course or program, the student will work in this State for at least 4  
 4 years as a licensed registered nurse or a licensed practical nurse in a hospital or  
 5 related institution, as defined in § 19–301 of the Health – General Article.

6 18–111.

7 As a condition of receiving [a scholarship or grant] **STUDENT FINANCIAL**  
 8 **ASSISTANCE** awarded [under this title] **BY THE OFFICE**, each recipient shall sign a  
 9 statement pledging to remain drug free. The Commission shall determine the contents  
 10 of the drug free statement.

11 18–112.

12 (a) Except as otherwise provided in this title, repayment obligations incurred  
 13 by recipients of student financial assistance[, scholarships, grants, or loans]  
 14 administered by the [Commission under this title] **OFFICE** shall be calculated at an  
 15 interest rate equal to and matching the interest rate established by the United States  
 16 Department of Education for the Federal Stafford Loan on the first day of July of each  
 17 year, with interest not accruing prior to notification to the Commission of a recipient's  
 18 graduation or termination from an institution of higher education.

19 (b) A recipient shall commence repayment obligations [incurred under this  
 20 title] upon graduation or termination from an institution of higher education.

21 18–113.

22 (a) A student may [hold a scholarship and grant issued under this title along  
 23 with any other scholarship and grant issued under this title] **RECEIVE ONE OR MORE**  
 24 **AWARDS OF STUDENT FINANCIAL ASSISTANCE** **ADMINISTERED BY THE OFFICE** if:

25 (1) Eligibility requirements are met for each [scholarship and grant]  
 26 **TYPE OF STUDENT FINANCIAL ASSISTANCE** received; and

27 (2) The total of all [scholarships and grants] **STUDENT FINANCIAL**  
 28 **ASSISTANCE** received does not exceed:

29 (i) The student's total cost of education as certified by the  
 30 institution the student is attending; and

31 (ii) The equivalent annual expenses of a full-time resident  
 32 undergraduate at the 4-year public institution of higher education within the  
 33 University System of Maryland, other than the University of Maryland University

1 College and University of Maryland, Baltimore, with the highest annual expenses for  
2 a full-time resident undergraduate.

3 (b) A student who [holds] **RECEIVES** multiple [scholarships and grants  
4 issued under this title] **AWARDS OF STUDENT FINANCIAL ASSISTANCE** that have a  
5 service obligation requirement:

6 (1) Must fulfill the terms of each service obligation; and

7 (2) May not fulfill the service obligations concurrently.

8 18–204.

9 (a) In addition to any other powers granted and duties imposed by this title,  
10 the Office has the powers and duties set forth in this section.

11 (b) Except as otherwise provided in this title, the Office shall:

12 (1) Administer [the scholarship and tuition assistance programs under  
13 this title] **STUDENT FINANCIAL ASSISTANCE PROGRAMS**;

14 (2) Issue and disseminate public information about [these  
15 scholarships] **STUDENT FINANCIAL ASSISTANCE**;

16 (3) Regulate the form and submission of applications for [scholarships  
17 and tuition] **STUDENT FINANCIAL** assistance under this title; and

18 (4) Conduct conferences and interviews with applicants to evaluate  
19 their eligibility.

20 (c) **(1)** The Office may adopt any rule or regulation necessary to carry out  
21 its powers and duties.

22 **(2) THE RULES AND REGULATIONS ADOPTED BY THE OFFICE**  
23 **UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY INCLUDE PROVISIONS FOR:**

24 **(I) THE PERFORMANCE OF A SERVICE OBLIGATION FOR A**  
25 **PROGRAM THAT AS A CONDITION OF AWARD REQUIRES A RECIPIENT OF**  
26 **STUDENT FINANCIAL ASSISTANCE TO PERFORM A SERVICE OBLIGATION;**

27 **(II) THE REPAYMENT OF STUDENT FINANCIAL ASSISTANCE**  
28 **FUNDS RECEIVED SHOULD A RECIPIENT FAIL TO PERFORM A SERVICE**  
29 **OBLIGATION; AND**

1                                   **(III) WAIVER AND DEFERMENT OF A SERVICE OBLIGATION**  
2 **OR REPAYMENT IN CIRCUMSTANCES DETERMINED BY THE COMMISSION.**

3           (d)    The Office:

4                   (1)    Shall administer any federal program of scholarships or grants to  
5 students or institutions except for the Christa McAuliffe Fellowship which shall be  
6 administered by the Maryland State Department of Education; and

7                   (2)    May do anything necessary to comply with any federal law relating  
8 to these scholarships or grants.

9           (e)    The Office shall:

10                   (1)    Arrange for the competitive examination required of applicants for  
11 certain scholarships; and

12                   (2)    Send the results of the examination to the appropriate institutions  
13 and to the person who awards the scholarship.

14           (f)    The Office shall:

15                   (1)    Analyze under uniform standards the financial need of each  
16 applicant for a scholarship for which financial need is a consideration; and

17                   (2)    Send its analysis to the appropriate institution and the person who  
18 awards the scholarship.

19   18–205.

20           **[The] SUBJECT TO RULES AND REGULATIONS ADOPTED BY THE**  
21 **COMMISSION, THE** Office shall grant a deferment from the service obligation  
22 component of **[a scholarship] STUDENT FINANCIAL ASSISTANCE** awarded under this  
23 title to:

24                   (1)    An individual who has been assigned military duty outside of the  
25 State; or

26                   (2)    The spouse of an individual who has been assigned military duty  
27 outside of the State.

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