

SENATE BILL 73

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(PRE-FILED)

6lr0398
CF 6lr1726

By: ~~Senator Young~~ Senators Young, Benson, Kelley, Lee, Muse, Madaleno,
Nathan-Pulliam, Conway, Rosapepe, and Peters

Requested: July 6, 2015

Introduced and read first time: January 13, 2016

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: January 26, 2016

CHAPTER _____

1 AN ACT concerning

2 **Maryland Loan Assistance Repayment Program for Orphans and Foster Care**
3 **Recipients**

4 FOR the purpose of establishing the Maryland Loan Assistance Repayment Program for
5 Orphans and Foster Care Recipients; establishing eligibility requirements for
6 participation in the Program; providing for the funding, amount, duration, renewal,
7 and uses of certain awards; requiring the Office of Student Financial Assistance to
8 adopt certain regulations; requiring the Maryland Higher Education Commission to
9 submit a certain report on or before a certain date; defining certain terms; providing
10 for the application of this Act; and generally relating to the Maryland Loan
11 Assistance Repayment Program for Orphans and Foster Care Recipients.

12 BY adding to

13 Article – Education

14 Section 18–3101 through 18–3106 to be under the new subtitle “Subtitle 31.
15 Maryland Loan Assistance Repayment Program for Orphans and Foster Care
16 Recipients”

17 Annotated Code of Maryland

18 (2014 Replacement Volume and 2015 Supplement)

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

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.



Article – Education

SUBTITLE 31. MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ORPHANS AND FOSTER CARE RECIPIENTS.**18-3101.**

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

(B) “FOSTER CARE RECIPIENT” MEANS AN INDIVIDUAL WHO WAS PLACED IN AN OUT-OF-HOME PLACEMENT BY A STATE’S OR UNIT OF A STATE GOVERNMENT’S DEPARTMENT OF SOCIAL SERVICES FOR 3 YEARS OR MORE.

(C) “HIGHER EDUCATION LOAN” MEANS ANY LOAN FOR UNDERGRADUATE, PROFESSIONAL, OR GRADUATE STUDY THAT IS OBTAINED FOR TUITION, EDUCATIONAL EXPENSES, OR LIVING EXPENSES FROM:

(1) AN INSTITUTION OF HIGHER EDUCATION, GOVERNMENT, OR COMMERCIAL SOURCE; OR

(2) AN ORGANIZATION, AN INSTITUTION, AN ASSOCIATION, A SOCIETY, OR A CORPORATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE OF 1986.

(D) “ORPHAN” MEANS A CHILD WHO HAS BEEN LEGALLY DETERMINED NOT TO HAVE PARENTS BECAUSE OF THE PARENTS’:

(1) DEATH OR DISAPPEARANCE;

(2) ABANDONMENT OR DESERTION OF THE CHILD; OR

(3) SEPARATION FROM THE CHILD.

(E) “PROGRAM” MEANS THE MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ORPHANS AND FOSTER CARE RECIPIENTS.

18-3102.

(A) THERE IS A MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ORPHANS AND FOSTER CARE RECIPIENTS IN THE STATE.

(B) THE OFFICE SHALL ASSIST IN THE REPAYMENT OF HIGHER EDUCATION LOANS OWED BY AN ORPHAN OR A FOSTER CARE RECIPIENT WHO:

1 (1) IS EMPLOYED ON A FULL-TIME BASIS BY THE STATE OR A COUNTY
2 OR MUNICIPALITY OF THE STATE;

3 (2) RECEIVED A GRADUATE, PROFESSIONAL, OR UNDERGRADUATE
4 DEGREE FROM AN INSTITUTION OF HIGHER EDUCATION IN THE STATE; AND

5 (3) MEETS ANY OTHER REQUIREMENT ESTABLISHED BY THE OFFICE.

6 (C) AN APPLICANT FOR ASSISTANCE IN THE REPAYMENT OF A COMMERCIAL
7 LOAN SHALL DEMONSTRATE TO THE OFFICE THAT THE COMMERCIAL LOAN WAS
8 USED FOR TUITION, EDUCATIONAL EXPENSES, OR LIVING EXPENSES FOR
9 GRADUATE, PROFESSIONAL, OR UNDERGRADUATE STUDY.

10 (D) ASSISTANCE IN THE REPAYMENT OF A LOAN FROM AN ENTITY SET
11 FORTH IN § 18-1601(C)(2) OF THIS TITLE SHALL REQUIRE THE APPROVAL OF THE
12 OFFICE.

13 18-3103.

14 ~~THE~~ (A) SUBJECT TO THE AVAILABILITY OF FUNDS APPROPRIATED UNDER
15 SUBSECTION (B) OF THIS SECTION, THE AWARD AMOUNT UNDER THE PROGRAM
16 SHALL BE EQUAL TO 10% OF THE ELIGIBLE INDIVIDUAL'S TOTAL HIGHER
17 EDUCATION LOAN DEBT FOR EACH YEAR THE INDIVIDUAL QUALIFIES FOR THE
18 PROGRAM.

19 (B) THE GOVERNOR ANNUALLY SHALL INCLUDE AN APPROPRIATION OF
20 \$100,000 IN THE STATE BUDGET FOR THE COMMISSION TO DISBURSE ASSISTANCE
21 UNDER THIS SUBTITLE.

22 18-3104.

23 (A) EACH RECIPIENT OF AN AWARD UNDER THE PROGRAM MAY HOLD THE
24 AWARD FOR 3 YEARS IF THE RECIPIENT:

25 (1) CONTINUES TO MEET THE QUALIFICATIONS SPECIFIED UNDER §
26 18-3102 OF THIS SUBTITLE; AND

27 (2) SIGNS AN AGREEMENT AT THE TIME OF THE AWARD TO REMAIN
28 EMPLOYED BY THE STATE FOR AT LEAST 1 YEAR AFTER THE EXPIRATION OF THE
29 TERM OF THE AWARD.

30 (B) EACH AWARD UNDER THE PROGRAM SHALL BE RENEWABLE ON THE
31 EXPIRATION OF THE TERM OF THE AWARD.

1 **18-3105.**

2 **AN AWARD UNDER THE PROGRAM SHALL BE USED ONLY FOR REPAYMENT OF**
 3 **THE HIGHER EDUCATION LOANS OWED BY THE RECIPIENT.**

4 **18-3106.**

5 **THE OFFICE SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS**
 6 **OF THIS SUBTITLE.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That on or before September 1,
 8 2020, the Maryland Higher Education Commission shall report to the Governor and, in
 9 accordance with § 2-1246 of the State Government Article, the General Assembly,
 10 regarding:

11 (1) how many individuals receive assistance annually under Title 18,
 12 Subtitle 31 of the Education Article, as enacted by Section 1 of this Act;

13 (2) the amount of each award; and

14 (3) how many individuals, if any, are placed on a waiting list or denied
 15 assistance under Title 18, Subtitle 31 of the Education Article, as enacted by Section 1 of
 16 this Act.

17 ~~SECTION 3.~~ AND BE IT FURTHER ENACTED, That this Act shall be construed
 18 to apply retroactively and shall be applied to and interpreted to affect any individual who
 19 meets the eligibility requirements of the Maryland Loan Assistance Repayment Program
 20 for Orphans and Foster Care Recipients of Title 18, Subtitle 31 of the Education Article, as
 21 enacted by Section 1 of this Act, on or after July 1, 2010.

22 ~~SECTION 4.~~ AND BE IT FURTHER ENACTED, That this Act shall take effect
 23 July 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.