

Chapter 634

(House Bill 923)

AN ACT concerning

**Higher Education – Appointment of Secretary and Student
Financial Assistance – ~~Alterations~~ Accommodations at Public Institutions for
Religious Beliefs**

FOR the purpose of providing that the Secretary of Higher Education is appointed by, and serves at the pleasure of, the Governor; requiring each institution of higher education to adopt a certain written policy regarding the provision of reasonable academic accommodations for students to practice sincerely held faith-based or religious beliefs; altering eligibility criteria for, and the process for awards from, the Delegate Howard P. Rawlings Program of Educational Excellence Awards; altering eligibility criteria for services provided to students through the Next Generation Scholars of Maryland Program; altering the administration of the Maryland Community College Promise Scholarship to require community colleges to award scholarships from the Maryland Community College Promise Scholarship in place of the Office of Student Financial assistance within the Maryland Higher Education Commission; repealing certain provisions of law related to the intent of the General Assembly for the Commission to be reorganized to establish the Office of Student Financial Assistance as a separate independent agency in a certain fiscal year; and generally relating to the appointment of the Secretary of Higher Education ~~and~~ student financial assistance programs in the State, and accommodations at public institutions for religious beliefs.

BY repealing and reenacting, with amendments,

Article – Education

Section 11–104(a) and (b), 18–303, 18–303.1(c) and (d), 18–303.3, 18–304, 18–307, 18–3601, 18–3602, 18–3603, and 18–3604

Annotated Code of Maryland
(2022 Replacement Volume)

BY adding to

Article – Education

Section ~~18–303.4 and~~ 15–136, 18–303.4, and 18–3603.1Annotated Code of Maryland
(2022 Replacement Volume)

BY repealing

Chapter 639 of the Acts of the General Assembly of 2022
Section 3

BY repealing

Chapter 640 of the Acts of the General Assembly of 2022

Section 3

~~BY repealing and reenacting, with amendments,
 Article – Education
 Section 18-303 and 18-303.3
 Annotated Code of Maryland
 (2022 Replacement Volume)
 (As enacted by Section 1 of this Act)~~

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

Article – Education

11–104.

(a) [(1) In accordance with paragraph (2) of this subsection, the] **THE** Governor shall appoint, with the advice and consent of the Senate, a Secretary of Higher Education.

[(2) (i) The Commission shall submit to the Governor the names of 3 nominees for the position of Secretary from which the Governor shall make the appointment.

(ii) The Governor may reject the list and request the Commission to submit the names of additional nominees.]

(b) (1) The Secretary shall:

(i) Select, organize, and direct the staff of the Commission;

(ii) Perform the duties the Commission assigns;

(iii) See that the policies and decisions of the Commission are carried out;

(iv) Serve at the pleasure of the [Commission] **GOVERNOR**; and

(v) Be a member of the Governor’s Executive Council.

(2) (i) After consideration of the recommendations of the Commission, the Governor shall include in the annual budget request the salary for the Secretary.

(ii) The Secretary is entitled to the salary provided in the State budget.

15–136.

(A) EACH PUBLIC INSTITUTION OF HIGHER EDUCATION SHALL ADOPT A WRITTEN POLICY THAT PROVIDES REASONABLE ACADEMIC ACCOMMODATIONS FOR STUDENTS TO PRACTICE SINCERELY HELD FAITH-BASED OR RELIGIOUS BELIEFS.

(B) THE POLICY SHALL:

(1) PROVIDE AN ACCOMMODATION FOR A STUDENT, INCLUDING EXCUSED ABSENCES, FOR A STUDENT TO:

(i) OBSERVE FAITH-BASED OR RELIGIOUS HOLIDAYS; OR

(ii) PARTICIPATE IN ORGANIZED RELIGIOUS ACTIVITIES;

(2) PROVIDE THAT A STUDENT BE ALLOWED REASONABLE ALTERNATIVE ACCOMMODATIONS FOR MISSING AN EXAMINATION OR OTHER ACADEMIC REQUIREMENTS DUE TO AN EXCUSED ABSENCE UNDER ITEM (1) OF THIS SUBSECTION IF THE STUDENT'S SINCERELY HELD FAITH-BASED OR RELIGIOUS BELIEF OR PRACTICE AFFECTS THE STUDENT'S ABILITY TO TAKE AN EXAMINATION AS SCHEDULED OR MEET ANY OTHER ACADEMIC REQUIREMENT; AND

(3) INCLUDE A GRIEVANCE PROCEDURE TO REPORT NONCOMPLIANCE WITH THE POLICY.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH PUBLIC INSTITUTION OF HIGHER EDUCATION IS REQUIRED TO PROVIDE A SPACE ON CAMPUS TO ACCOMMODATE FAITH-BASED OR RELIGIOUS PRACTICES.

(2) THIS SUBSECTION DOES NOT APPLY TO THE UNIVERSITY OF MARYLAND GLOBAL CAMPUS.

(D) EACH PUBLIC INSTITUTION OF HIGHER EDUCATION SHALL POST PROMINENTLY ON ITS WEBSITE A COPY OF THE POLICY ADOPTED UNDER THIS SECTION.

18-303.

(a) Subject to subsection (e) of this section, each recipient of a Delegate Howard P. Rawlings Educational Excellence Award shall:

(1) Be accepted for admission in the regular undergraduate program at an eligible institution or be enrolled in a 2-year associate degree program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution;

(2) Except as provided in § 18–303.2 of this subtitle, be a resident of this State;

(3) Demonstrate a definite financial need to:

(i) For an Educational Assistance Grant, the Office; or

(ii) For a Guaranteed Access Grant, the Office or an institution of higher education that complies with § 18–303.3 of this subtitle; and

(4) Accept any other conditions attached to the award.

(b) Except as provided in subsection (c) of this section, each recipient of a Guaranteed Access Grant shall:

(1) Have [attained a grade point average of at least 2.5 on a 4.0 scale or its equivalent at the end of the first semester of the senior year in high school and have] completed high school or, failing to do so, on the recommendation of the recipient’s high school principal, provide evidence satisfactory to the Office of extenuating circumstances;

(2) ~~Begin college within 1 year~~ **6 YEARS** of completing high school or, failing to do so, provide evidence satisfactory to the Office of extenuating circumstances;

(3) Be under the age of ~~22~~ **26** years at the time of receiving the first award;

(4) ~~Have successfully completed a college preparatory program in high school;~~

~~(5)~~ Enroll in college as a full-time student;

[(6)] ~~(3)~~ **(5)** Subject to subsection (d) of this section, have an annual family income below a poverty index determined by the Commission; and

[(7)] ~~(4)~~ **(6)** Satisfy any additional criteria the Commission may establish.

(c) (1) Subject to paragraph (2) of this subsection, an individual who has successfully obtained a high school diploma by examination under § 11–808 of the Labor and Employment Article is exempt from the requirements of subsection (b) of this section.

(2) An individual described under paragraph (1) of this subsection is eligible for a Guaranteed Access Grant if the individual:

(i) Has scored a passing score of at least ~~165~~ **145** per module on the diploma by examination;

(ii) ~~¶~~ Begins college within ~~1-year~~ **6 YEARS** of achieving the score described under item (i) of this paragraph or, failing to do so, provides evidence satisfactory to the Office of extenuating circumstances;

(iii) Is under the age of ~~22~~ **26** years at the time of receiving the first award;

(iv)~~¶~~ Enrolls in college as a full-time student; and

~~¶(v) (III)~~ Subject to subsection (d) of this section, has an annual family income below a poverty index determined by the Commission.

(d) (1) To determine the annual family income eligibility of an applicant for a Guaranteed Access Grant, the Office or an institution of higher education that complies with § 18-303.3 of this subtitle may not consider an amount received by the applicant as an earned income credit under § 32 of the Internal Revenue Code.

(2) When awarding a Guaranteed Access Grant to a student who prequalified for the award under subsection (e)(1) or (2) of this section, the Commission shall use the annual family income determination used when the student prequalified.

(e) (1) Except as provided in paragraph (2) of this subsection, a student in grade 7 or grade 8 who applies and qualifies for a Guaranteed Access Grant on the basis of financial need as established by the Commission shall prequalify for a Guaranteed Access Grant to be used at the time of enrollment in an institution of higher education by agreeing in writing, as a secondary and undergraduate student, to:

(i) Satisfy the attendance policy of the applicable school;

(ii) [Refrain from substance abuse;

(iii)] Provide information required by the Commission or the State Board of Education;

[(iv)] (III) Apply for admission to an institution of higher education during the student's senior year of high school;

[(v)] (IV) Complete and file on a timely basis applications for federal student aid for each year that the student plans to enroll in postsecondary education;

[(vi)] (V) Participate in the Next Generation Scholars of Maryland Program established in § 18-303.1 of this subtitle until the student graduates from high school and matriculates at an institution of higher education;

[(vii)] **(VI)** Maintain a cumulative grade point average of at least 2.5 on a 4.0 scale or its equivalent; and

[(viii)] **(VII)** Satisfy any other program requirements set by the Office, the Commission, the State Board of Education, or the State Department of Education.

(2) A student in grade 9 or grade 10 shall prequalify for a Guaranteed Access Grant to be used at the time of enrollment in an institution of higher education if the student:

(i) Otherwise meets the conditions of paragraph (1) of this subsection; and

(ii) 1. Is eligible for free or reduced priced meals; or
2. Attends a school that participates in the U.S. Department of Agriculture Community Eligibility Provision and the student is identified by:

A. Direct certification; or

B. Income information provided by the family of the student to the local school system on an alternative form developed by the Department.

18-303.1.

(c) The Program shall provide guidance and services to students who qualify for a Guaranteed Access Grant in accordance with § 18-303(e) of this subtitle **AND STUDENTS WHO QUALIFY TO RECEIVE FREE OR REDUCED-PRICE LUNCH UNDER THE NATIONAL SCHOOL LUNCH PROGRAM** to assist the students in successfully:

(1) Completing a college preparatory curriculum;

(2) Graduating from high school;

(3) Matriculating at an institution of higher education as defined in § 18-303 of this subtitle; and

(4) Making timely progress to complete a degree program.

(d) (1) The Department shall:

(i) Publicize the Program through community outreach and marketing materials;

(ii) Award grants to nonprofit organizations to administer the Program;

(iii) Solicit applications from nonprofit organizations to administer the Program in local school systems; and

(iv) Give priority to applications:

1. From Maryland-based nonprofit organizations; and
2. That include business and institution of higher education partners.

(2) The Program may continue to provide services to students [when]:

(I) WHEN they attend an institution of higher education; OR

(II) WHO HAVE PARTICIPATED IN THE PROGRAM FOR AT LEAST 1 FULL YEAR AND RELOCATE TO ANOTHER COUNTY IN THE STATE THAT DOES NOT PARTICIPATE IN THE PROGRAM.

18-303.3.

(a) A public institution of higher education in the State, or a private nonprofit institution of higher education that is eligible for State aid under § 17-103 of this article, may verify the eligibility of an applicant for, and on verification of the eligibility administer, a Guaranteed Access Grant in accordance with this section.

(b) An institution may verify:

(1) The eligibility of an applicant who:

(i) Is identified by the Office as potentially eligible for a Guaranteed Access Grant under § 18-303 of this subtitle; and

(ii) Applies for admission to the institution; or

(2) The renewal eligibility of a student who:

(i) Received a Guaranteed Access Grant under § 18-303 of this subtitle in the prior award year; and

(ii) Is an admitted student at the institution in the current award year.

(c) An institution shall:

(1) Verify that an applicant qualifies for a Guaranteed Access Grant under the requirements of § 18–303 of this subtitle;

(2) Evaluate the applicant’s income eligibility criteria using federal [V1 standard] **STANDARDS FOR** verification and in accordance with the income eligibility criteria established by the Office;

(3) Maintain records used by the institution to determine the eligibility of applicants for a period of 5 years after the end date of the award year associated with the student’s last award; and

(4) Provide the Commission with an audit, in accordance with rules adopted by the Commission, to show that awards verified and administered under this section have been made properly.

(d) (1) Subject to paragraph (2) of this subsection, a verification obtained by an applicant under subsection (b) of this section may be used at any eligible institution described under § 18–305 of this subtitle.

(2) The amount of the Guaranteed Access Grant awarded to an applicant may be adjusted in accordance with the cost of attendance at the institution at which the applicant uses the award.

18–3601.

(a) In this subtitle the following words have the meanings indicated.

(b) “Annual adjusted gross income” means the total of the combined adjusted gross income of the applicant and the applicant’s parents, or the applicant and the applicant’s spouse if the applicant is married, as reported on the most recent federal or State income tax return.

(C) “AWARD” MEANS A SCHOLARSHIP AWARD FROM THE MARYLAND COMMUNITY COLLEGE PROMISE SCHOLARSHIP.

[(c)] (D) “Community college” includes Baltimore City Community College.

[(d)] (E) “Local promise scholarship” means a community college scholarship program in effect on July 1, 2018, that provides a scholarship to any high school senior who is eligible for enrollment at the community college.

[(e)] (F) (1) “Tuition” means the basic instructional charge for courses offered at a community college.

(2) “Tuition” includes any fees for:

- (i) Registration;
- (ii) Application;
- (iii) Administration;
- (iv) Laboratory work; and
- (v) Other mandatory fees.

(3) “Tuition” does not include:

- (i) Costs associated with the parts of a registered apprenticeship that take place at a location that is not a community college; or
- (ii) Any fees for room and board that are related to an on-campus residential facility for students.

18-3602.

(a) There is a program of Maryland Community College Promise Scholarships in the State that are awarded under this subtitle.

(b) The purpose of the program is to provide tuition assistance for students to attend a community college in the State.

(c) The Office **AND EACH COMMUNITY COLLEGE** shall publicize the availability of Maryland Community College Promise Scholarships.

(D) (1) THE OFFICE SHALL ALLOCATE MARYLAND COMMUNITY COLLEGE PROMISE SCHOLARSHIP FUNDING TO EACH COMMUNITY COLLEGE IN THE STATE BASED ON THE PROPORTION OF ~~FULL-TIME-EQUIVALENT~~ PELL-ELIGIBLE STUDENTS AT EACH COMMUNITY COLLEGE, AS DEFINED IN ~~§ 16-305(B)(7) OF THIS ARTICLE~~, FOR EACH COMMUNITY COLLEGE TO AWARD MARYLAND COMMUNITY COLLEGE PROMISE SCHOLARSHIP AWARDS TO STUDENTS.

(2) IF A COMMUNITY COLLEGE DOES NOT AWARD ALL FUNDING ALLOCATED TO THE COMMUNITY COLLEGE UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE COMMUNITY COLLEGE SHALL DISTRIBUTE THE REMAINING FUNDING TO OTHER COMMUNITY COLLEGES TO MAKE MARYLAND COMMUNITY COLLEGE PROMISE SCHOLARSHIP AWARDS TO STUDENTS IN THE AWARD YEAR.

18-3603.

(a) (1) **(I)** [A student must] **SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A STUDENT MAY** apply annually to [the Commission] **A MARYLAND COMMUNITY COLLEGE LOCATED IN THE COUNTY OR, IN THE CASE OF A REGIONAL COMMUNITY COLLEGE, IN THE REGION WHERE THE APPLICANT LIVES** to receive a Maryland Community College Promise Scholarship award.

(II) IF THE COMMUNITY COLLEGE LOCATED IN THE COUNTY OR REGION WHERE THE APPLICANT LIVES DOES NOT OFFER THE DEGREE OR CERTIFICATION PROGRAM IN WHICH THE APPLICANT WANTS TO ENROLL, THE STUDENT MAY APPLY TO THE COMMUNITY COLLEGE OUTSIDE THE COUNTY OR, IN THE CASE OF A REGIONAL COMMUNITY COLLEGE, OUTSIDE THE REGION WHERE THE APPLICANT LIVES TO RECEIVE A MARYLAND COMMUNITY COLLEGE PROMISE SCHOLARSHIP AWARD.

(2) [The Office] **A COMMUNITY COLLEGE** annually shall select eligible applicants and offer a Maryland Community College Promise Scholarship award to each selected applicant to be used for tuition at [a] **THE** community college [of the applicant's choice].

(b) An applicant is eligible for a Maryland Community College Promise Scholarship **AWARD** if the applicant:

(1) Is eligible for in-State tuition;

(2) Enrolls as a candidate for a vocational certificate, a certificate, or an associate's degree or participates in a registered apprenticeship after graduating from a high school or successfully completing a GED in the State:

(i) Except as provided in [items (ii) and (iii)] **ITEM (II)** of this item, at the community college located in the county or, in the case of a regional community college, in the region, where the applicant lives; **OR**

(ii) [If the community college located in the county or region where the applicant lives does not offer the degree or certification program in which the applicant wants to enroll, then at any community college in the State that offers the program; or

(iii)] At a community college in the State that has an on-campus residential facility for students;

(3) Except as provided in subsection (c)(3) of this section, has earned a cumulative grade point average of:

(i) For an initial award, at least 2.3 on a 4.0 scale or its equivalent at the end of the first semester or the end of the year of the senior year in high school; or

(ii) While enrolled at a community college in the State, at least 2.5 on a 4.0 scale or its equivalent;

(4) Has an annual adjusted gross income of not more than:

(i) \$100,000 if the applicant is single or resides in a single-parent household; or

(ii) \$150,000 if the applicant is married or resides in a two-parent household;

(5) (i) Enrolls in:

1. At least [12] **6** credits per semester at the community college; or

2. A sequence of credit or noncredit courses that leads to licensure or certification; or

(ii) Participates in a registered apprenticeship program; and

(6) (i) Timely submits a Free Application for Federal Student Aid (FAFSA) or any other applications for any State or federal student financial aid, other than a student loan, for which the applicant may qualify; or

(ii) Is ineligible to submit a FAFSA, qualifies for in-State tuition under § 15–106.8 of this article, and timely submits an application for any State student financial aid, other than a student loan, for which the applicant may qualify.

(c) (1) An applicant who receives any other educational grants or scholarships that cover the applicant's full cost of attendance at the community college is ineligible to receive an award under this subtitle.

(2) An applicant who has earned a bachelor's degree or an associate's degree is ineligible to receive an award under this subtitle.

(3) An applicant who graduated from high school 5 or more years before the date of application is not subject to the grade point average requirements established in subsection (b)(3)(i) of this section for an initial award.

(d) On request the community college shall assist an applicant to submit a FAFSA or any other applications for State or federal student financial aid.

18–3603.1.

(A) A COMMUNITY COLLEGE SHALL VERIFY THE ELIGIBILITY OF AN APPLICANT FOR A MARYLAND COMMUNITY COLLEGE PROMISE SCHOLARSHIP AWARD IN ACCORDANCE WITH THIS SECTION.

(B) (1) A COMMUNITY COLLEGE SHALL:

(I) VERIFY THAT AN APPLICANT QUALIFIES FOR A MARYLAND COMMUNITY COLLEGE PROMISE SCHOLARSHIP AWARD UNDER THE REQUIREMENTS OF § 18-3603 OF THIS SUBTITLE;

(II) EVALUATE THE APPLICANT'S INCOME ELIGIBILITY USING FEDERAL STANDARDS FOR VERIFICATION AND IN ACCORDANCE WITH INCOME ELIGIBILITY CRITERIA ESTABLISHED BY THE OFFICE;

(III) MAINTAIN RECORDS USED BY THE COMMUNITY COLLEGE TO DETERMINE THE ELIGIBILITY OF APPLICANTS FOR NOT LESS THAN A PERIOD OF 5 YEARS AFTER THE END DATE OF THE AWARD YEAR ASSOCIATED WITH THE STUDENT'S LAST AWARD; AND

(IV) PROVIDE THE COMMISSION WITH AN AUDIT, IN ACCORDANCE WITH RULES ADOPTED BY THE COMMISSION, TO SHOW THAT AWARDS VERIFIED AND ADMINISTERED UNDER THIS SECTION HAVE BEEN MADE PROPERLY.

(2) A VERIFICATION OBTAINED BY AN APPLICANT UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION MAY BE USED AT ANOTHER COMMUNITY COLLEGE.

(C) (1) THE OFFICE SHALL REVIEW THE AUDIT PROVIDED TO THE COMMISSION UNDER SUBSECTION (B)(1)(IV) OF THIS SECTION NOT LESS THAN ONCE EVERY 3 YEARS TO VERIFY THAT RECIPIENTS MET THE ELIGIBILITY REQUIREMENTS FOR AN AWARD.

(2) (I) IF THE OFFICE DETERMINES THAT A COMMUNITY COLLEGE MADE AN INCORRECT AWARD TO AN INELIGIBLE STUDENT, THE COMMUNITY COLLEGE SHALL REMIT TO THE COMMISSION THE TOTAL AMOUNT OF THE AWARD MADE IN ERROR.

(II) THE COMMISSION SHALL PAY ALL AMOUNTS RECEIVED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO THE NEED-BASED STUDENT FINANCIAL ASSISTANCE FUND UNDER § 18-107 OF THIS TITLE.

(III) THE COMMUNITY COLLEGE MAY NOT REQUIRE A STUDENT TO REPAY THE COMMUNITY COLLEGE FOR AN INCORRECT AWARD MADE FROM THE MARYLAND COMMUNITY COLLEGE PROMISE SCHOLARSHIP.

18-3604.

(a) Beginning in the 2019–2020 academic year, the annual scholarship award shall be not more than \$5,000 per recipient, or actual tuition, whichever is less.

(b) (1) Except as provided in paragraph (3) of this subsection, any State or federal student financial aid, other than a student loan, received by the recipient shall be credited to the recipient's tuition before the calculation of any award amount provided under this subtitle.

(2) (i) 1. Initial **SCHOLARSHIP** awards shall be provided to recipients based on greatest demonstrated financial need.

2. Priority for **SCHOLARSHIP** awards in subsequent years shall be given to **[prior]**:

A. PRIOR year recipients who remain eligible for the program;

B. ALL ELIGIBLE STUDENTS WHO ARE ENROLLED IN AT LEAST 12 CREDITS PER SEMESTER, OR ENROLLED IN A SEQUENCE OF CREDIT OR NONCREDIT COURSES THAT LEAD TO LICENSURE OR CERTIFICATION; AND

C. IF ANY FUNDS REMAIN TO BE ALLOCATED, STUDENTS ENROLLED IN AT LEAST 6 CREDITS PER SEMESTER.

3. Notwithstanding § 18-3603(b) of this subtitle, an eligible recipient who does not receive an award under this subparagraph due to insufficient funding of the program remains eligible for the program the following academic year.

(ii) Eligible applicants who do not receive an award under this subtitle shall be notified and placed on a waiting list.

(3) If a recipient is eligible for a local promise scholarship, an award provided under this subtitle shall be credited to the recipient's tuition before the award of the local promise scholarship.

(c) (1) Subject to paragraphs (2) and (3) of this subsection, each recipient may hold the award until the earlier of:

(i) 3 years after first enrolling as a candidate for a vocational certificate, a certificate, or an associate's degree at a community college in the State; or

(ii) The date that the individual is awarded an associate's degree.

(2) [The Office] **A COMMUNITY COLLEGE** may extend the duration of an award for an allowable interruption of study if the recipient provides to the [Office] **COMMUNITY COLLEGE** satisfactory evidence of extenuating circumstances that prevent the recipient from continuous enrollment.

(3) Each recipient may hold the award in accordance with paragraph (1) of this subsection only if the recipient:

(i) Continues to be eligible for in-State tuition;

(ii) 1. Continues to enroll in and complete at least [12] **6** credits per semester, or a sequence of credit or noncredit courses that leads to licensure or certification, or their equivalent, as determined by the [Office] **COMMUNITY COLLEGE**; or

2. Continues to participate in a registered apprenticeship program.

(iii) Maintains a cumulative grade point average of at least 2.5 on a 4.0 scale or its equivalent for the requisite credit-bearing coursework for the remainder of the award or, failing to do so, provides to the [Office] **COMMUNITY COLLEGE** satisfactory evidence of extenuating circumstances;

(iv) Makes satisfactory progress toward a vocational certificate, a certificate, or an associate's degree;

(v) Continues to meet the income limitations under § 18-3603(b)(4) of this subtitle; and

(vi) Continues to timely submit an application under § 18-3603(b)(6) of this subtitle.

Chapter 639 of the Acts of 2022

[SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Maryland Higher Education Commission be reorganized to establish the Office of Student Financial Assistance as a separate independent agency in fiscal year 2024.]

Chapter 640 of the Acts of 2022

[SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Maryland Higher Education Commission be reorganized to establish the Office of Student Financial Assistance as a separate independent agency in fiscal year 2024.]

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Education

~~18-303.~~

~~(a) Subject to subsection (c) of this section, each recipient of a Delegate Howard P. Rawlings Educational Excellence Award shall:~~

~~(1) Be accepted for admission in the regular undergraduate program at an eligible institution or be enrolled in a 2-year associate degree program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution;~~

~~(2) Except as provided in § 18-303.2 of this subtitle, be a resident of this State;~~

~~(3) Demonstrate a definite financial need to:~~

~~(i) For an Educational Assistance Grant, the Office; or~~

~~(ii) For a Guaranteed Access Grant, [the Office or] an institution of higher education that complies with § 18-303.3 of this subtitle; and~~

~~(4) Accept any other conditions attached to the award.~~

~~(b) Except as provided in subsection (c) of this section, each recipient of a Guaranteed Access Grant shall:~~

~~(1) Have completed high school or, failing to do so, on the recommendation of the recipient's high school principal, provide evidence satisfactory to the Office of extenuating circumstances;~~

~~(2) Enroll in college as a full-time student;~~

~~(3) Subject to subsection (d) of this section, have an annual family income below a poverty index determined by the Commission; and~~

~~(4) Satisfy any additional criteria the Commission may establish.~~

~~(e) (1) Subject to paragraph (2) of this subsection, an individual who has successfully obtained a high school diploma by examination under § 11-808 of the Labor and Employment Article is exempt from the requirements of subsection (b) of this section.~~

~~(2) An individual described under paragraph (1) of this subsection is eligible for a Guaranteed Access Grant if the individual:~~

~~(i) Has scored a passing score of at least 165 per module on the diploma by examination;~~

~~(ii) Enrolls in college as a full-time student; and~~

~~(iii) Subject to subsection (d) of this section, has an annual family income below a poverty index determined by the Commission.~~

~~(d) (1) ON OR BEFORE AUGUST 1 EACH YEAR, THE COMMISSION SHALL ESTABLISH THE ANNUAL FAMILY INCOME USED TO DETERMINE A STUDENT'S ELIGIBILITY FOR A GUARANTEED ACCESS GRANT AND AN EDUCATIONAL ASSISTANCE GRANT.~~

~~(2) To determine the annual family income eligibility of an applicant for a Guaranteed Access Grant, [the Office or] an institution of higher education [that complies with § 18-302.3 of this subtitle] may not consider an amount received by the applicant as an earned income credit under § 32 of the Internal Revenue Code.~~

~~[(2)] (3) (i) When awarding a Guaranteed Access Grant to a student who prequalified for the award under subsection (c)(1) or (2) of this section, the [Commission] INSTITUTION OF HIGHER EDUCATION shall use the annual family income determination used when the student prequalified.~~

~~(ii) THE COMMISSION SHALL PROVIDE A LIST OF ALL STUDENTS WHO HAVE PREQUALIFIED FOR THE AWARD UNDER SUBSECTION (E)(1) OR (2) OF THIS SECTION TO EACH INSTITUTION OF HIGHER EDUCATION.~~

~~(e) (1) Except as provided in paragraph (2) of this subsection, a student in grade 7 or grade 8 who applies and qualifies for a Guaranteed Access Grant on the basis of financial need as established by the Commission shall prequalify for a Guaranteed Access Grant to be used at the time of enrollment in an institution of higher education by agreeing in writing, as a secondary and undergraduate student, to:~~

~~(i) Satisfy the attendance policy of the applicable school;~~

~~(ii) Provide information required by the Commission or the State Board of Education;~~

~~(iii) Apply for admission to an institution of higher education during the student's senior year of high school;~~

~~(iv) Complete and file on a timely basis applications for federal student aid for each year that the student plans to enroll in postsecondary education;~~

~~(v) Participate in the Next Generation Scholars of Maryland Program established in § 18-303.1 of this subtitle until the student graduates from high school and matriculates at an institution of higher education;~~

~~(vi) Maintain a cumulative grade point average of at least 2.5 on a 4.0 scale or its equivalent; and~~

~~(vii) Satisfy any other program requirements set by the Office, the Commission, the State Board of Education, or the State Department of Education.~~

~~(2) A student in grade 9 or grade 10 shall prequalify for a Guaranteed Access Grant to be used at the time of enrollment in an institution of higher education if the student:~~

~~(i) Otherwise meets the conditions of paragraph (1) of this subsection; and~~

~~(ii) 1. Is eligible for free or reduced priced meals; or~~

~~2. Attends a school that participates in the U.S. Department of Agriculture Community Eligibility Provision and the student is identified by:~~

~~A. Direct certification; or~~

~~B. Income information provided by the family of the student to the local school system on an alternative form developed by the Department.~~

~~18-303.3.~~

~~(a) A public institution of higher education in the State, or a private nonprofit institution of higher education that is eligible for State aid under § 17-103 of this article, [may] SHALL verify the eligibility of [an] EACH applicant FOR THE GUARANTEED ACCESS GRANT PROGRAM and on verification of the eligibility administer, a Guaranteed Access Grant in accordance with this section.~~

~~[(b) An institution may verify:~~

~~(1) The eligibility of an applicant who:~~

~~(i) Is identified by the Office as potentially eligible for a Guaranteed Access Grant under § 18-303 of this subtitle; and~~

~~(ii) Applies for admission to the institution; or~~

~~(2) The renewal eligibility of a student who:~~

~~(i) Received a Guaranteed Access Grant under § 18-303 of this subtitle in the prior award year; and~~

~~(ii) Is an admitted student at the institution in the current award year.}]~~

~~[(e)] (B) An institution shall:~~

~~(1) Verify [that an] **WHETHER EACH** applicant qualifies for a Guaranteed Access Grant under **ALL OF** the requirements of § 18-303 of this subtitle;~~

~~[(2) Evaluate the applicant's income eligibility criteria using federal standards for verification and in accordance with the income eligibility criteria established by the Office;]~~

~~(2) **CALCULATE AND OFFER THE GUARANTEED ACCESS GRANT AWARD TO THE APPLICANT UPON THE APPLICANT'S AWARD LETTER FOR ADMISSION;**~~

~~(3) **SUBMIT TO THE OFFICE ON OR BEFORE JUNE 1 EACH YEAR FOR THE UPCOMING SCHOOL YEAR, INFORMATION ON THE STUDENTS TO WHOM THE INSTITUTION OF HIGHER EDUCATION OFFERED A GUARANTEED ACCESS GRANT AWARD;**~~

~~[(3)] (4) Maintain records used by the institution to determine the eligibility of applicants for a period of 5 years after the end date of the award year associated with the student's last award; [and]~~

~~[(4)] (5) Provide the Commission with an audit, in accordance with rules adopted by the Commission, to show that awards verified and administered under this section have been made properly; **AND**~~

~~(6) **EVALUATE THE APPLICANT'S INCOME ELIGIBILITY CRITERIA USING FEDERAL STANDARDS FOR VERIFICATION AND IN ACCORDANCE WITH THE INCOME ELIGIBILITY CRITERIA ESTABLISHED BY THE OFFICE.**~~

~~(c) (1) THE OFFICE SHALL REVIEW THE AUDIT PROVIDED TO THE COMMISSION UNDER SUBSECTION (B)(5) OF THIS SECTION NOT LESS THAN ONCE EVERY 4 YEARS TO VERIFY THAT RECIPIENTS MEET THE ELIGIBILITY REQUIREMENTS FOR AN AWARD.~~

~~(2) (i) IF THE OFFICE DETERMINES THAT AN INSTITUTION OF HIGHER EDUCATION MADE AN INCORRECT AWARD TO AN INELIGIBLE STUDENT, THE INSTITUTION OF HIGHER EDUCATION SHALL REMIT TO THE COMMISSION THE TOTAL AMOUNT OF THE AWARD MADE IN ERROR.~~

~~(ii) THE COMMISSION SHALL PAY ALL AMOUNTS RECEIVED UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH TO THE NEED-BASED STUDENT FINANCIAL ASSISTANCE FUND UNDER § 18-107 OF THIS TITLE.~~

~~(iii) THE INSTITUTION OF HIGHER EDUCATION MAY NOT REQUIRE A STUDENT TO REPAY THE COMMUNITY COLLEGE FOR AN INCORRECT AWARD MADE FROM THE GUARANTEED ACCESS GRANT.~~

~~(d) (1) Subject to paragraph (2) of this subsection, a verification obtained by an applicant under subsection (b) of this section may be used at any eligible institution described under § 18-305 of this subtitle.~~

~~(2) The amount of the Guaranteed Access Grant awarded to an applicant may be adjusted in accordance with the cost of attendance at the institution at which the applicant uses the award.~~

18-303.4.

(A) (1) BEGINNING WHEN FINANCIAL AID INFORMATION IS AVAILABLE EACH YEAR, BUT NOT LATER THAN OCTOBER 1 EACH YEAR, THE OFFICE SHALL COMPILE AND CERTIFY LISTS FOR THE ENTIRE STATE THAT RANK APPLICANTS FOR THE GUARANTEED ACCESS GRANT AWARD BY FINANCIAL NEED.

(2) REGULARLY, THE OFFICE SHALL PROVIDE TO EACH INSTITUTION OF HIGHER EDUCATION IN THE STATE THE LISTS COMPILED AND CERTIFIED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.

(B) (1) EACH INSTITUTION OF HIGHER EDUCATION SHALL USE THE LISTS PROVIDED BY THE OFFICE IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION, AND THE REQUIREMENTS UNDER §§ 18-303 AND 18-304 OF THIS SUBTITLE, TO DETERMINE THE APPLICANTS WHO SHALL BE OFFERED A GUARANTEED ACCESS GRANT AWARD BY THE INSTITUTION AND THE AMOUNT OF THE AWARD.

(2) THE INSTITUTION SHALL SEND THE FINANCIAL AID AWARD NOTIFICATION TO AN APPLICANT TO OFFER THE APPLICANT A GUARANTEED ACCESS GRANT AWARD.

(C) AN APPLICANT MAY ACCEPT THE OFFER OF A GUARANTEED ACCESS GRANT AWARD FROM AN INSTITUTION OF HIGHER EDUCATION.

(D) (1) EACH SEMESTER, EACH INSTITUTION SHALL SUBMIT TO THE OFFICE A LIST OF THE STUDENTS WHO WERE AWARDED A GUARANTEED ACCESS GRANT FOR THE SEMESTER AND THE AMOUNTS AWARDED.

(2) THE OFFICE SHALL REIMBURSE EACH INSTITUTION FOR THE GUARANTEED ACCESS GRANT AWARDS ON THE LIST SUBMITTED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.

(E) (1) (I) THE OFFICE SHALL COMPILE AND CERTIFY LISTS OF STUDENTS WHO PREVIOUSLY RECEIVED A GUARANTEED ACCESS GRANT AWARD AND ARE ELIGIBLE FOR A RENEWAL AWARD.

(II) THE OFFICE SHALL PROVIDE TO EACH INSTITUTION OF HIGHER EDUCATION IN THE STATE THE LISTS COMPILED AND CERTIFIED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(2) (I) EACH INSTITUTION OF HIGHER EDUCATION SHALL USE THE LISTS PROVIDED BY THE OFFICE IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION, AND THE REQUIREMENTS UNDER §§ 18-303 AND 18-304 OF THIS SUBTITLE, TO DETERMINE THE STUDENTS WHO SHALL BE OFFERED A GUARANTEED ACCESS GRANT RENEWAL AWARD BY THE INSTITUTION.

(II) THE INSTITUTION SHALL SEND THE FINANCIAL AID AWARD NOTIFICATION TO A STUDENT TO OFFER THE STUDENT A GUARANTEED ACCESS GRANT RENEWAL AWARD.

(3) THE OFFICE SHALL REIMBURSE EACH INSTITUTION FOR THE GUARANTEED ACCESS GRANT RENEWAL AWARDS MADE IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.

(F) THE OFFICE SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

18-304.

(a) In this section, “academic year” means:

- (1) The fall, spring, and summer semesters; and
- (2) Any semester shorter in length than the term of a regular semester.

(b) (1) [Except as provided in § 18–307 of this subtitle, the Office] **AN INSTITUTION OF HIGHER EDUCATION** ~~THAT COMPLIES WITH § 18–303.3 OF THIS SUBTITLE~~ shall determine the amount of each [Delegate Howard P. Rawlings Educational Excellence] **GUARANTEED ACCESS** Award based on the financial need of the applicant.

(2) In determining the amount of financial need, the [Office] **INSTITUTION OF HIGHER EDUCATION** shall consider regional cost-of-living differences.

(3) In determining the percent of financial need used to calculate an award for a community college student receiving a [Delegate Howard P. Rawlings Educational Excellence] **GUARANTEED ACCESS** Award, the [Commission] **INSTITUTION OF HIGHER EDUCATION** shall use [the following percentages:

- (i) For fiscal year 2007, not less than 55%; and
- (ii) For fiscal year 2008 and each fiscal year thereafter,] not less than 60%.

(c) (1) Except as provided in paragraphs (2) and (3) of this subsection, a Delegate Howard P. Rawlings Educational Excellence Award may be awarded in \$100 increments.

(2) (i) The amount of an Educational Assistance Grant made to a student in the student's first 2 academic years of enrollment may not be less than \$400 or more than \$3,000.

(ii) Beginning in the third academic year of enrollment and for each academic year thereafter:

1. If the student successfully completed at least 30 credits in the prior academic year, the amount of an Educational Assistance Grant made to a student may not be less than \$400 or more than \$3,000; or

2. If the student successfully completed at least 24 but less than 30 credits in the prior academic year, the award amount shall be equal to the amount the student would have otherwise received multiplied by the ratio of the number of credits successfully completed divided by 30.

(3) (i) All applicants who fulfill the requirements established in § 18–303(a) and (b) of this subtitle shall receive a Guaranteed Access Grant.

(ii) Except as provided in subparagraph (iv) of this paragraph, the amount of a Guaranteed Access Grant made to a student in the student's first 2 academic years of enrollment shall be equal to 100 percent of the student's financial need as determined by the [Office] **INSTITUTION OF HIGHER EDUCATION**, not to exceed the equivalent annual expenses of a full-time resident undergraduate at the 4-year public institution of higher education within the University System of Maryland, other than the University of Maryland Global Campus and University of Maryland, Baltimore Campus, with the highest annual expenses for a full-time resident undergraduate.

(iii) Except as provided in subparagraph (iv) of this paragraph, beginning in the third academic year of enrollment and for each academic year thereafter:

1. If the student successfully completed at least 30 credits in the prior academic year, the award amount shall be equal to 100 percent of the student's financial need as determined by the [Office] **INSTITUTION OF HIGHER EDUCATION**, not to exceed the equivalent annual expenses of a full-time resident undergraduate at the 4-year public institution of higher education within the University System of Maryland, other than the University of Maryland Global Campus and University of Maryland, Baltimore Campus, with the highest annual expenses for a full-time resident undergraduate; or

2. If the student successfully completed at least 24 but less than 30 credits in the prior academic year, the award amount shall be equal to 100 percent multiplied by the ratio of the number of credits successfully completed divided by 30.

(iv) If a recipient of a Guaranteed Access Grant becomes ineligible because of a change in family income, the recipient shall remain eligible for the full award for the full award term applicable to the recipient under this subtitle if the recipient remains eligible to receive a federal Pell Grant.

(D) EACH INSTITUTION OF HIGHER EDUCATION SHALL INCLUDE IN ~~AN AWARD LETTER~~ THE FINANCIAL AID AWARD NOTIFICATION TO A STUDENT THE AVAILABILITY OF THE EDUCATIONAL ASSISTANCE AWARD ADMINISTERED BY THE OFFICE, INCLUDING:

(1) A DESCRIPTION OF THE OFFICE AND THE EDUCATIONAL ASSISTANCE AWARD;

(2) INFORMATION ON EDUCATIONAL ASSISTANCE AWARD TIMELINES; AND

(3) A POINT OF CONTACT AT THE OFFICE FOR STUDENTS.

[(d)] (E) Beginning in fiscal year 2024 and each fiscal year thereafter, the Governor shall include in the annual budget bill an appropriation of at least \$112,000,000 for Delegate Howard P. Rawlings Educational Excellence Awards made under this subtitle.

18–307.

(a) **(1)** Except as provided in subsection ~~(d)~~ **(C)** of this section, the Office shall compile and certify lists for the entire State that rank applicants by financial need **FOR THE EDUCATIONAL ASSISTANCE AWARD.**

(2) ~~AFTER AWARDS FROM INSTITUTIONS OF HIGHER EDUCATION HAVE BEEN MADE AND ACCEPTED FOR THE GUARANTEED ACCESS GRANT, THE THE OFFICE SHALL AWARD ELIGIBLE STUDENTS THE EDUCATIONAL ASSISTANCE AWARD BASED ON FINANCIAL NEED FROM ANY REMAINING FUNDING FOR THE DELEGATE HOWARD P. RAWLINGS EDUCATIONAL EXCELLENCE AWARDS.~~

(b) All funds for annual initial grants **FOR THE EDUCATIONAL ASSISTANCE AWARD** shall be awarded from the statewide list on the basis of greatest financial need.

(c) **[(1)** On or before April 15 each year, the Office shall send a notification to each individual who applied for a Delegate Howard P. Rawlings Educational Excellence Award indicating:

- (i) Whether or not the student is a recipient of an award; and
- (ii) If applicable, the amount awarded to the student.

(2) On or before May 1 of each year, the Office shall send each Senator and each Delegate a list of individuals in each legislative district to whom Delegate Howard P. Rawlings Educational Excellence Awards are awarded.

(d)] (1) (i) If State funds are available for this purpose, institutions of higher education in the State may provide Delegate Howard P. Rawlings Educational Excellence Awards to students who otherwise meet the requirements for receiving a Delegate Howard P. Rawlings Educational Excellence Award but who apply after the March 1 deadline or have other extenuating circumstances.

(ii) Each year the Commission shall transfer at least \$2 million of the funds available under § 18–107(b) of this title for the purposes of this subsection.

(2) The Commission shall:

(i) Establish guidelines for the awarding of Delegate Howard P. Rawlings Educational Excellence Awards by the institutions of higher education to the students;

(ii) Adopt regulations necessary for the implementation of this subsection.

(3) (i) The Commission shall allocate available funds to institutions of higher education based on the proportion of State residents enrolled at each institution who receive federal Pell Grants.

(ii) An institution of higher education that receives funds under this paragraph shall provide the Commission with an annual audit describing the disposition of the funds.

SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that:

(1) beginning in fiscal year 2026, the Governor shall include funding for financial aid offices at public institutions of higher education to implement Section 2 of this Act; and

(2) the Maryland Higher Education Commission shall work with the Segmental Advisory Council and the Financial Assistance Advisory Council to establish regulations to implement Section 2 of this Act, including award deadlines and procedures for renewal awards.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2025.

SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section 4 of this Act, this Act shall take effect July 1, 2023.

Approved by the Governor, May 16, 2023.