

HOUSE BILL 1048

K3, F2

3lr1618

By: **Delegates Lopez, Phillips, and White**
Introduced and read first time: February 10, 2023
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Federal Public Service Loan Forgiveness Program – Employee Certification and**
3 **Awareness Materials**

4 FOR the purpose of establishing requirements related to the certification of employment
5 by public service employers under the federal Public Service Loan Forgiveness
6 Program, including requirements regarding determinations of whether employees
7 are full-time and the frequency with which the certifications are to be provided;
8 requiring the Student Loan Ombudsman in the Office of the Commissioner of
9 Financial Regulation to develop and disseminate information to public service
10 employers to increase awareness of and participation in the Program; and generally
11 relating to employment certification for the federal Public Service Loan Forgiveness
12 Program.

13 BY repealing and reenacting, without amendments,
14 Article – Financial Institutions
15 Section 2–104.1(a)(1) and (5)
16 Annotated Code of Maryland
17 (2020 Replacement Volume and 2022 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Financial Institutions
20 Section 2–104.1(e)
21 Annotated Code of Maryland
22 (2020 Replacement Volume and 2022 Supplement)

23 BY repealing and reenacting, without amendments,
24 Article – Labor and Employment
25 Section 3–101(a) and (b)
26 Annotated Code of Maryland
27 (2016 Replacement Volume and 2022 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – Labor and Employment
3 Section 3–1801 through 3–1805 to be under the new subtitle “Subtitle 18.
4 Certification of Public Service Employment Under the Federal Public Service
5 Loan Forgiveness Program”
6 Annotated Code of Maryland
7 (2016 Replacement Volume and 2022 Supplement)

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

10 **Article – Financial Institutions**

11 2–104.1.

12 (a) (1) In this section the following words have the meanings indicated.

13 (5) “Student Loan Ombudsman” means an individual, whether a paid
14 employee or a volunteer, whom the Commissioner designates to serve as a liaison between
15 student loan borrowers and student loan servicers.

16 (e) The Student Loan Ombudsman, in consultation with the Commissioner, shall
17 disseminate information about student education loans and servicing by:

18 (1) Helping student loan borrowers understand their rights and
19 responsibilities under the terms of student education loans;

20 (2) Providing information to the public, State agencies, elected officials,
21 and other individuals regarding student loan borrower problems and concerns; [and]

22 (3) Disseminating information about the availability of the Student Loan
23 Ombudsman to assist those with student education loan servicing concerns, including
24 disseminating the information to:

25 (i) Student loan borrowers;

26 (ii) Potential student loan borrowers;

27 (iii) State higher education institutions; and

28 (iv) Student loan servicers; AND

29 **(4) DEVELOPING AND DISSEMINATING INFORMATION FOR PUBLIC**
30 **SERVICE EMPLOYERS TO INCREASE AWARENESS OF AND PARTICIPATION IN THE**
31 **FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAM IN ACCORDANCE WITH §**
32 **3–1804 OF THE LABOR AND EMPLOYMENT ARTICLE.**

1 **Article – Labor and Employment**

2 3–101.

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

4 (b) “Commissioner” means the Commissioner of Labor and Industry.

5 **SUBTITLE 18. CERTIFICATION OF PUBLIC SERVICE EMPLOYMENT UNDER THE**
6 **FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.**

7 3–1801.

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

10 **(B) “CERTIFY” MEANS TO:**

11 **(1) (I) COMPLETE THE EMPLOYER SECTIONS OF THE FEDERAL**
12 **PUBLIC SERVICE LOAN FORGIVENESS PROGRAM FORM FOR A CURRENT OR**
13 **FORMER EMPLOYEE; AND**

14 **(II) SEND THE COMPLETED FORM TO THE EMPLOYEE; OR**

15 **(2) SHARE DATA DIRECTLY WITH THE U.S. DEPARTMENT OF**
16 **EDUCATION ABOUT A CURRENT OR FORMER EMPLOYEE THAT CORRESPONDS TO**
17 **THE INFORMATION REQUIRED ON THE FEDERAL PUBLIC SERVICE LOAN**
18 **FORGIVENESS PROGRAM FORM.**

19 **(C) “EMPLOYEE” MEANS AN INDIVIDUAL WHO IS OR WAS EMPLOYED BY A**
20 **PUBLIC SERVICE EMPLOYER.**

21 **(D) “FULL–TIME” HAS THE MEANING STATED IN 34 C.F.R. § 685.219.**

22 **(E) “INSTITUTION OF HIGHER EDUCATION” HAS THE MEANING STATED IN §**
23 **10–101 OF THE EDUCATION ARTICLE.**

24 **(F) (1) “PUBLIC SERVICE EMPLOYER” MEANS AN EMPLOYER IN THE**
25 **STATE WHO IS DESIGNATED AS A QUALIFYING EMPLOYER UNDER THE FEDERAL**
26 **PUBLIC SERVICE LOAN FORGIVENESS PROGRAM, INCLUDING:**

27 **(I) A STATE OR OTHER LOCAL GOVERNMENT EMPLOYER,**
28 **INCLUDING:**

- 1 1. AN OFFICE OR A DEPARTMENT;
- 2 2. AN INDEPENDENT AGENCY;
- 3 3. A LOCAL SCHOOL SYSTEM;
- 4 4. A PUBLIC INSTITUTION OF HIGHER EDUCATION;
- 5 5. A PUBLIC LIBRARY SYSTEM; AND
- 6 6. AN AUTHORITY OR OTHER BODY; AND

7 (II) AN EMPLOYER DESIGNATED AS A TAX-EXEMPT
8 ORGANIZATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

9 (2) “PUBLIC SERVICE EMPLOYER” DOES NOT INCLUDE A FEDERAL OR
10 TRIBAL NATION GOVERNMENT ORGANIZATION, AGENCY, OR ENTITY.

11 (G) “PUBLIC SERVICE LOAN FORGIVENESS PROGRAM FORM” MEANS THE
12 FORM USED BY THE U.S. DEPARTMENT OF EDUCATION TO:

13 (1) CERTIFY AN INDIVIDUAL’S CURRENT OR FORMER EMPLOYMENT
14 WITH A PUBLIC SERVICE EMPLOYER; AND

15 (2) DETERMINE AN INDIVIDUAL’S ELIGIBILITY FOR THE PURPOSES OF
16 THE FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.

17 (H) “PROGRAM” MEANS THE FEDERAL PUBLIC SERVICE LOAN
18 FORGIVENESS PROGRAM ESTABLISHED UNDER 20 U.S.C. § 1087E(M).

19 (I) “STUDENT LOAN OMBUDSMAN” HAS THE MEANING STATED IN § 2-104.1
20 OF THE FINANCIAL INSTITUTIONS ARTICLE.

21 3-1802.

22 (A) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE A PUBLIC SERVICE
23 EMPLOYEE TO INCREASE THE NUMBER OF HOURS THAT THE EMPLOYEE WORKS FOR
24 THE PUBLIC SERVICE EMPLOYER.

25 (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR THE
26 PURPOSES OF CERTIFYING EMPLOYMENT FOR THE PROGRAM, A PUBLIC SERVICE
27 EMPLOYER SHALL:

1 **(1) ADOPT A POLICY CALCULATING HOURS WORKED USING A METHOD**
2 **THAT MAXIMIZES THE AMOUNT OF TIME FOR WHICH AN EMPLOYEE CAN BE**
3 **CONSIDERED FULL-TIME; AND**

4 **(2) CONSIDER AS FULL-TIME AN EMPLOYEE WHO SATISFIES OR**
5 **SATISFIED THE MINIMUM AMOUNT OF TIME REQUIRED TO QUALIFY AS FULL-TIME.**

6 **(C) (1) THIS SUBSECTION APPLIES ONLY:**

7 **(I) TO A PUBLIC SERVICE EMPLOYER THAT IS AN INSTITUTION**
8 **OF HIGHER EDUCATION; AND**

9 **(II) WITH RESPECT TO AN EMPLOYEE WHO IS AN ADJUNCT OR**
10 **TENURED PROFESSOR.**

11 **(2) (I) FOR THE PURPOSE OF DETERMINING WHETHER AN**
12 **EMPLOYEE QUALIFIES AS FULL-TIME UNDER THE PROGRAM, A PUBLIC SERVICE**
13 **EMPLOYER SHALL CREDIT THE EMPLOYEE WITH AT LEAST 3.35 HOURS WORKED FOR**
14 **EACH HOUR OF THE EMPLOYEE'S CREDIT, CONTACT, OR CLASSROOM TIME.**

15 **(II) THIS SUBSECTION MAY NOT BE CONSTRUED TO SUPERSEDE**
16 **A PUBLIC SERVICE EMPLOYER'S POLICY OR ADJUSTMENT FOR ADDITIONAL WORK**
17 **ASSOCIATED WITH LECTURE OR CLASSROOM TIME.**

18 **(3) TO MAXIMIZE THE AMOUNT OF TIME FOR WHICH AN EMPLOYEE**
19 **CAN BE CONSIDERED TO BE A FULL-TIME EMPLOYEE, A PUBLIC SERVICE EMPLOYER**
20 **SHALL TREAT CONSECUTIVE ACADEMIC TERMS THAT AN EMPLOYEE TEACHES AS A**
21 **CONTINUOUS EMPLOYMENT PERIOD, REGARDLESS OF WHETHER:**

22 **(I) THE HOURS ARE TAUGHT UNDER SEPARATE EMPLOYMENT**
23 **CONTRACTS; OR**

24 **(II) THE ACADEMIC TERMS ARE SEPARATED BY ROUTINE**
25 **ACADEMIC VACATION.**

26 **3-1803.**

27 **(A) (1) SUBJECT TO THE PROVISIONS OF THIS SECTION, IF THE**
28 **EMPLOYEE'S EMPLOYMENT MEETS THE REQUIREMENTS FOR CERTIFICATION**
29 **UNDER THE PROGRAM, A PUBLIC SERVICE EMPLOYER SHALL CERTIFY THE**
30 **EMPLOYMENT OF EACH:**

1 **(I) CURRENT OR FORMER EMPLOYEE WHO REQUESTS THAT**
2 **THE PUBLIC SERVICE EMPLOYER COMPLETE A PUBLIC SERVICE LOAN**
3 **FORGIVENESS PROGRAM FORM;**

4 **(II) CURRENT EMPLOYEE FOR WHOM THE PUBLIC SERVICE**
5 **EMPLOYER HAS PREVIOUSLY CERTIFIED EMPLOYMENT; AND**

6 **(III) EMPLOYEE WHO IS LEAVING THE EMPLOYMENT OF THE**
7 **PUBLIC SERVICE EMPLOYER.**

8 **(2) (I) A PUBLIC SERVICE EMPLOYER SHALL CERTIFY THE**
9 **EMPLOYMENT OF A CURRENT EMPLOYEE UNDER PARAGRAPH (1)(II) OF THIS**
10 **SUBSECTION ANNUALLY.**

11 **(II) A PUBLIC SERVICE EMPLOYER SHALL CERTIFY THE**
12 **EMPLOYMENT OF AN EMPLOYEE UNDER PARAGRAPH(1)(III) OF THIS SUBSECTION**
13 **ON THE EMPLOYEE'S SEPARATION FROM THE PUBLIC SERVICE EMPLOYER.**

14 **(3) (I) IF THE PUBLIC SERVICE EMPLOYER HAS NEVER CERTIFIED**
15 **THE EMPLOYMENT OF THE EMPLOYEE, THE PUBLIC SERVICE EMPLOYER SHALL**
16 **CERTIFY THE ENTIRE PERIOD THE EMPLOYEE HAS BEEN EMPLOYED BY THE PUBLIC**
17 **SERVICE EMPLOYER.**

18 **(II) IF THE PUBLIC SERVICE EMPLOYER HAS PREVIOUSLY**
19 **CERTIFIED THE EMPLOYMENT OF THE EMPLOYEE, THE PUBLIC SERVICE EMPLOYER**
20 **SHALL CERTIFY THE EMPLOYMENT OF THE EMPLOYEE FOR AT LEAST THE**
21 **IMMEDIATELY PRECEDING 12-MONTH PERIOD.**

22 **(B) IF THE U.S. DEPARTMENT OF EDUCATION ALLOWS A PUBLIC SERVICE**
23 **EMPLOYER TO DIRECTLY CERTIFY THE EMPLOYMENT OF A CURRENT OR FORMER**
24 **EMPLOYEE, THE PUBLIC SERVICE EMPLOYER MAY SEND THE INFORMATION**
25 **NECESSARY TO CERTIFY THE EMPLOYMENT OF AN EMPLOYEE DIRECTLY TO THE**
26 **U.S. DEPARTMENT OF EDUCATION.**

27 **(C) A PUBLIC SERVICE EMPLOYER MAY NOT UNREASONABLY DELAY THE**
28 **CERTIFICATION OF THE EMPLOYMENT OF A CURRENT OR FORMER EMPLOYEE.**

29 **(D) THIS SECTION DOES NOT PREVENT A PUBLIC SERVICE EMPLOYER FROM**
30 **SEEKING PERMISSION FROM AN EMPLOYEE BEFORE CERTIFYING THE EMPLOYEE'S**
31 **EMPLOYMENT WITH THE U.S. DEPARTMENT OF EDUCATION.**

1 **(A) (1) THE STUDENT LOAN OMBUDSMAN SHALL DEVELOP AND UPDATE**
2 **AS NECESSARY MATERIAL DESIGNED TO PROMOTE AWARENESS OF AND INCREASE**
3 **PARTICIPATION IN THE PROGRAM.**

4 **(2) THE MATERIALS SHALL INCLUDE:**

5 **(I) A STANDARDIZED LETTER THAT:**

- 6 1. **GIVES A BRIEF SUMMARY OF THE PROGRAM;**
- 7 2. **PROVIDES INFORMATION ABOUT WHAT AN EMPLOYEE**
8 **MUST DO TO BENEFIT FROM THE PROGRAM; AND**
- 9 3. **RECOMMENDS THAT EMPLOYEES CONTACT THE**
10 **EMPLOYEE'S STUDENT LOAN SERVICER FOR ADDITIONAL RESOURCES;**

11 **(II) A DETAILED FACT SHEET THAT:**

- 12 1. **DESCRIBES THE PROGRAM; AND**
- 13 2. **INCLUDES THE U.S. DEPARTMENT OF EDUCATION'S**
14 **OFFICIAL WEBSITE ADDRESSES FOR THE PROGRAM AND FOR RESOURCES FOR**
15 **STUDENT LOAN BORROWERS; AND**

16 **(III) A DOCUMENT CONTAINING FREQUENTLY ASKED QUESTIONS**
17 **ABOUT THE PROGRAM.**

18 **(B) ON OR AFTER OCTOBER 15, 2023, THE STUDENT LOAN OMBUDSMAN, IN**
19 **COORDINATION WITH OTHER STATE AGENCIES, SHALL MAKE THE MATERIALS**
20 **DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION AVAILABLE TO PUBLIC**
21 **SERVICE EMPLOYERS.**

22 **(C) (1) ON OR AFTER NOVEMBER 15, 2023, EACH PUBLIC SERVICE**
23 **EMPLOYER SHALL PROVIDE EACH NEWLY HIRED EMPLOYEE WITH THE MOST**
24 **RECENTLY AVAILABLE VERSION OF THE MATERIALS DEVELOPED UNDER**
25 **SUBSECTION (A) OF THIS SECTION WITHIN 30 DAYS AFTER THE EMPLOYEE'S FIRST**
26 **DAY OF EMPLOYMENT.**

27 **(2) A PUBLIC SERVICE EMPLOYER MAY PROVIDE THE MATERIALS**
28 **DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION BY MAIL, BY E-MAIL, OR**
29 **DURING AN IN-PERSON NEW EMPLOYEE ORIENTATION.**

1 **(D) ON OR AFTER MARCH 15, 2024, EACH PUBLIC SERVICE EMPLOYER**
2 **SHALL ANNUALLY PROVIDE THE MOST RECENTLY AVAILABLE VERSION OF THE**
3 **MATERIALS DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION TO ALL**
4 **EMPLOYEES IN WRITTEN OR ELECTRONIC FORM.**

5 **3-1805.**

6 **THE COMMISSIONER SHALL ADOPT REGULATIONS TO CARRY OUT THIS**
7 **SUBTITLE.**

8 SECTION 2. AND BE IT FURTHER ENACTED, That:

9 (a) On or before August 1, 2023, each public service employer shall certify the
10 employment of:

11 (1) each current employee:

12 (i) whose employment meets the requirements for certification
13 under the federal Public Service Loan Forgiveness Program; and

14 (ii) who has requested that the public service employer fill out a
15 Public Service Loan Forgiveness Program form; and

16 (2) each former employee:

17 (i) whose employment with the public service employer meets the
18 requirements for certification under the federal Public Service Loan Forgiveness Program;
19 and

20 (ii) who left the employment of the public service employer after the
21 federal Public Service Loan Forgiveness Program took effect, but before the effective date
22 of this Act.

23 (b) On or before March 15, 2024, a public service employer shall certify the
24 employment of each current employee for whom the public service employer has previously
25 certified employment before the effective date of this Act if the employee's employment
26 continues to meet the requirements for certification under the federal Public Service Loan
27 Forgiveness Program.

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2023.