

SENATE BILL 662

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CF HB 923

By: **Chair, Education, Energy, and the Environment Committee**

Introduced and read first time: February 6, 2023

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – Appointment of Secretary and Student**
3 **Financial Assistance – Alterations**

4 FOR the purpose of providing that the Secretary of Higher Education is appointed by, and
5 serves at the pleasure of, the Governor; altering eligibility criteria for, and the
6 process for awards from, the Delegate Howard P. Rawlings Program of Educational
7 Excellence Awards; altering eligibility criteria for services provided to students
8 through the Next Generation Scholars of Maryland Program; altering the
9 administration of the Maryland Community College Promise Scholarship to require
10 community colleges to award scholarships from the Maryland Community College
11 Promise Scholarship in place of the Office of Student Financial Assistance within the
12 Maryland Higher Education Commission; repealing certain provisions of law related
13 to the intent of the General Assembly for the Commission to be reorganized to
14 establish the Office of Student Financial Assistance as a separate independent
15 agency in a certain fiscal year; and generally relating to the appointment of the
16 Secretary of Higher Education and student financial assistance programs in the
17 State.

18 BY repealing and reenacting, with amendments,

19 Article – Education

20 Section 11–104(a) and (b), 18–303, 18–303.1(c) and (d), 18–303.3, 18–304, 18–307,
21 18–3601, 18–3602, 18–3603, and 18–3604

22 Annotated Code of Maryland
23 (2022 Replacement Volume)

24 BY adding to

25 Article – Education

26 Section 18–3603.1

27 Annotated Code of Maryland
28 (2022 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing
2 Chapter 639 of the Acts of the General Assembly of 2022
3 Section 3

4 BY repealing
5 Chapter 640 of the Acts of the General Assembly of 2022
6 Section 3

7 BY repealing and reenacting, with amendments,
8 Article – Education
9 Section 18–303 and 18–303.3
10 Annotated Code of Maryland
11 (2022 Replacement Volume)
12 (As enacted by Section 1 of this Act)

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

15 **Article – Education**

16 11–104.

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

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

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

24 (b) (1) The Secretary shall:

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

26 (ii) Perform the duties the Commission assigns;

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

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

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

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

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

3 18–303.

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

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

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

12 (3) Demonstrate a definite financial need to:

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

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

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

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

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

23 (2) [Begin college within 1 year of completing high school or, failing to do
24 so, provide evidence satisfactory to the Office of extenuating circumstances;

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

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

28 (5)] Enroll in college as a full–time student;

29 [(6)] (3) Subject to subsection (d) of this section, have an annual family
30 income below a poverty index determined by the Commission; and

1 ~~[(7)] (4)~~ Satisfy any additional criteria the Commission may establish.

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

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

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

9 (ii) [Begins college within 1 year of achieving the score described
10 under item (i) of this paragraph or, failing to do so, provides evidence satisfactory to the
11 Office of extenuating circumstances;

12 (iii) Is under the age of 22 years at the time of receiving the first
13 award;

14 (iv)] Enrolls in college as a full–time student; and

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

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

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

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

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

30 (ii) [Refrain from substance abuse;

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

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

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

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

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

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

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

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

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

20 A. Direct certification; or

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

23 18–303.1.

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

28 (1) Completing a college preparatory curriculum;

29 (2) Graduating from high school;

30 (3) Matriculating at an institution of higher education as defined in §
31 18–303 of this subtitle; and

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

2 (d) (1) The Department shall:

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

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

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

9 (iv) Give priority to applications:

10 1. From Maryland-based nonprofit organizations; and

11 2. That include business and institution of higher education

12 partners.

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

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

15 (II) **WHO HAVE PARTICIPATED IN THE PROGRAM FOR AT LEAST**
16 **1 FULL YEAR AND RELOCATE TO ANOTHER COUNTY IN THE STATE THAT DOES NOT**
17 **PARTICIPATE IN THE PROGRAM.**

18 18-303.3.

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

23 (b) An institution may verify:

24 (1) The eligibility of an applicant who:

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

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

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

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

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

5 (c) An institution shall:

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

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

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

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

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

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

23 18–3601.

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

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

29 (c) **“AWARD” MEANS A SCHOLARSHIP AWARD FROM THE MARYLAND**
30 **COMMUNITY COLLEGE PROMISE SCHOLARSHIP.**

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

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

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

6 (2) “Tuition” includes any fees for:

7 (i) Registration;

8 (ii) Application;

9 (iii) Administration;

10 (iv) Laboratory work; and

11 (v) Other mandatory fees.

12 (3) “Tuition” does not include:

13 (i) Costs associated with the parts of a registered apprenticeship
14 that take place at a location that is not a community college; or

15 (ii) Any fees for room and board that are related to an on-campus
16 residential facility for students.

17 18–3602.

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

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

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

24 **(D) THE OFFICE SHALL ALLOCATE MARYLAND COMMUNITY COLLEGE**
25 **PROMISE SCHOLARSHIP FUNDING TO EACH COMMUNITY COLLEGE IN THE STATE**
26 **BASED ON THE PROPORTION OF FULL-TIME EQUIVALENT STUDENTS AT EACH**
27 **COMMUNITY COLLEGE, AS DEFINED IN § 16–305(B)(7) OF THIS ARTICLE, FOR EACH**
28 **COMMUNITY COLLEGE TO AWARD MARYLAND COMMUNITY COLLEGE PROMISE**
29 **SCHOLARSHIP AWARDS TO STUDENTS.**

30 18–3603.

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

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

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

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

19 (1) Is eligible for in-State tuition;

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

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

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

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

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

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

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

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

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

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

8 (5) (i) Enrolls in:

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

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

13 (ii) Participates in a registered apprenticeship program; and

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

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

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

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

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

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

30 **18-3603.1.**

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

4 **(B) (1) A COMMUNITY COLLEGE SHALL:**

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

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

11 **(III) MAINTAIN RECORDS USED BY THE COMMUNITY COLLEGE**
12 **TO DETERMINE THE ELIGIBILITY OF APPLICANTS FOR NOT LESS THAN A PERIOD OF**
13 **5 YEARS AFTER THE END DATE OF THE AWARD YEAR ASSOCIATED WITH THE**
14 **STUDENT'S LAST AWARD; AND**

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

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

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

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

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

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

4 18–3604.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 2. Continues to participate in a registered apprenticeship
15 program.

16 (iii) Maintains a cumulative grade point average of at least 2.5 on a
17 4.0 scale or its equivalent for the requisite credit-bearing coursework for the remainder of
18 the award or, failing to do so, provides to the [Office] COMMUNITY COLLEGE satisfactory
19 evidence of extenuating circumstances;

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

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

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

26 Chapter 639 of the Acts of 2022

27 [SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General
28 Assembly that the Maryland Higher Education Commission be reorganized to establish the
29 Office of Student Financial Assistance as a separate independent agency in fiscal year
30 2024.]

31 Chapter 640 of the Acts of 2022

1 [SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General
 2 Assembly that the Maryland Higher Education Commission be reorganized to establish the
 3 Office of Student Financial Assistance as a separate independent agency in fiscal year
 4 2024.]

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

7 **Article – Education**

8 18–303.

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

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

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

17 (3) Demonstrate a definite financial need to:

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

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

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

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

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

27 (2) Enroll in college as a full–time student;

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

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

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

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

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

8 (ii) Enrolls in college as a full–time student; and

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

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

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

19 [(2)] (3) (I) When awarding a Guaranteed Access Grant to a student
20 who prequalified for the award under subsection (e)(1) or (2) of this section, the
21 [Commission] **INSTITUTION OF HIGHER EDUCATION** shall use the annual family income
22 determination used when the student prequalified.

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

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

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

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

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

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

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

8 (vi) Maintain a cumulative grade point average of at least 2.5 on a
9 4.0 scale or its equivalent; and

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

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

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

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

20 A. Direct certification; or

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

23 18–303.3.

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

29 [(b) An institution may verify:

30 (1) The eligibility of an applicant who:

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

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

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

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

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

7 [(c)] (B) An institution shall:

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

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

13 (2) **CALCULATE AND OFFER THE GUARANTEED ACCESS GRANT**
14 **AWARD TO THE APPLICANT UPON THE APPLICANT’S AWARD LETTER FOR**
15 **ADMISSION;**

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

20 [(3)] (4) Maintain records used by the institution to determine the
21 eligibility of applicants for a period of 5 years after the end date of the award year associated
22 with the student’s last award; [and]

23 [(4)] (5) Provide the Commission with an audit, in accordance with rules
24 adopted by the Commission, to show that awards verified and administered under this
25 section have been made properly; **AND**

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

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

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

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

8 **(III) THE INSTITUTION OF HIGHER EDUCATION MAY NOT**
9 **REQUIRE A STUDENT TO REPAY THE COMMUNITY COLLEGE FOR AN INCORRECT**
10 **AWARD MADE FROM THE GUARANTEED ACCESS GRANT.**

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

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

17 18-304.

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

19 (1) The fall, spring, and summer semesters; and

20 (2) Any semester shorter in length than the term of a regular semester.

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

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

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

31 (i) For fiscal year 2007, not less than 55%; and

1 (ii) For fiscal year 2008 and each fiscal year thereafter,] not less than
2 60%.

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

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

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

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

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

18 (3) (i) All applicants who fulfill the requirements established in §
19 18-303(a) and (b) of this subtitle shall receive a Guaranteed Access Grant.

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

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

30 1. If the student successfully completed at least 30 credits in
31 the prior academic year, the award amount shall be equal to 100 percent of the student's
32 financial need as determined by the [Office] **INSTITUTION OF HIGHER EDUCATION**, not
33 to exceed the equivalent annual expenses of a full-time resident undergraduate at the
34 4-year public institution of higher education within the University System of Maryland,
35 other than the University of Maryland Global Campus and University of Maryland,
36 Baltimore Campus, with the highest annual expenses for a full-time resident
37 undergraduate; or

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

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

8 **(D) EACH INSTITUTION OF HIGHER EDUCATION SHALL INCLUDE IN AN**
9 **AWARD LETTER TO A STUDENT THE AVAILABILITY OF THE EDUCATIONAL**
10 **ASSISTANCE AWARD ADMINISTERED BY THE OFFICE, INCLUDING:**

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

13 **(2) INFORMATION ON EDUCATIONAL ASSISTANCE AWARD**
14 **TIMELINES; AND**

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

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

19 18–307.

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

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

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

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

33 (i) Whether or not the student is a recipient of an award; and

1 (ii) If applicable, the amount awarded to the student.

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

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

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

12 (2) The Commission shall:

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

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

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

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

24 SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General
25 Assembly that, beginning in fiscal year 2026, the Governor shall include funding for
26 financial aid offices at public institutions of higher education to implement Section 2 of this
27 Act.

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

30 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section
31 4 of this Act, this Act shall take effect July 1, 2023.