

Chapter 724

(Senate Bill 509)

AN ACT concerning

Higher Education – Workforce Pell Grant Program – Implementation

FOR the purpose of implementing the federal Workforce Pell Grant Program in the State; requiring the Governor, after consultation with certain entities, to determine whether to approve certain short-term programs as eligible for Pell Grant funds subject to certain requirements; requiring a certain registered apprenticeship program to include certain components in the curriculum; prohibiting institutions of postsecondary education from using certain funds subject to a certain exclusion; prohibiting institutions of postsecondary education from operating short-term programs in a certain manner; and generally relating to the Workforce Pell Grant Program.

BY repealing and reenacting, without amendments,
 Article – Education
 Section 10–101(a), (c), and (i)
 Annotated Code of Maryland
 (2022 Replacement Volume and 2025 Supplement)

BY adding to
 Article – Education
 Section 11–212
 Annotated Code of Maryland
 (2022 Replacement Volume and 2025 Supplement)

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

Article – Education

10–101.

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

(c) “Commission” means the Maryland Higher Education Commission.

(i) (1) “Institution of postsecondary education” means a school or other institution that offers an educational program in the State for individuals who are at least 16 years old and who have graduated from or left elementary or secondary school.

(2) “Institution of postsecondary education” does not include:

(i) Any adult education, evening high school, or high school equivalence program conducted by a public school system of the State; or

(ii) Any apprenticeship or on-the-job training program subject to approval by the Apprenticeship and Training Council.

11-212.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “PROGRAM” MEANS THE FEDERAL WORKFORCE PELL GRANT PROGRAM BY WHICH PELL GRANTS MAY BE AWARDED TO STUDENTS ENROLLED IN A SHORT-TERM PROGRAM IN ACCORDANCE WITH SECTION 83002 OF THE ONE BIG BEAUTIFUL BILL ACT, AS AMENDED.

(3) “REGISTERED APPRENTICESHIP” MEANS AN APPRENTICESHIP PROGRAM THAT IS REGISTERED WITH, AND APPROVED BY, THE U.S. DEPARTMENT OF LABOR OR THE MARYLAND APPRENTICESHIP AND TRAINING COUNCIL.

~~(3)~~ (4) “SHORT-TERM PROGRAM” MEANS A PROGRAM OF STUDY THAT IS:

(I) AT LEAST 150 HOURS OF INSTRUCTION;

(II) LESS THAN 600 HOURS OF INSTRUCTION;

(III) AT LEAST 8 WEEKS;

(IV) LESS THAN 15 WEEKS; AND

(V) NOT A CORRESPONDENCE COURSE AS DEFINED IN TITLE 34, SUBTITLE B, CHAPTER VI, PART 600 OF THE CODE OF FEDERAL REGULATIONS IN EFFECT ON JULY 1, 2021.

(B) THE PURPOSE OF THIS SECTION IS TO IMPLEMENT THE WORKFORCE PELL GRANT PROGRAM IN THE STATE.

(C) (1) THE GOVERNOR, AFTER CONSULTING WITH THE GOVERNOR’S WORKFORCE DEVELOPMENT BOARD ~~AND THE COMMISSION~~, SHALL DETERMINE WHETHER:

~~(1) A SHORT-TERM PROGRAM OFFERED AT AN INSTITUTION OF POSTSECONDARY EDUCATION MEETS THE REQUIREMENTS OF THIS SECTION AND FEDERAL LAW FOR WORKFORCE PELL GRANTS; AND~~

~~(II) TO APPROVE THE SHORT-TERM PROGRAM AS ELIGIBLE FOR THE PROGRAM.~~

(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN INSTITUTION OF POSTSECONDARY EDUCATION, REGARDLESS OF HAVING A PHYSICAL PRESENCE IN THE STATE, MAY NOT:

1. DISBURSE PROGRAM FUNDS TO A STUDENT IN THE STATE; OR

2. ADVERTISE, MARKET, OR INFORM STUDENTS IN THE STATE ABOUT THE AVAILABILITY OF PROGRAM FUNDS FOR A SHORT-TERM PROGRAM.

(II) SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT APPLY IF AN INSTITUTION OF POSTSECONDARY EDUCATION, REGARDLESS OF HAVING A PHYSICAL PRESENCE IN THE STATE, OBTAINS:

1. THE APPROVAL OF THE GOVERNOR UNDER THIS SECTION FOR EACH SHORT-TERM PROGRAM FOR WHICH THE INSTITUTION OF POSTSECONDARY EDUCATION SEEKS TO DISBURSE PROGRAM FUNDS; AND

2. A DETERMINATION FROM THE SECRETARY OF THE U.S. DEPARTMENT OF EDUCATION THAT THE INSTITUTION OF POSTSECONDARY EDUCATION MEETS THE REQUIREMENTS OF THE PROGRAM FOR EACH SHORT-TERM PROGRAM FOR WHICH THE INSTITUTION OF POSTSECONDARY EDUCATION SEEKS TO DISBURSE PROGRAM FUNDS.

(3) FOR THE APPROVAL TO REMAIN EFFECTIVE, EVERY 2 YEARS AN INSTITUTION OF POSTSECONDARY EDUCATION SHALL PROVIDE INFORMATION VERIFYING THE SHORT-TERM PROGRAM REMAINS IN COMPLIANCE WITH THIS SECTION AND THE PROGRAM.

(4) IF THE ATTORNEY GENERAL OR COURT OF APPROPRIATE JURISDICTION FINDS THE INSTITUTION OF POSTSECONDARY EDUCATION ENGAGED IN UNFAIR, DECEPTIVE, OR ABUSIVE TRADE PRACTICE UNDER TITLE 13 OF THE COMMERCIAL LAW ARTICLE RELATED TO THE PROGRAM, THE GOVERNOR SHALL REVOKE AN APPROVAL.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A SHORT-TERM PROGRAM SEEKING APPROVAL UNDER THIS SECTION SHALL:

(I) PROVIDE AN EDUCATION ALIGNED WITH THE REQUIREMENTS OF:

1. A ~~HIGH-SKILL~~, HIGH-SKILL OR HIGH-WAGE OCCUPATION AS IDENTIFIED BY THE STATE UNDER THE CARL D. PERKINS CAREER AND TECHNICAL EDUCATION ACT; OR

2. AN IN-DEMAND INDUSTRY SECTOR OR OCCUPATION;

(II) MEET THE HIRING REQUIREMENTS OF EMPLOYERS IN THE SECTORS OR OCCUPATIONS IDENTIFIED UNDER ITEM (I) OF THIS PARAGRAPH;

(III) 1. LEAD TO A RECOGNIZED POSTSECONDARY CREDENTIAL THAT IS STACKABLE AND PORTABLE ACROSS MORE THAN ONE EMPLOYER; OR

2. PREPARE STUDENTS ENROLLED IN THE SHORT-TERM PROGRAM FOR EMPLOYMENT IN AN OCCUPATION FOR WHICH THERE IS ONLY ONE RECOGNIZED POSTSECONDARY CREDENTIAL AND THAT AWARDS STUDENTS WITH THE CREDENTIAL ON COMPLETION OF THE SHORT-TERM PROGRAM; AND

(IV) PREPARE STUDENTS TO PURSUE ONE OR MORE CERTIFICATES OR DEGREES AT AN INSTITUTION OF POSTSECONDARY EDUCATION BY ENSURING THAT:

1. ON COMPLETION OF THE SHORT-TERM PROGRAM AND ENROLLMENT IN A RELATED CERTIFICATE OR DEGREE PROGRAM, A STUDENT WILL RECEIVE ACADEMIC CREDIT THAT AN INSTITUTION OF POSTSECONDARY EDUCATION WILL ACCEPT TOWARD THAT CERTIFICATE OR DEGREE; AND

2. THE ACADEMIC CREDIT DESCRIBED UNDER ITEM 1 OF THIS ITEM WILL BE ACCEPTED TOWARD MEETING THE CERTIFICATE OR DEGREE PROGRAM REQUIREMENTS.

(2) ~~THERE IS A REBUTTABLE PRESUMPTION THAT THE~~ THE RELATED TECHNICAL INSTRUCTION COMPONENT OF A ~~FEDERALLY REGISTERED OR STATE REGISTERED~~ REGISTERED APPRENTICESHIP PROGRAM OFFERED AT AN INSTITUTION OF POSTSECONDARY EDUCATION SATISFIES THE REQUIREMENTS OF ~~PARAGRAPH~~ PARAGRAPHS (1)(I), (II), AND (III) AND (3)(III) OF THIS SUBSECTION.

(3) IN ADDITION TO THE REQUIREMENTS OF PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, AN INSTITUTION OF POSTSECONDARY EDUCATION SEEKING APPROVAL UNDER THIS SECTION SHALL PROVIDE:

(I) DOCUMENTATION THAT, FOR THE 12 MONTHS PRECEDING THE DATE ON WHICH THE INSTITUTION OF POSTSECONDARY EDUCATION APPLIED FOR APPROVAL, THE INSTITUTION OFFERED THE SHORT-TERM PROGRAM AND THE SHORT-TERM PROGRAM MET ALL REQUIREMENTS OF THIS SECTION;

(II) DOCUMENTATION THAT THE SHORT-TERM PROGRAM HAS A COMPLETION RATE OF AT LEAST 70% WITHIN 150% OF THE NORMAL TIME FOR COMPLETION FOR EACH FEDERAL AID AWARD YEAR;

(III) DOCUMENTATION THAT THE SHORT-TERM PROGRAM HAS A JOB PLACEMENT RATE OF AT LEAST 70% AFTER 180 DAYS OF COMPLETION FOR EACH FEDERAL AID AWARD YEAR;

(IV) DOCUMENTATION THAT THE TUITION AND FEES FOR THE SHORT-TERM PROGRAM ARE IN COMPLIANCE WITH THE REQUIREMENTS OF THE PROGRAM; AND

(V) ANY INFORMATION THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD OR THE COMMISSION REQUESTS TO VERIFY COMPLIANCE WITH THIS SECTION AND THE PROGRAM.

(4) THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD, THE COMMISSION, OR ANY OTHER AUTHORIZED ENTITY MAY COLLECT AN APPLICATION FEE TO COMPLETE THE EVALUATION.

(E) A REGISTERED APPRENTICESHIP PROGRAM APPROVED FOR WORKFORCE PELL GRANTS SHALL INCLUDE IN THE CURRICULUM BOTH ON-THE-JOB LEARNING AND CLASSROOM LEARNING, INCLUDING ARTIFACTS AND DEMONSTRATED PERFORMANCE OR COMPETENCY ASSESSMENT, UNDER THE GENERAL SUPERVISION OF THE FACULTY.

~~(E)~~ (F) IN THE OPERATION OF A SHORT-TERM PROGRAM THAT IS AUTHORIZED UNDER THIS SECTION, AN INSTITUTION OF POSTSECONDARY EDUCATION MAY NOT:

(1) PARTNER, CONTRACT, OR AFFILIATE WITH AN ENTITY, INSTITUTION, OR ORGANIZATION OTHER THAN A ~~JOINT APPRENTICESHIP COMMITTEE~~ REGISTERED APPRENTICESHIP, TO OFFER INSTRUCTION FOR THE

SHORT-TERM PROGRAM ~~THAT IS NOT ACCREDITED BY AN ACCREDITING AGENCY RECOGNIZED AND APPROVED BY THE U.S. DEPARTMENT OF EDUCATION; UNLESS THE CONTRACTING ENTITY, INSTITUTION, OR ORGANIZATION:~~

(I) CLEARLY AND PROMINENTLY DISCLOSES THAT THE CONTRACTING ENTITY IS A COMPANY THAT IS SEPARATE FROM THE INSTITUTION OF POSTSECONDARY EDUCATION AND DESCRIBES ALL OF THE SERVICES THAT THE CONTRACTING ENTITY IS CONTRACTED TO PROVIDE FOR THE INSTITUTION IN THE FOLLOWING PLACES:

- 1. ON THE INSTITUTION OF POSTSECONDARY EDUCATION'S WEBSITE;**
- 2. IN MARKETING MATERIALS ABOUT THE SHORT-TERM PROGRAM; AND**
- 3. IN ORAL COMMUNICATIONS WITH PROSPECTIVE STUDENTS OF THE SHORT-TERM PROGRAM; AND**

~~(II) IS NOT PAID USING INCENTIVE COMPENSATION OR TUITION SHARING WITH THE INSTITUTION OF POSTSECONDARY EDUCATION; AND~~

~~(III)~~ (II) IS NOT INVOLVED WITH THE INSTITUTION OF POSTSECONDARY EDUCATION'S GOVERNANCE, DECISION MAKING OVER THE DESIGN OR DEVELOPMENT OF COURSE CURRICULUM OR INSTRUCTION, SETTING OF SHORT-TERM PROGRAM ADMISSION STANDARDS, DETERMINING ENROLLMENT TARGETS, OR CREATION OF NEW SHORT-TERM PROGRAMS;

(2) UNLESS A LOAN IS 0% INTEREST, PARTNER OR AFFILIATE WITH AN ENTITY THAT OFFERS STUDENT LOANS, LINES OF CREDIT, OR INCOME SHARING AGREEMENTS FOR THE SHORT-TERM PROGRAM;

(3) CHARGE TUITION AND FEES TO ANY STUDENT ENROLLED IN THE SHORT-TERM PROGRAM THAT ARE GREATER THAN THE MAXIMUM AMOUNT OF PELL GRANT FUNDS AVAILABLE FOR ANY STUDENT IN THAT SHORT-TERM PROGRAM, AS ESTABLISHED BY THE SECRETARY OF EDUCATION, FOR THE PERIOD OF TIME THAT THE SHORT-TERM PROGRAM IS OFFERED; OR

(4) OFFER THE SHORT-TERM PROGRAM USING NON-CREDIT-BEARING COURSES UNLESS THOSE COURSES WILL TRANSFER TO AT LEAST ONE INSTITUTION OF POSTSECONDARY EDUCATION REGARDLESS OF PROGRAM COMPLETION.

~~(F) (1) ON OR BEFORE JUNE 30 EACH YEAR, FOR EACH SHORT TERM PROGRAM APPROVED UNDER THIS SECTION, THE INSTITUTION OF POSTSECONDARY EDUCATION SHALL REPORT TO THE COMMISSION ON:~~

~~(I) THE NUMBER OF STUDENTS ENROLLED IN SHORT TERM PROGRAMS APPROVED UNDER THIS SECTION;~~

~~(II) THE NUMBER OF STUDENTS WHO COMPLETED A SHORT TERM PROGRAM APPROVED UNDER THIS SECTION;~~

~~(III) IF THE INSTITUTION OF POSTSECONDARY EDUCATION IS NOT PHYSICALLY LOCATED IN THE STATE, THE NUMBER OF STATE RESIDENTS WHO:~~

~~1. ENROLLED IN THE SHORT TERM PROGRAM; AND~~

~~2. COMPLETED THE SHORT TERM PROGRAM;~~

~~(IV) THE TOTAL COST OF ATTENDANCE, THE TOTAL TUITION AND FEES, AND THE AVERAGE NET PRICE OF THE SHORT TERM PROGRAM; AND~~

~~(V) DEMOGRAPHIC AND FINANCIAL AID INFORMATION OF STUDENTS ENROLLED IN THE SHORT TERM PROGRAM.~~

(G) (1) (I) THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD SHALL REQUEST AND COLLECT RELEVANT DATA FROM EACH INSTITUTION OF POSTSECONDARY EDUCATION OFFERING AN APPROVED SHORT-TERM PROGRAM.

(II) THE DATA COLLECTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY INCLUDE:

1. INFORMATION REGARDING EMPLOYER PARTNERSHIPS;

2. JOB PLACEMENT SECTORS; AND

3. THE ALIGNMENT OF SHORT-TERM PROGRAM CURRICULA WITH THE HIRING REQUIREMENTS OF IN-DEMAND INDUSTRY SECTORS.

(III) EACH INSTITUTION OF POSTSECONDARY EDUCATION OFFERING AN APPROVED SHORT-TERM PROGRAM SHALL PROVIDE THE DATA REQUESTED BY THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD UNDER THIS PARAGRAPH IN THE FORM AND MANNER REQUIRED BY THE BOARD.

(2) ON OR BEFORE SEPTEMBER 30 EACH YEAR, THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD AND THE COMMISSION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, A SUMMARY OF THE ~~REPORTS REQUIRED~~ INFORMATION COLLECTED UNDER PARAGRAPH (1) OF THIS SUBSECTION AND THE DEMOGRAPHIC AND FINANCIAL AID INFORMATION OF STATE STUDENTS WHO ENROLLED IN SHORT-TERM PROGRAMS APPROVED UNDER THIS SECTION.

~~(G)~~ (H) THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD AND THE COMMISSION MAY ADOPT REGULATIONS NECESSARY TO CARRY OUT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2026.

Approved by the Governor, May 26, 2026.