

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Maryland Higher Education Commission**
(DLS Control No. 18-240)

Overview and Legal and Fiscal Impact

These regulations implement the Workforce Development Sequence Scholarship, a program created by Chapter 149 of 2017 and amended by Chapters 694 and 695 of 2018.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Maryland Higher Education Commission:

Financial Aid: Workforce Development Sequence Scholarship:
COMAR 13B.08.23.01 through .11

Legal Analysis

Background

Chapter 149 of 2017, among other things, established the Workforce Development Sequence Scholarship to be administered by the Office of Student Financial Assistance within the Maryland Higher Education Commission. The program is designed to provide eligible students with a scholarship of not more than \$2,000 per year to be used towards tuition, mandatory fees, and other associated costs of attendance. To be eligible, a student must be a Maryland resident or have graduated from a Maryland high school and be enrolled in a Workforce Development Sequence at a community college in the State. A “Workforce Development Sequence” is defined as a program offered by a community college that is approved by the commission and composed of courses relating to job preparation or an apprenticeship, licensure or certification, or job skill enhancement. Finally, the commission must report certain information about the scholarships each year to the Governor and the General Assembly. Chapters 694 and 695 of 2018 altered the scholarship slightly, expanding the definition of “Workforce Development Sequence” to also include a registered apprenticeship program approved by the Division of Workforce Development and Adult Learning in the Department of Labor, Licensing, and Regulation and allowing an eligible student to use the scholarship for costs to participate in a registered apprenticeship program.

Summary of Regulations

These regulations implement the Workforce Development Sequence Scholarship by adding a new Chapter 23 to COMAR 13B.08. The regulations expand on the statutory requirements of the scholarship by:

- requiring a community college to enter into a specified participation agreement with the office in order to participate in the program;
- providing the terms under which the Secretary of Higher Education will approve a community college's workforce development sequence application, including that completion of the courses in the sequence results in the issue of a non-credit certificate and that the courses in the sequence meet one of several specified conditions;
- establishing a method by which the office awards scholarships—allocating up to 50% of the amount budgeted for the program equally among participating community colleges, and then proportionally allocating the rest based on student enrollment in workforce development sequences;
- requiring each participating community college to award its entire allocation and (1) if a community college fails to use at least 66% of its allocated award by March 15, requiring the return of the unused awards to the office for redistribution to other community colleges on a pro rata basis; and (2) reducing a community college's allocation for the next year by the amount of funds not spent by June 15;
- authorizing community colleges to determine selection criteria for awards subject to certain considerations and prohibiting community colleges from making awards to a student who has received awards for two separate workforce development sequences;
- requiring community colleges to report to the office annually on the selection criteria used by the community college;
- establishing conditions under which approval of a workforce development sequence terminates (namely when any of the conditions under which the sequence was approved ceases), and requiring, if those circumstances occur or the sequence is discontinued for another reason, the community college to notify the commission and reallocate the funds towards another workforce development sequence or return the unused funds to the office;
- requiring that all financial books, records, and documents pertaining to workforce development sequence scholarships be open to certain inspection, review, and audit;
- requiring a community college to include the workforce development sequence program in any independent audit conducted for the college on State financial aid programs; and

- requiring participating community colleges to submit certain information about awards to the office at multiple points throughout the year, including identifying information about each award recipient, amount awarded, and information about the workforce development sequence or registered apprenticeship.

Legal Issues

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The commission cites §§ 11–105(u), 18–202, 18–204, and 18–3302 of the Education Article as statutory authority for these regulations. Section 11–105(u) grants the commission authority to adopt any rule or regulation necessary to carry out its powers and duties. Section 18–202 establishes the executive director as the head of the office and gives the executive director the authority to exercise the powers and perform the duties under Title 18 of the Education Article. Section 18–204, among other things, requires the office to administer student financial assistance programs and authorizes the office to adopt any necessary rules and regulations. Finally, § 18–3302 states that the office administers the workforce development sequence scholarship, explicitly placing the program under the auspices of the office.

This authority is correct and complete. The regulations comply with the legislative intent of the law.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The regulations implement provisions of Chapter 149 of 2017 (Senate Bill 317) as amended by Chapters 694 and 695 of 2018 (House Bill 1216 and Senate Bill 978), which established the Workforce Development Sequence Scholarship. The commission advises that the regulations have no fiscal impact. The Department of Legislative Services concurs that there is no impact beyond that already accounted for in the fiscal and policy notes for that legislation. Moreover, the Department of Legislative Services notes that the fiscal 2019 budget includes \$1 million for the scholarship as required by Chapter 149.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

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