

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Maryland Higher Education Commission
(DLS Control No. 18-288)**

Overview and Legal and Fiscal Impact

These regulations implement the Cybersecurity Public Service Scholarship Program, established by Chapter 415 of 2018 and administered by the Office of Student Financial Assistance within the Maryland Higher Education Commission.

The regulations present no legal issues of concern. However, additional comments have been included in the Technical Corrections and Special Notes section of the Legal Analysis below for the consideration of the Joint Committee on Administrative, Executive, and Legislative Review.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Maryland Higher Education Commission:

Financial Aid: Cybersecurity Public Service Scholarship Program:
COMAR 13B.08.20.01 through .13

Legal Analysis

Background

The Cybersecurity Public Service Scholarship Program was established to provide scholarships to eligible students enrolled in approved degree or certificate programs directly relevant to cybersecurity. Among other program requirements, a scholarship recipient must agree to perform a service obligation that meets specified conditions or repay the State for the scholarship.

Summary of Regulations

These regulations restate the statutory provisions relating to the program, including:

- providing that an individual is eligible for the program if the individual is eligible for in-State tuition, is within two years of graduation, is enrolled full-time in an eligible institution in an approved degree or certificate program that is directly relevant to

cybersecurity, has maintained a cumulative GPA of at least 3.0 on a 4.0 scale, and has not received a federal CyberCorps Scholarship for Service;

- authorizing the use of a scholarship at any public or private nonprofit institution of higher education in the State that possesses a certificate of approval from the commission or is approved under operation of law;
- authorizing the use of a scholarship to pay for education expenses as defined by the office, including tuition, mandatory fees, room, and board;
- requiring a recipient to continue to maintain a 3.0 or better GPA;
- authorizing a recipient to hold the award for two years of full-time study;
- requiring a recipient to complete a one-year service obligation for each year the scholarship is received by working for a unit of State government in the cybersecurity field or teaching in a public high school in the State in a program that is directly relevant to cybersecurity;
- requiring a recipient to repay the commission if the recipient does not complete an approved program, earn credit as a full-time student, or perform the service obligation; and
- requiring repayment to begin at any time during the period that the recipient is no longer performing the required service obligation and to be completed within six years, unless the office waives or defers repayment under certain circumstances.

The regulations also provide additional details for how the program will work, including:

- defining relevant terms, including “cybersecurity program,” “education expenses,” “extenuating circumstances,” and “full-time”;
- establishing that an application and required documentation must be received by the office by July 1 to be considered (except for the 2018–2019 award year, when the deadline is February 1, 2019) and specifying the required documentation;
- establishing a priority for prior year scholarship recipients who remain eligible, that awards will be made to eligible applicants ranked based on cumulative GPA until appropriated funds are depleted, and a wait list for eligible students who do not receive an award;
- providing for the use of the Maryland College Aid Processing System to notify recipients of the awards and for recipients to accept their awards;
- requiring the office to verify that applicants meet certain requirements and requiring eligible institutions to certify that recipients meet certain requirements;

- providing that employment for at least 35 hours per week constitutes full-time employment for the purpose of the service requirement;
- requiring recipients to provide a promissory note and enter into a specified written agreement with the commission as a precondition to receiving the scholarship;
- requiring the interest rate charged for any scholarships converted to student loans be equal to the rate established by the U.S. Department of Education for the Federal Stafford Loan program;
- allowing repayment to be prorated if an award recipient fulfills part of the service obligation;
- authorizing a recipient to request deferment under specified circumstances, including enrollment in undergraduate studies and military duty outside the State, with specified supporting documentation;
- requiring the office to review individual appeals when assigned military duty outside the State exceeds the three-year deferral limit;
- providing that interest does not accrue during the deferral period;
- providing for a waiver of service and repayment obligations if a recipient is unable to fulfill the obligation because of a permanent impairment or has died; and
- providing that the office's decisions on whether to grant an award and whether to grant an appeal are final and not subject to additional review.

Legal Issues

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The commission cites §§ 11-105(u), 18-204(c), 18-3503, and 18-3506 of the Education Article as statutory authority for the regulations. Section 11-105(u) gives the commission the authority to adopt any rule or regulation necessary to carry out its powers and duties. Section 18-204(c) gives the office the authority to adopt any rule or regulation necessary to carry out its powers and duties, including provisions for the waiver and deferment of a service obligation or repayment in circumstances determined by the commission. Section 18-3503 gives the office the power to administer the Cybersecurity Public Service Scholarship Program. Section 18-3506 requires the office to adopt regulations to implement the subtitle and specifies that the regulations must identify the approved programs that are directly relevant to cybersecurity and define the number of credits a scholarship recipient must earn as a full-time student.

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

Technical Corrections and Special Notes

In response to suggestions from the Department of Legislative Services, staff for the commission agrees to correct the citation of statutory authority to reference §§ 18-3503 and 18-3506 of the Education Article rather than § 18-3406. Staff for the commission also agrees to add to the definition of “cybersecurity program” in COMAR 13B.08.20.02B(2) a statement indicating that the cybersecurity programs identified by the Secretary of Higher Education are published on the commission’s website. It is the opinion of the Department of Legislative Services that adding a clear reference to where a list of programs identified as relevant to cybersecurity is available to the public would satisfy the legislative intent of the requirement in § 18-3506(b)(1) that the regulations identify the programs.

The Department of Legislative Services also raised concerns about COMAR 13B.08.20.11B, which allows the office to defer repayment in circumstances other than disability or extended sickness, the only circumstances that are explicitly authorized by § 18-3504(e) of the Education Article. Other provisions in § 18-3504 require a recipient to begin repayment at any time the recipient is no longer performing the required work obligation, follow a schedule established by the office, and complete repayment within six years “[e]xcept as otherwise provided in this section.” Staff for the commission responded that the inclusion of additional grounds for deferment is authorized under § 18-204, which grants the office certain powers and duties “[i]n addition to any other powers granted and duties imposed by this title,” including the power to adopt regulations that provide for deferment of a service obligation or repayment in circumstances determined by the commission. Staff for the commission further explained that they believe § 18-3504(e) was intended to ensure that deferments would be available in certain cases involving disability or extended sickness, but not to preclude potential additional grounds determined by the commission under § 18-204. Finally, staff for the commission noted that it has been the practice of the office to apply deferment and waiver standards across programs and the General Assembly was likely aware of the backdrop of extensive bases for deferment when it established this program. The Department of Legislative Services believes this reading of the statutes is reasonable.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The commission advises that the regulations have no impact on State or local governments. The regulations implement Chapter 415 of 2018 (Senate Bill 204), which established the Cybersecurity Public Service Scholarship Program. The commission advises that there is no fiscal impact beyond that of the enacting legislation. The Department of Legislative Services concurs.

Impact on Budget

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

Agency Estimate of Projected Small Business Impact

The commission 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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