

HOUSE BILL 328

F2
HB 936/18 – APP

9lr2203

By: **Delegates Ebersole, Hettleman, Lierman, Stein, and P. Young**

Introduced and read first time: January 28, 2019

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Institutions of Higher Education – Financial Aid Reductions – Notice**

3 FOR the purpose of requiring certain institutions of higher education to provide certain
4 students with certain notice within a certain period of time and before reducing
5 certain financial aid; altering a certain definition; and generally relating to providing
6 students with notice of financial aid reductions.

7 BY renumbering

8 Article – Education

9 Section 15–121

10 to be Section 18–116

11 Annotated Code of Maryland

12 (2018 Replacement Volume and 2018 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Education

15 Section 18–116

16 Annotated Code of Maryland

17 (2018 Replacement Volume and 2018 Supplement)

18 (As enacted by Section 1 of this Act)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20 That Section(s) 15–121 of Article – Education of the Annotated Code of Maryland be
21 renumbered to be Section(s) 18–116.

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

24 **Article – Education**

25 18–116.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 (2) “Cost of attendance” has the meaning stated in 20 U.S.C.A. § 1087ll.

3 (3) “Expected family contribution” means the amount determined in
4 accordance with 20 U.S.C.A. § 1087nn.

5 (4) “Financial need” means cost of attendance minus expected family
6 contribution.

7 (5) “Gift aid” means all financial aid that is not a loan or work–study
8 program, including grants, scholarships, tuition waivers, and third–party payments.

9 (6) “Institutional gift aid” means gift aid that is funded by a public senior
10 higher education institution **OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER**
11 **EDUCATION.**

12 (7) (i) “Private scholarships” means scholarships awarded by
13 companies, private foundations, nonprofit organizations, and service groups.

14 (ii) “Private scholarships” does not include awards funded by a
15 private organization that:

16 1. Is affiliated with a higher education institution; and

17 2. Requests the higher education institution’s assistance in
18 selecting recipients.

19 (b) A public senior higher education institution may reduce institutional gift aid
20 offers as a result of private scholarship awards only under the circumstances described in
21 subsections (c) through [(e)] **(F)** of this section.

22 (c) **[If] SUBJECT TO SUBSECTION (F) OF THIS SECTION, IF** a student’s total
23 gift aid from all sources exceeds the student’s financial need, a public senior higher
24 education institution may reduce the student’s institutional gift aid until the student’s total
25 gift aid no longer exceeds the student’s financial need.

26 (d) **[In] SUBJECT TO SUBSECTION (F) OF THIS SECTION, IN** addition to the
27 reduction authorized in subsection (c) of this section, a public senior higher education
28 institution may further reduce a student’s institutional gift aid if the institution receives
29 approval from the organization that awarded the private scholarship funds that triggered
30 the reduction authorized in subsection (c) of this section.

31 (e) **[A] SUBJECT TO SUBSECTION (F) OF THIS SECTION, A** public senior higher
32 education institution may reduce a student athlete’s institutional gift aid in order to comply

1 with the National Collegiate Athletic Association's individual or team financial aid
2 restrictions.

3 **(F) WITHIN 30 DAYS AFTER A STUDENT'S ACCEPTANCE AND BEFORE A**
4 **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION REDUCES A STUDENT'S**
5 **INSTITUTIONAL GIFT AID IN ACCORDANCE WITH THIS SECTION, THE INSTITUTION**
6 **SHALL PROVIDE NOTICE TO THE STUDENT REGARDING:**

7 **(1) WHETHER THE STUDENT'S ACCEPTANCE OF ADDITIONAL GIFT**
8 **AID MAY RESULT IN AN AUTHORIZED REDUCTION UNDER THIS SECTION; AND**

9 **(2) HOW MUCH ADDITIONAL GIFT AID THE STUDENT MAY ACCEPT**
10 **BEFORE THE INSTITUTIONAL GIFT AID WILL BE REDUCED IN ACCORDANCE WITH**
11 **THIS SECTION.**

12 **(G) WITHIN 30 DAYS AFTER A STUDENT'S ACCEPTANCE AND BEFORE A**
13 **PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION REDUCES A STUDENT'S**
14 **INSTITUTIONAL GIFT AID, THE INSTITUTION SHALL PROVIDE NOTICE TO THE**
15 **STUDENT REGARDING:**

16 **(1) WHETHER THE STUDENT'S ACCEPTANCE OF ADDITIONAL GIFT**
17 **AID MAY RESULT IN A REDUCTION OF INSTITUTIONAL GIFT AID; AND**

18 **(2) HOW MUCH ADDITIONAL GIFT AID THE STUDENT MAY ACCEPT**
19 **BEFORE THE INSTITUTIONAL GIFT AID WILL BE REDUCED.**

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2019.