

HOUSE BILL 605

F2

8lr0373

By: **Delegates Kaiser, Ali, Barkley, Barve, Clippinger, Ebersole, Gibson, Hill, Hixson, C. Howard, Jalisi, Lam, R. Lewis, Lierman, Luedtke, McIntosh, Moon, Pendergrass, Stein, Turner, M. Washington, Wilkins, K. Young, and P. Young**

Introduced and read first time: January 29, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **State Student Loan Refinancing Program – Market-Specific Consultant Study**

3 FOR the purpose of requiring the Maryland Health and Higher Educational Facilities
4 Authority to engage an outside consultant within a certain period of time to conduct
5 a market-specific study to make certain determinations related to a State student
6 loan refinancing program; requiring the study to examine certain areas; requiring
7 the consultant to report to the Authority within a certain period of time and requiring
8 the report to include certain elements; requiring the Governor to appropriate a
9 certain amount in a certain fiscal year to fund the study if a certain condition is not
10 met; requiring the Authority to review the consultant's report and to make certain
11 comments or recommendations to certain committees of the General Assembly
12 within a certain period of time; providing for the termination of this Act; and
13 generally relating to a market-specific consultant study for a State student loan
14 refinancing program.

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That:

17 (a) No later than 2 months after receipt of the funding specified in subsection (c)
18 of this section, the Maryland Health and Higher Educational Facilities Authority shall
19 engage an outside consultant to conduct a market-specific study to determine the costs of,
20 demand for, and long-term viability of a State student loan refinancing program in
21 Maryland.

22 (b) (1) The market-specific study conducted by the consultant shall examine
23 all of the areas recommended in the report published in October 2017 entitled "Student
24 Loan Refinancing in Maryland: Findings and Recommendations Related to the Advisability
25 of Establishing a State Student Loan Refinancing Program", including:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (i) a cost analysis;
- 2 (ii) a demand analysis;
- 3 (iii) an analysis of the competitive landscape of the student loan
4 refinancing marketplace;
- 5 (iv) the potential savings borrowers might realize and the potential
6 economic impact on the State; and
- 7 (v) the financial implications of establishing a direct student loan
8 program in addition to a student loan refinancing program.

9 (2) (i) Not later than 3 months after being engaged by the Maryland
10 Health and Higher Educational Facilities Authority to conduct the market-specific study,
11 the consultant shall report to the Authority on each of the areas the study is required to
12 examine.

13 (ii) The consultant's report shall include:

- 14 1. information on and analysis of each of the areas the study
15 is required to examine;
- 16 2. a description of the methodologies used in the study; and
- 17 3. findings and recommendations regarding each of the areas
18 the study is required to examine.

19 (c) If the annual budget bill for fiscal year 2019 does not include an appropriation
20 of \$250,000 to the Maryland Health and Higher Educational Facilities Authority to fund
21 the market-specific consultant study required under subsection (a) of this section, the
22 Governor shall include in the annual budget bill for fiscal year 2020 an appropriation of
23 \$250,000 for that purpose.

24 (d) Not later than 30 days after receiving the consultant's report, the Maryland
25 Health and Higher Educational Facilities Authority shall:

26 (1) review the consultant's report, including the consultant's analysis,
27 methodology, findings, and recommendations; and

28 (2) make comments or recommendations related to the report, including
29 the advisability of establishing a State student loan refinancing program, to the Senate
30 Budget and Taxation Committee and the House Committee on Ways and Means in
31 accordance with § 2-1246 of the State Government Article.

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

1 1, 2018. It shall remain effective for a period of 2 years and 1 month and, at the end of June
2 30, 2020, this Act, with no further action required by the General Assembly, shall be
3 abrogated and of no further force and effect.