

HOUSE BILL 1172

F2

1lr1113

By: **Delegate Hill**

Introduced and read first time: February 8, 2021

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – Pay It Forward Program and Pay It Forward Fund –**
3 **Established**

4 FOR the purpose of requiring the Maryland Higher Education Commission to establish and
5 implement the Pay It Forward Program; providing for the purpose of the Program;
6 requiring the Commission to administer the Program, establish certain criteria,
7 procedures, and parameters for the Program, and encourage foundations and other
8 organizations to participate in the Program; prohibiting a foundation that
9 participates in the Program from being considered as an affiliated foundation under
10 a certain provision of law; establishing the Pay It Forward Fund as a special,
11 nonlapsing fund; specifying the purpose of the Fund; requiring the Commission to
12 administer the Fund; requiring the State Treasurer to hold the Fund and the
13 Comptroller to account for the Fund; specifying the contents of the Fund; specifying
14 the purposes for which the Fund may be used; providing for the investment of money
15 in and expenditures from the Fund; requiring interest earnings of the Fund to be
16 credited to the Fund; exempting the Fund from a certain provision of law requiring
17 interest earnings on State money to accrue to the General Fund of the State;
18 requiring the Commission to report to certain committees of the General Assembly
19 on the implementation of the Program on or before a certain date each year; defining
20 certain terms; and generally relating to the Pay It Forward Program and Pay It
21 Forward Fund.

22 BY adding to
23 Article – Education
24 Section 18–116
25 Annotated Code of Maryland
26 (2018 Replacement Volume and 2020 Supplement)

27 BY repealing and reenacting, without amendments,
28 Article – State Finance and Procurement
29 Section 6–226(a)(2)(i)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2015 Replacement Volume and 2020 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article – State Finance and Procurement
5 Section 6–226(a)(2)(ii)122. and 123.
6 Annotated Code of Maryland
7 (2015 Replacement Volume and 2020 Supplement)

8 BY adding to
9 Article – State Finance and Procurement
10 Section 6–226(a)(2)(ii)124.
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2020 Supplement)

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

15 **Article – Education**

16 **18–116.**

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

19 **(2) “FUND” MEANS THE PAY IT FORWARD FUND.**

20 **(3) “INSTITUTION” MEANS THE FOLLOWING HISTORICALLY BLACK**
21 **COLLEGES AND UNIVERSITIES:**

22 **(I) BOWIE STATE UNIVERSITY;**

23 **(II) COPPIN STATE UNIVERSITY;**

24 **(III) MORGAN STATE UNIVERSITY; AND**

25 **(IV) UNIVERSITY OF MARYLAND EASTERN SHORE.**

26 **(4) “PROGRAM” MEANS THE PAY IT FORWARD PROGRAM**
27 **ESTABLISHED UNDER THIS SECTION.**

28 **(B) (1) THE COMMISSION SHALL ESTABLISH AND IMPLEMENT THE PAY**
29 **IT FORWARD PROGRAM.**

1 **(2) THE PURPOSE OF THE PROGRAM IS TO ENCOURAGE AND**
2 **FACILITATE FOUNDATIONS AND OTHER ORGANIZATIONS TO PARTNER WITH THE**
3 **COMMISSION AND INSTITUTIONS TO PAY THE TUITION AND FEES OF STUDENTS**
4 **ENROLLED IN INSTITUTIONS WITH THE PROMISE OF REPAYMENT FROM THE**
5 **STUDENTS' GROSS INCOME AFTER GRADUATION.**

6 **(C) (1) THE COMMISSION SHALL ADMINISTER THE PROGRAM BY**
7 **ESTABLISHING:**

8 **(I) ELIGIBILITY CRITERIA AND APPLICATION PROCEDURES**
9 **FOR STUDENTS;**

10 **(II) ELIGIBILITY CRITERIA AND APPLICATION PROCEDURES**
11 **FOR FOUNDATIONS AND OTHER ORGANIZATIONS;**

12 **(III) PROCEDURES FOR FOUNDATIONS AND OTHER**
13 **ORGANIZATIONS TO DEPOSIT MONEY INTO THE FUND; AND**

14 **(IV) PROCEDURES AND PARAMETERS FOR STUDENTS TO REPAY**
15 **THE AMOUNT OF TUITION AND FEES PAID ON THEIR BEHALF INCLUDING:**

16 **1. A RANGE OF YEARS IN WHICH STUDENTS MAY REPAY**
17 **THE AMOUNT THEY OWE; AND**

18 **2. VARYING PERCENTAGES OF GROSS INCOME THAT**
19 **STUDENTS MAY PAY.**

20 **(2) THE COMMISSION SHALL ENCOURAGE FOUNDATIONS AND OTHER**
21 **ORGANIZATIONS TO PARTICIPATE IN THE PROGRAM.**

22 **(3) A FOUNDATION THAT PARTICIPATES IN THE PROGRAM MAY NOT**
23 **BE CONSIDERED AN AFFILIATED FOUNDATION UNDER § 15-104 OF THIS ARTICLE.**

24 **(D) (1) THERE IS A PAY IT FORWARD FUND.**

25 **(2) THE PURPOSE OF THE FUND IS TO FACILITATE THE:**

26 **(I) PAYMENT OF TUITION AND FEES OF STUDENTS ENROLLED**
27 **IN INSTITUTIONS; AND**

28 **(II) REPAYMENT BY STUDENTS OF THE AMOUNT OF TUITION**
29 **AND FEES PAID ON THEIR BEHALF.**

1 **(3) THE COMMISSION SHALL ADMINISTER THE FUND.**

2 **(4) (I) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
3 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

4 **(II) THE STATE TREASURER SHALL HOLD THE FUND**
5 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

6 **(5) THE FUND CONSISTS OF:**

7 **(I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE**
8 **FUND;**

9 **(II) MONEY FROM STUDENTS, FOUNDATIONS, AND OTHER**
10 **ORGANIZATIONS THAT ARE PARTICIPATING IN THE PROGRAM;**

11 **(III) INTEREST EARNINGS; AND**

12 **(IV) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**
13 **FOR THE BENEFIT OF THE FUND.**

14 **(6) THE FUND MAY BE USED TO:**

15 **(I) PAY THE TUITION AND FEES OF STUDENTS ENROLLED IN**
16 **INSTITUTIONS;**

17 **(II) RETAIN THE AMOUNT OF TUITION AND FEES REPAID BY**
18 **STUDENTS; AND**

19 **(III) REIMBURSE FOUNDATIONS AND OTHER ORGANIZATIONS**
20 **THAT DEPOSITED MONEY INTO THE FUND.**

21 **(7) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**
22 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

23 **(II) ANY INTEREST EARNINGS OF THE FUND SHALL BE**
24 **CREDITED TO THE FUND.**

25 **(8) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN**
26 **ACCORDANCE WITH THE STATE BUDGET.**

1 **(9) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS**
2 **NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE**
3 **APPROPRIATED FOR THE COMMISSION OR THE INSTITUTIONS.**

4 **(E) ON OR BEFORE JULY 1, 2022, AND EACH JULY 1 THEREAFTER, THE**
5 **COMMISSION SHALL REPORT TO THE HOUSE APPROPRIATIONS COMMITTEE AND**
6 **THE SENATE BUDGET AND TAXATION COMMITTEE, IN ACCORDANCE WITH § 2-1257**
7 **OF THE STATE GOVERNMENT ARTICLE, ON THE IMPLEMENTATION OF THE**
8 **PROGRAM.**

9 **Article – State Finance and Procurement**

10 6–226.

11 (a) (2) (i) Notwithstanding any other provision of law, and unless
12 inconsistent with a federal law, grant agreement, or other federal requirement or with the
13 terms of a gift or settlement agreement, net interest on all State money allocated by the
14 State Treasurer under this section to special funds or accounts, and otherwise entitled to
15 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
16 Fund of the State.

17 (ii) The provisions of subparagraph (i) of this paragraph do not apply
18 to the following funds:

19 122. the Racing and Community Development Financing Fund;

20 [and]

21 123. the Racing and Community Development Facilities Fund;

22 AND

23 **124. THE PAY IT FORWARD FUND.**

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
25 1, 2021.