

HOUSE BILL 1048

K3, F2

3lr1618

By: **Delegates Lopez, Phillips, and White**

Introduced and read first time: February 10, 2023

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Federal Public Service Loan Forgiveness Program – Employee Certification and**
3 **Awareness Materials**

4 FOR the purpose of establishing requirements related to the certification of employment
5 by public service employers under the federal Public Service Loan Forgiveness
6 Program, including requirements regarding determinations of whether employees
7 are full-time and the frequency with which the certifications are to be provided;
8 requiring the Student Loan Ombudsman in the Office of the Commissioner of
9 Financial Regulation to develop and disseminate information to public service
10 employers to increase awareness of and participation in the Program; and generally
11 relating to employment certification for the federal Public Service Loan Forgiveness
12 Program.

13 BY repealing and reenacting, without amendments,
14 Article – Financial Institutions
15 Section 2–104.1(a)(1) and (5)
16 Annotated Code of Maryland
17 (2020 Replacement Volume and 2022 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Financial Institutions
20 Section 2–104.1(e)
21 Annotated Code of Maryland
22 (2020 Replacement Volume and 2022 Supplement)

23 BY repealing and reenacting, without amendments,
24 Article – Labor and Employment
25 Section 3–101(a) and (b)
26 Annotated Code of Maryland
27 (2016 Replacement Volume and 2022 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



BY adding to

Article – Labor and Employment

Section 3–1801 through 3–1805 to be under the new subtitle “Subtitle 18.

Certification of Public Service Employment Under the Federal Public Service

Loan Forgiveness Program”

Annotated Code of Maryland

(2016 Replacement Volume and 2022 Supplement)

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

Article – Financial Institutions

2–104.1.

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

(5) “Student Loan Ombudsman” means an individual, whether a paid employee or a volunteer, whom the Commissioner designates to serve as a liaison between student loan borrowers and student loan servicers.

(e) The Student Loan Ombudsman, in consultation with the Commissioner, shall disseminate information about student education loans and servicing by:

(1) Helping student loan borrowers understand their rights and responsibilities under the terms of student education loans;

(2) Providing information to the public, State agencies, elected officials, and other individuals regarding student loan borrower problems and concerns; [and]

(3) Disseminating information about the availability of the Student Loan Ombudsman to assist those with student education loan servicing concerns, including disseminating the information to:

(i) Student loan borrowers;

(ii) Potential student loan borrowers;

(iii) State higher education institutions; and

(iv) Student loan servicers; AND

(4) DEVELOPING AND DISSEMINATING INFORMATION FOR PUBLIC SERVICE EMPLOYERS TO INCREASE AWARENESS OF AND PARTICIPATION IN THE FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAM IN ACCORDANCE WITH § 3–1804 OF THE LABOR AND EMPLOYMENT ARTICLE.

Article – Labor and Employment

3–101.

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

(b) “Commissioner” means the Commissioner of Labor and Industry.

**SUBTITLE 18. CERTIFICATION OF PUBLIC SERVICE EMPLOYMENT UNDER THE
FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.**

3–1801.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
INDICATED.

(B) “CERTIFY” MEANS TO:

(1) (I) COMPLETE THE EMPLOYER SECTIONS OF THE FEDERAL
PUBLIC SERVICE LOAN FORGIVENESS PROGRAM FORM FOR A CURRENT OR
FORMER EMPLOYEE; AND

(II) SEND THE COMPLETED FORM TO THE EMPLOYEE; OR

(2) SHARE DATA DIRECTLY WITH THE U.S. DEPARTMENT OF
EDUCATION ABOUT A CURRENT OR FORMER EMPLOYEE THAT CORRESPONDS TO
THE INFORMATION REQUIRED ON THE FEDERAL PUBLIC SERVICE LOAN
FORGIVENESS PROGRAM FORM.

(C) “EMPLOYEE” MEANS AN INDIVIDUAL WHO IS OR WAS EMPLOYED BY A
PUBLIC SERVICE EMPLOYER.

(D) “FULL-TIME” HAS THE MEANING STATED IN 34 C.F.R. § 685.219.

(E) “INSTITUTION OF HIGHER EDUCATION” HAS THE MEANING STATED IN §
10–101 OF THE EDUCATION ARTICLE.

(F) (1) “PUBLIC SERVICE EMPLOYER” MEANS AN EMPLOYER IN THE
STATE WHO IS DESIGNATED AS A QUALIFYING EMPLOYER UNDER THE FEDERAL
PUBLIC SERVICE LOAN FORGIVENESS PROGRAM, INCLUDING:

(I) A STATE OR OTHER LOCAL GOVERNMENT EMPLOYER,
INCLUDING:

1. AN OFFICE OR A DEPARTMENT;
2. AN INDEPENDENT AGENCY;
3. A LOCAL SCHOOL SYSTEM;
4. A PUBLIC INSTITUTION OF HIGHER EDUCATION;
5. A PUBLIC LIBRARY SYSTEM; AND
6. AN AUTHORITY OR OTHER BODY; AND

(II) AN EMPLOYER DESIGNATED AS A TAX-EXEMPT ORGANIZATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

(2) “PUBLIC SERVICE EMPLOYER” DOES NOT INCLUDE A FEDERAL OR TRIBAL NATION GOVERNMENT ORGANIZATION, AGENCY, OR ENTITY.

(G) “PUBLIC SERVICE LOAN FORGIVENESS PROGRAM FORM” MEANS THE FORM USED BY THE U.S. DEPARTMENT OF EDUCATION TO:

(1) CERTIFY AN INDIVIDUAL’S CURRENT OR FORMER EMPLOYMENT WITH A PUBLIC SERVICE EMPLOYER; AND

(2) DETERMINE AN INDIVIDUAL’S ELIGIBILITY FOR THE PURPOSES OF THE FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.

(H) “PROGRAM” MEANS THE FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAM ESTABLISHED UNDER 20 U.S.C. § 1087E(M).

(I) “STUDENT LOAN OMBUDSMAN” HAS THE MEANING STATED IN § 2-104.1 OF THE FINANCIAL INSTITUTIONS ARTICLE.

3-1802.

(A) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE A PUBLIC SERVICE EMPLOYEE TO INCREASE THE NUMBER OF HOURS THAT THE EMPLOYEE WORKS FOR THE PUBLIC SERVICE EMPLOYER.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR THE PURPOSES OF CERTIFYING EMPLOYMENT FOR THE PROGRAM, A PUBLIC SERVICE EMPLOYER SHALL:

1 (1) ADOPT A POLICY CALCULATING HOURS WORKED USING A METHOD
2 THAT MAXIMIZES THE AMOUNT OF TIME FOR WHICH AN EMPLOYEE CAN BE
3 CONSIDERED FULL-TIME; AND

4 (2) CONSIDER AS FULL-TIME AN EMPLOYEE WHO SATISFIES OR
5 SATISFIED THE MINIMUM AMOUNT OF TIME REQUIRED TO QUALIFY AS FULL-TIME.

6 (C) (1) THIS SUBSECTION APPLIES ONLY:

7 (I) TO A PUBLIC SERVICE EMPLOYER THAT IS AN INSTITUTION
8 OF HIGHER EDUCATION; AND

9 (II) WITH RESPECT TO AN EMPLOYEE WHO IS AN ADJUNCT OR
10 TENURED PROFESSOR.

11 (2) (I) FOR THE PURPOSE OF DETERMINING WHETHER AN
12 EMPLOYEE QUALIFIES AS FULL-TIME UNDER THE PROGRAM, A PUBLIC SERVICE
13 EMPLOYER SHALL CREDIT THE EMPLOYEE WITH AT LEAST 3.35 HOURS WORKED FOR
14 EACH HOUR OF THE EMPLOYEE'S CREDIT, CONTACT, OR CLASSROOM TIME.

15 (II) THIS SUBSECTION MAY NOT BE CONSTRUED TO SUPERSEDE
16 A PUBLIC SERVICE EMPLOYER'S POLICY OR ADJUSTMENT FOR ADDITIONAL WORK
17 ASSOCIATED WITH LECTURE OR CLASSROOM TIME.

18 (3) TO MAXIMIZE THE AMOUNT OF TIME FOR WHICH AN EMPLOYEE
19 CAN BE CONSIDERED TO BE A FULL-TIME EMPLOYEE, A PUBLIC SERVICE EMPLOYER
20 SHALL TREAT CONSECUTIVE ACADEMIC TERMS THAT AN EMPLOYEE TEACHES AS A
21 CONTINUOUS EMPLOYMENT PERIOD, REGARDLESS OF WHETHER:

22 (I) THE HOURS ARE TAUGHT UNDER SEPARATE EMPLOYMENT
23 CONTRACTS; OR

24 (II) THE ACADEMIC TERMS ARE SEPARATED BY ROUTINE
25 ACADEMIC VACATION.

26 3-1803.

27 (A) (1) SUBJECT TO THE PROVISIONS OF THIS SECTION, IF THE
28 EMPLOYEE'S EMPLOYMENT MEETS THE REQUIREMENTS FOR CERTIFICATION
29 UNDER THE PROGRAM, A PUBLIC SERVICE EMPLOYER SHALL CERTIFY THE
30 EMPLOYMENT OF EACH:

(I) CURRENT OR FORMER EMPLOYEE WHO REQUESTS THAT THE PUBLIC SERVICE EMPLOYER COMPLETE A PUBLIC SERVICE LOAN FORGIVENESS PROGRAM FORM;

(II) CURRENT EMPLOYEE FOR WHOM THE PUBLIC SERVICE EMPLOYER HAS PREVIOUSLY CERTIFIED EMPLOYMENT; AND

(III) EMPLOYEE WHO IS LEAVING THE EMPLOYMENT OF THE PUBLIC SERVICE EMPLOYER.

(2) (I) A PUBLIC SERVICE EMPLOYER SHALL CERTIFY THE EMPLOYMENT OF A CURRENT EMPLOYEE UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION ANNUALLY.

(II) A PUBLIC SERVICE EMPLOYER SHALL CERTIFY THE EMPLOYMENT OF AN EMPLOYEE UNDER PARAGRAPH(1)(III) OF THIS SUBSECTION ON THE EMPLOYEE'S SEPARATION FROM THE PUBLIC SERVICE EMPLOYER.

(3) (I) IF THE PUBLIC SERVICE EMPLOYER HAS NEVER CERTIFIED THE EMPLOYMENT OF THE EMPLOYEE, THE PUBLIC SERVICE EMPLOYER SHALL CERTIFY THE ENTIRE PERIOD THE EMPLOYEE HAS BEEN EMPLOYED BY THE PUBLIC SERVICE EMPLOYER.

(II) IF THE PUBLIC SERVICE EMPLOYER HAS PREVIOUSLY CERTIFIED THE EMPLOYMENT OF THE EMPLOYEE, THE PUBLIC SERVICE EMPLOYER SHALL CERTIFY THE EMPLOYMENT OF THE EMPLOYEE FOR AT LEAST THE IMMEDIATELY PRECEDING 12-MONTH PERIOD.

(B) IF THE U.S. DEPARTMENT OF EDUCATION ALLOWS A PUBLIC SERVICE EMPLOYER TO DIRECTLY CERTIFY THE EMPLOYMENT OF A CURRENT OR FORMER EMPLOYEE, THE PUBLIC SERVICE EMPLOYER MAY SEND THE INFORMATION NECESSARY TO CERTIFY THE EMPLOYMENT OF AN EMPLOYEE DIRECTLY TO THE U.S. DEPARTMENT OF EDUCATION.

(C) A PUBLIC SERVICE EMPLOYER MAY NOT UNREASONABLY DELAY THE CERTIFICATION OF THE EMPLOYMENT OF A CURRENT OR FORMER EMPLOYEE.

(D) THIS SECTION DOES NOT PREVENT A PUBLIC SERVICE EMPLOYER FROM SEEKING PERMISSION FROM AN EMPLOYEE BEFORE CERTIFYING THE EMPLOYEE'S EMPLOYMENT WITH THE U.S. DEPARTMENT OF EDUCATION.

1 **(A) (1) THE STUDENT LOAN OMBUDSMAN SHALL DEVELOP AND UPDATE**
2 **AS NECESSARY MATERIAL DESIGNED TO PROMOTE AWARENESS OF AND INCREASE**
3 **PARTICIPATION IN THE PROGRAM.**

4 **(2) THE MATERIALS SHALL INCLUDE:**

5 **(I) A STANDARDIZED LETTER THAT:**

6 1. **GIVES A BRIEF SUMMARY OF THE PROGRAM;**

7 2. **PROVIDES INFORMATION ABOUT WHAT AN EMPLOYEE**
8 **MUST DO TO BENEFIT FROM THE PROGRAM; AND**

9 3. **RECOMMENDS THAT EMPLOYEES CONTACT THE**
10 **EMPLOYEE'S STUDENT LOAN SERVICER FOR ADDITIONAL RESOURCES;**

11 **(II) A DETAILED FACT SHEET THAT:**

12 1. **DESCRIBES THE PROGRAM; AND**

13 2. **INCLUDES THE U.S. DEPARTMENT OF EDUCATION'S**
14 **OFFICIAL WEBSITE ADDRESSES FOR THE PROGRAM AND FOR RESOURCES FOR**
15 **STUDENT LOAN BORROWERS; AND**

16 **(III) A DOCUMENT CONTAINING FREQUENTLY ASKED QUESTIONS**
17 **ABOUT THE PROGRAM.**

18 **(B) ON OR AFTER OCTOBER 15, 2023, THE STUDENT LOAN OMBUDSMAN, IN**
19 **COORDINATION WITH OTHER STATE AGENCIES, SHALL MAKE THE MATERIALS**
20 **DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION AVAILABLE TO PUBLIC**
21 **SERVICE EMPLOYERS.**

22 **(C) (1) ON OR AFTER NOVEMBER 15, 2023, EACH PUBLIC SERVICE**
23 **EMPLOYER SHALL PROVIDE EACH NEWLY HIRED EMPLOYEE WITH THE MOST**
24 **RECENTLY AVAILABLE VERSION OF THE MATERIALS DEVELOPED UNDER**
25 **SUBSECTION (A) OF THIS SECTION WITHIN 30 DAYS AFTER THE EMPLOYEE'S FIRST**
26 **DAY OF EMPLOYMENT.**

27 **(2) A PUBLIC SERVICE EMPLOYER MAY PROVIDE THE MATERIALS**
28 **DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION BY MAIL, BY E-MAIL, OR**
29 **DURING AN IN-PERSON NEW EMPLOYEE ORIENTATION.**

(D) ON OR AFTER MARCH 15, 2024, EACH PUBLIC SERVICE EMPLOYER SHALL ANNUALLY PROVIDE THE MOST RECENTLY AVAILABLE VERSION OF THE MATERIALS DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION TO ALL EMPLOYEES IN WRITTEN OR ELECTRONIC FORM.

3-1805.

THE COMMISSIONER SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before August 1, 2023, each public service employer shall certify the employment of:

(1) each current employee:

(i) whose employment meets the requirements for certification under the federal Public Service Loan Forgiveness Program; and

(ii) who has requested that the public service employer fill out a Public Service Loan Forgiveness Program form; and

(2) each former employee:

(i) whose employment with the public service employer meets the requirements for certification under the federal Public Service Loan Forgiveness Program; and

(ii) who left the employment of the public service employer after the federal Public Service Loan Forgiveness Program took effect, but before the effective date of this Act.

(b) On or before March 15, 2024, a public service employer shall certify the employment of each current employee for whom the public service employer has previously certified employment before the effective date of this Act if the employee's employment continues to meet the requirements for certification under the federal Public Service Loan Forgiveness Program.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2023.