

Public Law 25-086

Bill No. 265 (LS)

As substituted by the Committee on Education and amended on the Floor.

Introduced by:

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AN ACT TO ADD ARTICLES 3A AND 4A, AND TO ADD §§15303, 15407 AND 15707, ALL TO CHAPTER 15, DIVISION 3 OF TITLE 17 OF THE GUAM CODE ANNOTATED, RELATIVE TO CREATING NEW ELIGIBILITY REQUIREMENTS AND BENEFITS FOR MERIT AWARDS AND PROFESSIONAL AND TECHNICAL AWARDS GRANTED FOR ACADEMIC YEARS 2000-2001 AND THEREAFTER, AND TO PLACE A SUNSET PROVISION ON DOCTORAL FELLOWSHIP SCHOLARSHIPS IN FAVOR OF PROFESSIONAL AND TECHNICAL AWARDS AS A MEANS OF PURSUING HIGHER EDUCATION.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Article 3A of Chapter 15, Division 3 of Title 17 of the Guam Code Annotated is hereby *added* to read as follows:

"Article 3A. Merit Awards to the University of Guam.
(*For Academic Years 2000-2001 and Thereafter.*)

Section 15A301. Students Entitled to Merit Awards.

Section 15A302. Benefits.

Section 15A303. Service Credit.

Section 15A304. Rules and Regulations.

Section 15A305. Applicability of this Article.

Section 15A301. Students Entitled to Merit Awards.

- (a) There are established annual merit awards for high school students in the graduating classes of a fully accredited, or candidate for accreditation, as recognized by the Western Association of Schools and Colleges ('WASC') public and private high school on Guam now or hereafter established. The students entitled to these awards shall be the students having the highest scholastic standing in the graduating classes of each such public and non-public high school on Guam, *except* for Department of Defense Schools. The awards shall be determined as follows:

- (1.) One (1) for every fifty (50) graduates of a school's graduating class, rounded to the nearest fifty (50). *If* as a result of the equal scholastic standing of two (2) or

more graduates, there is a tie for the awards granted pursuant to this Chapter, the University of Guam shall provide a mechanism to break the tie. Awardees are entitled to four (4) years of education at the University of Guam. *However, if the awardee's major is unavailable at the University of Guam, the awardee may attend any accredited college or university in the United States, or one (1) recognized by the Council on Post Secondary Accreditation ('COPA'), where such declared major is available. The benefits are according to the amounts provided in §15A302 of this Article.*

(2.) Of the students receiving awards in Subsection (1), *supra*, who attend and graduate from the University of Guam, the top two (2) awardees per graduating class shall be entitled to an additional two (2) years of study for a Master's Degree at the University of Guam after completion of the bachelor's program awarded under the provisions of Subsection (1). In the event that, as a result of graduating class size, only one (1) student is entitled to an award under Subsection (1), *supra*, then only one (1) student shall be eligible for an award under this Subsection. The benefits are according to the amounts provided in §15A302 of this Article.

All awards shall be subject to the following limitations:

A recipient must be a:

- (i) United States citizen, or a permanent resident alien, who has completed four (4) academic years in public or private high school on Guam; *and*
 - (ii) a resident of Guam for a continuous period of *not less than* five (5) years immediately preceding June 15th of the year the award is to be awarded.
- (b) *If any student is ineligible for an award because of failure to meet the requirements contained in Subsection (a) of this Section; or if any eligible student chooses not to accept an award when first offered such award, the award shall be granted to the eligible student with the next highest scholastic rank, or in the case of tie, the student that was eliminated by the tie-breaker. If an eligible student declines to accept an award when first offered, such student cannot accept such an award after it has been granted to another student.*

The recipient of a merit award must notify the Board within thirty (30) days, that the award is accepted. If such recipient fails to do so, the award is thereby forfeited and the same shall be offered to the next alternate.

- (c) Award recipients must agree that the recipient will work on Guam for a period of one (1) year for each academic year the award was received within six (6) months following the completion or termination of the course of studies for which the award was granted; provided, that *if* the recipient continues as a full-time student at a graduate or professional school, such recipient may defer work on Guam until such additional studies are completed.

Awards granted on or subsequent to the effective date of this Section shall be cancelled if a recipient:

- (1.) fails to maintain a cumulative grade point average of 2.5 or its equivalent, *except* a recipient may be allowed one (1) academic term to regain this average without cancellation of the award, *or*
- (2.) fails to meet the academic and/or other requirements governing full-time students at the University of Guam, *except* a recipient shall be allowed

one (1) academic term in which to regain full-time student status before cancellation of such recipient's award.

Section 15A302. Benefits.

Students entitled to merit awards pursuant to this Article shall receive the following benefits:

(a) Tuition to Attend School.

Tuition and fees for each academic year to be paid by the Student Financial Assistance Fund for a period of *not more than* four (4) years in an undergraduate program at the University of Guam. For awards granted under §15A101(2) of this Article, students shall receive an additional two (2) years of tuition and fees for a graduate degree upon successful completion of undergraduate studies and admission requirements for graduate school.

(b) Stipend.

Award recipients are entitled to a monthly stipend to be disbursed in nine (9) monthly installments during the academic year, as follows: (i) fifty-nine (59) or fewer semester hours completed: Three Hundred Dollars (\$300.00) per month; (ii) sixty (60) and over semester hours to graduation: Five Hundred Dollars (\$500.00) per month. For graduate students, Six Hundred Dollars (\$600.00) per month to be disbursed in nine (9) monthly installments during the academic year.

(c) Allowance for Textbooks.

Each student receiving an award under the Article shall be entitled to an additional Two-hundred Fifty Dollars (\$250.00) per semester for textbooks to be disbursed *prior to* the first day that classes begin.

(d) Optional Inter-Session Allowed.

(1) Summer.

Each student shall be entitled to tuition, fees and textbooks for inter-session courses on a full-time basis. The maximum amount for textbooks is One Hundred Dollars (\$100.00). Students attending inter-session as provided herein shall be entitled to one (1) additional month's stipend, as defined in §15A302(b) of this Article, for each inter-session cycle attended in the summer only.

(2) Between Fall and Spring Semesters.

Each student shall be entitled to tuition, fees and textbooks for inter-session courses on a full-time basis. The maximum amount for textbooks is One Hundred Dollars (\$100.00). Students attending inter-session between the Fall and Spring Semesters shall *not* be entitled to an additional stipend.

(e) For those authorized to attend school off-Island as provided for herein, the amount of assistance shall *not* exceed the amount of assistance for a student attending school at the University of Guam.

Section 15A303. Service Credit.

The financial assistance granted under this Article shall be repaid on a one-to-one basis for each year that assistance was provided through employment on Guam or in the office of Guam's Delegate to Congress. In the event that any portion of the assistance is *not* repaid through service credit, the amount unpaid in service credit shall become due and payable.

(a) In calculating the amount due and payable for failure to repay through service credit, the amount due shall be the total amount of assistance minus the number of years repaid through service credit. For purposes of this Section, a year of service credit is twelve (12) months. The Board of Regents may also extend payment of cash repayment, via a promissory note, for a term *not to exceed* ten (10) years at an annual percentage rate of

- not less than* ten percent (10%). No amounts shall be considered due and payable during the time in which the awardee is repaying service credit pursuant to the provisions herein.
- (b) The Board of Regents may grant deferrals of repayment through service for the following reasons:
- (1) pursuit of a graduate degree; *or*
 - (2) a family or medical emergency.
- (c) Any awardee granted an award pursuant to the provision of this Article must commence work on Guam within six (6) months following the completion of studies, *unless* as extended by the Board for extenuating circumstances; or will be in default as of the date classes ended. The permanent transfer to an off-Island office or branch of a Guam employer shall *not* count towards service credit and shall result in default on the date of transfer and interest shall begin on such date of default. Permanent transfers, for purposes of this Section, are those that are longer than six (6) months. The Board shall establish such policies prescribing the length and terms of repayment, the interest rate to be charged, the collection of delinquent accounts or in the event of default.
- (d) *If* any temporary leave of absence is expected to last longer than forty-five (45) days, the awardee shall inform the University of Guam of the length of time expected to be off-Island, the reason for such time off-Island and the address while off-Island. As long as the employee remains employed on Guam while off-Island temporarily, the employee shall receive service credit for such employment, during the time the employee is off-Island for the purposes described herein.
- (e) Death or total disability of the student shall terminate any obligations herein. Total disability for purposes of this Section is defined as any physiological or psychological condition that will prevent the awardee from obtaining or maintaining any form of gainful employment for a period of *not less than* three (3) years. The Board may defer repayment for temporary disability. Total disability requires the certification of two (2) physicians licensed to practice on Guam.

Section 15A304. Rules and Regulations.

The University of Guam shall develop appropriate rules and regulations for the administration of this Article.

Section 15A305. Applicability of this Article.

This Article shall apply only to awards made during the Academic Year 2000 - 2001 and thereafter.”

Section 2. Article 4A of Chapter 15, Division 3 of Title 17 of the Guam Code Annotated is hereby *added* to read as follows:

“Article 4A. Professional and Technical Awards.

(For School Years 2000 - 2001 and Thereafter.)

Section 15A401. Students Entitled to Awards.

Section 15A402. Benefits.

Section 15A403. Repayment of Benefits and Service Credit.

Section 15A404. Forfeiture of Awards.

Section 15A405. Rules and Regulations.

Section 15A406. Applicability of this Article.

Section 15A401. Students Entitled to Awards.

There are established professional and technical annual awards for graduate studies. On or before December 1st of each year, the Board shall conduct a public hearing to receive the opinion and recommendation of the community, and the Guam Occupational Information Coordinating Committee, or its equivalent, and may use findings of any other survey or study to determine those areas in which additional professional and technical skills are needed. From those hearings the Board shall establish a list of occupational priorities for Guam prior to considering applications for the awards. The number of awards and occupational priorities to be recommended shall be submitted to *I Liheslaturan Guåhan* no later than January 1st of each year.

Funds appropriated to provide professional and technical awards, and which are *not* totally expended, may be used in succeeding years so as to increase the number of annual awards. The awards provided in this Article are subject to the following limitations:

- (a) the applicant must be a *bona fide* resident of Guam for a continuous period of *not less than* ten (10) years prior to application, and a United States citizen, or a permanent resident alien, and must have achieved an overall grade point average of 3.00 in undergraduate studies *if* pursuing a master's degree, or 3.33 in a master's degree program *if* pursuing a doctoral degree, or an irrevocable letter of acceptance from a U.S. accredited professional school, as recognized by the Council on Post Secondary Accreditation ('COPA');
- (b) the applicant must agree to the repayment terms as specified in §§15A403 and 15A404;
- (c) the applicant must present to the Board prior to granting of the award satisfactory proof that such applicant has been accepted by a U.S. accredited college or university as recognized by COPA, as a full-time student to pursue a program of study in the field applied for; *and*
- (d) the colleges or universities must be properly accredited as recognized by COPA and must be approved by the Board; provided, however, that no award shall be granted for studies at an off-Island institution in a program that is available at the University of Guam.

The Board shall select the recipients of the awards upon the basis of scholastic ability, financial need and aptitude. The Board may also use work or life-time experience and achievement criteria in place of the aptitude criteria *if* because of such experience, it can be reasonably determined that the applicant will succeed in a course of study funded by an award herein.

In determining financial need the applicant must submit a Student Aid Report ('SAR') which results from the completion of a Free Application for Federal Student Aid ('FAFSA') as documentary evidence of need.

No benefits as specified in §15A402 shall be continued beyond the number of years normally required to complete studies in the specific academic degree program for which the award was granted, *except* under exceptional circumstances as determined by the Board.

Section 15A402. Benefits.

Students entitled to awards pursuant to this Article shall receive the following benefits:

- (a) payment of tuition and fees;
- (b) an annual grant loan of *not more than* Ten Thousand Dollars (\$10,000.00) per year to be used for room and board, books and educational supplies, to be disbursed in accordance with regulations adopted by the Board, such grant loans to be non-interest bearing, *except* as to unpaid delinquent amounts; *and*

- (c) cost of airfare for economy airline tickets; one (1) ticket to the school of attendance and one (1) ticket to return to Guam upon completion of studies.

Total for items (a) and (b) of this Section shall *not* exceed Twenty Thousand Dollars (\$20,000.00) per year, *unless* the course of study is in the area of medicine or dentistry. *If* the course of study is in medicine or dentistry, the total for items (a) and (b) of this Section shall *not* exceed Twenty-five Thousand Dollars (\$25,000.00) per year.

Section 15A403. Repayment of Benefits and Service Credit.

The financial assistance granted under this Article shall be repaid on a two-to-one (2:1) basis for each year that assistance was provided through employment on Guam or in the office of Guam's Delegate to Congress. In the event that any portion of the assistance is *not* repaid through service credit, the amount unpaid in service credit shall become due and payable.

- (a) Every student granted an award pursuant to this Article shall execute a promissory note agreeing to repay said loan over a period to be determined by the Board, but *not* in excess of ten (10) years from the contemplated date of the termination or the completion of the course of studies for which the award was approved. The amount of the note shall be left blank until the completion of studies, in which the amount of the note will be the total monetary amount of assistance provided by the award. Said promissory note shall be non-interest bearing, *except* as to amounts unpaid by service credit that are due and payable under the note, which shall be subject to interest at the annual rate of ten percent (10%). No amounts shall be considered due and payable during the time in which the awardee is repaying service credit pursuant to the provisions herein.
- (b) Any student granted an award pursuant to this Article shall receive service credit against amounts due under the promissory note as follows:
 - (1) The amount of the note shall be the total amount of assistance provided. Service credit shall be applied in against the note in monthly installments.
 - (2) The number of monthly installments to be paid shall be based on the number of months for which assistance was provided times two (2).
 - (3) In the event of default, the balance due in monetary terms shall be the amount of assistance provided less the amount repaid through service credit. The amount repaid through service credit shall be the total amount of assistance provided divided by the number of installments of service credit due as calculated in Item (2) of this Paragraph times the number of installments paid through service credit.
- (c) Any awardee granted an award pursuant to the provision of this Article must commence work on Guam within six (6) months following the completion of studies, *unless* as extended by the Board for extenuating circumstances, or will be in default as of the date classes ended. The permanent transfer to an off-Island office or branch of a Guam employer shall *not* count towards service credit and shall result in default on the date of transfer and interest shall begin on such date of default. Permanent transfers, for purposes of this Section, are those that are longer than six (6) months. The Board shall establish such policies prescribing the length and terms of repayment, the interest rate to be charged, the collection of delinquent accounts or in the event of default.
- (d) *If* any temporary leave of absence is expected to last longer than forty-five (45) days, the awardee shall inform the University of Guam of the length of time expected to be off-Island, the reason for such time off-Island and the address while off-Island. As long as the employee remains employed on Guam while off-Island temporarily, the employee shall receive service credit for such employment, during the time the employee is off-Island for the purposes described herein.

- (e) Death or total disability of the student shall terminate any obligations on the note. Total disability for purposes of this Section is defined as any physiological or psychological condition that will prevent the student from obtaining or maintaining any form of gainful employment for a period of *not less than* three (3) years. The Board may defer repayment for temporary disability. Total disability requires the certification of two (2) physicians licensed to practice in the United States.
- (f) In the event a student forfeits an award as defined in §15A404, no service credit shall be granted and repaid according to the provisions herein for those years in which assistance was provided and all awards plus interest shall be repaid according to the provisions herein.

The Board of Regents may grant deferrals of repayment through service in cases where family or medical emergency arises.

Section 15A404. Forfeiture of Awards.

Expulsion from a school or institution attended, or suspension for a period of the same or greater than one (1) academic semester, or its equivalent, in such school or institution, or failure to complete the program for which the award was granted, or failure to comply with the regulations of the Board, shall result in a forfeiture of the award provided by this Article. For purposes of this Article, a person shall be considered to have completed the course of studies upon the event or events of forfeiture as provided in this Section.

Section 15A405. Rules and Regulations.

The Board of Regents shall develop rules and regulations pursuant to the Administrative Adjudication Law for the administration of the program enacted by this Article. In addition to the administration of the program, such Rules and Regulations shall include provisions for:

- (1.) conditions for continuance of an Award;
- (2.) construction of applicable promissory notes;
- (3.) time frames for the completion of program studies; *and*
- (4.) provisions for the temporary suspension of completion of a degree program or repayment of awards for cases beyond the control of the scholarship recipient such as personal illness or death or illness of a family member.

Section 15A406. Applicability of this Article.

This Article shall apply only to awards made during the academic year 2000 - 2001 and thereafter.”

Section 3. Section 15303 is hereby *added* to Article 3 of Chapter 15, Division 3 of Title 17 of the Guam Code Annotated to read as follows:

“Section 15303. Applicability of this Article.

Awards granted under the provisions of this Article apply to awards made during and prior to the School Year 1999 - 2000. Awards granted after School Year 1999 - 2000 shall be made pursuant to the provisions of Article 3A of this Chapter.”

Section 4. Section 15407 is hereby *added* to Article 4 of Chapter 15, Division 3 of Title 17 of the Guam Code Annotated to read as follows:

“Section 15407. Applicability of this Article.

Awards granted under the provisions of this Article apply to awards made during and prior to the School Year 1999 - 2000. Awards granted after School Year 1999 - 2000 shall be made pursuant to the provisions of Article 4A of this Chapter.”

Section 5. Section 15707 is hereby *added* to Article 7 of Chapter 15, Division 3 of Title 17 of the Guam Code Annotated to read as follows:

“Section 15707. Sunset Provision of Fellowships Under This Article.

No new Fellowships shall be awarded under the provisions of this Article after the School Year 1999 - 2000. Doctoral scholarships shall be awarded pursuant to the Professional and Technical Awards provisions under Article 4A of this Chapter.”